

**CITY OF NISSWA  
MINUTES – REGULAR COUNCIL MEETING  
WEDNESDAY, MAY 16, 2018  
7:00 P.M. – CITY HALL**

The regular meeting of the Nisswa City Council was held on Wednesday, May 16, 2017 at 7:00 p.m. at City Hall.

Members Present: Heidmann, Johnson, Krautkremer and Ryan.

Members Absent: Jacobson.

Also Present: City Staff Jenny Max, Craig Taylor, Tom Blomer and Shawn Bailey; City Engineer Mark Hallan; City Attorney Tom Pearson; Nancy Vogt from the Echo; There were approximately 10 people in the audience.

**A.** Mayor Heidmann called the meeting to order at 7:01 p.m. The Pledge of Allegiance was recited.

**B. Consent Calendar –**

1. Parks & Recreation Director Report – May 2018
2. Fire Department Report – April 2018
3. Police Department Report – May 2018
4. Planning & Zoning Administrator Report – May 2018
5. Presentation of Claims – Check register #42030-42149 totaling \$329,383.44
6. Regular City Council Meeting Minutes from April 18, 2018
7. Public Works Director Report – May 2018

Motion by Johnson, seconded by Krautkremer to approve the amended consent calendar as presented.  
Motion carried unanimously.

**C. OPEN FORUM –**

1. None.

**D. REPORTS**

1. City Administrator/Clerk
  - a. Set 2019 Budget Meeting Dates – Suggest 6:00 P.M. prior to the Regular Council Meeting for the months of July, August & September – It was the consensus of the Council to set the 2019 Budget Meeting Dates as presented.
  - b. General Updates – Max noted the Pickle off-sale area has been remodeled and thanked Terry Wallin and Brian Farrell for their work on this project.
2. City Attorney
  - a. Draft Easement Agreement Between Schaefer’s of Nisswa and the City of Nisswa – Pearson noted there is no legal description identified in the easement and that the document will rely on the drawing of the new sign to identify the location. The Easement Agreement protects both the City’s and Schaefer’s interests. Motion by Krautkremer, seconded by Ryan to approve the Easement Agreement Between

Schaefer's of Nisswa and the City of Nisswa. Pearson will email the document to Krautkremer to obtain signatures from Schaefer's. Motion carried unanimously.

3. City Engineer

- a. Hallan addressed item E6 and inquired of Pearson as to what legal options the City would have. The Council requested this discussion be tabled until the item is up on the agenda.

**E. NEW BUSINESS**

1. Resolution Calling Public Hearing on the Proposed Establishment of Tax Increment Financing District No. 1-13 Within Development District No. 1 and the Proposed Adoption of a Tax Increment Financing Plan Relating Thereto – Max introduced the proposed Tax Increment Financing project and provided a brief overview of the known information at this time. PJ Smith from American National Bank addressed the Council and spoke about the project. Smith stated that his plan is to bring a branch of American National Bank to Nisswa, but at this time is uncertain if it will be on a greenfield site or at Sportland Corner. The property known as Sportland Corner is American National Bank's preferred location. Smith said the current owner is expecting a large sum of money for the property. Smith noted that from his perspective, the building is a tear down. Smith said a purchase agreement is in place but the sale is contingent on a TIF agreement with the City. The project will include additional tenants in the building via rental space. If the City doesn't agree with his proposed TIF idea, he will look into a stand-alone alternate location with no additional tenants. Heidmann asked if there will be more tenants. Smith said the bank will need about 4,000 sq. ft. of space, with 5,000 sq. ft. on the main level and an additional 4,000 sq. ft. on the 2<sup>nd</sup> story. The building would be multi use with the bank and new rental space. Johnson asked what is the closing date, to which Smith replied September 3<sup>rd</sup>. Smith noted he would like to break ground in September to allow for construction over the winter months. Krautkremer asked if the Council is simply giving preliminary approval. Max noted that yes, with Council approval tonight of the Resolution it will set the process in motion, approve the Public Hearing date, and allow her to use Springsted to work on the details. Smith asked the Council to consider how bad does the City want that corner redeveloped and does the city want to create that new tax base. The TIF request takes nothing away from what currently exists as far as tax revenues for the City. Smith noted the purchase price of the property is \$775,000 and he is preliminarily looking at a request of \$500,000 in TIF. Heidmann said he wants to see the corner redeveloped but also questions if that's a good approach to ask for TIF only due to the fact that the purchase price is higher than the property is valued. Smith would like some clarity to be able to move forward one way or another. Johnson said he can see that this could be an opportunity to take care of an eye sore and could be a good and wise use of a financing tool. Krautkremer said the numbers are crucial but thinks it's an appropriate use of TIF money. Krautkremer said the City isn't locked into anything at this point and is hopeful that we can come to terms. Ryan echoed Krautkremer's comments. Motion by Krautkremer, seconded by Johnson to approve Resolution 18-9, Calling Public Hearing on the Proposed Establishment of Tax Increment Financing District No. 1-13 within Development District No. 1 and the Proposed Adoption of a Tax Increment Financing Plan Relating Thereto. Motion carried unanimously.

Max requested Council consideration of the TIF Application fees as presented in the packet. Motion by Krautkremer, seconded by Johnson to set the TIF Application fee to a nonrefundable \$1,000, plus Escrow Deposit of \$5,000 to be used for any out of pocket expenses incurred by the City. Max said that she previously discussed this with Smith and he has no concerns with the fees as presented. Motion carried unanimously.

2. Presentation from the City of Nisswa Fire Chief Regarding the Purchase of a Pumper Truck for the Fire Department –Bailey stated he has reached out to each Councilmember to answer questions. The proposed cost is \$466,133 for the truck, plus \$44,000 for equipment, totaling \$510,233. Bailey reviewed the amount that will be given for a down payment and that the lease will be the seven year payback option with a \$1 buyout at the end. The fire department contracts will continue to add to the truck fund to cover the costs of increase in expense of future trucks. Max said the payment is \$33,600 per year with the truck fund receiving the difference between \$55,000 budget for the fund and the payment of \$33,600. Bailey noted the department will be getting rid of a 44 year old pumper once the new truck arrives. Bailey said he has explored used truck options; one option came in at almost \$400,000 which is very close to the cost of a brand new truck. The new truck is the same model truck that the City has today which means there will only be minimal training required on new truck as opposed to a different model. The interest rate for used trucks goes up a minimum of two points with no warranty. Krautkremer said he is happy with the current vendor and that it is hard to piece together parts from old vendors for old trucks. Bailey noted the new truck will take nine months to build and deliver. Motion by Krautkremer, seconded by Ryan to purchase a Custom Fire Pumper Truck from Custom Fire using the seven year repayment option at a cost of \$466,133, plus upfit costs in the amount of \$44,000. Motion carried unanimously.
3. 2018-2019 Liquor License Renewals – Motion by Johnson, seconded by Ryan to approve the 2018-2019 Liquor License renewals contingent upon all fees paid, all paperwork and forms submitted and no outstanding issues of noncompliance. Motion carried unanimously.
4. Set Election Judge Pay Rate for 2018 – Motion by Krautkremer, seconded by Johnson to set the 2018 Election Judge pay rate to \$10.50 per hour. Motion carried unanimously.
5. Recommendation to Accept a Quote from Revize, LLC for Website Hosting, Design and Maintenance – Motion by Johnson, seconded by Krautkremer to accept the quote from Revize, LLC for website hosting, design and maintenance using the payment plan option of \$3,700 per year for three years then \$1,800 for the fourth year, contingent upon Max completing a successful demo with Revize and conducting reference checks from other customers. Motion carried unanimously.
6. Approval to Enter into Discussions with the Department of Natural Resources for a Potential Road Easement – McGeough noted this is a proposed project at Hills Crossing, is 13 acres in size and Tom Steffens is the proposed developer. A street connection to Hills Crossing will need to be provided in some manner. In 2007 or 2008 a CUP was approved and the applicant should have provided a roadway easement from the property to the north. However, the easement was never recorded. In 2011, another CUP was approved for the property but no reference was made to the easement. McGeough asked that the applicant/developer put money into an escrow to cover the DNR application fee, city consultant fees, etc. Heidmann said he is

not opposed to development potential and asked how many units are proposed at this time. McGrough said 38 units was proposed the last time this was presented to the Planning Commission. Heidmann said there may be traffic issues with 38+ vehicles using that road access each day and mitigation issues should be considered. Ryan asked if the City would be reimbursed by Mr. Steffens or what would that process look like. McGeough noted that \$5,000 would be a good amount to request up front to be placed in escrow with the City. Pearson said this would also be subject to an escrow agreement that the applicant would sign. Pearson noted that it is much easier to take more funds up front and then refund any remainder at the end, if any. Motion by Krautkremer, seconded by Johnson to direct City staff to enter into discussions with the Department of Natural Resources to procure a road crossing easement on a portion of the Paul Bunyan Trail, providing access to a proposed development known as Nisswa Woods, with \$6,000 to be obtained up front by the applicant to be placed in escrow with a signed escrow agreement. Pearson said he will put the document together, with the cost of legal fees to be paid for out of the escrow funds. Motion carried unanimously.

7. Recommendation from the Public Works Committee Regarding the Purchase of a Sewer Truck – Ryan noted this is not a state bid truck as both Ford and Ram are done with state bid for the year. The timing is unknown as far as when the state bid will re-open. This truck has a substantial lead time of approximately 18 weeks. Ryan noted the specs include no built in air compressor, no diesel engine, will be reusing the power inverter, will have a new crane model that should be much improved over the current one that has been causing issues. Mills is very competitive with vehicle pricing and the Public Works Committee felt that it made sense to move forward with the quote from Mills at this time. Ryan also noted that Mills is giving a good trade-in price for the current truck. Motion by Ryan, seconded by Krautkremer to approve the purchase of a Sewer Truck from Mills Ford in the amount of \$38,330, plus ABM crane and up fit costs, totaling \$75,262.00. Motion carried unanimously.
  
8. Recommendation from the Public Works Committee Regarding the Purchase of a Supervisor Truck – Ryan noted this purchase is to replace the red Ford Supervisor truck. Staff received three quotes – two were off the state bid and one was from Mills. The Ram is \$4,000 less but the Public Works Committee looked at keeping the purchase local since all public works vehicles are Ford models. Questions were asked by the Council regarding the box side steps, spray in bed liner and tailgate step. Ryan noted that certain options are included due to a memo from the League of MN Cities suggesting ways to prevent injuries and hopefully minimize work comp claims. Blomer noted that these options can be dropped when the order is placed if the Council prefers to take off certain options. Blomer said the Ford is a good choice as it has an aluminum body and feels the spray in bed liner will extend the life of the box. Krautkremer stated there's probably not a need for the box side steps or tailgate step due to the topper. Krautkremer also noted his opinion is to take out spray in bed liner. Motion by Krautkremer, seconded by Johnson to approve the purchase of a Supervisor Truck from Mills Ford with the removal of the box side steps, tailgate step, and spray in bed liner. Motion carried unanimously.

Motion by Ryan, seconded by Krautkremer to authorize the 2008 Ford Supervisor truck as excess equipment and authorize staff to sell through Gov Deals with a minimum bid of \$7,200, after the new truck is received and operational. Motion carried unanimously.

9. Recommendation from the Public Works Committee to Request Updated Quotes for the Installation of a Guardrail on Edna Lake Road – Heidmann said the Edna Lake Road residents feel strongly for the guardrail and would like the City to re-quote the project. Motion by Ryan, seconded by Johnson to direct the City Engineer to obtain updated quotes for the installation of a guardrail on Edna Lake Road. Motion carried unanimously.
  
10. Recommendation from the Public Works Committee to Accept the Proposal for Transportation Planning Services for CSAH 77/Nokomis Avenue Area in Nisswa, MN from Spack Consulting – Ryan noted this is for the Grand View Lodge traffic study. Spack Consulting is the lowest bid and Grand View Lodge is reimbursing the City for the cost. Motion by Ryan, seconded by Johnson to accept the proposal from Spack Consulting for transportation planning services for CSAH 77/Nokomis Avenue area in Nisswa, MN in the amount of \$12,140. Motion carried unanimously.
  
11. Recommendation from the Public Works Committee to Accept the Repair Quote from DeChantal Excavating LLC for Repairs at Nisswa Avenue – Ryan noted that the repair work is located in an area where the City had a recent sewer backup. Access has been granted on a resident driveway; the City will dig out, open back up with a new manhole and replace a valve that failed. This should help address issues that have occurred. Blomer said there's a check valve and a gate valve and this repair will put both of those in the manhole to provide staff the proper access. Motion by Ryan, seconded by Krautkremer to accept the quote from DeChantal Excavating, LLC for repairs at Nisswa Avenue in the amount of \$9,777.00. Motion carried unanimously.
  
12. Recommendation from the Public Works Committee to Accept the Quote from Commercial Asphalt Repair for Spray Patching on Hazelwood Avenue – Blomer said the city only received one of two quotes requested for spray patching. Blomer looked at spray patching as an alternative way to address troubled roads prior to future road construction work occurring in 2019. The cost of spray patching will be much less than the original patchwork that was planned for last year. Motion by Krautkremer, seconded by Johnson to accept the quote from Commercial Asphalt Repair for Spray Patching on Hazelwood Avenue in the amount of \$3,290, not to exceed two days' worth. Motion carried unanimously.
  
13. Recommendation from the Public Works Committee to Accept the Resignation of Bob Bureau as a Member of the Public Works Committee and to Advertise for New Members – Motion by Johnson, seconded by Ryan, to accept the resignation of Bob Bureau as a Member of the Public Works Committee, with regret, and to Advertise for New Members. Krautkremer thanked Bureau for the work he has done for the City. Motion carried unanimously.
  
14. Authorize Advertisement for Sealed Bids for 2018 Street Reconstruction Projects - Motion by Krautkremer, seconded by Johnson to authorize advertisement for sealed bids for the 2018 Street Reconstruction Projects. Motion carried unanimously.
  
15. Authorize the City Administrator and City Attorney to Draft an Agreement Between the City of Nisswa and ETOC CO, Inc. for Sewer Connection Fees and Metering at Grand View Lodge –

Max reviewed the memo outlining the details of the agreement between the City and Grand View Lodge. The agreement provides that some up-front cost for the sewer connection fees be paid by Grand View, with the final amount to be determined after the hotel is operational for one year or May 1, 2020, whichever is later. Grand View has also agreed to install meters on its commercial buildings by July 1, 2020 to help provide accuracy on sewer usage and billing. Those buildings include the Main Lodge, Spa, all restaurants and the laundry facility. Motion by Krautkremer, seconded by Ryan to approve the Sewer Connection Fee Agreement between the City of Nisswa and ETOC CO, Inc. as presented. Motion carried unanimously.

**F. OLD BUSINESS**

**G. COUNCIL REPORTS**

1. Mayor – None.
2. Council Members
  - a. None.

**H. ANNOUNCEMENTS & UPCOMING MEETING DATES**

1. May 28, 2018 – Observance of Memorial Day Holiday – City Hall Closed
2. June 7, 2018 – Parks & Recreation Advisory Committee Meeting at 5:00 P.M.
3. June 12, 2018 – Planning & Zoning Commission Meeting at 9:00 A.M.
4. June 13, 2018 – Public Works Committee Meeting at 5:00 P.M.
5. June 14, 2018 – Gull Lake Trail Meeting at 5:00 P.M.
6. June 20, 2018 – Regular City Council Meeting at 7:00 P.M.
7. July 4, 2018 – Observance of Independence Day Holiday – City Hall Closed

**I. ADJOURN**

There being no further business, Motion by Krautkremer, seconded by Ryan to adjourn the meeting at 8:50 p.m. Motion carried unanimously.

---

Fred Heidmann, Mayor

---

Jennifer Max, City Administrator/Clerk