

**MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF EAST GULL LAKE, COUNTY OF CASS, STATE OF MINNESOTA
REGULAR SESSION
September 5, 2017
6:30 PM**

Mayor Kavanaugh called the Click here to enter a date. regular Council meeting to order at 6:30 PM. The pledge of allegiance was recited.

ROLL CALL

Present: Mayor Kavanaugh, Councilors Lang, Ruttger, Demgen and Hoffmann, City Administrator Mason, Planning Commission Chair Bruce Buxton, Wastewater Superintendent Jasmer, Administrative Assistant Schack

Absent: None

Audience: Herm Schley, Jerry Stromberg, Rachal Wolthuizen, Beth Windfeldt, Rosemary Susens

ADOPTION OF AGENDA

- 4a. Additions - 15e. Resolution 09:05-17 Gambling Permit – Raffle at Madden’s Resort on May 29, 2018
- 15f. Process for Administrative Fines
- 11a. Poly-patching of the trails
- 4b. Deletions: None

M/S/P, all ayes, Demgen, Ruttger, to approve the agenda as presented

ADOPTION OF CONSENT AGENDA

M/S/P, all ayes, Councilors Demgen, Lang; to approve the following Consent Agenda items:

- 5a. August 1, 2017 City Council Meeting Minutes
- 5b. Financial Report
 - July, 2017 bank statement information
 - Beginning Balance: \$634,202.79
 - Total Additions: \$308,065.71
 - Total Subtractions: \$91,500.13
 - Ending Balance: \$850,768.37
 - Interest Paid to date: \$30.38
 - Approved August, 2017 Check Register
 - Claims 19598 to 19636 for total amount of \$397,010.33
 - Monthly Budget Report, Delinquent WW Customers Report
- 5c. Fireworks Permit – MN Hospital Association Event at Madden’s on September 21, 2017

BREMER PRESENTATION

- 6a. Investment Potential Presentation

Rachael Wolthuizen from Bremer Bank addressed the Council regarding collateral modification, liquid money market accounts, and CD letters of investment. She also discussed Positive Pay and how fraud can be avoided by using this process.

Collateral Modification

- Currently deposits secured with directly held and pledged securities

- Suggesting change to a Federal Home Loan Bank (FHLB) letter of credit
The City and the bank enters into a tri-party agreement with FHLB who provides the backing to cover the deposits in excess of the \$250,000.00 covered by FDIC should the bank ever fail. Discussion ensued regarding the total amount of coverage needed. It was noted that no action needed to be taken by the Council to move forward with the process. It was noted that the bank and the City would mutually agree on a dollar amount to issue the letter for and it would stay at that amount for the term of the letter. It was noted that typically a letter is administrated for a six-month period, but a year is also an option.

Liquid Money Market

- Two options for savings:
 - Liquid Money Market (Savings) Account at approximately 1% interest
 - CD Letters with varying terms at approximately 1.2% interest

It was noted that the City currently has all the deposits in a checking account. Mayor Kavanaugh noted that the City should place a large percentage of funds into a Liquid Money Market Account. It was noted that monies can be transferred into the checking account up to six (6) times per month (Federal regulation). It was agreed among the Councilors to open a savings account for a portion of the City's deposits.

Positive Pay

- Positive Pay – a procedure to prevent fraud

It was noted that there is an increase in check fraud. There is a process being encouraged by banks and auditors called Positive Pay. It confirms the details of issued checks before they clear through the checking account. The cost to the City is \$20.00 per month plus \$.04 per check, for the City that averages around \$2.00 per month totaling the cost at approximately \$22.00 per month. The City has not had an issue with check fraud, but it was noted that there was someone arrested making fraudulent checks and trying to cash them recently in the Brainerd area. It was noted that three of Bremer commercial clients have been hit with check fraud within the last 30 days.

Mayor Kavanaugh noted that all options are something the City should pursue. It was noted that Administrator Mason should proceed with the processes.

OPEN FORUM**

7a. None

PLANNING & ZONING

8a. 2017-43 Beth Windfeldt Variance

Chair Buxton addressed the Council regarding the Windfeldt Variance. It was noted that the process needed to be changed from a CUP to a Variance. He stated that additional property was acquiesced from a neighboring property increasing the total acreage. The property is on Squaw Point and the proposal is an addition of a screened-in porch and adding a stall to the existing garage. Bob Johnson (a neighbor) had stated he agreed to the proposal. Chair Buxton noted the Commission recommended approval of the Variance subject to the following findings and conditions.

Findings:

1. Home is located 42 feet from the OHW of Gull Lake and is less than 50 feet required on sewer lot.
2. Proposed construction will be no closer to the lake than the existing closest point.
3. On the North side of property, the impervious will be 15.1% with improvements.
4. Overall lot impervious is 10.7% with improvements.
5. Power lines are located above the garage and will be relocated to underground.
6. Side yard setbacks will exceed the 10-foot minimum at 12 feet.
7. Road setbacks will not change by improvements.
8. Home was built in 2006 by a variance by Dennis Villella
9. We show no record of a variance being recorded and the county shows no record of the variance being filed in 2006
10. Property line was moved 50 feet west with acquisition of lot next door in 2014
11. Additional lot line was adjusted in 2010 on the east side to get additional set back from the 4 plex, see survey
12. Because home was built after 1995 a one-time CUP addition does not apply per 1989 rules
13. Most likely this should be a variance rather than a CUP
14. Paul Fairbanks says he would suggest we make a motion to change the Public hearing to be for a variance based on the fact we have not received any negative feedback and the process for notification is exactly the same. If we have any opposition it should be tabled and re-noticed for the next meeting.

Conditions:

1. Power lines be relocated underground before any construction begins.
2. No increase to the lakeside patio.

M/S/P, all ayes, Councilors Ruttger, Hoffmann to approve Variance 2017-43 subject to the findings and conditions recommended by the Planning Commission.

Chair Buxton addressed the Council regarding the remainder of the meeting. He noted that the Commission discussed the fining of violations. He noted that Administrator Mason researched a way to enforce fines by using an Administrator's Fine. He noted that the Planning Commission is recommending the Council look into some way to handle violations. Administrator Mason noted he received a sample from Lakeshore to use.

8b. Comprehensive Plan Update

Chair Buxton noted that the Comprehensive Plan hearing was discussed. It was noted the Rosemary Susens had an additional strategy she would like to add to the plan. She wants to encourage housing and services which would enhance the quality of life for our residents (things like lawn care, snow plowing, home health care) There was discussion regarding home occupation and that they should be unobtrusive and major commercial operations should be left in the Brainerd and Baxter area. Nanci Lind discussed PUD's with the Commissioners. Chair Buxton noted that they are market driven and a property owner would have the right to create a PUD if all the zoning ordinances were followed. He noted that Patience Barnes came in to discuss bike usage on the roads and usage of trails. He noted that no action was taken regarding the Comprehensive Plan.

Rosemary Susens addressed the Council regarding her request of the addition of the strategy for enhancing the quality of life for the permanent residents. Chair Buxton stated that the Commission has no intention that home-based businesses such as lawn care, snow plowing,

home medical, etc. should not exist within the City, but that they are “out of sight – out of mind” and don’t interfere with other resident’s quality of life.

WASTEWATER & ROAD REPORT

9a. Snow plowing bids

- Administrator Mason stated that snow plowing bids run from November 1st to November 1st. It was noted that bids will be accepted for snow plowing this year. It was noted that the bids will be discussed at the October meeting. It was noted that price and quality should be considered.
- Mowing the road sides was discussed and the question was asked about cleaning up around stop signs. It was noted that weed spraying could be done around the signs.
- Councilor Demgen discussed the possibility of chip sealing the roads in the City.

PUBLIC SAFETY

No Report

PARK & TRAILS

11a. Repair of the Trail Bid from Anderson Brothers

Administrator Mason discussed a bid to repair the trails with poly-patch. Superintendent Jasmer noted concern regarding the compromised portions of the trail, stating that they may need more than a poly-patch. It was noted that the bid was for \$13,256.86.

- Hand Patching Overlay\$3,759.59
- Poly-Patch.....\$7,350.57
- Paver Patch.....\$2,146.70

It was noted that if a bid comes in from Tri-City that matches or is lower than the above amount, the decision can be made who to award the contract to.

M/S/P, all ayes, Councilors Hoffmann, Ruttger to approve request for trail repair for a total not to exceed \$13,256.86.

PERSONNEL COMMITTEE

No Report

BUDGET COMMITTEE

13a. Proposed 2018 Levy – Resolution 09:01-17

Mayor Kavanaugh began discussion regarding the budget. He noted that he was comfortable with the budget except he saw the 305 Road Bond account has a cash remaining. He stated that he would like to decrease the levy for the 305 Road Bond fund by \$50,000 using some of the cash to make payments. It was noted that the cash in the bond account can only be used for assessed projects or paying off the current road bonds. The decision was made to change the GO Bond 2015 Road Improvement levy from \$165,000.00 to \$115,000.00.

The proposed levy is as follows:

FUND	CERTIFIED LEVY
General Fund	\$156,000.00
Public Safety	\$49,650.00

Roads, Streets, & Highway	\$102,363.00
GO Bond 2015 WW Improvements	\$14,000.00
GO Bond 2015 Road Improvements	\$115,000.00
GO Bond 2011 Road Improvements	\$28,000.00
GO Bond 2013 Road Improvements	\$70,000.00
Parks & Recreation	\$18,000.00
Planning & Zoning	\$60,000.00
WW Plant Expansion	\$138,000.00
TOTAL CERTIFIED LEVY	\$751,013.00

Ayes by roll call vote: Councilors Ruttger, Lang, Hoffmann, Mayor Kavanaugh, approval to adopt Resolution 09:01-17; the 2018 Proposed Levy for a total amount of \$751,013.00; Nay: Councilor Demgen

MAYOR’S REPORT

No Report

CITY ADMINISTRATOR REPORT

15a. MnDOT Airport Maintenance and Operation Grant Contract; Resolution 09:02-17

Ayes by roll call vote: Councilors Ruttger, Lang, Hoffmann, Demgen, Mayor Kavanaugh, approval to adopt Resolution 09:02-17; absent:

15b. Resolution 09:03-17 Gambling Permit – Raffle at Cragun's Resort on October 5, 2017

Ayes by roll call vote: Councilors Demgen, Ruttger, Lang, Hoffmann, Mayor Kavanaugh, approval to adopt Resolution 09:03-17; absent:

15c. Resolution 09:04-17 Gambling Permit – Raffle at Madden's Resort on September 14, 2017

Ayes by roll call vote: Councilors Hoffmann, Demgen, Lang, Ruttger, Mayor Kavanaugh, approval to adopt Resolution 09:04-17; absent:

15d. Newsletter Article Ideas

Administrator Mason reviewed the article ideas that have been suggested.

15e. Resolution 09:05-17 Gambling Permit – Raffle at Madden's Resort on May 29, 2018

Ayes by roll call vote: Councilors Demgen, Lang, Hoffmann, Ruttger, Mayor Kavanaugh, approval to adopt Resolution 09:05-17; absent: None

15f. Administrative Fines

Administrator Mason read portions of the information from Lake Shore regarding their process for administrative fines. He noted that there is an issue regarding a zoning violation where the City was going to fine the resident. He discovered that the City would have to go through the attorney and the court system to assess the fine. If the process that the City of Lake Shore uses was put into place here, the fines would be assessed and a resident would have the opportunity

to appeal, but the process would not have to have attorney or court procedures. Administrator Mason discussed some examples of fines and the amounts associated with them. He noted that the amount cannot exceed \$1000.00 because then, legally, the issue would have to go to court. Councilor Demgen stated that the Council should read the example from Lake Shore and discuss and vote on the issue at the October meeting.

Administrator Mason discussed Emergency Management Training (Thursday, October 12, 2017 from 10am to 12 noon at Walker, MN) by Joe Kelly, State Director of Homeland Security. He stated that he would like someone from the Council to attend. He also dated that Mr. Kelly said one of the first things that has to be done when there is an emergency, is a Council vote to declare a state of emergency, which allows state statutes to take effect. He noted that when the 2015 storm occurred, no one could get out of their homes for a couple days. Once the roads were clear enough, the Council should have convened and declared the State of Emergency.

Mosquito spraying was discussed. Administrator Mason noted that he contracted for 14 sprays, stopping the Thursday before Labor Day, depending on the weather. Councilor Ruttger asked if the speed of the truck was researched. Administrator Mason noted that he did look into it. The owner was contacted and he did talk to the drivers.

OLD BUSINESS

Administrator Mason addressed the Council regarding Paul Sachs being added to October agenda. The request from Mr. Sachs was reviewed.

NEW BUSINESS

Jerry Stromberg addressed the fact that he would like to see some benches along the trail. It was noted that a request for donations could be presented.

NEXT REGULAR SESSIONS OF CITY COUNCIL/OTHER MEETINGS

Planning and Zoning Meeting Tuesday, September 26, 2017 at 6:30pm
City Council Meeting Tuesday, October 03, 2017 at 6:30pm

M/S/P, all ayes, Ruttger, Lang, to adjourn the meeting

Transcribed by East Gull Lake Administrative Assistant
Kathy Schack

These minutes are paraphrased and are not written word for word.

***CONSENT AGENDA ITEMS** are considered to be routine and noncontroversial by the Council and will be approved by one motion. There will be no separate discussion for decision of these items unless a Councilmember, staff member, or citizen so requests due to a speculative controversy, in which case the item will be removed from the consent agenda and considered under the regular agenda.

****OPEN FORUM** allows the public to speak to the Council regarding issues that are not on the agenda.