

**MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF EAST GULL LAKE, COUNTY OF CASS, STATE OF MINNESOTA
REGULAR SESSION
September 7, 2021
6:30 PM**

Mayor Kavanaugh called the September 7, 2021 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 Bergin

Audience: Craig Keefe, Jerry Stromberg, Dennis Lang, Shane Jordan, Chris Sonmor

ADOPTION OF AGENDA

4a. Additions: **5c. LMC Membership Dues**

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 Ruttger seconded the motion to approve the following Consent Agenda items. All present voted in favor thereof. Motion carried.

5a. August 3, 2021 City Council Meeting Minutes

5b. Financial Report

- ◆ July, 2021 bank statement information
 - Checking Account
 - Total Additions: \$790,382.52
 - Total Subtractions: \$313,972.63
 - Ending Balance: \$644,879.94
 - Interest Earned to date: \$13.65
 - Money Market Account
 - Interest Earned: \$15.71
 - Transfer to Checking: \$400,000.00
 - Ending Balance: \$654,121.25
 - Interest Earned to date: \$64.52
- ◆ Approve August, 2021 Check Register
 - Claims 21145 to 21165 for total amount of \$45,016.23
- ◆ Approve August, 2021 payroll EFT payments
 - EFT Payroll: \$18,172.48; EFT Transmittals: \$15,947.40
- ◆ Monthly Budget Report, Delinquent WW Customers Report

5c. **LMC Membership dues for 2021-2022 increase to \$1,240.00**

OPEN FORUM**

None

PLANNING & ZONING

Chair Buxton stated the Commission welcomed the new member Gene Bridges. He stated it was a relatively short meeting noting the public hearing for CUP 2021-62.

7a. CUP 2021-62 – Keefe

Chair Buxton of the Planning Commission reviewed the findings and conditions for the 2021-62 CUP for Craig and Jana Keefe. It was noted the HOA was contacted by Craig and Jana Keefe to meet the covenants. The findings and conditions were discussed.

Findings:

1. Property contains 7.98 acres and is part of “The Woods HOA”
2. The Architectural committee of “The Woods HOA” has reviewed and approved the building plans based on certain conditions that will be mentioned under Staff recommended conditions for the CUP.
3. The proposed site is a consolidation of two platted lots within the Deer Path Circle addition to The Woods.
4. All site plans proposed meet the setback rules per city code.

Conditions:

1. This property is for residential use only and per covenants, no commercial enterprise may be conducted in any building.
2. Trees will be responsibly removed per the covenants and no trees or brush may be cut within 50 feet of Red Oak Dr.
3. No Driveways will be allowed access to Red Oak Dr.
4. White trim will be allowed which is the only white exterior color allowed per HOA covenants.
5. The outbuilding (labeled Sauna) shall follow rule 4-C and it shall be roofed and sided of the same color and material as the main building.
6. With these conditions, the property may not be sub divided in the future.
7. Any other outbuilding shall not exceed 1,450 square feet as one building or exceed the city code of 2,688 square feet for cumulative outbuildings.
8. Silt fences will be installed and maintained prior to excavation within the downhill drainage areas to the adjoining wetlands. These will be maintained until adequate vegetation is restored.

Councilor Ruttger moved and Councilor Hoffmann seconded to approve CUP 2021-62 subject to the findings and conditions as presented by the Planning Commission. All present voted in favor thereof. Motion carried.

WASTEWATER & ROAD REPORT

- 8a. Resolution 09:01-21 – Road responsibility changes for County Roads 18 & 70

Councilor Demgen moved and Councilor Ruttger seconded, the motion to adopt Resolution 09: 01-21 [for Resolution Numbers 35-21, 36-21 and 37-21 on June 1, 2021, related to County State-Aid Highway No. 18 and County State-Aid Highway 70 adopted by the County Board, copies of which are attached hereto and made a part hereof, revoking a portion of County State Aid Highway No. 18 and revoking a portion of County State-Aid Highway No. 70 within the City limits and establishing them as City of East Gull Lake roadways as well as establishing a new alignment for County State Aid Highway No. 70 within the City limits]; absent: Councilor Bergin. All present voted in favor thereof. Motion carried by 4/5 roll call vote.

8b. Resolution 09:05-21 – Conservation Easement Intent, Gull Lake Resort

Councilor Hoffmann moved and Councilor Demgen seconded, the motion to adopt Resolution 09: 05-21 [That the City intends to construct the recreation area mentioned above, at some point in the future. That once the parking lot, trail and bridge recreation area is developed and constructed, then it would be the City’s intention to commit the rest of City owned property between the recreation area south to the north line of the Gull Lake Resort/Gmeinder property to the proper conservation easement]; Absent: Councilor Bergin. All present voted in favor thereof. Motion carried by 4/5 roll call vote.

Chris Sonmor addressed the Council with an update on the 2023 WW, Roads, Trails project. Administrator Mason cited the meeting with the Senate Bonding Committee giving a tour of the treatment plants and explaining that treatment for reduction of phosphorus will be accomplished by re-routing the wastewater to the Pine Beach Plant.

PUBLIC SAFETY

No Report

PARK & TRAILS

No Report

PERSONNEL COMMITTEE

No Report

BUDGET COMMITTEE

12a. 2022 Budget – Certificate of Proposed Levy

Councilor Ruttger reviewed the budget meeting that was held. Councilor Bergin provided a report that was reviewed by Councilor Ruttger. Points that were discussed:

- Personnel Committee – recruitment of new Administrator/PZ Administrator
- Personnel Committee – COLA increase of 6.1%
- Personnel Committee – Search using SCSC (will not affect 2022 budget)
- WW & Roads Committee – Requested \$130,000 increase for Leewood Lane and Suomi Drive but Budget Committee recommended the \$130,000 improvement be financed partially through use of a 2021-2022 Small Cities Grant of \$43,000 and interim short-term financing (2 years) of \$87,000
- Parks & Recreation – Requested increase to \$38,000
- General Fund (100) – Budgeted levy increase from \$122,500.00 to \$180,000 to cover expenditures.
 - Additional Administrator costs: new hire and transitional costs
 - Part time PZ consulting assistance
 - Levy in 2021 was reduced \$20,000 due to expected cash balance
- ARP COVID19 Fund (200) - \$55,000 received and \$55,000 expected in 2022 to be used for wastewater or broadband expenses. Expect to be used for 2023 project.
- Public Safety (225) – Budgeted \$2,000 increase to cover Fire Protection increases
- WW PFA Bond (301) – no increase in levy to cover debt service costs. Bond to be paid in full in 2024.

- Roads Street & Highways (303) – Levy to remain at \$156,000 (see explanation in WW & Roads Committee) Small Cities Assistance Grant of \$21,250 received in 2021 with \$21,250 expected in 2022 to offset cost of road improvements.
- Bonds – no changes in levy
- Planning and Zoning – Budgeted increase to \$75,000 to cover additional administrative costs due to transition.
- Wastewater – There will be no change in ERC rate of \$110.00 (\$107.00/base rate plus \$3.00 capital outlay charge)
 - Expenditure changes: Ferric Chloride increased due to required phosphorus reduction levels needed. Sludge removal reduced to \$5,000; Licenses & Permits increase to \$5,000

Preliminary Budget Levy increase of 26.5% from \$829,400 to \$1,048,900 was reduced by \$130,000 to \$918,900 (10.8% increase)

FUND	CERTIFIED LEVY
General Fund	\$180,000.00
Public Safety	\$69,900.00
Roads, Streets, & Highway	\$156,000.00
GO Bond 2015 Road Improvements	\$157,000.00
GO Bond 2013 Road Improvements	\$70,000.00
Parks & Recreation	\$38,000.00
Planning & Zoning	\$75,000.00
W.W. Plant Expansion	\$173,000.00
TOTAL CERTIFIED LEVY	\$918,900.00

Councilor Demgen moved and Councilor Hoffmann seconded, the motion to adopt Resolution 09:04-21 – for Certificate of Proposed Levy for 2022; absent: Councilor Bergin. All present voted in favor thereof. Motion carried by 4/5 roll call vote.

MAYOR’S REPORT

No Report

CITY ADMINISTRATOR REPORT

14a. Resolution 09:02-21 – Nisswa Women’s Club Raffle at Cragun’s Legacy on November 18, 2021

Councilor Hoffmann moved and Councilor Demgen seconded, the motion to adopt Resolution 9: 02-21 – a raffle to be held by Nisswa Women's Club at Cragun's Legacy on November 18, 2021; absent: Councilor Bergin. All present voted in favor thereof. Motion carried by 4/5 roll call vote.

14b. Resolution 09: 03-21 –North Country Chapter of Pheasants Forever Inc Raffle at Cragun's Legacy on March 26, 2022

Councilor Hoffmann moved and Councilor Demgen seconded, the motion to adopt Resolution 09: 03-21 – a raffle to be held by North Country Chapter of Pheasants Forever Inc at Cragun's Legacy on March 26, 2022; absent: Councilor Bergin. All present voted in favor thereof. Motion carried by 4/5 roll call vote.

14c. Ruth Lake Outlet Issue

Discussion ensued regarding the license agreement between Mills Legacy Property, LLC and the City of East Gull Lake. It was noted that the Ruth Lake Association would have an insurance policy to cover liability for the City as well as the residents. Due to a delay in receiving concrete infrastructure, the process will probably not be completed until next spring. The next step in the process will be for the association to accrue funds to cover the total cost of construction and pay the premium on the insurance policy.

Councilor Hoffmann moved and Councilor Ruttger seconded the motion to approve the license agreement between Mills Legacy Property, LLC and the City of East Gull Lake for the water drainage facility to drain water from Ruth Lake into Gull Lake as stated in the agreement. Mayor Kavanaugh, Councilor Hoffmann and Councilor Ruttger voted in favor thereof. Councilor Demgen voted against, Councilor Bergin absent. Motion carried.

OLD BUSINESS

None

NEW BUSINESS

None

NEXT REGULAR SESSIONS OF CITY COUNCIL/OTHER MEETINGS

Planning and Zoning Meeting Tuesday, September 28, 2021 at 6:30pm
City Council Meeting Tuesday, October 05, 2021 at 6:30pm

Councilor Hoffmann moved and Councilor Ruttger 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.