

**MEETING OF THE PEQUOT LAKES CITY COUNCIL  
TUESDAY, AUGUST 4, 2020  
PEQUOT LAKES CITY HALL**

Members Present: Mayor Pro-Tem Seils and Council Member Pederson attended in person. Council Members Akerson and Swanson attended virtually via Zoom.

Members Absent: Mayor Tayloe

Staff Present: Angie Duus, City Clerk/Treasurer and Jennifer Peterson, Administrative Assistant; Eric Klang, Police Chief; Tim Houle, City Engineer; Jason Gorr, Public Works Director; and Dawn Bittner, Zoning Specialist attended in person.

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

Angie Duus requested to add 3.6 Special Event Permits to the consent agenda.

Mayor Pro-Tem Seils requested to add 10.5E Temporary Council Assignments.

**COUNCIL MEMBER SWANSON MOVED TO APPROVE THE AGENDA AS AMENDED. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

3. Consent Agenda

Angie Duus informed the Council that Lucky's Tavern submitted a special event permit application and a liquor license for temporary expansion of premises license for the August 22, 2020 Wiener Palooza event from 5:00 p.m. to 11:00 p.m. in Lucky Tavern's parking lot. She also informed the Council that Brooks Reynolds submitted a special event permit application for the August 29, 2019 Paul's Bacon Ride event in Trailside Park.

Council Member Pederson inquired about the purchase of the 2020 Ford F350 for the Public Works Department. Jason Gorr stated that it was a purchase that was approved in the 2020 budget.

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

**3.1. JULY 7, 2020 REGULAR CITY COUNCIL MEETING MINUTES.**

- 3.2. CHECK REGISTER FROM JULY 8, 2020 TO AUGUST 4, 2020.
- 3.3. FINANCIAL REPORT ENDING JUNE 30, 2020.
- 3.4. LIBRARY REPORT FOR JULY 2020.
- 3.5. RESOLUTION 20-28 ACCEPTING CONTRIBUTIONS FROM JUNE 26, 2020 THROUGH JULY 28, 2020.
- 3.6. SPECIAL EVENT PERMITS.

**COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

4. Open Forum

No one appeared under open forum.

5. Presentations

6. Planning and Zoning

6.1. Planning Commission Report

The July 28, 2020 Planning Commission Report and July 16, 2020 draft Planning Commission minutes were received by Council.

6.2. Rezone Request

Dawn Bittner stated the Planning Commission unanimously recommends to rezone an 87.3 acre tract of land from Public and Agriculture to Patriot Development. The following parcels make up this 87.3 acre tract:

- City of Pequot Lakes, property owner, Parcel Identification Numbers: 29230520 and 29230528, to rezone from Public to Patriot Development.
- City of Pequot Lakes, property owner, Parcel Identification Number: 29230514, to rezone from Agriculture to Patriot Development.

Ms. Bittner explained the subject property contains the Pequot Lakes Public Works Facility and is accessed via Derksen Road. She stated the subject property is adjacent to property zoned Commercial and Light Industrial to the north. She stated the property is bounded on the east and south by Highway 371 and on the west by the Paul Bunyan State Trail.

Council Member Swanson inquired about how the rezone effects the tax base. Ms. Bittner stated the property needs to be rezoned in order for the parcels to be sold and taxable.

**COUNCIL MEMBER SWANSON MOVED TO APPROVE ZONING ORDINANCE 20-06 AMENDING THE OFFICIAL ZONING MAP FOR THE CITY OF PEQUOT LAKES COUNTY OF CROW WING STATE OF MINNESOTA.**

**COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

**COUNCIL MEMBER PEDERSON MOVED TO AUTHORIZE THE SUMMARY PUBLICATION OF ORDINANCE 20-06. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

6.2. Preliminary Plat of Heart of the Good Life

Ms. Bittner stated the City of Pequot Lakes is proposing to subdivide property south of Derksen Road into 2 commercial lots and 1 outlot. She stated the property is currently zoned "Public" and "Agriculture", although applicant proposes to rezone the subject property to the Patriot Development zoning classification.

She said the subject property contains the Pequot Lakes Public Works Facility and it is adjacent to public sewer and water. Ms. Bittner stated the adjacent properties located to the north of subject property are zoned Commercial and Light Industrial. She also stated the subject property is bounded on the east and south by State Highway 371 and on the west by the Paul Bunyan Trail.

**COUNCIL MEMBER PEDERSON MOVED TO APPROVE THE PRELIMINARY PLAT OF HEART OF THE GOOD LIFE DEVELOPMENT BASED ON THE FOURTEEN FINDINGS OF FACT. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

7. Fire

The June 2020 Fire Department Operations Report was received by Council.

8. Police

The June 2020 Police Department Monthly Report was received by Council.

9. Public Works Report

The July 2020 Public Works Report was received by Council

9.1. Rasmussen Road & South Washington Avenue Improvement Project

9.1.A. Certificate of Substantial Completion

Tim Houle stated the Construction Contract calls for setting the Date of Substantial Completion and a punch list walk-through.

Included is the Certificate of Substantial Completion setting the date as July 2nd, 2020. This conforms to the agreed upon Contract Times.

Also included is the punch list from the July 9th walk-through by construction Contractor, RL Larson, City staff, and Widseth personnel. Several of these items have been addressed since that time.

We are anticipating punch list items will be completed by around mid-August.

Regarding punch list or other project items, like we have worked out with the Staff, we request that if you receive questions or comments, please forward them to us. If there is an issue that is part of the Contract's scope of work, per the Contract, there is a procedure to notify the Contractor.

We have already received a couple of comments, and we have called those people to do our best to address and explain the situation or concern.

Mr. Houle stated we have one outstanding easement/land description. The City Attorney has been contacted and there are 3 methods of establishing the easement.

Council Member Akerson inquired about how many items on the punch list has been completed. Mr. Houle did say that he is looking into the completion of the punch list. Mr. Houle stated that the Council is not approving the punch list, that motion will be in September.

**COUNCIL MEMBER SWANSON MOVED TO ACKNOWLEDGE THE CERTIFICATE OF SUBSTANTIAL COMPLETION. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

9.1.B. Change Order

Change Order No. 5 involves the construction of sidewalk ramps, steps, a handrail, and delineator posts in the southeast corner of Main Street and South Washington Avenue related to meeting American's with Disabilities Act (ADA) access, longitudinal slopes, and cross slopes.

We believed we had many of these items addressed in the design, but, when dealing with ADA, it does come down to fractions of inches and hundredths of a percent in slopes. Most of the items were addressed by Contract unit price items, but there are a few new items within this Change Order.

**COUNCIL MEMBER AKERSON MOVED TO APPROVE CHANGE ORDER NO. 5 ADJUSTING THE CONTRACT AMOUNT BY \$7,705. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

9.1.C Partial Payment Estimate

The Construction Contract calls for payments to the Contractor, RL Larson Excavating, on a monthly basis. This Project is a unit price job where the Contractor provided unit prices for estimated quantities for different items of work. RL Larson Excavating has submitted quantities for the work performed in this Partial Payment Estimate (PPE) Number 4, which we have verified.

All PPEs, per the Contract, include 5% retainage held back by the City until Substantial Completion. At that point, the Contract calls for releasing some of the retainage based on the completion of punch list / remaining items. Accordingly, this PPE No. 4 releases some of the retainage (50%), but keeps \$75,000.

At the writing of this memo (July 28th), RL Larson Excavating has completed the majority of the work. But, there are several punch list and quantity line items yet to be calculated and paid for. We anticipate this will occur at your September meeting.

This PPE No. 4 brings the Amount of Work to-date versus the Contract Amount to 98% – i.e. this does not always happen on unit price projects, but, still under budget.

**COUNCIL MEMBER PEDERSON MOVED TO APPROVE PARTIAL PAYMENT ESTIMATE NUMBER 4 TO RL LARSON EXCAVATING INC. IN THE AMOUNT OF \$152,309.50. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

9.2. South Sluetter Road Quit Claim Deed/Donation

In 2017, Tom Peterson, on behalf of Gary and Jaculin Peterson, approached the City stating his parents receive real estate tax statements for a portion of South Sluetter Road and requested being released from the taxes. He was advised ownership would need to be transferred to the City conveying title to the property in question for them to no longer be responsible to pay real estate taxes.

In 2019, Gary Peterson contacted the City after receiving a letter dated June 20, 2019, in which a third party offered to purchase a parcel of property described as Outlot B, Mayoville Estates, also known as part of South Sluetter Road. Mr. Peterson wondered if the City had an interest in purchasing Outlot B. The City reviewed ownership records of Outlot B and determined there may have been some miscommunication at the time of annexation between Sibley Township and the City as to what portions of South Sluetter Road were to be publicly maintained. Sibley Town Board passed a resolution in April of 1991 finding the northern ¼ mile (more or less) of South Sluetter Road was to be a duly-established township road. However, the portion of South Sluetter Road located on Outlot B was not a part of the road designated as a township road in 1991.

The City contacted Gary Peterson several times regarding his plan to either transfer ownership to the City or the City would cease maintenance of Outlot B.

Mr. Peterson has provided a Quit Claim Deed conveying ownership of Outlot B, Mayoville Estates, to the City.

The City Attorney has been consulted and advised Staff of the Quit Claim Deed process.

**COUNCIL MEMBER SWANSON MOVED TO ADOPT RESOLUTION 20-29 ACCEPTING THE DONATION OF OUTLOT B, MAYOVILLE ESTATES. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

9.3. Armed Services Flag Display

March 5, 2020 the City Council adopted Resolution 20-10 accepting the donation from the FM Area Foundation for a U. S. Armed Services flag display around the Veteran's Memorial in Trailside Park. The City received two quotes and the Park Commission unanimously recommends the Council accept the Falls Flag Source quote for \$11,040.00.

Falls Flag Source secured a third-party quote for a concrete strip around the flagpoles, approximately 2' wide X 20' long. The Park Commission unanimously recommends the Council accept the third-party quote for the concrete strip from Rickard and Sons for \$2,300.00.

**COUNCIL MEMBER AKERSON MOVED TO ACCEPT THE QUOTE FROM FALLS FLAG SOURCE FOR \$11,040 AND QUOTE FOR THE CONCRETE STRIP FROM RICKARD AND SONS FOR \$2,300. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

9.4. Maintenance Facility Final Payment

After some back-and-forth with the City Attorney and Boser Construction, Inc.'s (BCI's) - the construction Contractor's – attorney, there was agreement on BCI dropping their claim, the City dropping their liquidated damages claim, and executing the payment of the remainder of the original Contract Amount.

BCI has provided the close out paperwork per the construction Contract, along with a release of claims letter prepared by the City Attorney (signed by BCI and to be signed by the Mayor).

**COUNCIL MEMBER SWANSON MOVED TO ACCEPT THE FINAL PAYMENT TO BOSER CONSTRUCTION, INC IN THE AMOUNT OF \$31,912.99. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 4-0**

10. Administration

The following items were received by Council.

- July 9, 2020 draft Park Commission minutes
- July 21, 2020 draft EDC minutes
- July 21, 2020 HRA minutes

10.1. HRA Commission Appointment

Angie Duus stated that at the July 7<sup>th</sup> City Council Meeting, the Council tabled this item and requested that it be placed on the August 4<sup>th</sup> agenda for consideration.

**COUNCIL MEMBER AKERSON REMOVED THE APPOINTMENT OF THE HOUSING & REDEVELOPMENT AUTHORITY COMMISSIONER AGENDA ITEM FROM THE TABLE. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

**COUNCIL MEMBER AKERSON MOVED APPOINTMENT DEBORAH BOTHAM WITH A TERM EXPIRATION OF 12/31/2022 TO THE HOUSING & REDEVELOPMENT AUTHORITY COMMISSION. COUNCIL MEMBER SEILS SECONDED THE MOTION. ROLL CALL VOTE: AKERSON – NAY, SWANSON – AYE, PEDERSON – AYE, SEILS – AYE. MOTION CARRIED 3-0.**

10.2. CARES Act Funding Update

Angie Duus informed the Council that the City submitted the Coronavirus Relief Fund Certification Form on July 17, 2020 and received the CARES Act Funds on July 29, 2020 in the amount of \$176,748. She stated the department Heads will meet to discuss allocation of the funds. She also stated that City Staff will meet with Tyler Glynn from BLAEDC on Wednesday, August 5<sup>th</sup> to discuss proper use of the funds.

Discussion ensued regarding which items we are bringing to Mr. Glynn at the meeting. Ms. Duus stated that if the Council has any ideas to bring forth to any of the City staff. Ms. Duus also showed our listing of items.

10.3. Mississippi State Flag Removal Discussion

Angie Duus stated on June 28, 2020 Mississippi's legislature passed a bill to retire the current version of the flag and commission the design of a new one. She said the bill was signed into law by the state's governor on June 30 and the law called for the new design to include the words "In God We Trust" and prohibited the use of the Confederate Battle Flag. She said the new design is due to be completed in September and is to be put to a vote in November 2020. Ms. Duus said until a new flag design is approved by voters, Mississippi would not have an official flag.

Council directive on whether to wait for the Mississippi Governor's office direction for the flag or to remove the flag.

Council Member Akerson stated he would like to leave it up until the state of Mississippi has a new official flag. Council Member Swanson stated now that the flag has been removed because it was in disrepair, we should leave it down. Council Member Pederson said he doesn't agree with removing it until the new Mississippi flag is designed and decided on but because it is damaged we will now leave it down. Mr. Gorr stated all the flags were being replaced so the Mississippi flag has already been removed. Mayor Pro-Tem agreed that since it is damaged we will wait until we get a new flag. Consensus of the Council was to leave the flag down until the state of Mississippi replaces their flag.

10.4. Request to Change August 18<sup>th</sup> Special City Council Meeting to August 19

Angie Duus requested the Council change the Tuesday, August 18<sup>th</sup> Special City Council Meeting to Wednesday, August 19, 2020 at 5:30 p.m. to review the City's Capital Improvement Plan and 2021 Preliminary Budget.

**COUNCIL MEMBER SWANSON MOVED TO MOVE THE SPECIAL CITY COUNCIL MEETING FOR AUGUST 18, 2020 AT 5:30 P.M. TO REVIEW THE CITY'S CAPITAL IMPROVEMENT PLAN AND 2021 PRELIMINARY BUDGET TO AUGUST 19, 2020. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

10.5. City Administrator Search Update

Liza Donabauer from David Drown Associates presented a Community/Position Profile, Salary Range spreadsheet, City of Pequot Lakes City Administrator Job Description, and a Search Schedule from David Drown Associates.

Ms. Donabauer stated the job will be posted on August 5, 2020.

Council Member Pederson would like to have the top end range to be raised to ensure we can have more qualified/experienced applicants interested in the position. Council Member Pederson and Swanson would like to only look at individuals with City Administrator experience as a minimum qualification. Discussion ensued regarding the salary range and qualifications. Consensus was to amend the maximum salary to \$95,000 from \$87,634 and amend the minimum qualifications to two years City Administration experience.

Ms. Donabauer presented the schedule that was attached within the agenda packet. Discussion ensued regarding the selection of finalists special meeting date of October 5, 2020 and Interview dates of October 28 & 29, 2020. Consensus of the Council is to change the finalist selection meeting date to October 12, 2020 and keep the interview dates of October 28 & 29, 2020.

Council Member Swanson inquired where David Drown Associates would be advertising the position. Ms. Donabauer stated that she will send a comprehensive list of the multiple areas they will be utilizing to advertise for the position.

**COUNCIL MEMBER PEDERSON MOVED TO ACCEPT THE AMENDED CITY ADMINISTRATOR'S COMMUNITY/POSITION PROFILE, SALARY RANGE, CITY OF PEQUOT LAKES CITY ADMINISTRATOR JOB DESCRIPTION AND SEARCH SCHEDULE FROM DAVID DROWN ASSOCIATES. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

Mayor Pro-Tem Seils stated she and Council Member Pederson spoke with the City Clerk/Treasurer and Administrative Assistant regarding taking on the duties of the City Administrator until the City is able to hire the position. They stated they would take over the duties, however would like a temporary wage increase. Council Member Pederson stated areas of concern are personnel, legal affairs and supervising of department heads. He suggested possibly utilizing the Council Members to serve liaisons to each department. Discussion ensued regarding duties in City Hall and possible council liaisons to the different departments.

Angie Duus requested temporary wage increases for the City Clerk/Treasurer and Administrative Assistant retro to July 27, 2020.

**COUNCIL MEMBER SWANSON MOVED TO ACCEPT THE TEMPORARY WAGE INCREASES FOR THE CITY CLERK/TREASURER AND ADMINISTRATIVE ASSISTANT RETRO TO JULY 27, 2020. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

**COUNCIL MEMBER SWANSON MOVED TO TABLE THE TEMPORARY COUNCIL/LIAISON ASSIGNMENTS UNTIL THE SEPTEMBER 1, 2020 MEETING. COUNCIL MEMBER AKERSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

10.6. Change November Council Meeting Date

Angie Duus requested the Council change the November 3<sup>rd</sup> City Council Meeting Tuesday to November 10<sup>th</sup> at 6:30 p.m. based on the following information:

- November 3<sup>rd</sup> is General Election Day and no public meetings can be held between 6:00 p.m. and 8:00 p.m. on Election Day.
- The canvassing of election results needs to be accomplished at a City Council Meeting between November 6<sup>th</sup> and November 14<sup>th</sup>. November 11<sup>th</sup> is Veteran's Day and City cannot hold canvass on that day.

**COUNCIL MEMBER SWANSON MOVED TO CHANGE THE NOVEMBER 3<sup>RD</sup> CITY COUNCIL MEETING TO NOVEMBER 10<sup>TH</sup> AT 6:30 P.M. DUE TO THE**

**ELECTIONS BEING HELD ON NOVEMBER 3<sup>RD</sup>. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

11. Other Business

Mayor Pro-Tem Seils stated she and Council Member Pederson would like to have in person meetings at City Hall in the future. Council Member Swanson and Akerson both agreed. Consensus of the Council can start to meet in person starting in September.

12. Adjournment

There being no further business, **COUNCIL MEMBER AKERSON MOVED TO ADJOURN. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 4-0.**

The meeting of the City Council adjourned at 8:15 p.m.

Respectfully submitted,



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Jennifer Peterson  
Administrative Assistant



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Cheri Seils  
Mayor Pro-Tem