

**MEETING OF THE PEQUOT LAKES CITY COUNCIL
TUESDAY, OCTOBER 1, 2019
PEQUOT LAKES CITY HALL**

Members Present: Mayor Tayloe, Council Members Pederson, Seils, and Swanson

Members Absent: Council Member Akerson

Staff Present: Nancy Malecha, City Administrator; Angie Duus, City Clerk/Treasurer; Jason Gorr, Public Works Director; and Tim Houle, City Engineer

1. Call Meeting to Order

Mayor Tayloe called the meeting of the Pequot Lakes City Council to order at 6:36 p.m.

1.1. Pledge of Allegiance

Mayor Tayloe led with the Pledge of Allegiance.

2. Consider Agenda

COUNCIL MEMBER PEDERSON MOVED TO APPROVE THE AGENDA AS PRESENTED. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.

3. Consent Agenda

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

- 3.1. **SEPTEMBER 3, 2019 CITY COUNCIL MEETING MINUTES.**
- 3.2. **CHECK REGISTER FROM SEPTEMBER 4, 2019 TO OCTOBER 1, 2019.**
- 3.3. **FINANCIAL REPORT ENDING AUGUST 31, 2019.**
- 3.4. **NO LIBRARY REPORT.**
- 3.5. **RESOLUTION 19-25 ACCEPTING CONTRIBUTIONS FROM AUGUST 24, 2019 THROUGH SEPTEMBER 23, 2019.**
- 3.6. **QUARTERLY UTILITY BILLING ADJUSTMENT REPORT.**
- 3.7. **LEGISLATOR OF DISTINCTION FOR 2019.**
- 3.8. **SPECIAL EVENT PERMITS FOR PEQUOT LAKES BUSINESSES TRICK OR TREAT AND SANTA'S BOBBIN INTO TOWN EVENTS.**

COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.

4. Open Forum

Tyler Gardner, owner of Pequot Lakes Sanitation, addressed the Council about losing the SCORE funding for recycling from Crow Wing County. Mr. Gardner stated that he has been talking to Nancy Malecha about curbside funding and what could possibly be done about the loss in funding. He stated that Ryan Simonson from the County reached out to him and was very apologetic on how it happened and not discussing it with anyone. Mr. Gardner asked if the City would be interested in sending a letter to the County Board to put the SCORE funding back into effect for the City.

Ms. Malecha stated that when she met with the County in May they had \$13,250 allotted for the City and in August we received an email that they are eliminating the City's SCORE funding. Ms. Malecha stated that Mr. Gardner attended the September 3rd Council meeting but there was not a clear direction on if Ms. Malecha should send a letter to the County Board on behalf of the City requesting they reinstate the funds for next year.

Mr. Gardner informed the Council of the cost to haulers for recycling and explained that the County was misinformed that they are charging for recycling.

Discussion ensued about rising disposal costs and recycling in the landfills. Mr. Gardner said they will continue to offer recycling but only because of competition. He said a larger company may be able to hold out with the loss from recycling funding but smaller companies will go out of business without the funding help with these costs.

Mayor Tayloe asked what the reason was of getting rid of the SCORE funding and Ms. Malecha stated because of budgetary reasons at the County level.

Mr. Gardner asked the County as well and it was because the County believed that the residents of Pequot and Nisswa are paying for recycling.

A consensus of the Council agreed to send a letter to the Crow Wing County Board of Commissioners requesting reconsideration of the 2020 SCORE funding.

5. Presentations

There were no presentations.

6. Planning and Zoning

6.1. Planning Commission Report

The September 25, 2019 Planning Commission Report was received by Council.

6.1. The Range Final Plat Resolution

Nancy Malecha presented the Final Plat for the Range where the applicants, Dan and Lauri Helbling, are proposing to subdivide property along Little Walnut Lane into 15 single family residential building sites and one commonly owned lodge or green space. She stated that the property is zoned "Rural Residential" and is located within the Residential-Golf Course Community Overlay District".

Ms. Malecha stated that the City Council approved the Preliminary Plat of The Range on May 7, 2019 and this application is the final step in the subdivision process. Ms. Malecha stated that the applicant has complied with the 13 conditions of approval of Preliminary Plat, including payment of the park dedication fee. She stated the applicant has also fulfilled the Final Plat requirements contained in the ordinance and all the documents are acceptable to the City Attorney. Ms. Malecha stated that the Planning Commission unanimously recommends the City Council approve the Final Plat of The Range.

COUNCIL MEMBER PEDERSON MOVED TO ADOPT THE RESOLUTION 19-26 APPROVING THE FINAL PLAT OF THE RANGE, BASED ON THE 11 FINDINGS OF FACT, 1 CONDITION, AND 11 REQUIREMENTS. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 4-0.

7. Fire

The August 2019 Fire Department Operations Report was received by Council.

8. Police

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

9. Public Works Report

The September 2019 Public Works Report was received by Council.

9.1. 2020 Road Improvement Projects Update

Tim Houle stated a few months ago he reviewed sections of Rasmussen Road and South Washington Avenue, roadway widths, curb and gutter and other details. He stated that last month he, Nancy Malecha and Jason Gorr talked with some property owners about storm water drainage, especially on the south side of Rasmussen Road. Mr. Houle said the property owners are open to providing the City storm water drainage easements which clears a big hurdle for storm drainage. He stated there will be more specifics in the upcoming meetings with some approvals on granting or obtaining easements.

Council Member Seils asked if we still have right-of-way issues. Mr. Houle discussed clearing up the right-of-way issues in conjunction with the easements.

Council Member Swanson asked what the schedule is for the road improvements. Mr. Houle stated they want to finish up the design and be able to go out for public bid in early spring.

Discussion ensued about bidding and having the project bid as one project.

Mr. Houle talked about putting in individual intermittent milestone completion dates to minimize the issues and access but he said the City does not want to get so prescriptive in the schedule that we lose a price advantage with the bidders.

Council Member Swanson asked if North Sluetter Road is included with this project. Mr. Houle explained that it would be a separate project based on what the Council approved.

Discussion ensued about the paving of North Sluetter Road and the classification of rustic road in order for it to be paved. It was stated that the details are still be worked on and this item will be on the November City Council agenda for further discussion.

Council Member Pederson asked if the cost of the road project will change. Mr. Houle stated that the study had a cost estimate associated

with it which is a few years old now. He said once they get further into the design they will do another estimate before the bidding process based on actual quantities, curb and gutter, and bituminous pavement using the best information they have on recent bid prices. Mr. Houle stated that they would like to keep that in their work product and have a number range so they do not unduly influence bidders.

Discussion ensued about the budget being adjusted if the project cost increases.

9.2. County Road 107 Resurfacing Project

Nancy Malecha informed the Council of the County Road 107 resurfacing project in 2021 by Crow Wing County. She stated the County would appreciate any input or concerns the City may have toward this Project. The Council did not provide any input or concerns to be relayed to the County.

10. Administration

The following items were received by Council.

- August 27, 2019 HRA minutes
- September 4, 2019 draft Safety Commission minutes
- September 12, 2019 draft Park Commission minutes
- September 17, 2019 draft EDC minutes
- September 17, 2019 HRA minutes

10.1. Purchase Agreement for Pequot Lakes Industrial Park Lot 1, Block 2

Nancy Malecha stated that at the August 6th City Council Meeting, the Council authorized her to negotiate and draft documents for the sale of Pequot Lakes Industrial Park Lot 1, Block 2 with prospective buyer, Joe Dotty of Dotty Holdings LLP. She stated that she and Mr. Dotty have agreed to the terms as outlined in the attached purchase agreement which was drafted by the City Attorney. Ms. Malecha stated that at the September 17th Economic Development Commission Meeting, the EDC recommended the Council move forward with the purchase agreement with Dotty Holdings LLP contingent on an acceptable site plan reviewed and approved by the City Administrator. Ms. Malecha said she has reviewed the site plan included in the purchase agreement as Exhibit C and deemed it acceptable. She stated that the City Planner has also reviewed the preliminary site plan and has no concerns.

Ms. Malecha stated included in the packet is a resolution, for Council consideration, approving the sale of this City-owned real property and dispensing with review of the sale by the Pequot Lakes Planning Commission.

COUNCIL MEMBER SEILS MOVED TO ADOPT RESOLUTION 19-27 APPROVING THE SALE OF CITY-OWNED PROPERTY DESCRIBED AS LOT 1, BLOCK 2, PEQUOT LAKES INDUSTRIAL PARK TO DOTTY HOLDINGS LLP FOR THE PURCHASE PRICE OF \$55,000 AND DISPENSING WITH REVIEW OF THE SALE BY THE PEQUOT LAKES PLANNING COMMISSION. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 4-0.

COUNCIL MEMBER SWANSON MOVED TO INITIATE A ZONING MAP AMENDMENT TO REZONE LOT 1, BLOCK 2, PEQUOT LAKES INDUSTRIAL PARK FROM PUBLIC TO LIGHT INDUSTRIAL. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.

10.2. American Legion Auxiliary Centennial Day Proclamation

Ms. Malecha stated a proclamation has been requested by the American Legion Auxiliary declaring November 10, 2019 as American Legion Auxiliary Centennial Day in honor of the Auxiliary's centennial celebration in 2019-2020. She stated the City is very appreciative and grateful to the American Legion Auxiliary for their support to the American Legion and our veterans, military, and their families.

COUNCIL MEMBER SEILS MOVED TO ADOPT THE PROCLAMATION DECLARING NOVEMBER 10, 2019 AS AMERICAN LEGION AUXILIARY CENTENNIAL DAY. COUNCIL MEMBER SWANSON SECONDED THE MOTION. MOTION CARRIED 4-0.

10.3. 2020 Preliminary Budget

Nancy Malecha stated that at the September Council Meeting, the only change the Council requested was the addition of the North Sluetter Road Project. She stated that it was added to the 2020 capital improvement fund budget for an estimated cost of around \$200,000. Ms. Malecha stated that as of today we have not received the City's tax rate information from Crow Wing County and we probably will not receive that until the end of October. She asked the Council if they want to make any changes to the budget or if they want to wait until that tax rate comes forth to see where we stand.

Council Member Pederson asked if the funding for the loader is coming out of the 371 Highway Fund and if that is the turn back money that was received as part of the Highway 371 Project. Ms. Malecha confirmed that it is.

Council Member Pederson asked why we would be taking it out of that Fund. Ms. Malecha said it is because of the increased amount of roads to maintain through the turn back and the hauling and loading of snow.

Tim Houle said when there were road turn back negotiations between the County and the City the agreement was the County would give the City a dollar amount instead of maintaining the roads. He stated that during negotiations it was discussed that additional equipment may be needed but Crow Wing County could not line item any maintenance equipment or long-term maintenance performed by the City.

Council Member Pederson asked if the plow truck came out of the turn back funds and Ms. Malecha confirmed that it did.

Discussion ensued about the added benefit a new loader would give to the City and possible alternatives to purchasing the loader.

Council Member Pederson said that the Roads and Streets contract services budget increased by quite a bit and asked if there was enough funds being budgeted for crack sealing. Jason Gorr stated that the increase is to help cover that gap. He stated that he feels a lot better where the City is at with that budget. Mr. Gorr stated that it is hard to speculate exactly what the needs are next year but they are doing their best estimations.

10.4. 2020 Census

Nancy Malecha stated that April 1, 2020 is National Census Day. She said in an effort to inform our residents of the importance of participating in the Census, the City will be embarking on a communications outreach plan in the coming months. She is also requesting that we all be informed of the following information to help spread the word about the importance of participating in the Census because the results determine how many seats our state gets in Congress; draws boundaries for districts that congressional legislative and schools; guides how billions of federal funding dollars is distributed to states, counties and communities; and creates jobs, provides housing, prepares for emergencies and builds schools, roads, hospitals, etc. Ms. Malecha stated that at the last Census

the return rate for the City was only around 50% which is why she is ramping up communications outreach this year.

11. Other Business

11.1. Patriot Avenue Redesign

Council Member Swanson suggested redesigning Patriot Avenue starting with an earliest possible time, before we dissipate all of the funds and before the price tag goes sky high. She noted it will take a year to design and receive community input.

Council Member Pederson agreed and asked Tim Houle if there was a pencil drawing or a rough draft. Mr. Houle stated that the City would want to start with some kind of input. Council Member Pederson suggested using the Traffic Study as a guide.

Discussion ensued about the useful life of Patriot Avenue and money saving methods.

Council Member Pederson talked about getting engineering plans or pencil drawings and said the Planning Commission is looking at the Downtown Plan and the Park Commission is looking at park plans which includes reducing the width of roads. He suggested we start looking at redesigning Patriot Avenue.

Andrew Birch agreed that something needs to be done with Patriot Avenue and discussed how the road does not fit the community and the use that it has right now.

Discussion ensued about the current uses of the road, including commercial traffic.

Council Member Pederson asked if it would be out of line to ask Mr. Houle to give an estimate and maybe we can add it to the budget or do something for next year. Ms. Malecha stated that with all the projects pending, City Staff may be unable to fit this in for next year.

Discussion ensued about the budget and using the Highway 371 funds for the design.

Andrew Birch suggested since the City is revising the Downtown Plan that as a community we would come together and have a better sense of what we want to do before we turn it over to the experts. He stated that the

earlier it is turned over to the experts, the more iterations and the more time they spend adds more to the costs. Mr. Birch said it is important that the community gets involved right away so that when this happens we do not have to go back to WSN's team with redesigns.

Council Member Pederson suggested getting sketches from our City Planner since he has a vast knowledge of what our town is and what it could be.

11.2. Myers Road

Council Member Pederson would like to have a discussion with Loon Lake Township about improvements to Myers Road. He stated they approached Pequot Lakes a year ago and he has have been getting input from Pequot residents about paving this Road. Council Member Pederson noted he would like to meet with them and bring back information to the City and the Council concurred.

11.3. Jerry Akerson's Absence

The Council inquired about Jerry Akerson's absence from the City Council meetings. Nancy Malecha informed the Council that he is gone due to personal reasons. The Council directed Ms. Malecha to add this topic to the November City Council agenda.

12. Closed Session in accordance with M.S. 13D.05, Subd. 3(a) for the performance review of Nancy Malecha, City Administrator

Mayor Tayloe announced that this agenda item is for evaluation of the performance of Nancy Malecha, City Administrator, pursuant to Minnesota Statutes, Section 13D.05, Subdivision 3(a). This portion of the meeting will be closed because the City Council will be evaluating the performance of an individual subject to the City's authority – Nancy Malecha, City Administrator. Ms. Malecha has received notice of this meeting. Minnesota Statutes, Section 13D.05, Subdivision 3(a) provides that any portion of a meeting may be closed for this reason, unless the individual who is the subject of the meeting request that it be open. In this case, Ms. Malecha did not make such a request that the meeting be open.

Mayor Tayloe further noted that only the officials and consultants of the City who reasonably require access to this data may be in attendance at any portion of the closed meeting for this agenda item.

COUNCIL MEMBER SWANSON MOVED TO CLOSE THE MEETING PURSUANT TO MINNESOTA STATUTES, SECTION 13D.05, SUBDIVISION 3(a). COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 4-0.

The Council went into closed session at 7:37 p.m.

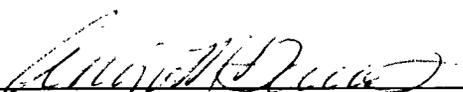
The Council re-convened the open session at 7:47 p.m. and Mayor Tayloe provided a summary of conclusions reached by the City Council from the October 1st closed meeting regarding the performance evaluation of Nancy Malecha. Mayor Tayloe stated that Ms. Malecha has meet expectations as City Administrator. He stated that she is working hard to gain experience and knowledge of community and City operations. Mayor Tayloe stated that she works well with City Staff, the public and businesses. He stated that the City Council appreciates her service to the City in her position and looks forward to continuing its employment relationship for the better of Pequot Lakes community.

12. Adjournment

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

The meeting of the City Council adjourned at 7:56 p.m.

Respectfully submitted,



Angie Duus
City Clerk/Treasurer



James Tayloe
Mayor