MEETING OF THE PEQUOT LAKES CITY COUNCIL
TUESDAY, JUNE 4, 2019
PEQUOT LAKES CITY HALL

Members Present: Mayor Pro-Tem Seils, Council Members Swanson and Akerson

Members Absent: Mayor Tayloe and Council Member Pederson

Staff Present: Nancy Malecha, City Administrator; Angie Duus, City Clerk/Treasurer; Tom Nelson, Fire Chief; Eric Klang, Police Chief; Chad Turcotte, Police Sergeant; Jason Gorr, Public Works Director; Lance Ray, Maintenance Worker; and Tim Houle, City Engineer

1. Call Meeting to Order

Mayor Pro-Tem Seils called the meeting of the Pequot Lakes City Council to order at 6:30 p.m.

1.1. Pledge of Allegiance

Mayor Pro-Tem Seils led with the Pledge of Allegiance.

2. Consider Agenda

COUNCIL MEMBER AKERSON MOVED TO APPROVE THE AGENDA AS PRESENTED. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 3-0.

3. Consent Agenda

COUNCIL MEMBER SWANSON MOVED TO APPROVE THE CONSENT AGENDA AS FOLLOWS:

3.1. MAY 7, 2019 CITY COUNCIL MEETING MINUTES.
3.2. CHECK REGISTER FROM MAY 8, 2019 TO JUNE 4, 2019.
3.3. FINANCIAL REPORT ENDING APRIL 30, 2019.
3.4. NO LIBRARY REPORT WAS RECEIVED.
3.5. RESOLUTION 19-16 ACCEPTING CONTRIBUTIONS FROM APRIL 29, 2019 THROUGH MAY 24, 2019.
3.6. TOBACCO LICENSE RENEWALS.
3.7 LIQUOR LICENSE RENEWALS.
3.8 UTILITY SERVICE CREDIT FOR THE PEQUOT LAKES SCHOOL GARAGE.
3.9 SPECIAL EVENT PERMIT FOR THE RACE FOR A CURE EVENT.

COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 3-0.

4. Open Forum

Andrew Ellering, 4423 East Woodman Street, Pequot Lakes, addressed the Council. Mr. Ellering noted the City plows Jack Schmidt's Barber Shop parking lot because it is part of City property but during downtown events thIS parking lot is blocked off by Mr. Schmidt. Mr. Ellering questioned if the parking lot should be considered public parking. The Council directed Nancy Malecha to contact Jack Schmidt regarding this.

Maury Graham, 5988 North Sluetter Road, Pequot Lakes, addressed the Council. Mr. Graham stated his major annoyance on North Sluetter Road is the dust and since this Road appears to be on the calendar for possible paving in the future he would like to ask the Council to consider more frequent applications of calcium chloride until the road is paved. He stated that calcium chloride applications have been applied over the years and contracted through Cass County and Loon Lake Township. Mr. Graham stated calcium chloride is a great benefit, but its life span is approximately 6 weeks which is not as long as the season. He questioned if the City would engage with Cass County to get access to this chemical so the gravel roads within the City of Pequot Lakes can be adequately treated until these roads are paved.

Jason Gorr stated he can look into costs, environmental risks, and provide details to the Council.

Council Member Akerson stated the City has a contract with Loon Lake Township and he is not sure how to change the contract. Mr. Graham stated Loon Lake Township does not have any taxpayers in this area but Pequot Lakes does and contracts are renewed every year.

The Council directed Jason Gorr to look into calcium chloride applications for North Sluetter Road.

5. Presentations

5.1. Audit Presentation

Ryan Schmidt with Schlenner Wenner Company reviewed the 2018 Audit Report with the Council and explained the audit process. Mr. Schmidt stated the audit went well, City practices and processes are standard, and the City is in good financial condition.

COUNCIL MEMBER SWANSON MOVED TO APPROVE THE CITY'S 2018 AUDIT REPORT. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 3-0.

6. Planning and Zoning

6.1. Planning Commission Report

The May 29, 2019 Planning Commission Report, May 16, 2019 draft Planning Commission minutes, and May 10, 2019 draft Preserve Golf Course Environmental Advisory Committee minutes were received by Council.

7. Fire

The April 2019 Fire Department Operations Report and April 24, 2019 Fire Board Meeting minutes were received by Council.

7.1 Fire Relief Benefit Level Increase

Fire Chief Nelson requested the Council ratify the benefit level increase for the Fire Relief Association from $4,250 per year of service to $4,700 per year of service. He stated the Relief Association has a high fund balance and they want to achieve the most benefit for their members while maintaining an adequate balance in the fund.

Council Member Akerson questioned if there is currently enough money in the fund. Mr. Nelson stated there is a surplus of $326,000 and the normal operating cost for a year is approximately $104,000. He noted the Relief Association would like the surplus to maintain at least 10% level which is approximately two years of operating costs.

Nancy Malecha clarified that on the second page of the SC-18 Form the required contributions amount should always be zero and if there is a number projected this means the City is responsible for paying that amount to the Fire Relief Association. Ms. Malecha stated the Relief Association Board does a good job of managing and tracking this and she further clarified the maximum lump benefit amount of $8,100 which cannot be exceeded.

COUNCIL MEMBER AKERSON MOVED TO RATIFY THE BENEFIT LEVEL INCREASE FOR THE FIRE RELIEF ASSOCIATION FROM $4,250 TO $4,700 PER YEAR OF SERVICE. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 3-0.

8. Police

The April 2019 Police Department Monthly Report was received by Council.

8.1. Prosecuting Attorney Agreement

Sergeant Turcotte explained that City prosecuting attorney Matt Mallie was appointed as District Court Judge in the 9th Judicial District and can no longer fulfill his duties as prosecuting attorney. Severson Porter Law has taken over this responsibility with other municipalities and they have agreed to do so for the City of Pequot Lakes for the remainder of 2019.

COUNCIL MEMBER SWANSON MOVED TO APPROVE THE LAW FIRM NAME CHANGE AMENDMENT TO THE 2019 PROSECUTION ARGEEMENT BETWEEN THE CITY OF PEQUOT LAKES AND SEVERSON PORTER LAW. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 3-0.

9. Public Works Report

The May 2019 Public Works Report was received by Council.

9.1 Fire Hydrants Policy

Jason Gorr provided the Council with an update on the discussion he had with Jack Schmidt, who previously expressed concern with the City's fire hydrants policy. Mr. Gorr explained to Mr. Schmidt their snowplowing priorities with street removal first, then snow pile removal, and then they clear other areas as needed. Mr. Gorr stated that a slight modification of the current policy will be provided to the Council in the coming months.

9.2. Maintenance Worker's Probationary Period

Jason Gorr informed the Council that Dalton Engholm was hired as the City's Maintenance Worker on November 15, 2018, his six month performance review was completed on May 9, 2019, and Mr. Engholm has successfully completed his six-month probationary period.

COUNCIL MEMBER AKERSON ACKNOWLEDGED DALTON ENGHOLM'S SUCCESSFUL COMPLETION OF HIS SIX-MONTH PROBATIONARY PERIOD AS MAINTENACE WORKER. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 3-0.

9.3. Staffing Needs Discussion

Jason Gorr expressed the need for an additional full-time staff member due to extensive and steadily increasing streets, parks, building maintenance, cemetery and snow removal requirements. He stated another worker would enable the Public Works Department to complete duties in a safer and timelier fashion. Mr. Gorr provided the Council with a breakdown of common roles, comments, and a comparison with neighboring communities. He stated that safety is his first concern because on some assignments 3-4 employees should be available to watch and control traffic on busy streets. Mr. Gorr also noted that this past winter season Sergeant Turcotte helped with snow plowing duties which highlighted a definite need in this area as well.

Mayor Pro-Tem Seils stated that Council Member Pederson requested the Council wait until he and Mayor Tayloe are present to make a decision.

Mr. Gorr stated the Public Works Department could add an employee in 2019 and stay within their budget as there is approximately $26,000 in their 2019 budget for the hiring of an employee.

Council discussion ensued about part-time employees, outsourcing, and upcoming projects. A consensus of the Council agreed to place this item on the July 2nd City Council agenda for further discussion.

9.4. Road Improvement Plan

Jason Gorr presented a draft Road Improvement Plan to the Council. Mr. Gorr stated the analysis took into consideration previous Council discussions, business locations, taxpayer dollars, and pavement conditions when scoring the roads. He indicated that highlighted columns represent items that met the highest score possible which means the worst pavement condition.

Council discussion ensued regarding determination of scores; first priority roads consisting of Rasmussen Road, South Washington Avenue, and First Street; aging infrastructure; second priority roads of Wild Acres Road, Nelson Road, and Akerson Road; and potential cooperative agreements with the County.

Council Member Swanson stated she would like to see analysis on how these improvements will be financed. Nancy Malecha explained that a consensus of the Council is needed to proceed with the first and second priority roads as presented so she can begin working on the financial analysis component.

A consensus of the Council agreed with the road priorities as presented and directed staff to proceed with the financial analysis process.

9.5. Traffic Study Update

Tim Houle explained that video collection occurred between Mother's Day and Memorial Day and was great for a physical vehicle count and other various forms of transportation. He stated the data will be put into an existing conditions memo which is on track to be delivered by June 7, 2019. Mr. Houle stated the first meeting will be held with the Traffic Study Review Team on June 17, 2019 and he requested a Council Member be a part of this Team.

Mayor Pro-Tem Seils volunteered to serve on the Traffic Study Review Team.

9.6. Trailside Park Project

9.6.A. Design & Financial Update

Nancy Malecha stated that she, Dan Ronning, Jason Gorr, and Tim Houle met on two occasions to discuss the flag display design in Trailside Park. They proposed the flags be erected on both sides of Main Street with a 10 foot grassy boulevard, then a row of flags, a walking path, and then another row of flags. Ms.

Malecha stated they would like the Minnesota flag and United States flag to stand out so a bump out will be designed in the middle of the display for this purpose.

Council discussion ensued regarding design, donations, and ongoing maintenance costs for this project. Jason Gorr noted an estimated cost of $7,500-$9,500 per year will be needed to maintain the flags and ropes.

Council Member Akerson stated he does not agree with the flag display project due to the ongoing maintenance costs for the City.

Ms. Malecha requested Council direction to proceed with this design and then she can reach out to the flag vendors for updated quotes. A consensus of the Council agreed with the flag display design as presented. Council Member Akerson disagreed.

Ms. Malecha explained the outstanding expenditures balance in the amount of $153,662.23 in the Capital Improvement Fund relating to the Trailside Park Master Plan Project for 2017-2019. She stated the majority of the expenditures relate to the landscape architect and engineering services that were utilized for this Project. Ms. Malecha noted that previous discussions at the City Council level had alluded to the issuance of a debt service bond for this Project which would have included these expenditures; however, she is uncertain as to the current Council's intent to reimburse this Fund since the original Trail Park Master Plan Project has been modified. She further noted that this outstanding expenditures balance will be considered while preparing the City's 2020 preliminary budget.

9.6.B. Landscape Design Service Proposal

Tim Houle explained the Council requested a proposal from Widseth Smith Nolting (WSN) for landscape design services for Trailside Park; however, he is not sure what services the City would like proposed. He noted that after flag display quotes are received the City may not need their services and splash pad planning is in the early stages and he is unsure what further landscaping design services the City may need. Mr. Houle recommended the City not expend any more funds on a proposal until there is a clearer consensus on the improvements.

10. Administration

The following items were received by Council.

- May 9, 2019 draft Park Commission minutes
- May 21, 2019 draft EDC minutes
- May 21, 2019 HRA minutes

10.1. Shared Communications Manager Position

Nancy Malecha explained a shared communications manager position was created by the City, School, and Chamber to help develop a comprehensive plan for marketing the business community, school district, and City and was responsible for completion of several community projects. With the recent resignation of Emily Skelton in this position, it was the consensus of Chris Lindholm, Matt Kilian, Katie Wassermann, and Nancy Malecha to discontinue this position as the Chamber will continue to facilitate many of the duties of the position.

Ms. Malecha further explained the Pequot Lakes Chamber has $2,776.87 in marketing funds remaining from the City for this position. She recommended the Council designate these funds to the Chamber for the future painting of the iconic bobber water tower in 2021.

COUNCIL MEMBER SWANSON MOVED TO ALLOW THE PEQUOT LAKES CHAMBER RETAIN $2,776.87 FROM THE CITY TO BE DESIGNATED FOR THE FUTURE PAINTING OF THE ICONIC BOBBER WATER TOWER IN 2021. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 3-0.

10.2. Heart of the Good Life Development Marketing Strategy

Ms. Malecha informed the Council that the Economic Development Commission has been working on a marketing strategy for the Heart of the Good Life Development and at their last meeting they recommended the City proceed with a flag display strategy for visual marketing to passing motorists. The EDC would like the City to erect six flags, at a height not to exceed 15 feet, and at a cost not to exceed $2,000 to be paid from the 2019 Economic Development budgetary funds designated for the shared communications manager position. Ms. Malecha stated a conditional use permit application will be reviewed by the Planning Commission at their meeting held on June 20th.

COUNCIL MEMBER SWANSON APPROVED THE FLAG DISPLAY MARKETING STRATEGY FOR THE HEART OF THE GOOD LIFE DEVELOPMENT AS PRESENTED TO BE PAID FROM THE 2019 GENERAL FUND – ECONOMIC DEVELOPMENT BUDGET AT A COST NOT TO EXCEED $2,000. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 2-1. COUNCIL MEMBER AKERSON OPPOSED.

10.3. Pequot Lakes Business Cut-Out Contract

Nancy Malecha stated Community Action of Pequot Lakes is sponsoring a 2019 Pequot Lakes Business Cut-Out advertising promotion. Pequot Lakes businesses can participate for a cost of $300 to have a selfie cut-out placed at their respective business. This cut-out will be designed, constructed, and set-up by Faith Boost of Pequot Lakes and the Pequot Lakes High School art students. The ultimate ownership and maintenance of the cut-out will become the responsibility of the business.

Ms. Malecha questioned if the Council would like the City to participate in this promotion by placing a selfie cut-out at City Hall to be paid from the 2019 General Fund – Economic Development budget. The Public Works and Planning & Zoning Departments have no issues with this request.

Council discussion ensued regarding the location of the cut-out and promotional incentives that will be advertised.

COUNCIL MEMBER SWANSON MOVED TO APPROVE THE PEQUOT LAKES CUT-OUT CONTRACT WITH COMMUNITY ACTION OF PEQUOT LAKES AT A COST OF $300 BE PAID FROM 2019 GENERAL FUND – ECONOMIC DEVELOPMENT BUDGET AND PLACED AT CITY HALL. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION FAILED 0-3.

COUNCIL MEMBER SWANSON MOVED TO APPROVE THE PEQUOT LAKES CUT-OUT CONTRACT WITH COMMUNITY ACTION OF PEQUOT LAKES AT A COST OF $300 BE PAID FROM 2019 GENERAL FUND – ECONOMIC DEVELOPMENT BUDGET AND PLACED IN THE NORTHERLY SECTION OF TRAILSIDE PARK. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 3-0

11. Other Business

There was no other business.

12. Adjournment

There being no further business, **COUNCIL MEMBER AKERSON MOVED TO ADJOURN. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 3-0.**

The meeting of the City Council adjourned at 8:21 p.m.

Respectfully submitted,

Angie Duus
City Clerk/Treasurer

Cheri Seils
Mayor Pro-Tem