

**MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF EAST GULL LAKE, COUNTY OF CASS, STATE OF MINNESOTA
REGULAR SESSION
February 5, 2019
6:30 PM**

Mayor Kavanaugh called the February 5, 2019 regular Council meeting to order at 6:30 PM. The pledge of allegiance was recited.

ROLL CALL

Present: Mayor Kavanaugh, Councilors Ruttger, Demgen and Hoffmann, City Administrator Mason, Planning Commission Chair Bruce Buxton, Public Works Director Jasmer, Administrative Assistant Schack

Absent: Councilor Lang

Audience: Bob Schulke of Cragun's Resort, Attorney Tom Pearson, Neal Gaalswyk of Cass County, Justin Schulz of Widseth Smith Nolting, Paul Sachs, Steve Collette, Dutch Cragun

ADOPTION OF AGENDA

4a. Additions: None

4b. Deletions: None

Councilor Hoffmann moved and Councilor Demgen seconded the motion to approve the agenda as presented. All present voted in favor thereof. Motion carried.

ADOPTION OF CONSENT AGENDA

Councilor Demgen moved and Councilor Hoffmann seconded the motion to approve the following Consent Agenda items. All present voted in favor thereof. Motion carried.

5a. January 31, 2019 City Council Meeting Minutes

5b. Financial Report

- ◆ December, 2018 bank statement information
 - Checking Account
 - Total Additions: \$328,331.89
 - Total Subtractions: \$255,236.11
 - Ending Balance: \$152,798.90
 - Interest Earned to date: \$17.98
 - Money Market Account
 - Interest Earned: \$873.11
 - Transfer from Checking: \$200,000.00
 - Ending Balance: \$618,087.23
 - Interest Earned to date: \$8,044.08
- ◆ Approve January, 2019 Check Register
 - Claims 20178 to 20221 for total amount of \$408,401.51
- ◆ Approve January, 2019 payroll EFT payments
 - EFT Payroll: \$16,069.86; EFT Transmittals: \$15,867.93
- ◆ Monthly Budget Report, Delinquent WW Customers Report

5c. Other consent issues

OPEN FORUM**

None

PLANNING & ZONING

7a. LEGACY VILLAGE – Final Plat

Planning Commission Chair Buxton addressed the Council regarding the Final Plat of LEGACY VILLAGE. He noted that the final plat was approved with the 11 findings and 30 conditions from the staff report plus two conditions added by the Planning Commission. An additional condition was added by the City Administrator regarding the cost of wastewater connections defining the additional ERCs for the maintenance building. Listed are the findings and conditions approved.

Findings of Fact:

1. East Gull Lake has very few transitional type housing units off the lake for those that do not wish to have or maintain a single-family home. Residents who purchase these units tend to be older as they enjoy the social involvement with others and the fact the homeowner's association does the tasks typically required in Single family ownership.
Our Current Comprehensive plan states on page 16: The City should encourage and support housing developments that provide for different housing options and styles. The housing currently available in the City is largely composed of detached single-family homes with average prices higher than that found in the region. Residents seek to diversify the housing stock to include different housing types, such as townhomes, that will allow residents to remain in the City as they age and that will encourage younger residents to move to the City.
2. Draft Covenants and Easements have been provided by the developer for owner protection and City access to adjoining property for utilities.
3. The use or development, with conditions, conforms to the comprehensive land use plan that emphasizes preserving rural character. The City Code section VII section 8.7-1.3.6C Page 323 also allows for preservation of rural character within the community by allowing PUD density increases when certain conditions are met such as City Sewer being available and the distance from any shoreline. For many years while I was on the planning commission, the city was criticized for only offering 2.5-acre developments. All the developed properties during that time were not HOA developments with services provided that transitional couples are looking for today. Families were looking for privacy and larger homes at that time. The last real condensed PUD was the East Pointe development started in 1985. This is an HOA that is very popular and resale of homes is at an all-time high.
4. An engineered storm water pollution prevention plan has been submitted.
5. A preliminary Landscape plan has been submitted for the proposed development area with trees and shrubbery provided. The development would also be screened from the roads by existing vegetation in areas left in their natural state.
6. New roads will be added in the development with connections to the city road, Gull River Road and the county road Cass County Sate Aid Highway 70 or East Gull Lake Drive. Connections to these roads will receive City and County approval for safety. Presently a right-hand turn lane will be added by the developer on the north right entrance to Legacy Drive. These new roads would be built to City and County standards and then dedicated to the city and county when completed to City and County Specs for future ownership and maintenance.
7. The entire PUD will not exceed 24% of impervious coverage including all estimated structures, parking areas, roadways, trails, pickleball courts and other hard surfaces. This meets the standard of less than 25% impervious with a storm water plan, as provided.
8. Setbacks of home sites from the road right of way is a minimum of 20 feet. Setbacks vary from 20 feet to 97 feet with the coving concept. The average setback for the 38 homes is approximately 29 feet (City road standards are 30 feet from the ROW.)
9. The East Gull Lake Wastewater and Road committee met on July 11th 2018 and has reviewed the road and sewer plans and with a motion by Jerry Stromberg and a second by Dennis Lang, the vote was passed unanimously by the committee.
10. The Conditional use will not be a financial burden to the City as the extra tax revenue and additional sewer revenue will more than offset any City expense.

11. Density issue comparisons in East Gull Lake

Comparisons with three different PUD's currently in East Gull Lake for density comparisons:

East Point Developed in 1985, Originally designed for 72 units on 23.48 acres. All in the R3 zoning area and primarily first and second tier. 1,022,788 sq. ft. total property area divided by 72 units is 14,205 sq. ft. per unit, second 36 units was abandoned from approved plan so the development ended up to be 36 units at 28,410 sq. ft. per unit

Green Hill Townhouse Developed in 1978 Designed for 20 units on 5.426 acres. All in R3 zone all in the first and second tier. 20,337 sq. ft. in total property area divided by 20 units is 11,816 sq. ft. per unit

The Harbor developed in 2016 Designed for 27 units on originally over 58 acres. Property was donated to the city after the development was approved and the housing portion sits on 26 acres all on tier 1,2 and 3 on land zoned R3 and R2 or 1,132,560 sq. ft. of total property area divided by 27 units is 41,946 sq. ft. per unit

Legacy Village proposed in 2018 Proposed for 38 units on 24.11 acres all to be rezoned to R2. Property is more than 1,250 feet from any shoreline and falls beyond any tier. 1,050,211 sq. ft. of total property area divided by 38 units is 27,637 sq. ft. per unit

The Legacy Village PUD falls approximately in the middle of PUD's already approved. The original East Point and the Green Hill Townhouse PUD's are much denser. A determining factor is this development is 1,250 feet away from any lake. It has city wastewater facilities available to the area and is also very close to a major golf facility that will attract buyers to the development.

On computing standard density in the Legacy Village proposed PUD:

1. There are approximately 24.81 usable acres for the development.
2. There are 38 proposed building sites that range from 8,218 sq. ft to 22,785 sq. ft.
3. The PUD impervious coverage calculations for the entire 24.81 acres is as follows:
 - 75,705 SF Road Impervious area
 - 1,000 Well House Impervious
 - 117,318 SF House pad impervious area (see chart SF for each 60 x 60 Pad)
 - 51,883 SF Projected driveway impervious area
 - 3,600 SF Pickleball court area
 - 5,665 Trails – Cart Paths
 - 255,171 Total Impervious
 - 1,080,709 SF Total PUD area

23.61% Percentage impervious for entire property involved and not to exceed 24%

NOTES: Building pads are calculated at (see chart) SF

Driveways averaged at (see chart)

38 total lots in PUD

Please see Exhibit A on plans provided for impervious calculations

4. The PUD meets all density requirements in our ordinance.

On the design criteria for a PUD:

1. The PUD proposes 38 units, which exceed the minimum requirement of three units.
2. The required 50-foot vegetative buffer around the development is indicated on the Preliminary Plat
3. Based on details provided with the preliminary plat, the 25 percent open space requirement has been met with a total of 39.3 % total.
4. More than 50.3 % percent of the development is common space, which exceeds the requirement of 50%. Common space includes the stormwater management ponds, the 50-foot vegetative buffer, and recreation facilities.

5. The common spaces are managed by the Home Owners Association created for the residential development.
6. The PUD includes a 10-year, 24-hour stormwater management plan.
7. The applicant has submitted a professionally prepared stormwater management plan.
8. The development will be connected to the City sewer system for all 38 lots to be sold and additionally the maintenance building, Dorms and adjacent rentals homes will be hooked up in the near future.
9. All on site lighting to be installed will be pointed downward or away from neighboring properties.
10. All building colors will be in conformance with the City Ordinance. This is set in the Owners Covenant restrictions as well.
11. A grading, drainage and erosion control plan has been submitted.

Conditions:

1. The City Attorney shall review the draft covenants for the Home Owners Association to make sure they follow City code. The review shall only be to determine how the documents administer and enforce the provisions and conditions of this approval. These documents must be deemed acceptable to the City Attorney or revisions shall be made to make them acceptable.
2. The City Engineer shall review the sewer connections for compliance to City and State codes when wastewater system is completed and ready for operation
3. Upon final completion and inspection of the new roads proposed to City Specifications and the completion of the Waste Water Collection system being completed according to the City Engineers Specifications, these public facilities will be turned over to the City of East Gull Lake when 50% of the homes are sold. (The City Wastewater collection system will be individually turned over to the City as each residence is occupied.) The second lift of bituminous will not be installed until 75% of the lots are sold and built, or 2021, whichever is sooner and the city will retain escrow or Bank line of credit until completed.
4. Existing tree vegetation shall be marked, fenced and preserved, wherever possible.
5. All structures shall conform to the City's minimum building standards for a PUD and to the state building code.
6. Any future changes to the Property Owners Association Covenants shall be submitted to the City for approval as a modification to the Conditional Use Permit. All changes will be submitted to the City Planning and Zoning Administrator. The declaration shall include a provision to this effect.
7. Developer will extend the wastewater stub to Gull River Road within public easement for potential future wastewater construction.
8. Developer has provided an exhibit showing an ingress and egress easement on the driveway going to the maintenance building to prevent future owners from eliminating this option and provide continued access to the existing maintenance facility property. The Ingress and Egress Easement will be recorded concurrently with the final plat.
9. Developer to record a preservation easement as described on page 2 of this document for the golf course property to be recorded concurrently with the final plat to meet the buffer requirement.
10. Developer shall pay all costs of installation of the public infrastructure.
11. Construction of all structures shall conform to the building code of the State of Minnesota.
12. All mail delivery shall be done as approved by the US Postal Service.
13. The execution of the appropriate Developers Agreement will ensure compliance with the conditions of approval and compliance with the relevant ordinances and statutes.
14. A Residential PUD shall meet the following open space requirements:
 - a. At least 25% of the total project area shall be preserved as open space, plans show 39.03% currently

- b. A minimum of 50% open space shall be left in its natural state and shall be contiguous, plans show 50.3%
 - c. Dwelling units or sites, road right-of-way, land covered by road surfaces, parking areas, stormwater basins, collection and treatment areas, structures and landscaped areas which are routinely maintained are developed areas and shall not be included in the computation of minimum open space.
 - d. Open space shall include areas with physical characteristics unsuitable for development in their natural state, and areas containing significant historic sites or un-platted cemeteries.
 - e. A 50-foot buffer is to be maintained or established along the boundary of the PUD and a public road. A 30-foot buffer shall be maintained to the north and west of the maintenance facility. The buffer shall be included as open space, minus areas used as accesses.
 - f. The appearance of open space areas shall be preserved by use or restrictive deed covenants, permanent easements, public dedication and acceptance, or other equally effective and permanent means acceptable to the City.
15. A PUD shall develop and maintain a stormwater management plan
 - a. Capacities of existing drainage ways shall be maintained.
 - b. Inlets and outlets to adjacent parcels shall be maintained.
 - c. All PUD's shall contain the 10-year, 24-hour storm event within the development
 - d. Runoff from the parcel shall not be concentrated unless part of a city stormwater management plan
 16. The PUD shall be connected to the City sewer systems where available and designed and installed to meet or exceed applicable standards or rules of the Minnesota Department of Health and the Minnesota Pollution Control Agency.
 - a. A central water system will be installed to MN Dept of Health Standards and maintained by the HOA
 - b. Based on the City engineer's recommendation, all drainage facilities are to be owned and maintained by the HOA. Any damage to City infrastructure due to drainage or water system activities are to be the responsibility of the HOA.
 17. Existing resort dormitories and maintenance facilities shall be required to be hooked up to City sewer with appropriate ERC's and current connection fees charged by size when the wastewater system is operational for the development. Existing adjoining rental homes at 11363 Suomi Dr. and 11391 Suomi Dr. will be connected to City sewer if a permit to expand their footprint is requested or if the existing wastewater system fails. Cragun's will use existing connection fee credits for sewer connection fees and if units required to connect are not connected to the wastewater system within a year, quarterly billings will begin at that time.
 18. All PUD's shall develop and maintain erosion control by MPCA rules throughout construction activities. All ground shall be restored or stabilized as soon as possible after being disturbed.
 19. All planned exterior lighting shall be directed downward and shall not illuminate adjacent parcels that are directly or indirectly affected.
 20. All PUD's shall meet the following building standards:
 - a. Parking and driving areas must be paved
 - b. All buildings shall be earth tone in color, no vinyl siding shall be allowed, and shall be designed, constructed and positioned to be compatible, in color, character and mass, with the surrounding land use.
 21. Developer is allowed to proceed with construction provided final plat is recorded with Cass County.
 22. A 6-foot-high opaque fence will be constructed by Cragun's along the West and North sides of the maintenance shop along with additional common space property for the HOA as part of the plat.
 23. Driveway entries along a cul-de-sac area will be limited to a 12-foot width at the entry point and then expand according to impervious coverage to garage.

24. An excel spreadsheet system will be provided to City staff and developer to keep track of what's to be built by lot so we do not exceed 24% impervious coverage and will allow some flexibility by maintaining records of as-built and comparing to the impervious chart. Credit will be allowed on larger lots if impervious is less on others.
25. Trees to be planted along County Road 70 shall be mixture of sizes and maintained and replaced if there is tree failure.
26. A Performance Bond shall be submitted for remaining infrastructure including:
 - Legal fees
 - City Engineer fees
 - Roads to be built
 - Water wells to be installed
 - WW pumping stations and piping yet to be installed
 - Landscaping to be done
 - Stormwater retention areas to be built
 - Pickleball courts to be built
 - Trails to be built
 - Boundary fence around Maintenance areas
 - Right hand turn lane on County Rd 70
 - Hooking up City sewer to Cragun's buildings
 - Dorms, Maintenance Building, Exterior lighting to be installed at a 125% estimate to cover engineering costs and legal costs if needed, SEH has provided an itemized estimated dollar amount list for City staff and developer to keep track
27. A plat check letter shall be submitted by an independent surveyor before the Final plat is recorded
28. Mylars shall be provided and signed by the City and Developer before the Final Plat is recorded
29. Developer will provide the City with as built drawings for the sewer and water system infrastructure.
30. Dedications to the Public
 - a. In accordance with the provisions of Section 462.358 of the Minnesota Statutes, or amendments thereto, the sub-divider shall dedicate, to the public, lands for highway right of ways, street right of ways, utility easements, wetland easements and similar lands required for perpetual and public improvements.
 - b. In addition, for every new subdivision of land involving three or more lots which are to be developed for residential purposes, the Planning Commission, with the concurrence of the City Council, shall require either a payment to the City or a land dedication for conservation purposes or for public use as parks, recreational facilities playgrounds, trails, wetlands, utility easements or open space, of a sum not to exceed ten percent (10%), of the fair market value of the land to be subdivided. The fair market value of the land to be subdivided shall be the value as determined by the Cass County Assessor at the time of Final Plat approval by the City Council. All dedications shall be included in the dedication portion of the plat, included in the development contract, or received by the City in Warranty Deed prior to the approval of the final plat, without further restrictions or reservations.
 - c. Current Assessed land value as of 7-23-2018 for 2018 taxes payable 2019

PID	87-028-2300	\$60,500.00	
	87-028-2301	\$66,000.00	
	87-028-2304	\$22,650 .00	(50% of land value 2.5 acres used in plat)
	87-028-2302	\$9,360.00	(20% of land value 1.0 acres used in plat)
	<u>87-028-3202</u>	<u>\$47,600.00</u>	
	Total	\$206,110.00	

\$206,110.00 x 10% = \$20,611.00 Park Dedication fee was paid to East Gull Lake on January 11,2019
31. That all infrastructure once installation is complete, including Water Facilities, Storm Sewer Facilities, Sewer Facilities and Roads, shall be transferred by Developer to either the HOA or the City as applicable through a document evidencing both the transfer by the Developer
32. That the Declaration be revised and finalized to the satisfaction of the City prior to City Council consideration of this recommendation

33. Agreement to pay four (4) Sewer Access Connection (SAC) charges for the maintenance building connection; 2.2 ERCs for the dorms and 1.8 ERCs for the office and maintenance area. Therefore, there will be four (4) ERC charges added to Cragun's billing once the connection is complete.

Councilor Demgen moved and Councilor Ruttger seconded the motion to approve the Final Plat for LEGACY VILLAGE as recommended by the Planning Commission and subject to the 11 findings of fact and 33 conditions listed above and predicated on the applicant completing the described title conveyance process to Legacy Homes I, LLC, providing a title opinion satisfactory to the City Attorney, completing and recording the easement deeds required and also the signature of applicant and the surety on the Development Agreement, the Performance Bond Agreement and the Bond itself, where necessary. All present voted in favor thereof. Motion carried.

WASTEWATER & ROAD REPORT

- 8a. Resolution 02:03-19 Wastewater Rate Increase

Councilor Ruttger moved and Councilor Hoffmann seconded, the motion to adopt Resolution 02: 03-19 – for Wastewater Charges Increase of \$2.00 for a total of \$110.00 per quarter; absent: Councilor Lang. All present voted in favor thereof. Motion carried by 4/5 roll call vote.

- 8b. 2019 Lift Station No. 5 Replacement – Bids received for the project
Widseth Smith Nolting recommended the Contract be awarded to Tom's Backhoe Service, Inc, the lowest responsible bidder based on the lump sum prices in the bids proposals. Justin Schulz noted that Tom's Backhoe Service have a proposed change in the schedule, but will adhere to the contract, if necessary.

Councilor Hoffmann moved and Councilor Demgen seconded the motion to approve the low bid from Tom's Backhoe Service, Inc. as presented for the 2019 Lift Station No. 5 Replacement for a bid of \$285,000.00. All present voted in favor thereof. Motion carried.

- 8c. Gull Dam Road Closure – Letter from the Army Corps of Engineers
Administrator Mason addressed the Council regarding the closure of Gull Dam Road over the USACE dam and property. He noted that the letter from the Corps is available for public viewing. He discussed a proposed road change that would eliminate using any of the property owned by the USACE. Funding for the project was discussed. It was noted that the updated wastewater line will be in the same corridor and it would be advantageous to complete both projects within the same timeframe.

PUBLIC SAFETY

No Report

PARK & TRAILS

No Report

PERSONNEL COMMITTEE

No Report

BUDGET COMMITTEE

No Report

MAYOR'S REPORT

No Report

CITY ADMINISTRATOR REPORT

14a. Resolution 02:01-19 – Raffle at Cragun’s Resort; MN Sheriffs’ Association, June 11, 2019

Councilor Hoffmann moved and Councilor Demgen seconded, the motion to adopt Resolution 02: 01-19 – a raffle to be held by MN Sheriffs' Association at Cragun's Resort on June 11, 2019; absent: Councilor Lang. All present voted in favor thereof. Motion carried by 4/5 roll call vote.

14b. Resolution 02:02-19 – Raffle at Cragun’s Resort; MN Sheriffs’ Association, September 11, 2019

Councilor Hoffmann moved and Councilor Demgen seconded, the motion to adopt Resolution 02: 02-19 – a raffle to be held by MN Sheriffs' Association at Cragun's Resort on September 11, 2019; absent: Councilor Lang. All present voted in favor thereof. Motion carried by 4/5 roll call vote.

14c. Paul Sachs Land Exchange Agreement

Administrator Mason and Mayor Kavanaugh noted that the land exchange has been discussed in detail for several months. He showed the parcels on a map. It was noted that Paul and his wife will be receiving eight parcels, three of which are buildable. The agreement states that prior to building any home, Mr. Sachs will be required to connect to the city wastewater. It was decided that “5. Price and Terms (C)” be stricken from the contract.

Councilor Ruttger moved and Councilor Hoffmann seconded the motion to approve the Land Exchange Agreement by and between Paul Sachs and Shawna Sachs, husband and wife and the City of East Gull Lake for the parcels described and the removal of 5.(C) from the terms of the contract. All present voted in favor thereof. Motion carried.

Mayor Kavanaugh noted the City purchased a new plow truck.

OLD BUSINESS

None

NEW BUSINESS

None

NEXT REGULAR SESSIONS OF CITY COUNCIL/OTHER MEETINGS

Planning and Zoning Meeting Tuesday, February 26, 2019 at 6:30pm

City Council Meeting Thursday, March 07, 2019 at 6:30pm

***Note the change of date for the Council meeting.

Councilor Ruttger moved and Councilor Demgen seconded the motion to adjourn the meeting. All present voted in favor thereof. Motion carried.

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.