

**MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF EAST GULL LAKE, COUNTY OF CASS, STATE OF MINNESOTA**

REGULAR SESSION

**August 5, 2014
6:30 P.M.**

CALL TO ORDER

The East Gull Lake City Council met in Regular Session at 6:30 P.M. and was called to order by Mayor Kavanaugh.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: Mayor Kavanaugh, Councilors Lang, Ruttger, Demgen and Hoffman

Absent: None

ADOPTION OF AGENDA

- 4a. Additions: 5d. Authorization to publish Summary of Ordinance Changes
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, Ruttger; to approve the following Consent Agenda items:

- 5a. July 2014 City Council Meeting Minutes
5b. June 2014 Financial Statement
5c. Claims list to review and sign (Checks #18277-18306, 18312*-18352) \$644,051.89
(*Checks 18307-18311 were damaged checks and are voided)

PUBLIC HEARING

- 6a. City Ordinance Amendment: Wastewater Equivalent Residential Connection (ERC)
Wastewater Superintendent Jasmer gave a brief summary of the changes being proposed compared to the current ordinance, explaining each of the proposed changes.
- Mayor Kavanaugh explained that several years ago the Wastewater Committee chose to evaluate the two resorts as it pertains to ERC charges. He noted that Superintendent Jasmer did an extensive study of both properties involved, Cragun's and Madden's, and came back to the Wastewater Committee and stated that there are new areas that have not been dealt with in the past. He noted that those areas are in the proposed changes. He also noted that this is the first time that there has been an audit of these properties since the 1991 system was put in place. He also noted that a special sub-committee was appointed with Jim Ruttger, Dennis Lang, Superintendent Jasmer and Jerry Stromberg, to look into the ERC count issue. He stated that as the sub-committee looked into the issue, they determined there were shortcomings in the current language in the ordinance in regards to deciphering the ERC counts for commercial property. Mayor Kavanaugh opened the discussion to the audience.
 - Tom Malat of 10330 Squaw Point Road addressed the Council. His first question dealt with the original set-up of the ERC count. Mayor Kavanaugh noted that there is not a lot of documentation on it. He noted that Councilor Ruttger was on the Council when the 1991 system was put in; noting that he (the Mayor) was not. He noted that he understood the resort numbers were generated by consensus of the City's engineering firm (Landecker, at the time) and the properties. There was a number established for the resorts at that time based on rental rooms. It was noted that the residential connections are charged 1 ERC per house. Mr. Malat asked how much of the percentage of the cost was being paid by residents compared to what the resorts were paying. Mayor Kavanaugh noted that the resorts would have a reduction in their ERC counts even if the ordinance wasn't changed. He noted that when the audit was done, it was discovered that there were some areas that weren't even addressed and need to be added to

the ordinance in order to count them. He also noted that the reason for the changes in the ordinance is to clarify the determination of charges for future Councils and wastewater operators. He emphatically stated that the reason for the ordinance change is not to reduce the number of ERC counts, but to make those clarifications and add definition to those areas not included in the current ordinance. It was noted that the audit is what triggered the changes, not the resorts, as neither Madden's nor Cragun's asked for the audit.

- Superintendent Jasmer noted that the documentation is needed for future review. Discussion ensued regarding using the MET Council as a guideline only; making the ordinance changes fit the City of East Gull Lake uniquely. It was noted that the sub-committee met with the resort owners to determine how the facilities were used to better determine ERC counts.
- Mayor Kavanaugh explained that there was a bookkeeping error done around 2000 and the bond proceeds got used up on the 2004 Wastewater project for paving of some roads. It was discovered around 2005 that the Wastewater Fund owed close to 400,000 to the General Fund. Those monies have been paid back in increments over the last few years and the last payment will be made this year (2014).
- Mayor Kavanaugh noted that two years ago the Wastewater Committee made a recommendation to the Council for a \$5.00 per quarter rate increase, staying in line with the rate of inflation. He noted that Ehler's, the City's financial consultant, noted that a rate increase was needed at that time. He stated that the intended rate increase was proposed just when the audit on the ERC for the resorts was starting. It was suggested to hold off on the rate increase until the ERC count issue was resolved. The Council voted to hold off on the rate increase. He noted that the rate increase will follow the ERC count changes. He noted that the increase would be between \$5.00 and \$10.00 per quarter and will come before Council by the end of the year and take place in billing by the first quarter of 2015. It was noted that the last increase was the capital outlay increase three years ago.
- Discussion ensued regarding wastewater costs of other Cities in the area.
- Mr. Thuringer noted that Madden's and Cragun's resorts picked up more than 51% of the cost of the wastewater system.
- Mr. Malat complained that the public was not sufficiently notified about the public hearing. Mayor Kavanaugh noted that there is a procedure that legally needs to be followed for public hearings and that the City followed these procedures. [There is a notice put in the Brainerd Dispatch, there is notice on the City Website and there are emails sent to those who have signed up for email notifications.]
- John Reedy on Squaw Point Rd noted that he did not know about the meeting and therefore was late. He suggested that the City change to meters.
- Discussion ensued regarding the operating costs for the wastewater system. Expansion of the system was discussed, with Mayor Kavanaugh noting that there is a potential for expansion. He noted that the expansion will bring in funds with no expense, because new users pay the connection costs up front. He did note that if there were a catastrophic failure in the plant, money would need to be spent to fix it.
- City Engineer, Jeff Ledin noted that the City (Superintendent Jasmer) has done an excellent job of budgeting for the wastewater system. He also noted that the South plant is oversized and reducing flow will not change operating costs.
- It was noted that the City needs to be aggressive in connecting more residents onto the wastewater system.
- Mr. Ledin also noted that it is very difficult to use a metered system if there is no City water.
- Mayor Kavanaugh noted that the Wastewater Budget is available for anyone who wants a copy.
- Tim Engel of Steamboat Bay addressed the Council regarding insurance coverage.
- Ginger Markham addressed the Council regarding insurance.
- Discussion ensued regarding the task that the wastewater employees do on a daily basis. It was noted that their salary is not only charged to the wastewater but is also charged to the general fund also. Superintendent Jasmer noted that the system in place is a high maintenance system due to the fact that it is a pump system compared to a gravity system.
- Mayor Kavanaugh asked if there were other questions and called for a vote on the change in the City Ordinance for changes as outlined for the ERC charges.

M/S/P, Aye Councilors Lang, Ruttger, Mayor Kavanaugh, nay Councilor Demgen, abstain Councilor Hoffman to approve the changes [to the City Ordinance for ERC count determinations for Commercial connections] as outlined by Superintendent Jasmer.

City Attorney Tom Pearson noted that a 4/5 vote was needed to publish a summary of the approved changes in the City Ordinance. (Both the Duplex revision and the ERC count determination changes) It was emphasized that this is a vote on the publication of the summary only.

M/S/P, all ayes, Councilors Lang, Ruttger to publish a summary of the approved City Ordinance changes: the Duplex revision and the ERC count determination changes.

OPEN FORUM

- 6a. Bob Johnson of 10392 Squaw Point Rd addressed the Council regarding speeding on Squaw Point Road. He asked if the signing could be improved. Discussion ensued regarding possible solutions.

M/S/P, all ayes, Councilors Hoffman, Demgen to approve request for addition of 15 mph and “Children – SLOW” signage, or whatever is appropriate, be added to Squaw Point Road.

PLANNING & ZONING

- 7a. Planning Commission Chair Buxton addressed the Council regarding the last meeting.
- The monthly report was discussed regarding current permit requests, inspections and completions.
 - There was a storm water runoff plan discussed.
 - Mr. Rivers property lot split was discussed. It was noted that the Rivers’ had leased property from a neighbor to build a garage and now would like to complete a lot split to clear up ownership for future owners of the properties. It was noted that none of the neighbors opposed the lot split and that it would not create a non-conforming lot. P&Z Administrator Mason noted that typically a lot split is done over the counter, but because of the complexity of this particular situation, he felt it necessary to bring it before Council. It was also noted that it would clean up an undesirable situation.

M/S/P, all ayes, Councilors Hoffman, Demgen for approval to allow the lot split of the Tuomi property as surveyed, conveying the portion with the Rivers’ garage to the Rivers’ property.

- It was noted that the Fee Schedule and Permit Applications were discussed. Chair Buxton noted that changes will possibly be made within the next few months for recommendation to Council. He noted that the changes could be in place by the beginning of 2015.
- Dock slip increase on East Pointe was discussed. It was noted that the City has no control over the number of slips as that is in DNR control. Chair Buxton noted that the only control the City has is how close they come to the property lines on the shoreline. He noted that they are not sure they even want to do the project; they just wanted to make the City aware that they were thinking about it.
- Harkin’s property on Green Hill was discussed, noting that it is vacant property but there is a pre-existing foundation which would warrant the reconstruction of a building to be allowed on that foundation. It was noted that the property had a Chair Buxton noted that P&Z Administrator Mason discussed the situation with the homeowner and brought the information to the Commission. He noted that situations are handled in a more amicable manner than has been done in the past. He stated that a motion was passed to allow Mr. Harkins to build a shed no closer than 50 feet to the OHW while removing the foundation and the existing wooden ramp and stabilize the bluff.

WASTEWATER & ROAD REPORT

- 8a. Superintendent Jasmer noted that there was no meeting this past month. He noted that the improvements for the wastewater for Ruth Lake Estates have been complete and they would like to turn it over to the City. He noted that he has approved their work.

M/S/P, all ayes, Councilors Hoffman, Ruttger to accept the sanitary improvements for Ruth Lake Estates.

- 8b. Superintendent Jasmer noted that he received and reviewed the draft permit from the MPCA. He noted that the permit was more favorable than he originally expected.
- 8c. Discussion ensued regarding completion of the 2013 Road Project. Striping was discussed. Speed limit and load limit signs were discussed.
- 8d. Councilor Demgen noted that people using the bridge over the dam are not being courteous. Because it is one lane, drivers should be alternating crossing. She noted that while she was at the park, she watched as many cars would cross, not allowing the car coming the other way cross until they were all across from the other side. She noted that there use to be a sign stating that cars should alternate in crossing. It was noted that should be common courtesy, and a sign would not make much difference.

PUBLIC SAFETY

No Report

PARK & TRAILS

No Report

PERSONNEL COMMITTEE

No Report

BUDGET COMMITTEE

Discussion ensued regarding all the information needed before budget committee can meet for 2015 budget. It was noted that the budget has to be voted on at the September 2, 2014 meeting, or there can be a special meeting called before the September 30, 2014 deadline.

MAYOR'S REPORT

- 13a. Mayor Kavanaugh discussed the Fire and Rescue Contract. He noted that if the City decides to go with Pillager, Cass County would be notified so that when 911 is called all the PIDs that are located in East Gull Lake, Pillager would be the association that would be called to respond. He also noted that there is still mutual aid so that if there was help needed from other fire stations in the area, they would respond also. Mayor Kavanaugh noted that this has been discussed for some time and he would like to bring it to a vote.

M/S/P, all ayes, Councilors Demgen, Ruttger to accept the contract from Pillager Area Fire Protection Association, Option #4: Fire protection and rescue service for the years of 2015 & 2016 for the cost of \$50,000, with a requirement of a one year written cancelation notice by the City of East Gull Lake. (Payments made: \$12,500 semi-annually, first payment due by June 1st, second payment due by September 1st, each year).

CITY ADMINISTRATOR REPORT

- 14a. Administrator Mason discussed the Airport split rail fence proposal with the Council. It was noted that the cost to construct the fence would be approximately \$3,500.00. It was also noted that the FAA is requiring this fence to be constructed to separate motor vehicles from aircrafts. Mayor Kavanaugh discussed the fact that this has been discussed for some time. It was noted that the FAA was negotiated into allowing a split rail fence as they normally require a chain link fence. It was noted this is the third year since this has been brought up by the FAA. Administrator Mason noted that we are being reimbursed \$1,884 by grant for costs for the airport, which is the maximum allowed, not covering the complete cost of \$5,000 to \$6,000. He also noted that there may be a grant available to cover the cost of improvements, which would be the cost for the fence. Mayor Kavanaugh noted the airport land was donated to the City and he thought that the City could transfer it back. He noted that there are other

factors that would need to be discussed. Mayor Kavanaugh asked Attorney Pearson to look into the issue of transferring the property back to the previous owner.

14b. Administrator Mason addressed the Council regarding the contract with Rardin Excavating, Inc. noting that Mr. Rardin is fine with extending the contract out for another two years. It was noted that Poplar Road and Birch Lane were not swept this spring, so it was stated that City Hall should be notified right away to rectify the situation.

M/S/P, all ayes, Councilors Hoffman, Lang to approve [the extension of the contract with Rardin Excavating] on the condition that [Mr. Rardin] make a presentation to the City Council.

OLD BUSINESS

None

NEW BUSINESS

None

NEXT REGULAR SESSIONS OF CITY COUNCIL/OTHER MEETINGS

Budget Committee Meeting.....	Date TBD
Planning and Zoning Meeting.....	Tuesday, 8/26/2014 at 6:30pm
Wastewater & Road Committee Meeting.....	Wednesday, 8/20/2014 at 3:00pm
City Council Meeting.....	Tuesday, 09/02/2014 at 6:30pm

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

Respectfully submitted,

Rob Mason
City Administrator/Planning & Zoning Administrator

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