

**REGULAR COUNCIL MEETING  
CITY OF NISSWA  
WEDNESDAY, DECEMBER 20, 2017  
7:00 P.M. – CITY HALL**

The regular meeting of the Nisswa City Council was held on Wednesday, December 20, 2017 at 7:00 p.m. at City Hall.

Members Present: Heidmann, Jacobson, Johnson, Krautkremer and Ryan.

Members Absent: None.

Also Present: City Staff Jenny Max, Tom Blomer, Matthew Hill and Desmond McGeough; City Attorney Tom Pearson and City Engineer Mark Hallan. There were approximately 15 people in the audience.

A. Mayor Heidmann called the meeting to order at 7:00 p.m. The Pledge of Allegiance was recited.

B. Consent Calendar – Motion by Jacobson, seconded by Ryan to approve the Consent Calendar as presented with the following items listed:

1. Police Chief's Report – November 2017
2. Planning & Zoning Administrator's Report – December 2017
3. Public Works Director's Report – December 2017
4. Parks & Recreation Director's Report – November 29, 2017
5. Spirits of Nisswa Manager's Report – December 2017
6. Fire Chief's Report – November 2017
7. Personnel Updates – December 2017
8. Presentation of Claims – Check register #41161-41376 totaling \$368,852.01
9. Transfer \$235,000 from Liquor Funds to General Fund

Motion carried unanimously.

C. Open Forum – Duane Blank and Jason Martinson addressed the Council representing the Lutheran Church of the Cross. The Church has hosted a rummage sale for over ten years and has raised a significant amount of money during that time. Over 25% of the proceeds from the rummage sale have been donated back to local area organizations. Due to the growth of the rummage sale, the Church has requested a conditional use permit from Planning and Zoning to have permanent storage containers on their property. Blank noted that the fee for a conditional use permit is \$300 and they are requesting the Council waive the fee. The Church is looking to minimize any expenses that it can. Following discussion, Motion by Krautkremer, seconded by Heidmann to waive the \$300 conditional use permit fee requirement for the Lutheran Church of the Cross as requested. The Council stated the Church will still need to complete all paper work requirements through Planning and Zoning. Motion carried unanimously.

D. Reports –

1. City Administrator/Clerk:

- a. Recommendation to Remove Desmond McGeough from Probationary Status to Permanent Employee – Max stated that McGeough’s probationary status was complete on December 5<sup>th</sup> and that her recommendation is to approve moving McGeough to permanent employee. Heidmann noted that he has been thrilled with McGeough’s work. Motion by Heidmann, seconded by Jacobson to move Desmond McGeough from Probationary Status to Permanent Employee as presented. Motion carried unanimously.
- b. Recommendation to Remove Jeremy Rooney from Probationary Status to Permanent Employee – A memo provided by Chief Taylor recommending Officer Jeremy Rooney move to permanent employee was included in the Council packet. Motion by Krautkremer, seconded by Ryan to move Jeremy Rooney from Probationary Status to Permanent Employee as presented. Motion carried unanimously.
- c. Recommendation to Approve 2018 Salary and Benefit Adjustments for City Staff – Max provided an update to the Council regarding 2018 salary and benefit adjustments for city staff. Max noted the Teamsters union contract is settled but the Supervisor union contract is still in negotiations at this time. The adjustments presented are what Max has estimated to be close to the final contract settlement. Motion by Krautkremer, seconded by Ryan to approve the 2018 salary and benefit adjustments as presented by the City Administrator. Motion carried unanimously.
- d. Recommendation to Approve Fire Department Officer Pay Adjustment for 2018 – Motion by Jacobson, seconded by Krautkremer to approve the 2018 Fire Department Officer Pay Adjustment as presented. Motion carried unanimously.
- e. Approval of Liquor License Ownership Change for Holiday Stationstores, Inc. – Motion by Jacobson, seconded by Heidmann to approve the Liquor License Ownership Change for Holiday Stationstores, Inc. as presented. Motion carried unanimously.
- f. Set City of Nisswa Organizational Meeting Date in January 2018 – It was the consensus of the Council to set the Organizational Meeting for January 3, 2018 at 7:00 PM.
- g. General Updates – None.

2. City Attorney – None.

3. City Engineer – Hallan noted that Crow Wing County has sent out an RFP to engineering firms for work to be done at the intersection of Highway 371/CSAH 77/CSAH 13. The County has moved this project up from 2021 to 2019. Hallan will work with the Public Works department to keep the City informed as more information is available.

Hallan said that it is nice to see the Holiday gas station addressing the Planning and Zoning conditions as previously agreed upon.

Heidmann inquired about the timing of the Grand View Lodge traffic committee. Peter Mann noted that there was a resident from West Linden who expressed interest in being on the committee at the last Planning and Zoning meeting. Heidmann noted it is not always easy to have the perfect timing when you are trying to include seasonal residents as part of the process. Blomer said it would be beneficial for the City to start this process very soon so that the concerns can be addressed from a whole City perspective. Hallan stated it would be beneficial for the City to establish the committee by March so that the City can some feedback to the County consultant hired for the Highway 371/CSAH 77/CSAH 13 project.

E. New Business –

1. Resolution Approving Final 2017 Tax Levy Collectible in 2018 – Max noted that the Truth in Taxation hearing was held just before the Council meeting on the 2017 payable 2018 Levy. Motion by Jacobson, seconded by Johnson to approve Resolution No. 17-7, Resolution Approving Final 2017 Tax Levy Collectible in 2018 in the amount of \$2,154,969. Motion carried unanimously.
2. Approval of 2018 City of Nisswa Budget – Max provided the 2018 City of Nisswa Budget as follows: Total General Fund Revenues and Expenditures of \$2,646,902 and \$2,686,164, respectively, which represents a deficit of \$39,262. Max said that a deficit, or spend down, means the City will spend the funds it has in reserves to cover the additional expenditures budgeted for 2018. Total Proprietary Fund Revenues and Expenditures of \$4,290,780 and \$4,284,651, respectively, which represents a surplus of \$6,129 between the Sewer, Pickle and Spirits activities. Total Nonmajor Fund Revenues and Expenditures of \$449,532 and \$452,524, respectively, which represents a deficit of \$2,992. In total, the 2018 City of Nisswa budgeted Revenues and Expenditures are proposed at \$7,387,214 and \$7,423,339, respectively. Motion by Krautkremer, seconded by Ryan to approve the 2018 City of Nisswa budget as presented. Motion carried unanimously.
3. Recommendation from the Planning & Zoning Commission to Adopt the City of Nisswa Comprehensive Plan Update 2017 – Max introduced and played the video that was created by NJPA. Jacobson noted that the Planning and Zoning Commission held a Public Hearing on the Comprehensive Plan at their December meeting. The Plan passed at the Commission level on a 3:2 vote. Jacobson’s initial concern, as one of the dissenting votes at the Planning Commission meeting, was that the Comprehensive Plan was a formal legal document, but has since come to learn that the Plan is merely a guiding document and is meant to be advisory in nature. Heidmann stated that a lot of work went into the document. Anne Laufman, Planning and Zoning Commissioner, stated her concerns about

the document and noted that it is unusable in its current form. Laufman said the Plan does not address costs and that the vast majority of the residents are not represented in the document. Pearson said that the Plan should be a tool used by the Council and staff to aid in the work that is done. Ryan noted that he discussed the Plan with the staff and that the staff feels this is a usable document they can work with. Heidmann and Johnson both expressed concern that there was not more support at the Planning and Zoning Commission level for the Plan as its presented. Motion by Jacobson, seconded by Ryan to approve the Resolution of the City Council of the City of Nisswa, Minnesota, Approving the Adoption of the 2017 Comprehensive Plan. Discussion: Krautkremer expressed concern that the Plan is too broad and notes goals that are unattainable. Krautkremer would like to see more realistic ideas identified in the document. Motion failed 2:3 with Heidmann, Johnson and Krautkremer opposed.

Motion by Ryan, seconded by Krautkremer to send the Comprehensive Plan back to the Planning and Zoning Commission with Council input as expressed tonight, ask the Commission to address the Council's concerns and re-submit the Comprehensive Plan to the City Council at a later date after changes have been incorporated into the document. Motion carried unanimously.

4. Recommendation from the Planning & Zoning Commission to Approve the Rezoning Application 039-17 for Thomas Steffens/Good Ol' Days Resort – Motion by Jacobson, seconded by Johnson to approve the rezoning of the 1.73 acre tract of property from Shoreland Residential to Commercial Waterfront generally located on the east side of Oak Lane, 900 feet northwest of the intersection of Oak Lane and Poplar Avenue, PIN 281260009010009, 28126000902A009, 281650050050009 and 28165005006B009 for Thomas Steffens/Good Ol' Days Resort. Motion carried unanimously.
5. Acceptance of Donation for Development of Nisswa Lake Park – Motion by Ryan, seconded by Krautkremer to accept the donation of \$50,000 from Mildred Gjertson for development of a pavilion at Nisswa Lake Park. The Council thanked Ms. Gjertson for her generosity. Motion carried unanimously.
6. Acceptance of Bid for Pavilion at Nisswa Lake Park Development – Hill provided some background to the Council regarding a request to accept a bid to purchase a pavilion. Hill noted there were two quotes received. The quotes were for slightly different designs and therefore are not apples to apples comparable as far as cost is concerned. The design team reviewed both quotes and is recommending acceptance of the bid from Classic Recreation Systems/Midwest Playscapes in the amount of \$22,728.00. Heidmann noted that the pavilion has a utilitarian look and is not as upscale as he would like to see. Heidmann would like to see the City pick the style of pavilion that is preferable and then work to raise the necessary funds

to purchase it. Hill said that more upscale features can be added to the pavilion in the future such as stone work around the pillars. The original estimate for the pavilion was approximately \$100,000 and Krautkremer noted it would take a long time to get done if the City waited to have funding at that level. Following discussion, Motion by Johnson, seconded by Krautkremer to accept the bid from Classic Recreation Systems/Midwest Playscapes in the amount of \$22,728.00 for the purchase of a pavilion for Nisswa Lake Park as presented. Motion carried 4:1 with Heidmann opposed.

7. Resolution Approving State Of Minnesota Joint Powers Agreements with the City of Nisswa on Behalf of Its Police Department Regarding the Minnesota Internet Crimes Against Children Task Force (ICAC) – Motion by Jacobson, seconded by Ryan to approve Resolution No. 17-8 Approving State Of Minnesota Joint Powers Agreements with the City of Nisswa on Behalf of Its Police Department Regarding the Minnesota Internet Crimes Against Children Task Force (ICAC) as presented. Motion carried unanimously.
8. Resolution Adopting Increase in Sewer Rates – Max noted the increase in sewer rates for 2018 will be 3% for the quarterly usage rates (from \$139.51 to \$143.70) and approximately 6.5% for the sewer connection fee (from \$7,500 to \$8,000). Motion by Jacobson, seconded by Krautkremer to approve Resolution No. 17-9 Adopting Increase in Sewer Rates. Motion carried unanimously.
9. Approval of List of Roads for 2018 Street Reconstruction Project – Max provided a review of the memo included in the packet including the list of roads the Public Works committee is recommending for the 2018 street reconstruction project. The list of roads includes:

<u>Road</u>	<u>Mileage</u>
1. Hazelwood Ave.	1.1 mi
2. Hazelwood Bridge	N/a
3. St. Columbo Road	0.55 mi
4. Gull Lake Drive	0.80 mi
5. Mission Road	1.0 mi
6. Lower Cullen Rd. (north)	0.35 mi
7. Nisswa Lake Lane	0.30 mi
8. Hyland Ave.	0.50 mi
9. Smiley Road (south)	0.56 mi
TOTAL	5.16 mi

Motion by Ryan, seconded by Johnson to approve the list of roads for the 2018 Street Reconstruction Project as presented, and to not include any special assessments for the 2018 Project. Motion carried 3:2 with Jacobson and Krautkremer opposed.

- F. Old Business –
  1. Update on Edna Lake Road Options

- a. MNDOT Work Order Approval - tabled from the December 13<sup>th</sup> Council Meeting
- b. Approval of Bid from H&R Construction Co. for the Installation of a Guardrail on Edna Lake Road - tabled from the December 13<sup>th</sup> Council Meeting
- c. Information from Xcel Energy Regarding Existing Gas Line Along Edna Lake Road - tabled from the December 13<sup>th</sup> Council Meeting
- d. Survey Results – Edna Lake Road Options

Roger Landers thanked the Council for showing concern for this issue and reviewed the survey results from the residents on Edna Lake Road. Bob Bureau noted that he has talked with the DNR and believes the City could obtain an easement due to public safety concerns. Bureau said that if the City were to tie any curve changes to a road reconstruction project that would likely take ten years. Ryan stated that working with other government agencies will take some time, as they will want to see a plan in place first. Heidmann asked if the City should pursue installation of a guardrail and Ryan noted that the survey shows the residents would like to see the City work with the DNR first. Krautkremer asked if the City has any liability or exposure now that a road safety issue has been identified. Pearson said that there could be a risk of liability on the part of the City if you're aware of an issue and don't correct it. Krautkremer asked if there are any options for temporary barriers. Blomer said his department has been more liberal with the salt and sand that is applied and that they will continue to closely monitor the conditions of the road. Bureau noted his concern that if a guardrail is installed the City may not be interested in broadening the curve in the future. Following discussion, Motion by Jacobson, seconded by Krautkremer to accept the bid from H&R Construction Co. in the amount of \$18,000 to install a guardrail along Edna Lake Road. Motion failed 2:3 with Heidmann, Johnson and Ryan opposed. Landers thanked the Council for their time and concern involving this issue. Johnson thanked Landers and Bureau for their help in getting resident input during this process.

2. Discussion and Vote on Keeping or Rescinding the City's Current Assessment Policy – tabled from the October 18, 2017 and November 15, 2017 Council Meetings
  - a. Proposed Changes to the Public Improvements and Roadway Assessment Policies and Procedures

Heidmann expressed appreciation for everyone's input during the review of the Assessment Policy. Krautkremer noted his concern over the lack of public input included as part of the assessment discussion from the beginning. Krautkremer said that proper long range planning is important and that assessments haven't been given a fair shake. Jacobson noted that the proposed changes to the policy drop a lot of areas and cuts the meat of the policy, and he would like to see the policy remain intact as is. Johnson stated that the policy does not include mil and

overlay projects but does allow for special items. Ryan said that this topic is hard to understand and it would have been better to have identified all the options and provided that to the public for feedback. Following discussion, Motion by Ryan, seconded by Heidmann to modify the City's Public Improvements and Roadway Assessment Policy to include the changes as presented in the packet. Motion carried 3:2 with Jacobson and Krautkremer opposed.

Motion by Ryan, seconded by Heidmann, to request the Public Works Committee address all options available for the funding of future road improvements, including assessments, and to provide a status report to the Council by the September 2018 Council meeting. Ryan noted he would like to see the Public Works Committee take an in-depth look at available funding options, contact credible sources to educate the Committee and incorporate public input into the process. Motion carried unanimously.

G. Council Reports –

1. Mayor – Heidmann thanked Max for the good work she is doing. Heidmann also noted that he will likely leave the Council Liaison appointments as they are for 2018, unless a Councilmember brings forward any issues. Lastly, Heidmann said that he inquired with Max about the option to purchase Council iPads, which could help save costs of printing meeting packet materials. Max researched the paper and printing costs to put together Council packets and found that there was minimal cost involved each year (approximately \$75). For now, Council packets will continue to be provided in paper.
2. Councilmember Jacobson – Jacobson wished the City Council and City Staff a Merry Christmas. Johnson, Krautkremer and Ryan also wished everyone a Merry Christmas.
3. Councilmember Ryan – Ryan expressed thanks to Blomer for helping a resident by providing information that they needed to address a legal matter.

There being no further business, Motion by Ryan, seconded by Johnson to adjourn the meeting at 10:06 p.m. Motion carried unanimously.

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Fred Heidmann, Mayor

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Jennifer Max, City Administrator/Clerk