

**MEETING OF THE PEQUOT LAKES CITY COUNCIL  
TUESDAY, AUGUST 19, 2020  
PEQUOT LAKES CITY HALL**

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

**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; Andy Schwartz, PRASD; Jason Murray, David Drown Associates; Dawn Bittner, Zoning Specialist; and Pat Dullum and Robert Titter, Pequot Lakes HRA; attended in person.

1. Call Meeting to Order

Mayor Tayloe called the meeting of the Pequot Lakes City Council to order at 5:30 p.m.

1.1. Pledge of Allegiance

Mayor Tayloe led with the Pledge of Allegiance.

2. Consider Agenda

**COUNCIL MEMBER SEILS MOVED TO APPROVE THE AGENDA AS PRESENTED. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 5-0.**

3. Capital Financial Plan

Jason Murray from David Drown Associates presented the attached financial analysis for the City's capital financial plan. Mr. Murray explained the impact special assessments may have in managing the property tax rate.

Commissioner Pederson is concerned that the City of Pequot Lakes tax rate would increase if we assess projects and the current rate is still too high.

Tim Houle presented the Special Assessment Process and explained the benefits of implementing Special Assessments in future projects such as the ones listed in the Capital Financial Plan.

Commissioner Pederson asked Mr. Houle about the definition of a "new" project. Mr. Houle explained, for example, improve a gravel road by putting down pavement, however, the City can modify the definitions. Commissioner Pederson inquired if there is a way for a City to assess 100 percent to the residents. Mr. Houle stated that yes there are projects that can be assessed at 100 percent. Mr. Houle explained per state statute "you cannot special assess more than the benefit", however, the property owner and/or city may come to an agreement that

a project is beneficial and a percentage of the project be assessed based on property value.

Commissioner Swenson inquired if residential property and commercial property are assessed differently. Mr. Houle explained that it depends on the project as to how it can be specially assessed.

Commissioner Akerson inquired about the interest rate being charged at the beginning of the project. Mr. Houle explained the interest rate would stay the same from when the project is financed and/or special assessed.

4. 2021 Preliminary Budget Review

HRA member Pat Dullum presented the HRA budget. The Council had no questions for the HRA budget.

Ms. Bittner presented the Planning & Zoning budget. The Council had no questions for the Planning & Zoning budget.

Mr. Klang presented the Police Department budget. The Council had no questions for the Police budget.

Mr. Gorr presented the Roads & Streets, Parks, Cemetery, and Capital Improvement budgets. Commissioner Akerson inquired when the ADA doors will be installed. Ms. Duus stated the ADA doors are in the 2020 budget for the City Hall building and the Cole Memorial building ADA doors are budgeted in 2021. Commissioner Pederson inquired about the Akerson, Nelson, Wild Acres Road projects having a \$3,000,000 in the budget for the entire project. Mr. Houle explained that with the cooperative with Breezy Point, Ideal Township, Jenkins Township and Crow Wing County the project will be at a lesser number. Discussion ensued regarding this project. Mr. Gorr stated that there will be a better explanation of the total cost of the project at the September meeting.

Ms. Duus presented the Library budget. The Council had no questions for the Library budget.

Mr. Nelson presented the Fire Department budget. He presented a Capital Improvement Plan for the Fire Department. He stated that in the past the department had not planned ahead for replacing equipment. Mr. Nelson feels we need to increase our contract fees across all entities in order to offset the cost of the new equipment needs in the future.

Discussion ensued regarding possible cuts, levy and tax rates. Commissioner Pederson and Commissioner Akerson do not want to raise taxes for 2021 and would like to see cuts in the budget as the Council discussed in April – May 2020 meetings. Commissioners Swanson and Seils agree that the department heads have been diligent in budgeting in order to get the City to a good place in having the ability to replace equipment or make repairs when needed.

Chief Klang stated that he has had the same budget for the last 8 years and is frustrated with the council continuing to ask for cutting the budget. Mr. Gorr stated that he feels we are cutting as much as we can.

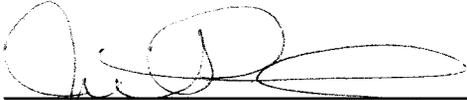
City staff was not given a specific directive from the City Council as to what is expected of them to bring to the September 1, 2020 meeting for further discussion.

5. Adjournment

There being no further business, **COUNCIL MEMBER SEILS MOVED TO ADJOURN. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 5-0.**

The meeting of the City Council adjourned at 7:32 p.m.

Respectfully submitted,



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Jennifer Peterson  
Administrative Assistant



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James Tayloe  
Mayor