

**NISSWA CITY COUNCIL
SEPTEMBER 21, 2016**

The regular meeting of the Nisswa City Council was held Wednesday, September 21, 2016 at 7:00 pm at City Hall.

Members Present: Kraus, Johnson, Jacobson, Krautkremer, Heidmann

Members Absent:

Also Present: Mark Hallan, Steve Qualley

Staff Present: Tom Blomer, Laurie Hemish, Brent Jones, Terry Wallin, Craig Taylor, Alex Hondl

Motion by Jacobson, seconded by Johnson to approve the consent calendar as presented:

- A. Approve minutes of August 17, 24, and September 7, 2016**
- B. Constitution Week Proclamation**
- C. Put \$4,000 in Cemetery Money Market**
- D. Presentation of Claims – #38641-#38828 totaling \$512,500.39**

All members voting “Aye”, with exception of Heidmann voting “Nay”; Motion carried.

OPEN FORUM

REPORTS

Chief Taylor stated he had provided the monthly report via email last week. Requested we handle new business item of resignation of Officer Bren Smith and proceed with replacement process. Would like authorization to proceed with timeline as presented to council. Stated deadline for applications is this Friday, hold interviews the beginning of October, make conditional offer before background check process completed, and have formal job offer by next Council meeting. **Motion** by Jacobson, seconded by Krautkremer to accept the resignation of Officer Bren Smith and to proceed with hiring replacement as per process indicated in Chief Taylor’s memo dated September 21st. Carried unanimously.

Fire Chief Geike stated there was a lower call volume for the month which is typical. Most of the calls were medicals. Held pancake breakfast Saturday during Fall Festival and raised \$1,600. Also received a donation of \$200 for the fundraiser. **Motion** by Krautkremer, seconded by Heidmann to accept the donation of \$200 for the fire department fundraiser fund. Geike stated they will be holding an open house at the fire hall on Tuesday, October 11th from 5:00 to 7:00 PM. Stated they will be doing fire safety week at Nisswa School October 12th. Had received donations to the National Fire Safety Council of \$3,200 and were able to purchase appropriate material. Stated October 29th will be the haunted barn fundraiser at the Dan Zimmerman farm.

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Wallin stated numbers for Pickle are good. Stated Rib Fest went well and had lots of weddings at the community center this year. Would like to address leave donation under new business now. Wallin stated he would like to donate up to 25 hours per week of his sick time for one of his part time employees who is out on medical leave for about six more weeks. **Motion** by Krautkremer, seconded by Jacobson to authorize Wallin and whoever else wishes to donate their sick leave time to the sick employee. Carried unanimously. Wallin stated they are looking to order the winter clothing line and bringing in some new red wines. Will be changing the credit card provider for the off sale side to match the on sale provider at a cost savings.

Krautkremer stated Spirits sponsored a hole at the Chamber golf tournament.

Jones stated the Planning Commission had their meeting last week with four public hearings of which three were variances and one rezoning. Stated land use permits are at 54 year to date compared to 39 last year.

Hondl stated the outfield fence had blown back and is working with insurance company to fix using Century Fence. Also dealing with insurance company to repair portable sign at the pocket park. Will be posting job openings for rink attendants and part time maintenance person to flood hockey rink this winter.

Blomer stated MnDot will be reopening south end of 107 soon. Stated his department is getting ready for winter mixing salt/sand, cleaning up of right of way, and mowing ditches. Stated Horizon Roofing was out and fixed the leaking issue with City Hall. Jacobson questioned the tunnel roof flaking off. Tony Hughes, MnDot, stated it is just cosmetic with the road construction vibrating. Will be fixed when done with 371. Stated that area was only temporarily constructed knowing the four lane expansion was to be done in 2018. Stated the state legislature came up with funding sooner, so now redoing the same area again. Johnson questioned the area by Cullen Brook. Hughes stated it will be six to eight feet lower when settled. Stated monitoring devices are recording settling since peat bog about 20 feet deep there.

Qualley stated the City received a grievance and per policy, the liaison of the department is to meet with the parties involved. Recommend one of the two liaisons for public works. Krautkremer volunteered. Qualley stated if issue is resolved in step one of process, it doesn't proceed any further.

Hallan stated they had a meeting with MnDot and contractors regarding Edna Lake Rd connection to 371. Will be constructing sometime this winter and after settled in the sprint, the final paving will be done. Working out driveway relocations and will present to the City and coordinate with MnDot. Heidmann stated MnDot is looking to do a sharp stop and turn corner and other options would be preferred. Stated the hill is still too steep of a slope.

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NEW BUSINESS

MNDOT TEMPORARY PERMIT TO CONSTRUCT

Tony Hughes, MnDot, stated the 371 contractor removed six to eight trees at the entrance to Nisswa Circle to improve site lines and drainage. Mistake was made that contractor had specs that it was MnDot right of way when the City owns outlots B and C. Need to have City approve temporary permit for them to finish grading and cleaning up the entrance. Jacobson questioned if they will replace the trees. Hughes stated no as they need the site lines. **Motion** by Jacobson, seconded by Johnson to authorize the temporary permit to work on the back slopes on a portion of Outlots B & C Nisswa Lakes Estates with the condition of no additional trees will be removed and completed next year. Carried unanimously.

Hughes stated Nisswa Avenue connection will be paved next week and open the following week. Stated some additional screening will be added along 371 and working on a landscaping plan.

ACCEPT RESIGNATION OF OFFICER BREN SMITH AND AUTHORIZATION TO PROCEED WITH REPLACEMENT PROCESS

(handled under staff reports)

LEAVE DONATION OF SICK TIME

(handled under staff reports)

PLAYGROUND IMPROVEMENTS

Hondl stated he has sent a memo outlining the improvements. **Motion** by Krautkremer, seconded by Heidmann to approve purchasing the engineered wood for \$2,400 and the locomotive rock n ride for \$1,214.00. Further discussion: Hondl stated to use Park & Rec/Community Center Improvements Fund 403522. Krautkramer amended motion, seconded by Heidmann to pay for park improvements using the Park & Rec/Community Center Improvements Fund 403522. Carried unanimously.

PURCHASE OF LAWN TRACTOR FOR PARK AND REC DEPT

Hondl stated he had discussed this at the budget meeting. He has since secured the \$5,000 donation from the Legion and the Nisswa Lions are donating \$2,500. Jacobson questioned where the remaining funds would come from. Wallin from the Pickle suggested using the Pickle Fund as his cash balance is good. Stated baseball brings business into the Pickle. **Motion** by Johnson, seconded by Krautkremer to approve the purchase of the John Deere tractor for \$11,812.77 using \$7,500 from donations and \$4,312.77 from the Pickle Fund. Carried unanimously.

REZONING OF 26837 EDNA LAKE ROAD FROM OPEN SPACE RESIDENTIAL AND SHORELAND RESIDENTIAL TO SHORELAND RESIDENTIAL

Jones stated the City is proposing the rezoning as the parcel has two different zonings. Krautkremer questioned if the property owner is in agreement. Jones stated yes. **Motion** by Jacobson, seconded by Johnson to rezone 26837 Edna Lake Road from Open Space Residential and Shoreland Residential to Shoreland Residential because of two zones on the same parcel. Carried unanimously.

PROPOSAL OF SERVICES FROM NJPA FOR COMPREHENSIVE PLAN

Jones stated he provided the proposal from NJPA for \$8,000. Stated the Planning Commission reviewed and recommended Council accept the proposal. Would like them to start next month. Stated the proposal is to not exceed \$8,000. Jacobson stated the plan is to use \$3,000 from this year's budget and the remainder next year. **Motion** by Krautkremer, seconded by Jacobson to accept the NJPA proposal for comp plan services with paying \$3,000 this year and the remainder next year. Further discussion: Kraus questioned process. Jones stated a technical advisory committee will be formed, public engagement meetings, planning commission public hearings, and final presentation to city council. Stated NJPA will handle all marketing for public involvement. Carried unanimously.

COPIER LEASE

Hemish stated she had provided the quote and information on the Ricoh lease and need approval to sign agreement. **Motion** by Johnson, seconded Jacobson to approve the Ricoh copier lease as presented. Carried unanimously.

PAY OFF LIQUOR REVENUE BOND

Kraus stated this will pay off a 5% interest rate bond. Jacobson questioned bond payments per year. Hemish stated between \$20,000 and \$25,000 for the next 10 years or so. **Motion** by Krautkremer, seconded by Jacobson to approve the payoff of the liquor revenue bond as presented in the Clerk's memo dated Sept. 16th. Carried unanimously.

FREEDOM SERVICES ADOPTION AGREEMENT

Hemish stated this is the annual agreement with Freedom Services to handle our Cafeteria 125 Plan to allow for pretax savings on health insurance premiums. **Motion** by Johnson, seconded by Jacobson to approve and authorize clerk to sign. Carried unanimously.

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MAYOR'S MONARCH PLEDGE

Kraus explained the information received to save the monarch butterfly. Jacobson stated he is confused on what the three requirements are. Johnson stated the information indicates they will work with the City to establish that. Jacobson questioned why the City would be involved with this. Kraus suggested the parks department handle. Hondl stated he will be point person for this. **Motion** by Heidmann, seconded by Krautkremer to appoint Alex Hondl as point person for the monarch pledge. All members voting "Aye", except Jacobson voting "Nay". Motion carried.

OLD BUSINESS

ROAD ASSESSMENT POLICY

Motion by Jacobson, seconded by Krautkremer to approve the road assessment policy. Further discussion: Jacobson stated he would like item 10 to read "The City of Nisswa may at its discretion defer any assessments for cause". Krautkremer stated he would like wording added that if road is subpar the citizens will not be assessed again within 20 years. Jacobson asked engineer if roads can be guaranteed for 20 years. Hallan stated no one can predict a future use of a road, so do we design on the heavy side. Suggested just adding to policy that no road project will be assessed within a 20 year cycle. Qualley stated that can be part of the policy and City can change policy in the future. Hallan stated we design roads typically for a 25 year life span.

Deb Cruz, resident, stated if making this big change in policy, the City needs to talk to people involved as uses vary per road. Stated this is not fair to residents on heavy used roads. Kraus stated this policy is to give a plan for the future on how the City will finance road projects. Stated allows for general public to be heard when project has feasibility study and public hearing. After citizens state their views, council will make decision. Cruz asked how the City handled road projects in the past. Kraus stated the City increased the levy for all property taxes. Stated this policy would have a 70/30 split with 30% being assessed to property owners along the street. Heidmann questioned why approve the policy now if change again in five or ten years.

Jacobson stated currently the City pays for road improvements thru the levy and can just do the road. This kicks the cost down the road so this policy is trying to forestall some of that by doing a shared cost. If citizens want a road improved, they would petition the City and then have a feasibility study done to determine cost share. If the citizens don't want the road done, then don't petition the city. If the city determines and initiates the street needs to be improved, it would need a 4/5 vote of the City Council. Krautkremer stated the project would not go ahead and be assessed without a public hearing. Stated if something on project is not fair to assess, the Council can change the policy.

Heidmann stated if citizens don't want to be assessed, then the road doesn't get done. Stated he has talked to property owners along Hazelwood and they stated they can't afford assessments.

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Road would continue to degrade if citizens don't want to be assessed. Stated he received an email from the Mayor sent to all of us from Blomer stating the \$300,000 in the budget is enough to cover the road projects of 8 to 9 million dollars. Read a letter from Jim Dullum stating all road costs should be shared by all. Stated the levy system has been successful and it took three weeks to get information on assessments with no documentation showing we need assessments. Kraus stated the information has been provided.

Debby Krassis (sp?), Hazelwood Dr, stated she would like the information and hear what Heidmann has to say. Kraus stated she can come to City Hall anytime and request the information and schedule a meeting with the Public Works Director to discuss. Krassis questioned what information. Kraus stated we have the road study from 2010 listing condition of roads and costs. Jacobson stated we have a budgeted amount of around \$300,000 per year for the roads but most of that is for paying off current bonds of which one goes until 2032. Stated most cities have an assessment policy.

Alan Jenkins, Smiley Rd, stated when Smiley Road was improved, he was assessed for part of it with no public meetings. Kraus stated the 429 assessment policy has public hearings as part of the process. Johnson stated he wasn't here at that time and there was no assessment policy in place at that time. Jacobson stated the proposed policy gives power to the citizens via the public hearing process. Heidmann stated he doesn't think the city needs a 429 policy to determine when the roads should be improved. Jacobson stated we will have a financial problem in the future if we don't keep the levy down. Heidmann stated Nisswa isn't overspending every year as we monitor the budget. Stated if see a shortfall, need to determine what other options are available. Questioned where the data is from the other scenarios to back up needing assessments. Kraus stated the committee recommends this option. Krassis asked why sales tax option isn't looked at as tourists should pay for road use. Jacobson stated the state legislature dictates that and Nisswa would have probably about a 2% chance in getting local sales tax. Kraus stated around 2000 he and others went to the legislature to ask for local sales tax for wastewater improvements and the tax committee wouldn't give us the time of day. Kraus called for vote. Jacobson questioned if included two recommended additions to policy. Kraus stated yes. Roll Call: Jacobson, Krautkremer, and Kraus voting "Aye"; Heidmann and Johnson voting "Nay". Motion carried.

ROAD STANDARDS

Motion by Johnson, seconded by Krautkremer to approve the road standards as presented. All members voting "Aye", except Heidmann voting "Nay". Motion Carried

ENGINEERING AGREEMENTS FOR EDNA LAKE RD AND HAZELWOOD DRIVE

Jacobson questioned how long the data is good for. Hallan stated after a decision has been made, the feasibility report would be good for two to three years. Jacobson questioned if we should wait for the citizen to petition since we don't have a project. Heidmann stated why spend the money now for project in the future. Jacobson questioned if the bridge on Hazelwood needs to be done. Hallan stated no and there currently isn't any state/federal bridge dollars available. Kraus stated since State is working on end of Edna Lake Road in 2017, we should look at that. Heidmann stated a complete repaving of Edna Lake Road does not have to be part of the connection to 371. Stated it could be done five to ten years from now. Stated we do need to deal with service drive tying into Edna Lake Road and making corner safer. Kraus stated so then we would come back later and redo again. Heidmann stated it should be two different projects. Hallan stated they met with MnDot to discuss cutting down the hill and making changes and there are savings to not mobilizing equipment twice. Johnson stated it would make sense with efficiencies. Heidmann stated Edna Lake Road doesn't need to be repaired for more than five years. Krautkremer questioned condition of the road. Hallan stated it is number two on the list of roads needing to be done. Stated it is not in good condition and lots of money is spent every year to patch/repair. Krautkremer questioned if the \$4200 feasibility study will address the hill issue. Hallan stated yes and the slope, turn, and impact of costs. Stated final design is not in the feasibility study but lists costs and options. Heidmann questioned if \$4200 includes entire Edna Lake Rd. Hallan stated yes using existing information and not doing another survey. Stated costs are listed. **Motion** by Jacobson, seconded by Krautkremer to authorize the feasibility study for Edna Lake Road not to exceed \$4,200. Further discussion: Heidmann stated it is not clear what is being done for the study. Hallan stated the entire Edna Lake Rd not including MnDOT right of way. Heidmann stated so from top of hill to the end of Edna Lake Road. Questioned if we can't just get a quote from the contractors, and questioned if we need a feasibility study just to repave. Jacobson stated you need to engineer water drainage. Johnson stated how it ties into existing and holding ponds, etc. Kraus stated the feasibility study is needed to cover all options. All members voting "Aye", with exception of Heidmann voting "Nay"; Motion carried.

Motion by Jacobson, seconded by Heidmann to table engineering study for Hazelwood Drive. Further discussion: question of when to table until. Jacobson amended motion, seconded by Heidmann to no action on Hazelwood Drive proposal for engineering services. Carried unanimously.

COUNCIL REPORTS

Jacobson stated he has been chastised by staff for not responding to emails to at least let them know he has received an email. He encouraged all Council to respond accordingly. Stated City will be handling health insurance issue regarding Bren Smith single health coverage agreement. Heidmann questioned if payroll issues have been resolved. Jacobson stated clarified and resolved.

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Heidmann stated the Mayor had sent an email on Sept. 8th to all council violating open meeting laws. Kraus stated he will look into.

ANNOUNCEMENTS

Hemish reminded Council of special council meeting on Wednesday, Oct. 5th at 2:30 pm for Springsted to present compensation study. Reminded council of truth in taxation hearing set for Wednesday, December 21st at 6:30 right before regular council meeting.

Qualley stated he is taking a new position in Melrose so his last day with the law firm is October 20th. Introduced Tom Pearson from the law firm who will now handle Nisswa. Stated he also does the cities of East Gull Lake, and Crosby.

Motion by Heidmann, seconded by Krautkremer to adjourn. (meeting adjourned at 9:16 PM)

Harold Kraus, Mayor

Laurie Hemish, Clerk