



AGENDA ITEM #3.1

REPORT TO CITY COUNCIL

Report Prepared by: Angie Duus

Date: September 6, 2022

Subject: City Council Minutes

Report: The draft minutes for the August 2, 2022, City Council Meeting and the August 15, 2022, Special Council Meeting are attached for your review.

Council Action Requested: Council motion approving the minutes for the August 2, 2022, City Council Meeting and the August 15, 2022, Special Council Meeting.

**MEETING OF THE PEQUOT LAKES CITY COUNCIL
TUESDAY, AUGUST 2, 2022
PEQUOT LAKES CITY HALL**

Members Present: Mayor Pro-Tem Clement, Council Members Pederson, Ronning, and Seils

Members Absent: Mayor Gardner

Staff Present: Rich Spiczka, City Administrator; Angie Duus, City Clerk/Treasurer; Nick Roy, Public Works Lead; Dawn Bittner, Zoning Specialist; Tim Houle, City Engineer; Tom Nelson, and Ryan Franz, Police Sergeant

1. Call Meeting to Order

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

1.1. Pledge of Allegiance

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

2. Consider Agenda

MAYOR PRO-TEM CLEMENT MOVED TO REMOVE AGENDA ITEM 8.3 LELS SGT. CONTRACT UPDATE FROM THE AGENDA. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.

COUNCIL MEMBER RONNING MOVED TO ADD 10.7 PAYMENT OF BILLS DISCUSSION TO THE AGENDA. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 4-0.

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

3. Consent Agenda

COUNCIL MEMBER SEILS MOVED TO APPROVE THE CONSENT AGENDA AS AMENDED:

- 3.1. JULY 5, 2022, REGULAR CITY COUNCIL MEETING MINUTES
- 3.2. CHECK REGISTER FROM JULY 6, 2022, TO AUGUST 2, 2022.
- 3.3. FINANCIAL REPORT ENDING JUNE 30, 2022.
- 3.4. MAY AND JUNE LIBRARY REPORTS
- 3.5. RESOLUTION 22-25 ACCEPTING CONTRIBUTIONS FROM JUNE 30, 2022, THROUGH JULY 27, 2022.
- 3.6. RESOLUTION 22-24 APPROVING THE MEMBERSHIP AGREEMENT AND BYLAWS OF THE BETTER HEALTH COLLECTIVE
- 3.7. TEMPORARY EXPANSION PREMISE LICENSES

3.8. RESOLUTION 22-26 APPOINTING ELECTION JUDGES FOR THE 2022 PRIMARY AND GENERAL ELECTIONS

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

4. Open Forum

No one appeared for open forum.

5.1. Splash Pad Fundraising Update

Richard Spiczka received an update from CRS that they plan to come set features on Monday and it should take approximately a week as CRS is hoping that Schrupp Excavating can put down the compacting material on August 16th. He said McKay's will set the rebar and then Holden Electric will wire the controller and then McKay will come back to pour the cement. Discussion ensued about the subcontractors and if they are lined up to get the work completed in a timely manner and to prevent more delays. Mr. Spiczka said Jeff with CRS has been responsive and will contact contractors.

Jenny Gonczy stated that they have tipped over the \$154,000 fundraising mark. She said that any amount over \$150,000 will stay in the splash pad account with Community Action for additional features.

5.2. Initial 2023 Budget Updates

Mr. Spiczka presented an overview to the Council with preliminary budget numbers. He explained that the Consumer Price Index is used to forecast costs by municipalities and the most recent CPI is 9.2 percent. He said cost are growing at approximately a half of a percent a month and if that trend continues, we are looking at 12% by the time we get to the end of the year. He stated that the city staff will budget by that number and try to plan for more than that number with the preliminary budget to have a cushion while fine tuning the budget. Mr. Spiczka said a 15% increase was used in the numbers at the last months meeting.

He stated the communities surrounding us will go up 4-5% for cost of living and 4-5% for market rate adjustment. He said the average areas overall wage increases are likely to rise 8-11% locally. He stated these amounts are coming from union agreements and work studies that are being completed in the area.

5.3. Outdoor Recreation Grant Program – Park Commission

Council Member Ronning asked approximately what it would cost to apply for the grant. Mr. Houle said back in February the proposal cost was \$16,475 with a deduction of \$2,500 in-kind contribution. Mr. Houle explained that it is a 50% program up to a maximum grant of \$300,000. He said the application needs to be

submitted on March 1, 2023 and a decision is made in November if the application is accepted. He stated if the city is selected the construction must be completed within two years. Mr. Houle stated the for this application there needs to be concept and building plans, site sketches, and cost estimating included. Discussion ensued about using franchise fees for Widseth to write the grant, potential fundraising and in-kind donations for the project and the primary and secondary improvements for the project.

COUNCIL MEMBER PEDERSON MOVED TO APPROVE WIDSETH TO WRITE A GRANT PROPOSAL FOR THE OUTDOOR RECREATION GRANT PROGRAM WITH THE PRIMARY IMPROVEMENT BEING THE PICNIC SHELTER AND A BATHROOM AND POTENTIALLY A PARKING LOT AS THE SECONDARY IMPROVEMENTS. COUNCIL MEMBER SEILS SECONDED THE MOTION. MOTION CARRIED 4-0.

5.4 Adoption of an Official City Flag

Jeanie Haurum would like to promote a contest to get the entire town and school involved in designing an official City flag. She said with more people involved it will be more fun. She would like red as primary. Ms. Haurum state she will spearhead the contest and use the bobber as the icon. She would like to donate a prize to the winner and have five judges. She said she would like the judges to be community members and a Council Member. Council member Ronning volunteered to be a judge.

6. Planning and Zoning

6.1. Planning Commission Report

The July 27, 2022, Planning & Zoning Commission Report and July 21, 2022, Planning & Zoning minutes were received by Council.

6.2 Rezone from Agriculture to Forest Management

Dawn Bittner stated the applicants are proposing to rezone an approximate 12-acre tract of land from Agriculture to Forest Management. She said the subject property is located at 32342 Evenson Road and contains a dwelling and an accessory structure. She stated the subject property is adjacent to property zoned Agriculture to the north and Forest Management to the east and south. Ms. Bittner stated the Planning Commission unanimously recommends rezoning the subject property to Forest Management.

COUNCIL MEMBER CLEMENT MOVED TO AMEND THE OFFICIAL ZONING MAP AS OUTLINED ON THE ORDINANCE AMENDMENT. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 4-0.

COUNCIL MEMBER PEDERSON MOVED TO AUTHORIZE THE SUMMARY PUBLICATION. COUNCIL MEMBER RONNING SECONDED THE MOTION. MOTION CARRIED 4-0.

7. Fire

7.1. Fire Report

The July 2022 Fire Department Report was received by Council.

8. Police

8.1 Police Department Report

The June 2022 Police Department Monthly Report was received by Council.

8.2 Police-School Liaison Officer Agreement

Sergeant Franz informed the Council that the School Board has already approved the Liaison Officer Agreement. He stated there is an increase in cost of the agreement due to raises to Police Officers. Discussion ensued about if there are federal funds available for this position and Sergeant Franz said there are funds but he is not sure if we would qualify since we already have an established SRO position but he will look into.

8.3 Cannabinoids Ordinance

Mr. Spiczka stated that cannabinoids has been a topic in the surrounding area and there seems to be a lot of confusion. He informed the Council that most municipalities are not passing ordinances yet. Sergeant Franz explained recent changes with regulations and restrictions on THC levels and the packaging. He stated they are expecting something from the state to give more guidance and regulations.

9. Public Works

9.1. Public Works Report

The July 2022, Public Works Monthly Report was received by Council.

Mr. Spiczka stated the Public Works Department will be selling a truck and sand/salt spreader. He said in the past the city would do a public auction or sealed bids. He stated that is not a requirement and it just need to be put into a public market. He said he would like to post the items for 7 days without taking any action and is hoping it is more seamless and quicker. He also stated he would like to look to sell mowers and other equipment that the city does not need and replace with equipment that the city does need. Discussion ensued about cleaning storm sewer grates.

9.2. 9th Avenue Update

Mr. Spiczka presented the staff report. He stated he had met with Loon Lake Township and they are interested in going out for bids for a 10-ton road. He also said he went to the Jenkins Council meeting since Jenkins owns 600 feet at the end of the road and they would like to explore going to 10-ton road as well. Discussion ensued about subgrade and speed deterioration impacts on the road.

9.3. Olson Street License Agreement

Mr. Spiczka stated instead of vacating the street the city will proceed with a license agreement with the school for Olson Street. He said the biggest reason is to retain ownership and if it doesn't work the city will not have to go through the process of getting it back. He also stated a public hearing is not needed and the process is simpler.

COUNCIL MEMBER RONNING MOVED TO APPROVED CITY STAFF TO WORK COMPLETE THE LICENSE AGREEMENT PROCESS WITH ISD 186. COUNCIL MEMBER PEDERSON SECONDED THE MOTION. MOTION CARRIED 4-0.

10. Administration

10.1. Administration Report

No report was given.

10.2. Boards and Commissions Draft Minutes

Council received the following items.

- July 19, 2022, draft HRA Meeting Minutes
- July 14, 2022, draft Park Commission Meeting Minutes

Discussion ensued about the use of acronyms in the HRA Meeting minutes and suggested a key be used to ensure the others understand what they mean.

10.3. Personnel Policy Discussion/Review

Mr. Spiczka stated the goal is to review and edit the policy in sections over the next few months and then hopefully have a final policy in November or December. He said protections need to be put it because of social media and other random items that did not exist before. He stated there are some outdate things that need to be taken out. He said he is finding language that is cleaner and more detail. He stated that they less things the policy has open to interpretation the more protected the City is. He addressed the length of rest periods for the length of a shift, vacation time categories and that vacation time is important for recruitment. Discussion ensued about bringing the vacation time

categories down and the potential for negotiations during hiring of a new employee. Mr. Spiczka addressed severance pay and sick leave. He stated that he would like to see the percentage paid out increase to reward an employee for their service instead of them possibly taking more sick time when it is not necessarily needed. He stated the membership and dues policy was very loose in the past and he would like to see staff say it is really good for the city and not just the employee. He would like the vehicle policy moved to the personnel policy. Mr. Spiczka asked for Council recommendations. He stated it has not been updated in ten years, only small bits and pieces have been updated in that time frame.

10.4. Comparative Study Update

Angie Duus stated that the city contacted other Clerks and Administrators for wages and benefits to compare to the City of Pequot Lakes current wages. She stated the wages vary among the area and that Pequot is on the lower end of some but comparable to others. Discussion ensued about tax rate and population. Mr. Spiczka stated the direction received from Council was not to spend money on a study, but they would like to see comparisons. Discussion ensued about recruiting people and be mindful of the tax rate. Mr. Spiczka stated the information is being looked at to help in the budgeting process. He said that other communities are looking at a minimum of an eight percent cola and market rate increase currently.

10.5. Utility Bill Adjustment – Harlan V. Johnson

Mayor Pro-Tem Clement informed the Council that they reduced Mr. Johnson's bill two times last year for about \$660. He said the city made Mr. Johnson aware last year to install a deduct meter as it is a clear remedy to the issue. Mayor Pro-Tem Clement stated the city has a letter that he inquired about a deduct meter on August 1, 2022. Council Member Ronning suggested giving a credit of \$47.55 and send a letter to get a deduct meter and also inform him the city will not credit him anymore.

COUNCIL MEMBER RONNING MOVED TO DISCOUNT HIS SEWER PORTION BY \$47.55 TO HARLAN V. JOHNSON'S REQUEST TO ADJUST HIS JUNE WATER SEWER USAGE BILL. MAYOR PRO-TEM CLEMENT SECONDED THE MOTION. MOTION CARRIED 4-0.

10.6 Reminder of Meeting Date Changes

Mr. Spiczka reminded the Council that meetings will be Mondays at 6:00 p.m. starting in October. He said the city will be sending official notices and reminders to the Council and Commission members. He stated it will also be put in the paper for the public to be reminded of the change.

10.7 Payment of Bills Discussion

Council Member Ronning stated that department heads have a spending limit of \$25,000 which he believes is too much. Discussion ensued about the budgeted and approved items. Mr. Spiczka explained the bill approval process to the the Council. He reminded the Council Members that if they have any questions they are welcome to come into the Administrative office anytime.

11. Other Business

No other business.

12. Adjournment

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

The meeting of the City Council adjourned at 8:19 p.m.

Respectfully submitted,

Angie Duus
City Clerk/Treasurer

Pete Clement
Mayor Pro-Tem

**SPECIAL MEETING OF THE PEQUOT LAKES CITY COUNCIL
MONDAY, AUGUST 15, 2022
PEQUOT LAKES CITY HALL**

Members Present: Mayor Gardner, Council Members Clement, Pederson, Seils and Ronning

Members Absent:

Staff Present: Rich Spiczka, City Administrator;

1. Call Meeting to Order

Mayor Gardner called the meeting of the Pequot Lakes City Council to order at 6:00 p.m.

1.1. Pledge of Allegiance

Mayor Gardner led with the Pledge of Allegiance.

2. Discussion of Corner Lot Development's offer to purchase property and construct an apartment complex in the Heart of the Good Life Development.

Administrator Spiczka summarized who Corner Lot Development is, the offer from Corner Lot concerning price per acre, their intentions to build an apartment complex on the property and the tax impact of a project like it.

Council discussion took place on points regarding the need for housing, what does the Planning Commission and Economic Development Commission think, etc.

EDC Chair Matt Lottman spoke in favor of the proposal. He felt it is very unlikely that the Heart of the Good Life would be built out with commercial development anytime in the near future.

EDC member Shelia Holley spoke about the need for housing, but that other parties may be interested in purchasing property with the intention of building apartments/housing but were discouraged because housing wasn't allowed in the HOTGL.

Resident Mark Jurchen spoke about the need for housing and that the Paul Bunyan trail provided a nice amenity for residential connection and development.

Tyler Glynn from BLAEDC spoke about the statistical shortage of housing in the area, the credibility of Corner Lot Development on a national scale and about how difficult it is to sell commercial property, referencing Baxter not being able to sell even a single lot for \$1 over the past 5 years.

Tim Houle, City Engineer from WIDSETH, spoke about the feasibility of housing in that area and how considering a "rezoning" of sorts would make the most sense to have the least amount of need for water and sewer be the South end of the HOTGL property due to elevations and need for a lift station if there was high demand there.

After further council discussion, Mayor Gardner asked for consensus from the council regarding sending the matter back to the Economic Development Commission and the Planning Commission for a recommendation. Council Consensus for that was achieved.

Motion by Clement, Second by Seils to adjourn.

Meeting was adjourned at 6:46pm.

Respectfully submitted,

Rich Spiczka
City Administrator

Tyler Gardner
Mayor

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