



**Minutes**  
**Regular City Council Meeting**  
**July 1, 2020 - 6:30 p.m.**  
**Remotely via RingCentral Meeting 148 980 6011**

<https://meetings.ringcentral.com/j/1489806011>

Meeting ID: 148 980 6011

---

**In attendance** – Mayor Carl Pederson, Councilor Steve Ovick, Councilor Brian Scholin, Councilor Mary Kay Sloan, and Councilor Gina Pettie.

**Absent** – None.

**Staff in attendance** – City Administrator Matthew Van Steenwyk, Community Development Director Lezlie Sauter, Public Works Supervisor Maury Montbriand, Treasurer Maggie Olson, Liquor Store Manager Lara Smetana, Park and Recreation Director Stacy O'Rourke, City Financial Advisor (Ehlers) Jason Aarsvold, and City Engineer (SEH) Greg Anderson.

**Call to Order** – Mayor Pederson called the meeting to order at approximately 6:30 p.m.

**The Pledge of Allegiance** was respectfully forgone due to remote meeting limitations.

**Additions and/or Deletions to the Agenda** – A request was made to add and delete the following items:

- a. Delete item 8.E. – Spire donation, as this was addressed at the 6/25 meeting
- b. Add a discussion of the Coronavirus Relief Fund Certification
- c. Add a discussion related to the Planning Commission recommendation to consider an amendment to the zoning code related to tattoo parlors.
- d. Premier Properties (Marx) – Add consideration of the request to rescind the lot split request on Resolution 19-67 and modification of resolution 20-16 to remove the reference #19-67 and add approval for staff to enter into a Certificate of Completion agreement and to collect the necessary escrow to allow the Certificate of Occupancy to proceed.

*Motion by Pettie, seconded by Sloan, to accept the agenda as modified. On a rollcall vote, Scholin, Sloan, Pederson, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**Consent Items** – The consent items include the approval of the following meeting minutes: May 22, 2020 (special meeting), May 28, 2020 (regular meeting), June 3, 2020 (regular meeting), July 27, 2016 (regular meeting), November 15, 2016 (special meeting), November 21, 2016 (special meeting), and December 3, 2014 (regular meeting) as well as approval of June 2020 expenditures, approval of June 2020 accounts payable, and

---

City of Pine City

315 Main Street South, Suite 100, Pine City, Minnesota 55063-1619 Phone: 320.629.2575 Fax: 320.629.6081

E-mail: [info@pinacity.gov](mailto:info@pinacity.gov) Web site: [pinacity.gov/office](http://pinacity.gov/office)

*Pine City is an equal opportunity employer*

approval of May 2020 Fines report. A noted indicating a name was missing related to who got 238 votes in the November 15, 2016 special meeting. Direction for Van Steenwyk to research and represent the minutes at a later date.

*Scholin made a motion, seconded by Ovick, to approve the consent items removing the November 15, 2016 (special meeting) minutes due to incomplete data. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**Open Forum** – Van Steenwyk briefed the Council on a letter that was received from a resident in the community regarding the costs associated with filling a residential pool. The resident has an issue with paying the roughly \$50.00 charge for sewer fees related to the water use. The resident requested a waiver of the sewer amount, stating the water went into her pool and not the sewer system. It was noted that there is an option for a separate meter to ensure the water went into a pool instead of into the sewer. Council indicated support for a written policy to be drafted and considered to handle these situations, as they continue to come up on a pretty regular basis. It was requested that the discussion be presented at the Public Works Committee. Council indicated that past practice has been to deny such requests but noted that the situation was unfortunate and direct staff to implement potential changes next year.

*Motion to approve a one-time credit of the sewer costs associated with filling a pool made by Pettie. Motion failed due to a lack of second.*

Council indicated that no action should be taken on the item until it is reviewed by the Public Works committee and related policy is drafted to address situations as the one presented by the resident. Montbriand stated they could offer a sprinkler meter to residents to eliminate these situations moving forward. Montbriand stated it is about \$280 for the sprinkler meter. Van Steenwyk noted that he had the direction from Council and will bring the matter to the Public Works Committee to draft a policy and continue the discussion. It was requested that the proposed policy also include relief for large bills due to leaky toilets or other unfortunate situations.

Kevin Anderson, a citizen of Pine City and the President of the EDA, along with a second citizen of Pine City, Mike Sauser, member of the EDA, were present to discuss the City's potential purchase of the Orvis property, which is to be discussed later in the meeting during a closed session. Anderson stated it was not long ago the City of Pine City had two companies who would have utilized the land, but the deals fell through due to lack of property with high land. Anderson believes the Orvis property's location and acreage make this potential deal a good fit with the City of Pine City. Anderson understands that the property is not needed for use at this moment, but it would be a missed opportunity if the City of Pine City does not buy the Orvis Property. Anderson noted the EDA voted unanimously on purchasing the property.

Sauser commented he has communicated with the Orvis family for over three years regarding buying this property. Sauser noted the money is available for purchasing the property and there is another offer on the table if the City does not act.

**Sheriff's Report** – **Deputy Gatsby** was present for the meeting to give updates regarding the City of Pine City. The Deputy stated he has been with the department for about five months and is now the contracted car in Pine City. He stated he patrols the area often, including patrol of parks and the streets. The deputy was asked if there had been any activity to touch on. The deputy noted that there was nothing significant to report. The deputy was asked if he has access to the ordinances for the City of Pine City. The Deputy stated he does have access to the ordinances and that they are clear to understand. The deputy was asked if there have been incidents with any

---

City of Pine City

315 Main Street South, Suite 100, Pine City, Minnesota 55063-1619 Phone: 320.629.2575 Fax: 320.629.6081

E-mail: [info@pincitygov.com](mailto:info@pincitygov.com) Web site: [pincity.govoffice.com](http://pincity.govoffice.com)

*Pine City is an equal opportunity employer*

Coronavirus violations, the Deputy stated he has not been involved in any. A comment from Council was provided that people need to be held accountable for speeding and lack of mufflers within the City limits. The Deputy will continue to patrol for these items. Van Steenwyk asked if the County enforces the no wake zones in the waterways. The Deputy stated there will be officers within the waterways, as well as DNR personnel, to help enforce waterway rules.

**Public Hearings** – No action was taken on this item, as there were no public hearings.

**Debt Issuance** – Aarsvold from Ehlers was present to discuss the presale report, which outlines the proposed issuance of debt, for a total of \$1.7 million to fund the 2020 Road Reconstruction Project. It is an improvement bond, being issued for a 16-year term with 15 years of principle payments and one year of interest only payments. This is done with the intent to levy the assessments in year 2022 instead of year 2021. Aarsvold mentioned he plans to be back at the August 5<sup>th</sup>, 2020 City Council meeting to award the bond. Van Steenwyk asked Aarsvold if the markets have settled down since the COVID-19 uncertainties first occurred. Aarsvold stated things have settled down and rates are actually better. A request for clarification on if the City is in a good position with debt and bonds. Aarsvold stated he does not have concerns. A request for opinion was made about if we are doing things correctly with debt issuance and if our aggressiveness is acceptable. Aarsvold stated the City of Pine City needs to look at the financial management plan on a yearly basis and update it accordingly while mapping it against Capital. That approach would eliminate a lot of uncertainty. A request about outside help in planning our future debt issuances was made. Aarsvold mentioned Ehlers helped to create a five-year plan for the City of Pine City in 2016 and would be willing to help continue that plan, projecting out what could happen in years to come. Council noted it would like to engage Ehlers in continuing the plan they started in 2016 Financial Management Plan. A inquiry was made as to if the Census results need to be finalized before Ehlers works on our next five-year plan. Aarsvold commented that he does not feel the Census numbers will be a huge factor in the firm's financial management plan for the next five years. Direction for staff to work with Aarsvold and Ehlers to plan for the next five years as they did in 2016 Financial Management Plan.

**Resolution #20-38 providing for the sale of \$1.7 million general obligation improvement bond for financing of the 2020 Road Reconstruction Project** -Van Steenwyk read the Resolution for Council consideration. *Scholin made a motion, seconded by Ovick, to adopt Resolution 20-38 approving for the sale of \$1.7 million in GO bonds for the 2020 Street project. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**Resolution #20-34 – Amendment to Development Site Plan Approval – Hilltop Cottages** - Sauter briefed the Council on the steps taken, via City Council and Planning Commission discussions, to allow Hilltop Cottages to amend their development agreement to strike the requirement of donating land to public use or contribute a financial amount, in lieu of the playground being made public. A question was posed if the Council should go outside of the ordinance requirements to allow this development change without requiring the playground. *Motion to approve Resolution #20-34 amending the Development Site Plan for Hilltop Cottages by Ovick including striking the public land/park dedication fee from the development requirements as the developer is providing a clubhouse and playground for their residents while also noting that the project is an affordable housing project, seconded by Sloan. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**Resolution #20-35 – Extension of Development Site Plan Approval – Pine City Senior Living** - Sauter stated this is a formality because the original development site plan has expired, primarily due to the COVID-19 pandemic. The developer has reapplied to have their site plan reapproved with 103 units. The developer would

also like to remove the sidewalk requirement as there are no sidewalk connections to the property due to undeveloped properties adjoining the development. The proposal instead includes taking in a sidewalk fee for the City of Pine City in lieu of sidewalk installation, until we as the City decides how to connect sidewalks to the property in the future. *Pettie motioned to approve, seconded by Sloan, Resolution #20-35 extending the development site plan for Pine City Senior Living. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**Development Agreement & Stormwater Maintenance Agreement – Hilltop Cottages** - Sauter provided a project update. Sauter explained that she is working with Anderson, on differences in oversight cost estimates. Sauter and Anderson indicated that the appropriate fees have been collected. Sauter indicated that the City practice is to flush hydrants on private developments for health and safety. Sauter continued that if any private hydrant needs repair or replacement it is the property owner's responsibility. Sauter noted that streetlights were excluded in the original plans. Anderson stated it was originally bid at \$60,000 to provide streetlights. Montbriand and Sauter stated two streetlights could be provided, while working with ECE, at a cost of only \$6,500. Sauter continued by noting the discussion related to grass seed. The development agreement states that the City has to measure whether seed is growing. Sauter and the development feel this is too precise and that the City only needs to ensure the grass has been started. Sauter requested the Council allow these remedies so the development agreement can move forward, and the developer can pull their building permits. *Scholin made a motion to approve the agreement with the noted edit, second by Ovick. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**Development Agreement & Stormwater Maintenance Agreement – Pine City Senior Living** - Sauter stated she has not received feedback from the developer, so there is nothing to discuss on this item. *Scholin made a motion, seconded by Sloan, to approve the development agreement as written. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**Presentation/Discussion of Certificate of Completion** – Van Steenwyk made note of the site completion agreement entered into with Haug / 2<sup>nd</sup> & 3<sup>rd</sup> and that property was issued a certificate of occupancy, following securing of escrow. No action was taken on this item.

**Resolution #20-39** – Sauter presented a memo based on conversation at Planning Commission meeting noting that Resolution #19-67 was originally about a minor subdivision on the parcel. The owner has now requested that the lot split resolution be rescinded. *Motion to approve the rescinding of Resolution #19-67 via Resolution #20-39 by Ovick, second by Pettie. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**Resolution #20-40 amending resolution 20-16** – A summary was provided noting that rescinding resolution 19-67 requires amendment to Resolution 20-16 as Resolution 19-67 was referenced. *A motion to adopt resolution #20-40 amending Resolution 20-16 was made by Scholin, seconded by Sloan. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**Site completion certificate Marx Property – Pokegama Pines** – Van Steenwyk requested Council's direction to work with the development to allow for a certificate of occupancy without the completion of ADA compliant parking spots as required. *Motion made by Ovick, seconded by Sloan, to allow the developers, Marx- Pokegama Pines Student Housing, to allow a certificate of occupancy upon providing escrow to finish projects per their developer's agreement. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**CARES Certification Form**– Van Steenwyk noted that the City of Pine City is required to submit a form from the Dept. of Revenue to allow for CARES funding to be released to the City of Pine City. The certification states we assert that the City use the funds appropriately. Van Steenwyk will work with Pine County to ensure the fine details are worked out. *Motion to approve proceeding with submitting the certification by Scholin, seconded by Sloan. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**Tattoo Parlors** – Sauter explained there is a citizen who wants to add a tattoo parlor in the downtown area of Pine City. Background was provided on the topic of tattoo parlors within the City, dating back over twenty years. Sauter provided background on other cities and their policies for tattoo parlors. Sauter requested to start a City initiated amendment to the current code to allow for the tattoo parlor in the City’s downtown area. An inquiry was made to if there are any regulations that would not allow the tattoo parlor in the downtown location. Sauter explained when the State of Minnesota upped their licensing requirements on tattoo parlors, many cities began to relax their ordinances on tattoo parlors. Sauter requests the Council’s blessing to zone tattoo parlors back in to the downtown area. *Motion by Sloan to create a zoning amendment to allow tattoo parlors, second by Pettie. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**Request for approval for beach spraying** - *Motion by Sloan, second by Scholin to approve the beach spraying for swimmer’s itch and weeds to the low-cost quote of \$915.60 to Lake Management, Inc. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**Request for approval to accept in-kind donation from Walmart** - Van Steenwyk and O’Rourke requested Council’s approval to apply for future grants for park related costs on a regular basis. *Motion by Scholin. second by Ovick to approve proceeding with accepting and requesting donations from Wal-Mart. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**Request for additional beach hires** - O’Rourke stated the beach grand opening is set for Friday, July 3, 2020. There was a short discussion on safety in regard to the construction occurring by the beach. City Engineer Greg Anderson stated the construction will not be complete for one more week, due to weather. Smetana, stated the construction crew left the area in poor condition and staff have worked to clean up the area to allow for beach opening for the holiday weekend. Anderson stated the concern is understood and will be dealt with through the contractor. *Motion by Ovick, second by Scholin to approve of the additional beach hires; Elizabeth Cahill (\$11.75), Aidan Welch (\$11.00) and Maddison Berglund (\$11.00). On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**Patio installation at the Community Garden/Challeen Park – Resolution #20-37** - Terry Salmela was present to request the Council’s support for, and approval of, a site plan for the David Haugen Memorial Patio. The request is for the City to provide class 5 gravel and potentially some additional sand to aid in the patio installation. *Motion by Scholin to adopt Resolution #20-37, approving of the David Haugen Memorial Patio at Challeen Park, second by Pederson. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**Request from Pine City Area Chamber of Commerce (Freedom Fest) to move the paid banner fee and application for 2020 to 2021** - *Motion by Ovick, second by Pettie to approve of moving the fees collected in 2020 for banner and application for Freedom fest to the 2021 year. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**SEH, Invoice #387371, \$54,649.29 Engineering, 2020 Street Reconstruction** - Anderson provided an update on the delays in construction by the beach, due to weather. *Motion by Sloan, second by Scholin to approve SEH invoice #387371 for \$54,649.29. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**A-1 Excavating, \$617,009.99, 2020 Street Improvements** - *Motion by Pettie, second by Scholin to approve the A-1 Excavating invoice for the 2020 Street Improvements in the amount of \$617,009.99. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**Discussion on reduction/credit on 2021 Liquor Licensing Renewals to offset for COVID-19 shutdown period** - Van Steenwyk provided an update on what other cities/counties have been doing for credits or refunds to businesses affected. Van Steenwyk notes that no local establishments have come forward in requesting reductions or credits at this time. A request was made that the City not take action on this item at this time in order to include it in our CARES federal funding. Staff were directed to wait and see what happens with CARES federal funding.

**City Hall Project** –Van Steenwyk noted he has requested maintenance costs for the building in order to make an informed decision on taking over the building. A request was made to determine if the County has bids/budgets for the lights, windows, and HVAC system as they had originally planned to make those improvements. Support for staying in the historic building was noted. Van Steenwyk requested if the Council would like pre purchase building inspections completed. Council indicated that no inspections are requested. *Motion by Ovick, seconded by Pederson to move forward with negotiating for the transfer of the building. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**Mayor** – Pederson commented on his desire to take short videos of the different City departments in action and display them for the community to further understand and appreciate our responsibilities as City of Pine City staff. Council indicated support of the Mayor making such videos for communication.

**Closed Session to discuss purchase of PID 420049009 Orvis Property** – *Motion to enter closed session to discuss the potential purchase of PID420049009 by Sloan, seconded by Pettie. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried.*

**Resumption to the open session:**

**Orvis Property – PID 420049009** – *Motion by Ovick, seconded by Pederson, to approve the City Administrator to negotiate a purchase agreement of PID 420049009 (Orvis Property), with the property owner following the guidelines established in the close session with note of the additional requirement that the current tenant on the property be able to reside on the property for a term of 1 year. On a rollcall vote, Scholin, Sloan, Ovick, Pettie, and Pederson all voted in favor and none against. Motion carried*

Motion to adjourn at approximately 9:27pm.

**Minutes taken by:**

**Maggie Olson**

**Deputy Clerk/Treasurer**

---

**City of Pine City**

315 Main Street South, Suite 100, Pine City, Minnesota 55063-1619 Phone: 320.629.2575 Fax: 320.629.6081

E-mail: [info@pincitygov.com](mailto:info@pincitygov.com) Web site: [pincity.govoffice.com](http://pincity.govoffice.com)

*Pine City is an equal opportunity employer*

---

Matthew Van Steenwyk, City Administrator

---

Carl Pederson, Mayor

---

**City of Pine City**

315 Main Street South, Suite 100, Pine City, Minnesota 55063-1619 Phone: 320.629.2575 Fax: 320.629.6081

E-mail: [info@pinacitygov.com](mailto:info@pinacitygov.com) Web site: [pinacity.govoffice.com](http://pinacity.govoffice.com)

*Pine City is an equal opportunity employer*