

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

REGULAR SESSION

**December 2, 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:
- 4b. Deletions:

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

ADOPTION OF CONSENT AGENDA

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

- 5a. November 2014 City Council Meeting Minutes
- 5b. October 2014 Financial Statement
- 5c. Trial Balance, Monthly Budget Report, Delinquent WW Report
- 5d. Approved November 2014 claims 18491 to 18526 for total amount of \$21,457.82
- 5e. 2015 City of East Gull Lake meeting schedule

OPEN FORUM

- 6a. Rebecca Kurtz from Ehler's regarding refunding the 2007 & 2008 General Obligation Bond. She congratulated the City on the good rating of A1, which caused a better interest rate for the bond sale. Discussion ensued regarding the factors that determine the rating for small municipalities. It was noted that the bids came in very low, decreasing the \$1,690,000 General Obligation Bond interest to 1.8%. Ms. Kurtz noted that closing would be in January 2015.

Ayes, Councilors Lang, Hoffmann, Demgen, Mayor Kavanaugh, approval to adopt Resolution 12:04-14, Awarding sale of \$1,690,000 General Obligation Refunding Bonds, Series 2015A; fixing their form and specifications; directing their execution and delivery; providing for their payment to Baird; providing for the escrowing and investment of the proceeds thereof; and providing for the redemption of bonds refunded thereby

PLANNING & ZONING

- 7a. 2015 Permit Fee Schedule
Administrator Mason noted the changes recommended by the Planning Commission
 - Recommendation for adding a level for permits for projects under 101 sq. ft. for \$50.00

- Recommendation for additional \$125.00 for each 1000 sq. ft. over the 6,000 sq. ft. level
- Administrator Mason noted that he would like to leave the verbiage stating “Structures with a footprint area of over 6,000 sq. ft. or greater require a CUP”

M/S/P, all ayes, Councilors Hoffman, Demgen to approve the fee schedule changes to the permit fee schedule recommended by the Planning commission for a level where permits less than 101 sq. ft. be charged \$50.00 and stating that permits over 6,000 total sq. ft. will be charged \$125.00 for each additional 1,000 sq. ft., or portion thereof.

WASTEWATER & ROAD REPORT

8a. ERC Counts for Cragun’s and Madden’s Resorts

Superintendent Jasmer noted that the change in the resort ERC counts have been approved by the wastewater committee. It was noted that Cragun’s will be 242 ERCs and Madden’s will be 249 ERCs. Administrator Mason noted that Madden’s is adding on to their dorms and ERC count adjustments will be discussed in the future. He also stated that Superintendent Jasmer did an excellent job of evaluating the resorts for the ERC count changes.

Ayes, Councilors Lang, Ruttger, Demgen, Mayor Kavanaugh, abstain Hoffman to move forward with the ERCs as stated [Cragun’s: 242 ERCs and Madden’s: 249 ERCs] beginning the first quarter 2015.

8b. Ernie’s Restaurant ERC counts and equipment repair

Superintendent Jasmer stated that he received quotes to upgrade the aeration system for Ernie’s. The bid came in at \$29,000 to complete the entire project. He noted that because the ERC count has been incorrectly calculated in the past, their ERC count will be increasing to twelve (12) from three (3). The Wastewater Committee recommends that Ernie’s pay the \$3,200.00 per ERC connection charge (\$28,000.00) and the City would repair Ernie’s equipment and upgrade the City equipment at no extra charge to Ernie’s. Financing the project was discussed and it was noted that the City auditor should be contacted first. It was noted that Ernie’s needs to be contacted and the numbers need to be discussed with them.

8c. Aerator expenditures for the Extended Aeration basin

Superintendent Jasmer noted that the Pine Beach plant aerators are in very poor condition, costing extensive repair costs. He noted that Aeration Industries came in with a bid for two (2) systems for \$16,000. He stated that it is not a budgeted item; however, the Wastewater Committee suggested taking Capital Outlay monies to purchase the two (2) systems. There are currently ten (10) aerators in the design. Currently aerator systems run constantly, 365 days per year, 24 hours per day: Two (2) run in the aeration basin and two (2) run in the digester. Superintendent Jasmer discussed the problems that are occurring. He noted the average cost to keep the aerators running is about \$6,000 per year in repair costs.

M/S/P, all ayes, Councilors Demgen, Hoffman, to use Capital Outlay account to purchase two (2) aerator [systems for \$16,000 for the Pine Beach wastewater plant].

8d. Smart Sign for City roads

Mayor Kavanaugh stated that there is remaining money from the 2013 Road Project that he would like to see if it can be used for purchasing the Smart Sign. It was noted that next year the money will be transferred and the question should be brought to the City auditor to inquire if it

is legal to use it for such a purchase and how that can be done. He noted that the money should be earmarked for the sign before the monies roll over into the bond fund.

- 8e. Rates for bio-solid treatment – BIR, GLS & Tony Fyles/Welcome Center
Superintendent Jasmer stated that the yearly increase has been 2% in the past and he and Administrator Mason discussed another increase for this year. He noted that the City is processing that wastewater and the City expenses increase, justifying an increase in charges to BIR, GLS, and Tony Fyle/Welcome Center. It was noted that the contracts are annual and need to be renewed each year. Superintendent Jasmer is recommending to Council to apply a 2% increase to the contract for this year's contracts.

M/S/P, all ayes, Councilors Demgen, Hoffman, to increase the charges in the contracts to BIR, GLS and Tony Fyle/Welcome Center by 2% for bio-solid treatment of their wastewater.

Superintendent Jasmer noted that the City needs to address the City Code language regarding ISTS. The state statute states that the City has one year after the County adopts their ordinance to adopt theirs as the City's, or one that is more restrictive. The deadline for adoption of the new code is March 6, 2015. He noted that there are two different ways that it can be done: add language to the current Land Use Ordinance stating that the City will follow the County Ordinance or, create a separate chapter inserting the entire verbiage stated in the County Ordinance. He stated that Lakeshore opted to add language to their Land Use Ordinance and has submitted it to the MPCA. He asked that they (Lakeshore) contact him to let him know if it goes through as that would be the easiest direction to go. He had heard that the MPCA will not accept that, so he will wait until he hears from Lakeshore before going forward. Mayor Kavanaugh asked Superintendent Jasmer to present more information in January and it will be addressed at the January 2015 Council meeting.

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. Staff Report – Resolution 12:01-14-Establishing increase in Sewer Charges

Mayor Kavanaugh stated the Wastewater Committee quarterly sewage charge be increased by \$7.00 per quarter, from \$96.00 to \$103.00. It was noted that the increase will not take effect until the first quarter of 2015.

Ayes, Councilors Demgen, Hoffmann, Lang, Ruttger, Mayor Kavanaugh approval to adopt Resolution 12:01-14 increasing the quarterly rate for wastewater \$7.00, from \$96.00 to \$103.00.

14b. Staff Report – Resolution 12:02-14-Designation of NIMS (National Incident Management System)

Administrator Mason stated that Cass County Sheriff’s Office representative, Kerry Swenson, met with him to discuss their emergency operations plan. He noted that the City either needs to adopt their own plan or implement Cass County’s plan as their standard for incident management.

Ayes, Councilors Ruttger, Demgen, Lang, Hoffmann, Mayor Kavanaugh, approval to adopt Resolution 12:02-14, establishing the NIMS as implemented by the Cass County Emergency Operations Plan as the City of East Gull Lake standard for incident management.

14c. Staff Report – Resolution 12:03-14-establishing Procedures Relating to Compliance with Reimbursement Bond Regulations under the IRS Code.

Ayes, Councilors Hoffmann, Lang, Demgen, Ruttger, Mayor Kavanaugh, approval to adopt Resolution 12:03-14.

OLD BUSINESS

15a. Finalize 2015 Levy

Administrator Mason presented the proposed budget for the 2015 levy. Discussion ensued regarding changes in the numbers. The following numbers were decided, decreasing the levy from a 17% increase from the 2014 levy on the preliminary levy to a 3.55% increase from the 2014 levy in the final levy:

FUND	CERTIFIED LEVY
General Fund	\$111,200.00 (-\$30,000, -\$5,800)
Public Safety	\$41,300.00
Roads, Streets, & Highway	\$96,000.00 (+\$6,000)
GO Bond 2007 Road Improvements	\$62,000.00
GO Bond 2008 Road Improvements	\$72,000.00
GO Bond 2011 Road Improvements	\$30,000.00
GO Bond 2013 Road Improvements	\$0.00
Planning & Zoning	\$64,000.00 (-\$8,000)
Parks & Recreation	\$3,000.00
W.W. Plant Expansion	\$67,607.00
TOTAL CERTIFIED LEVY	\$547,107.00

Ayes, Councilors Ruttger, Lang, Hoffmann, Mayor Kavanaugh, Nay Councilor Demgen, to approve the final levy, altering the preliminary levy to reduce the General Fund to \$111,200.00; Public Safety to remain the same at \$41,300.00; Roads, Streets, & Highway; GO Bond 2007 Road Improvements at \$62,000.00; GO Bond 2008 Road Improvements at \$72,000.00; GO Bond 2011 Road Improvements at \$30,000.00; GO Bond 2013 Road Improvements reduced to \$0.00; Planning & Zoning at \$64,000.00; Parks & Recreation at \$3,000.00; W.W. Plant Expansion at \$67,607.00 for a total of \$547,107.00.

NEW BUSINESS

None

NEXT REGULAR SESSIONS OF CITY COUNCIL/OTHER MEETINGS

City Council Meeting Tuesday, January 6, 2015 at 6:30pm
 Planning and Zoning Meeting Tuesday, January 27, 2015 at 6:30pm

Wastewater & Road Committee Meeting Wednesday, February 18, 2015 at 3:00pm
Park & Trails Committee Meeting TBD
Public Safety Meeting TBD

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

Respectfully submitted,

Rob Mason
City Administrator/Planning & Zoning Administrator

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

DRAFT