



**Regular City Council Meeting Minutes**  
**March 3, 2021 at 6:30pm**  
**Remote Meeting**  
315 Main Street South

Link: <https://meetings.ringcentral.com/j/1481911129>

Meeting ID: 148 191 1129

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**In attendance** – Mayor Carl Pederson, Councilor Mary Kay Sloan, Councilor Steve Ovick, Councilor Gina Pettie and Councilor Kyle Palmer.

**Absent** - None.

**Staff in attendance** – Interim City Administrator Lezlie Sauter, Park and Recreation Director Stacy O'Rourke, Liquor Operations Manager Lara Smetana, Fire Chief Tom Miller, Safety Inspector Andy Luedtke, Interim Treasurer Catherine Demes Maydew, Administrative Assistant Carissa Kranz, SEH City Engineer Greg Anderson and Zach Schmitz and Building Official Andy Schreder Rum River Construction Consultants

**Others in attendance** – Possible Mill Site Developers Larry Gensmer and Cole Newman and Resident Becky Schueller

**Call to Order** – Mayor Pederson called the meeting to order at 6:30pm.

**Pledge of Allegiance** -The Pledge of Allegiance was respectfully forgone due to remote meeting limitations

**Proposed Additions or Deletions to Agenda** – An addition to add Mill Site Development Proposal and Resolution #21-19, Private Activity/Conduit Revenue Debt Policy under Community Development and a request to delete item 7.c.ii. Net gain in cash minus cash requirements report due to the bank reconciliation not being completed at this time. *Motion by Pettie, second by Ovick to approve the agenda with the addition of Mill Site Development Proposal and Resolution #21-19 Private Activity/Conduit Revenue Debt Policy and deletion of Net gain in cash minus cash requirements report. On a roll-call vote, Sloan, Palmer, Pettie, Ovick and Pederson all voted in favor and none against. Motion carried.*

**Consent Items:** The following consent items were submitted:

Approval of Meeting Minutes - January 28, 2021 & February 3, 2021.

Approval of February 2021 expenditures

Approval of February 2021 accounts payable

Approval of January 2021 fines report

Approval of Claims over \$10,000 - SEH Northwest Area Street Improvements (paving around fairgrounds in 2019) Applicant for payment number 2 (Final) to OMG Midwest Inc. dba Minnesota Paving and Material in the amount of \$32,232.38. SEH 2020 Street Reconstruction Project Lab Testing Invoice #400822 in the amount of \$12,660.00.

*Motion made by Sloan, second by Ovick to approve Consent Items. On a roll call vote, Sloan, Palmer, Pettie, Ovick and Pederson all voted in favor and none against. Motion carried.*

Discussion was had on the February Year-to-date Expenditures by Department report.

Pederson inquired if City Engineer Anderson has received any complaints regarding the Northwest Area Street Improvements, Anderson has not received any complaints. Question regarding the \$32,232.38 Project Lab Testing payment, Anderson explained that these invoices would normally have been included throughout the project, however the 3rd party that completes the concrete/material testing did not submit the invoices electronically while employees

were working from home. Additional discussion was had about the Northeast quadrant mill and overlay project and what is left to close out the project, getting the grass to grow and working through the final punch list.

**Open Forum** – Nothing was brought forth.

**Sheriff's Report** - Deputy was not present.

## **DEPARTMENT/COMMITTEE REPORTS**

### **COMMUNITY DEVELOPMENT**

**Mark Vander Horck Variance Request - 100 2nd Ave SE PID #42.5173.000 Resolution #21-16, Approval of Vander Horck Variance** - Mark Vander Horck has applied for a variance request at parcel 42.5173.000, 100 2<sup>nd</sup> Ave SE, to build an additional garage structure for a total of 3 accessory structures, to consider variance from Section 10.400.0230, no accessory building shall exceed 1,008 square feet in size and Section 10.400.0235, total floor area not to exceed 1,800 square feet. Contract Planner Eiyneck and staff have prepared a report including processed findings of fact and a draft Resolution #21-16. This variance request has been recommended by the Planning Commission. *Pettie made a motion to adopt the staff report and proposed findings of fact along with Resolution 21-16, approval of Mark Vander Horck's Variance request at 100 2nd Ave SE PID #42.5173.000, Ovick seconded the motion. On a roll-call vote, Sloan, Palmer, Pettie, Ovick and Pederson all voted in favor and none against. Motion carried.*

### **Addition: Mill Site Development Proposal and Resolution #21-19, Private Activity/Conduit Revenue Debt Policy -**

Sauter provided a memo prior to the meeting explaining the current situation and the Council's next steps for allowing this potential development proposal of the City's old Mill Site, 320 3rd Street SE, PID 42.5188.000. Larry Gensmer and Cole Newman presented staff with preliminary plans and have requested to have the City use conduit bonds to assist in financing the project. Sauter consulted with the City's Financial Advisor, Jason Aarsvold at EHLERS and he indicated that there is no risk to the City as it relates to repayment of the bonds, or on the City's credit if the project falls through. Many cities have adopted the policy outlined in Resolution #21-19, Private Activity/Conduit Revenue Debt Policy, as it includes payment of a fee to cover the City's legal and staff time. Sauter has been in contact with the MN DNR as parcel #42.5188.000 is within the shoreland district and they recommended applying for a variance for the density and 30-35% impervious surface lot coverage. Gensmer and Newman answered questions and provided insight on their plans for the parcel and possible development of 24 units, some studio, one and two bedroom units that would roughly cost \$800-900 to rent. Newman explained that they have been in contact with the President of Pine Tech Community College and took his recommendation on the need for studio apartments for college students. *Sloan made a motion to adopt Resolution #21-19, Private Activity/Conduit Revenue Debt Policy, Pettie seconded the motion. On a roll-call vote Sloan, Palmer, Ovick, Pettie and Pederson all voted in favor and none against. Motion carried.*

*Sloan made a motion to delegate the negotiation of transferring ownership of the Mill Site (320 3rd Street SE, PID #42.5188.000) to the Interim City Administrator, Councilor Ovick and Mayor Pederson, seconded by Pettie. On a roll-call vote Sloan, Palmer, Ovick, Pederson and Pettie all voted in favor and none against. Motion carried.*

### **PUBLIC WORKS**

**Presentation of 2021 Street Improvements Feasibility Report SEH** - City Engineer Anderson gave an update that the LRIP grant has been submitted along with letters of support from Senator Rarick and Pine Tech and Community College. Anderson met with Fire Chief Miller and Public Works Employee Rootkie and created the 2021 Street Improvements Feasibility Report. The City of Pine City has initiated this feasibility report in order to review the infrastructure needs on Golf Ave SW, 8th St SW, Clark Ave SW, 7th St SW, Johnson Ave SE, 4th St SE, and 2nd Ave SE. This report discusses the existing infrastructure, future needs, proposed improvements and the costs to construct those improvements. Street improvements outlined in this report include the full reconstruction of existing paved roadways as well as the paving of 8th St SW which is currently a gravel surface. There will be new sidewalk installations included along 8th St SW, Golf Ave (From Main St to 8th Ave SW), and portions of 4th St SE along with walk/trail replacements along Johnson Ave SE and the remaining portions of 4th St SE. The utility improvements include the replacement of sanitary sewer, water mains, raw water mains, and services along the entirety of 4th St SE and Johnson Ave SE. There will also be sanitary and water

main improvements made along Golf Ave SW including new sanitary from 8th Ave SW to the western City Limits and new WM from 7th St to the western City Limits along with new services in this entire area. New water main is to be installed on Clark Ave SW as well to help with water flow in the area. In addition to the previously mentioned improvements, storm sewer will be added which includes catch basins, storm sewer pipe, and storm water management for the site to help improve water quality. The total estimated cost for the City improvements discussed in this report is \$6,069,440. Following the City assessment policy would result in \$1,712,322 in assessments and \$4,357,118 in City costs to construct the improvements studied herein.

Anderson recommends proceeding with improvements to Golf Ave SW from HWY 61 to 8th St SW and 8th St SW from Wilcox Ave SW to Golf Ave SW and roughly estimated the project costing \$1.2-1.3million. If the City is awarded the LRIP grant for the Johnson Ave SE to 4th St SE project construction wouldn't take place until 2022-2023. Discussion was had on drainage issues at the Hilltop Recreation Area (hockey rinks) and installation of new sidewalk. A request was made for Sauter to send the feasibility report to ELHERS to make sure bonding can be done for the project.

**Resolution #21-18, Receiving Feasibility Report and Calling Hearing on Improvements 2021 Street Improvements -** *Pederson motioned to approve Resolution #21-18, Receiving Feasibility Report and Calling Hearing on Improvements 2021 Street Improvements at the April 7, 2021 Council meeting and modifying the proposed project to state Golf Ave SW from HWY 61 to 8th Street SW, 8th Street SW from Wilcox Ave SW to Golf Ave SW and 7th Street SW, seconded by Pettie. On a roll-call vote Sloan, Palmer, Pederson, Pettie and Ovick all voted in favor and none against. Motion carried.*

**Snow Plowing Report February** - The Public Works Department provided a Plowing Report from January 24, 2021 through March 1, 2021. This included a summary of the days that Public Works had plowed, hauled snow from HWY 61 and downtown, sanded and towed vehicles. Palmer requested information on the last snow event and the reasoning behind Public Works not plowing on Sunday, February 28th when the snow event happened but then plowing and sanding on Monday, March 1st. Staff will look into the cost differences of overtime vs sanding and follow up with Public Works.

## **LIQUOR**

**Monthly Reports** - Smetana presented the Voyageur Bottle Shop February 2021 monthly sales reports. Sales are still up about \$20,000 and net profits were estimated to \$13,000. Once bank reconciliation has been completed more detailed information and reports will be provided to the Council. Smetana stated that all the 2020 money transfers have been completed.

**Approval to hire Assistant Manager position - Smetana** addressed the FMLA question from the February 25th Council meeting noting that employees must work 1250 hours in a year to qualify and return to a previous position, the employee in question only worked 803 hours in 2020, so it will be a non-issue. Smetana provided a memo summarizing the hire recommendation. *Ovick made a motion to approve hiring Deb Cunnien for the full time Assistant Manager position at the rate of \$21.50 per hour and Taylor Jacobson for the part time Customer Service Specialist position at the rate of \$16.78 per hour and to start as soon as they are able, seconded by Palmer. On a roll-call vote Sloan, Palmer, Pederson, Ovick and Pettie all voted in favor and none against. Motion carried.*

## **PARKS & RECREATION**

### **Park & Recreation Committee Appointment - R. Redfield**

An application for the Park & Recreation Committee from Ryan Redfield was received. Staff recommend Council to appoint Redfield to the Park & Recreation Committee with the term limit of January 31, 2024. *Motion made by Pederson, second by Sloan to appoint Ryan Redfield to the Park & Recreation Committee with the term expiration date of January 31, 2024. On a roll call vote, Sloan, Palmer, Pederson, Ovick and Pettie all voted in favor and none against. Motion carried.*

**Resolution #21-17, Approval of Outdoor Recreation Grant Legal Sponsor** - O'Rourke noted that a requirement for the MN DNR grant to be submitted by March 10, 2021, an approved and signed Resolution #21-17 must be included with the grant application. Discussion was had on the matching grant (\$250,000 in fundraising/donations and \$250,000 from

the DNR if selected) for the Hilltop Recreation Area project the group would be able to complete Phase 3 of their 4 phases and be able to put sidewalks around the park, concrete the main rink, install a chiller, create a soccer field and put new boards around the rinks. *Motion by Sloan to approve Resolution #21-17, Approval of Outdoor Recreation Grant Legal Sponsor, seconded by Palmer. On a roll-call vote Sloan, Palmer, Pederson, Ovick and Pettie all voted in favor and none against. Motion carried.*

**Approval to Advertise for 2021 Lifeguards** - O'Rourke is requesting approval to start the process of advertising, accepting applications and interviewing possible lifeguards and Water Safety Instructor employees for 2021 with the goal of bringing recommendations to hire forward at the May 2021 City Council meeting. O'Rourke stated that the American Red-Cross is currently moving forward with swimming lessons but restricting class sizes. *Ovick motioned to approve O'Rourke begging the advertising process for lifeguards and Water Safety Instructors, seconded by Pederson. On a roll-call vote Sloan, Palmer, Pederson, Ovick and Pettie all voted in favor and none against. Motion carried.*

## **FIRE DEPARTMENT**

**Monthly Update** - Fire Chief Miller provided a memo summarizing the February 2021 incident totals, including 8 fires, 2 motor vehicle accidents and 5 other calls varying from a fire alarm, elevator rescue, canceled call enroute and helicopter landing zones. Personnel update on volunteer firefighters Mike Erickson retiring after 20+ years of service and Travis Stransky retiring after 30+ years of service. Hiring process is ongoing and a posting for the Lieutenant position will go up soon. Emergency warning siren batteries have been replaced but there's still a trouble light indicated on the siren, Miller placed a service call for repairs. An Equipment update laid out issues with Unit #22, Unit #16, Unit #26 and Unit #28. Request was made to include a monthly update moving forward every month. Discussion was had regarding the possibility of a new fire contract cycle with the townships and cities we currently service.

**Approval to purchase door locks** - Fire Chief Miller presented a memo and proposal regarding the failing Fire Hall door locks. The quote is to replace the existing locks; however, they would be able to be upgraded with card access later on. Luedtke and Sauter are currently working with the County on the possibility of receiving their software to get all City buildings the same system and access cards. *Motion by Ovick to approve Commercial Door Systems, Inc. proposal in the amount of \$5,013.00 and to authorize purchase of locksets for the Fire Hall at an amount not to exceed \$5,1000 to allow for incidentals that may arise with the panic hardware on the glass entry door when replacing the units, second by Pederson. On a roll-call vote Sloan, Palmer, Pederson, Ovick and Pettie all voted in favor and none against. Motion carried.*

## **MAYOR**

### **MISCELLANEOUS ITEMS**

Request was made for all Council Members to get a fob to get into City Hall, Luedtke indicated he is already working on this project.

Interim Treasurer Demes Maydew gave an update on her 4 weeks working with the City. Bank reconciliation is coming along. Bookkeeper Steffen and BerganKDV associates are closing out of August soon. Demes Maydew noted the audit will be done on time and a priority to create and present better reports in the future.

## **ADJOURN**

*Motion by Ovick to adjourn meeting, second by Pettie. Verbal vote, all in favor. Meeting adjourned at 8:26pm. by Mayor Pederson.*

*Carl Pederson*

Carl Pederson (May 15, 2021 08:10 CDT)

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Carl Pederson, Mayor

*Lezlie Sauter*

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Lezlie Sauter, Interim City Administrator

Minutes taken by Administrative Assistant, Carissa Kranz  
Next Regular Council meeting is March 25, 2021 at 10am









# 3-3-2021 Regular Meeting Minutes

Final Audit Report

2021-05-15

Created:	2021-05-14
By:	Carissa Kranz (ckranz@pinecitygov.com)
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