

**Regular City Council Meeting
Mountain Lake City Hall
Tuesday, September 3, 2019
6:30 p.m.**

Members Present: Darla Kruser, Mike Nelson, Dana Kass, David Savage

Members Absent: Andrew Ysker

City Staff Present: Michael Schulte, City Administrator/Clerk; Maryellen Suhrhoff, City Attorney; Rick Oeltjenbruns, Street Superintendent

Others Present: Sue Garloff, Anne Reese, Doug Regehr, Deanna Anderson, Observer/Advocate; Rachel Yoder, Tom Appel, County Commissioner; Mike Hyatt (later in meeting)

Call to Order

The meeting was called to order by Mayor Nelson at 6:30 p.m.

Approval of Agenda and Consent Agenda

Motion by Kass, seconded by Kruser, to add 2.H Resolution #24-19 Gambling Permit to the consent agenda and add #6 Discussion/Action – Tax Forfeited Properties to the agenda. Motion carried. Motion by Savage, seconded by Kass, to approve the agenda and consent agenda as amended. Motion carried.

Bills: Checks #22773 – 22823, 621E

Payroll: Checks #64801 – 64818

Approve July 15 EDA Board Minutes

Approve July 19 Special EDA Board Minutes

Approve July 23 Utilities Commission Minutes

Approve July 23 Police Commission Minutes

Approve August 19 City Council Minutes

Approve Resolution #24-19 Gambling Permit

Public

Rachel Yoder and Deanna Anderson asked questions regarding the location of the wastewater pond project and the county's involvement. The land of where the ponds will be located is planned to be annexed into city limits. The Minnesota Pollution Control Agency, after an extensive review, certified the project and location at the end of June.

Street Department Report

Rick Oeltjenbruns, Street Superintendent, provided a list of tasks completed by the department for the month of August. A quote was presented to pave two alleyways in town from M.R. Paving & Excavating. M.R. will be in Mountain Lake this month to complete the punch list items and fix 2nd Ave. Paving one or both alleys will save mobilization costs as they are already in the city. The alley at 2nd overlay between 2nd Ave and 3rd Ave east of 12th Street North was quoted at \$8,870 and the Parkwood Place alley at 4th overlay was quoted at \$18,640. Oeltjenbruns stated the Parkwood Place alley is in the most need to re-paved. The department's budget and costs were discussed. Motion by Kass, seconded by Savage, to only pave the Parkwood Place alley for \$18,640 at this time. Motion carried.

Tax Forfeited Properties

Five properties within city limits were forfeited to the state of Minnesota. The public sale of tax-forfeited lands will be held at the county courthouse on September 11. Tom Appel, County Commissioner, and the city administrator have received phone calls asking if the city plans to reassess the city assessments attached to these properties. The assessments were reviewed and discussed. If the city wanted to reassess the amounts, they would need to pass a new resolution to assess. If the properties are sold, the value of the land would be placed back on the tax roll. Tom Appel discussed the costs the county paid to demolish and clean up the properties. Motion by Savage, seconded by Kass, to not reassess the assessments on the 2019 tax forfeited properties. Motion carried.

Community Center

The Mountain Lake Area Foundation would like to donate their proceeds from their April fundraiser towards new electronic equipment at the community center. Wade Nelson from the Foundation contacted Best Buy and Best Buy visited the community center and provided a quote for a new projector screen, projector, microphone and speakers, cords, and a receiver. The total quote was \$2,356.85. Councilmember Savage questioned the quality of the microphone system as high quality microphones are a couple hundred dollars versus \$46.99 listed on the quote. Direction was given to receive a second opinion / quote and Councilmember Savage will provide the administrator with a contact to reach out to.

J-Turn Committee

Councilmember Kass provided an update from the J-Turn Committee. The committee met recently and stated there is still a petition going around to sign against J-Turns and a petition will be going around to lower the speed limit on Highway 60 near Mountain Lake. J-Turns were installed at Heron Lake and there have been issues with the turns for semis and large vehicles. MNDOT still has J-Turns and access management for 2021 on their 10-year capital highway investment plan. The committee is still promoting funding for a total interchange.

Sewer & Water Rate Analysis

Tammy Omdal, Northland Securities, was hired to create a sewer and water rate analysis study for Mountain Lake Municipal Utilities to provide stats, figures, and recommendations for setting rates for future years. Omdal presented at the last Utilities Commission meeting. The sewer and water rates have been raised and adjusted in the past decade to put the rates in a good financial position. Even with a large debt payment for the wastewater pond project, no large increases are needed at this time to accommodate the additional debt service. Omdal stated that even with the study that rates should be analyzed yearly as other projects, expenses, or revenue changes may occur. The study includes potential capital projects in the future but actual numbers may fluctuate depending on the project. The study recommends a 2% increase each year for both the water and wastewater departments. The sewer rate analysis portion of the study is a requirement from the PFA as a part of their loan application checklist.

2020 Budget

The 2020 Budget and levy summary sheet were reviewed. An EDA subcommittee met late last week and is recommending to the EDA Board to keep the EDA Assistant's hours at the same amount as 2019. The EDA budget has not been adjusted yet and will be reviewed and voted on at their next meeting. From the last meeting, budgeting \$2,000 for a burn-site attendant was missed in the last budget draft but was added to this draft. To accommodate the \$2,000 increase, \$2,000 of cash will be used in 312 City Wide Project bond fund for 2020. The levy increase still sits near 8.25% as no other adjustments have been made. The trail position was discussed. The position's wage will be adjusted to be the same as the street department seasonal workers in 2020 and possibly be restructured. Direction was given to the administrator to set the preliminary levy at 9% and depending on the EDA budget, to adjust as needed. A resolution will be presented at the next meeting to set the preliminary levy and to schedule public comment on the levy and budget in December. The final levy can be lowered but not raised in December.

2020 Capital Improvement Plan

Motion by Kruser, seconded by Kass, to approve the 2020 Capital Improvement Plan. Motion carried.

City Attorney

The city attorney and city administrator were in mediation for nearly 7 hours today with the greenhouse property owners. It was decided that more information and strategy would need to be discussed in a closed meeting to discuss litigation. A notice of annexation will be published in the Observer / Advocate for an orderly annexation between Midway Township and the City of Mountain Lake. Public nuisances were discussed. The council would like a report of citations given to property owners. Mike Hyatt asked questions regarding lawn mowing onto public streets. Pictures were taken of a neighboring property of grass on the street. The administrator will contact the property owners.

Closed Meeting

Motion by Kass, seconded by Savage, to close the public meeting and open a closed meeting at 8:13 p.m to discuss possible litigation. Motion carried. Motion by Kass, seconded by Kruser, to close the closed meeting and open the public meeting at 8:35 p.m. Motion carried. No action taken.

Adjourn

The meeting was adjourned at 8:35 p.m.

Approved September 16, 2019

ATTEST:

Michael Schulte, Administrator/Clerk