



Minutes

Regular City Council Meeting

August 5th, 2020 – 6:30 p.m.

Remotely via RingCentral Meeting 148 687 4241

<https://meetings.ringcentral.com/j/1486874241>

Meeting ID: 148 687 4241

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, Deputy Clerk/Treasurer Maggie Olson, Park and Recreation Director Stacy O'Rourke, City Engineer (SEH) Greg Anderson, Financial Advisors (Ehlers) Jason Aarsvold and Keith Dahl.

- 1. Call to Order** – Mayor Pederson called the meeting to order at approximately 6:35 p.m.
- 2. The Pledge of Allegiance** was respectfully forgone due to remote meeting limitations
- 3. Reminder to Council and Staff related to texting during open meetings** – Van Steenwyk provided Council a reminder on the use of texting and emailing during an open meeting. Van Steenwyk noted that it could provide an appearance of a violation of the open meetings law.
- 4. Additions and/or Deletions to the Agenda** – Van Steenwyk requested two deletions from the agenda. The first item to be deleted is the approval for a liquor license for the Lions Club No Fair Fair. The Lions Club has removed their request to serve beer at the event. The second item to be deleted is the approval to extend the Mill Site RFP to November 2, 2020. This approval occurred on the July 30, 2020 Council meeting.

Van Steenwyk made a request for one addition in relation to the City's Rural School. Pine City Area History Association would like to have a conversation regarding permitting related to the project. They would also like to formally ask for the monetary amount previously committed to, by the City, to fix the foundation. *Motion to accept revised agenda by Scholin, seconded by Ovick. On a roll call Pederson, Ovick, Scholin, Pettie, and Sloan voted in favor and none against. Motion carried.*

5. Consent Items –

- A) Approval of Meeting Minutes
 - i.) November 15, 2016 Special Meeting (corrected)
 - ii.) June 25, 2020 Regular Meeting
 - iii.) July 1, 2020 Regular Meeting
- B) Approval of July 2020 Expenditures
- C) Approval of July 2020 Accounts Payable
- D) Approval of July Fines Report

Council requested clarification on the July 1, 2020 Meeting Minutes. The request was for the Site Completion Certificate mentioned within the minutes to be better defined, to include the project address associated with the certificate. Van Steenwyk will confirm the project is related to the Marx property, currently known as Pokegama Pines Student Housing formerly known as the Gail Motel, located at 1100 Main Street S and make the change to better define the project within the minutes.

Council requested updates on the audit, as well as Quarter 1 and Quarter 2 Financial reports. Council would like to schedule a meeting to discuss the 2021 budget. Council would like the budget meeting to include additional discussion on CARES funding, to ensure the City is tracking all COVID-19 related expenses and utilizing the reimbursement dollars.

Council discussed citizen complaints related to the 2019 Streets project at Woodpecker Ridge noting the weed issue along the boulevard. It was noted that staff have contacted the contractor and the weeds will be removed when the weather cools down. The Mayor also noted concern about long grass and weeds are parcels throughout town such as the vacant parcel on highway 61 and the neighboring parcel to the north. Staff were directed to look into the issue. *Motion to approve the consent agenda by Sloan, seconded by Ovick. On a roll call Pederson, Ovick, Scholin, Pettie, and Sloan voted in favor and none against. Motion carried.*

- 6. Open Forum –** No public comments were made or offered. Van Steenwyk provided a brief update on the concerns with permitting costs relayed from Mr. Troy Haug via the open forum from July 30, 2020.

7. **Sheriff's Report** – A representative from the Sheriff's Department was not present.

8. **Public Hearings** – None to report.

8.1 Rural School Foundation repair and check request. Van Steenwyk provided a summary noting that the Rural School is a building, located on City property, PID 42026700, that is in need of foundation repairs. Van Steenwyk continued that the Pine City Area History Association would like the City Council to have a formal conversation on the permitting related to the project. He also noted that the Pine City Area History Society would also like to request funds previously committed to by the City to complete the foundation work. Council inquired if we have to disburse funds or if we can just code the expenses incurred into the budget (100-42400-300), as it is the City paying to fix a City owned building. Van Steenwyk noted there will be costs incurred by the City for contracted services with Rum River and inspection costs. He stated they could be charged to operations within our building department. *Sloan made a motion to absorb the costs for the inspections of the building as well as any related permits and to issue the funds previously budgeted in support of the repair - \$5,000 (100-45100-484). Scholin seconded the motion. On a roll call Pederson, Ovick, Scholin, Pettie, and Sloan voted in favor and none against. Motion carried.*

9. **Department/Committee Reports** –

Community Development –

A) Approval of Ordinance #20-04 Amending Chapter 10 regarding Tattoo Parlors – Body Art Establishments

Sauter stated the City has researched zoning requirements for a tattoo parlor in downtown Pine City. Upon conducting the research, it was discovered the City's zoning was restrictive. Given the fact that tattoo parlors are similar to hair salons and other professional services provided by licensed professionals, Sauter proposes we update tattoo parlors to read as body art establishments. They have been added under personal and professional services. She stated the wording is now consistent throughout the entire code and the language is clear on what zones body art establishments can operate in within the City. *Scholin made a motion to adopt ordinance #20-04 to change what zoning districts allow businesses of this type and to change tattoo parlors to body art establishments under the text amendment. Pettie seconded the motion. On a roll call Pederson, Ovick, Scholin, Pettie, and Sloan voted in favor and none against. Motion carried.*

B) Approval of Ordinance #20-05 clarifying front yard definition as it pertains to fences and accessory structures on corner lots

Sauter stated her department dove deep into the code and would like to add a definition of an exterior side yard to clear up confusion on where a fence or secondary structure can be located on corner lots. Because a corner lot technically has

two front yards, this update includes extra graphics that will provide additional clarification. *Motion by Sloan to approve Ordinance #20-05 clarifying front yard definition as it pertains to fences and accessory structures on corner lots. Seconded by Pederson. On a roll call Pederson, Ovick, Scholin, Pettie, and Sloan voted in favor and none against. Motion carried.*

- C) Approval of Resolution #20-41 Garage Variance 570 8th Street SW PID 42.5479.800 Ben Michels

This variance request has been recommended by the Planning Commission. Staff noted that Michels has demolished an old garage on the property. Staff relayed that he would like to build a new garage on the back corner of his lot. Sauter stated this request follows the revisions noted in Ordinance #20-05 approved above. Sauter requests support from the Council for this resolution, as it makes sense for the flow of Michels' yard. Per Sauter, this type of design is encouraged in the neighborhood per the City's Comprehensive Plan. *Motion to adopt Resolution #20-41 and to reduce any related fees to the minimum possible, by Scholin, seconded by Sloan. On a roll call Pederson, Ovick, Scholin, Pettie, and Sloan voted in favor and none against. Motion carried.*

- D) Approval of Hilltop Cul de Sac Roadway Easement Agreement

The City is in the final stretch of completing the Hilltop Cottages Development Agreement and anticipates a sale to Commonwealth in August 2020. There have been many eyes on the paperwork it was found that the presented document was needed to correct an omission in the process. When the land was originally platted to sell to Commonwealth, there was a regular rectangle road. A cul de sac was not initially incorporated into the design. Presented to Council is an easement agreement that allows the cul de sac to be part of the roadway, so the City can maintain and plow the road. This would typically be part of the plat. Staff noted that the City Attorney has reviewed the easement agreement and encourages its adoption. *Motion by Scholin to approve the cul de sac easement agreement as drafted. Seconded by Ovick. On a roll call Pederson, Ovick, Scholin, Pettie, and Sloan voted in favor and none against. Motion carried.*

Liquor –

- A) Monthly Sales Report – Van Steenwyk noted sales are good and remaining fairly steady. Council noted a readjustment to the report is necessary as a previous year's information is missing. Van Steenwyk will have the report corrected and have it resent to Council.
- B) COVID-19 Preparedness Plan – Van Steenwyk noted that as the liquor store requires its own COVID-19 Preparedness Plan, separate from the City's plan, as operations are different within the Municipal liquor store. *Motion by Scholin, seconded by Pederson, to*

adopt the liquor store's COVID-19 Preparedness Plan. On a roll call Pederson, Ovick, Scholin, Pettie, and Sloan voted in favor and none against. Motion carried.

Public Works – Nothing to report.

Administration –

A) Approval of Claims over \$10,000

Anderson stated the project related to the SEH and A1 Excavating bills is almost complete. Fencing is being reinstalled near the basketball courts, via a subcontractor. The Park Construction payment is in relation to the project at Woodpecker Ridge. The contractor will be laying the final asphalt the week of August 10th. Weeds in the boulevard will be removed at a later date. There was a brief discussion about some work that had to be redone by 10th street related to excess moisture. No additional costs associated.

i.) SEH, Invoice #389468, \$32,346.16

Motion by Ovick, seconded by Sloan, to approve SEH invoice #389468 for \$32,346.16. On a roll call Pederson, Ovick, Scholin, Pettie, and Ovick voted in favor and none against. Motion carried.

ii.) Park Construction Payment #7, 2019 Street Improvements, \$38,464.19

Motion by Pettie, seconded by Ovick, to approve Park Construction Payment #7 in the amount of \$38,464.19. On a roll call Pederson, Ovick, Scholin, Pettie, and Sloan voted in favor and none against. Motion carried.

iii.) A1 Excavating, 2020 Street Improvements, \$109,297.39

Motion by Ovick, seconded by Pettie, to approve payment to A1 Excavating in the amount of \$109,297.39 for the 2020 Street Improvements. On a roll call Pederson, Ovick, Scholin, Pettie, and Sloan voted in favor and none against. Motion carried.

B) Debt Study and FML Update Proposal –

Keith Dahl from Ehlers explained the City's rating from S&P. The rating increased from November 2019, due to strong management and good financial policies and practices. In November 2019, the City's rating was Adequate for issuing bonds. Following a conversation between S&P, Ehlers, and Van Steenyk, our current policies and implementation of bonds raised our rating to Strong. S&P also noted we have strong budgetary flexibility. The City's available fund balance in FY 2018 was 105% of operating expenditures, which is rare to see and S&P was impressed. The City also has strong liquidity and 68.8% of debt is scheduled to be retired in the next 10 years. The bond sale occurred on the morning of 08/05/2020. The City received two bids, which is a smaller number to receive, but acceptable given it is a smaller bond amount.

i.) Resolution for Sale of Bonds – Ehlers recommend awarding the bid of the sales to

someone in Baird of Milwaukee, Wisconsin. The premium received is \$70,000, retained by Ehlers in case any overruns occur with the project. Our interest rate will be 1.2395%. Aarsvold explained the success with this bond showcases the excellent financial management practices occurring in Pine City. *Ovick made a motion, seconded by Pettie, to approve Resolution #20-42 approving the sale of the bonds, \$1.7 million at 1.2395%. On a roll call Pederson, Ovick, Scholin, Pettie, and Sloan voted in favor and none against. Motion carried.*

Regarding the Financial Management Plan (FMP) requested by the City, Ehlers has drafted a cost quote associated with a new debt study/financial plan. While Ehlers regularly looks over the financial health of the City, Council has requested a bid for updating our FMP, which has not been updated since 2017. Aarsvold believes this would be a good time to update the FMP given the uncertainty surrounding COVID-19. Council questioned if it is too soon for an update, given it has only been three years since our last plan was drafted. Aarsvold explained it is never too early to plan and that it may be a good time to look closely at the Capital plan. Council did express concern over the depletion of Capital funds over the next ten years, questioning if we want to deplete the cash balance of the fund as much as we are planning to do.

C) Capital Budget Discussion – tabled following Council review.

10. Mayor – Nothing to report.

11. Miscellaneous Items – Montbriand will communicate with the vendor McQueen regarding a Public Works blower, letting them know we are going to pass on the item at this time.

Staff made note that City Hall will be open to the public on August 11th to facilitate in person voting. Plexi glass and a modified traffic flow will be utilized for safety. Anyone interested in running for City Council or Mayor must have their paperwork turned in by August 11th at 5pm. Interested candidates should contact Lisa Dunbar at City Hall to set up an appointment for completing paperwork or additional information.

12. Closed session pursuant to Minn. Stat. 13D.05 to discuss probation of Robert (Bob) Joyce – *Motion by Scholin, seconded by Sloan, to enter into a closed session pursuant to Minnesota Statute 13D.05 to discuss the probationary period of Robert Joyce. On a roll call Pederson, Ovick, Scholin, Pettie, and Sloan voted in favor and none against. Motion carried.*

Closed Session –

Return to open session –

13. Robert Joyce Probationary period Extension - Staff is requesting the probation period for Bob Joyce three months from July to Oct 8th, 2020. In the Oct 7th Council Meeting a recommendation will be presented to Council on continuing his employment. *Motion by Scholin, seconded by Pederson, to extend the probation period of Robert Joyce to Oct 8th,*

2020. On a roll call Pederson, Ovick, Scholin, Pettie, and Sloan voted in favor and none against. Motion carried.

Additional – A request was made to set a date set for another meeting, on budget and/or capital plan. Van Steenwyk will send out some feelers via email to figure out what date works. Pederson noted it should be before August 27th.

14. Adjourn – The meeting was adjourned at approximately 8:10 p.m.