

MINUTES
Regular Meeting of Lake Shore City Council
Tuesday, May 26, 2020
7:00 PM
Via – ZOOM Program Meeting ID 865 5210 5210

Mayor Kevin Egan called the May 26, 2020 Regular City Council meeting to order at 7:05 p.m. The Pledge of Allegiance was recited.

Electronically attending via ZOOM were: Mayor Kevin Egan. Council members: Wayne Anderson, John Terwilliger, Krista Knudsen and Doug Miller. City Attorney Dan Hawley; City Engineer Dave Reese; City Administrator/Planning and Zoning Administrator Teri Hastings; Police Chief Steve Sundstrom; City Clerk Patti McDonald and Pineandlakes Echo Journal Editor Nancy Vogt. A quorum was present and the City Council was competent to conduct business.

Guests Electronically attending included: Jim Woll and Ray Rasinski of the Road/Wastewater Committee; Todd Hagen of Ehlers Public Finance Advisors. There was no one in attendance for the Public Hearing.

PUBLIC HEARING – Property Tax Abatement – 2020 Road Project

The Mayor introduced Todd Hagen of Ehlers Public Finance Advisors who will represent the City for bonding for the 2020 Road Projects. Todd said the public hearing is to consider approval of a resolution adopting a Tax Abatement Program to assist in financing of various street improvements in connection with the 2020 Street Reconstruction Project located in Lake Shore.

The City Council will hold a public hearing and act on a resolution to adopt the Program. The Council called for the public hearing on April 27th.

The public hearing notice appeared in the Pineandlakes Echo Journal newspaper on May 14th, at least 10 days prior to the public hearing, for compliance with Minnesota Statutes.

Ehlers prepared the resolution that outlines the project description and required findings of the Council. The project is located in the northern half of the City with the exception of Port View Road to the west. The streets include are Jacobs Road, Ebert Drive, Pamela Drive, Wienzel Point Road and Port View Road (west) in the City. The project is expected to: Help finance various street improvements in connection with the 2020 Street Reconstruction Project, which is necessary to prevent further deterioration of streets in the City.

The Tax Abatement Program will have a maximum life of 15 years. A net tax capacity needed to be determined and that numbers when multiplied by the local tax rate of the City needs to equal at least the principal amount of the bonds; that is (a not to exceed amount of) \$2,100,000 (including a small cushion for the not to exceed number). The project is consistent with the long-term objectives of the City.

One of the required findings by the Council is that the benefits to the City from the project will be at least equal to the costs to the City of the abatement. It is important that the Council feels comfortable with this finding.

Todd commented that the tax abatement bonding is one of the few methods of financing that are available to a city. He said that eventually if the City moves forward it will be a General Obligation Bond and that does

produce the lowest interest cost to a city, it has the best security behind it. Right now, the Pandemic has caused lower interest rates on the bonds. The Mayor asked why bond interest rates would drop during a Pandemic. Todd answered that low interest and high demand creates very low interest rates. So, it's a good time to borrow if you can. He also said that it created a 'Flight to Quality' when investors were leaving the stock market; the bond market folks also pulled out of the market which created an overabundance of secondary bonds so there was a lull in the bond market as the rates had increased; however, things have settled down and there is a demand and an under supply of bonds which drove the prices down. He said they sold a twenty-year bond in Osseo today at 1.4% interest. No guarantees on the same low rate as the City won't buy until June 22nd.

Dave Reese went over the 2020 Street Reconstruction Projects that were agreed to done this year.

Jim Woll reported that the Lake Shore Road/Wastewater Committee unanimously recommended to move forward and support the 2020 Street Reconstruction Projects.

Doug Miller commented that the City has excellent committees within the city and feels when they have done all of this work over many years to come up with the road plan for Lake Shore, he respectfully accepts their recommendation with great appreciation. The Mayor echoes Doug's comments and added that this is a long slow process and we work carefully to make sure we're making the right choices because we're spending our neighbor's money.

There were no more comments or concerns to the Council or audience.

MOTION BY DOUG MILLER TO CLOSE THE PUBLIC HEARING AT 7:25 PM. WAYNE ANDERSON SECONDED THE MOTION. ROLL CALL VOTE PASSED UNANIMOUSLY.

APPROVAL OF MINUTES

MOTION BY DOUG MILLER TO APPROVE THE APRIL 27, 2020 REGULAR CITY COUNCIL MINUTES AS PRESENTED. WAYNE ANDERSON SECONDED THE MOTION. ROLL CALL VOTE PASSED UNANIMOUSLY.

REPORTS

Police Report – Officer Steve Sundstrom

Incident Report – In April 2020 there were 75 incidents in the City. There were 27 traffic-related incidents and 48 were miscellaneous department activity. April was quiet.

Mayor's Report– Kevin Egan commented that the bonds are important and City has been working towards this goal for a long time; the roads just need to be taken care of, it's prudent to finance things this way.

The City will open up City Hall on June 1st. It has been reconfigured to comply with the designs to prevent the spread of the COVID-19 virus. There will only be enough room for 6 guests. We will have to determine if the meetings will still be done via ZOOM.

Clerk/Treasurer's Report – Patti McDonald

Financials – MOTION BY DOUG MILLER TO APPROVE THE APRIL FINANCIALS AS PRESENTED (CLAIM NUMBERS 38270 THROUGH 38322 – TOTAL \$112,750.64). KRISTA KNUDSEN SECONDED THE MOTION. ROLL CALL VOTE PASSED UNANIMOUSLY.

Pay Bills – MOTION BY DOUG MILLER TO PAY THE BILLS AS SUBMITTED (CLAIM NUMBERS 38323 THROUGH 38375 – TOTAL \$85,424.37). JOHN TERWILLIGER SECONDED THE MOTION. ROLL CALL VOTE PASSED UNANIMOUSLY. Check numbers 38323 through 38332 were payroll.

City Administrator/Planning & Zoning Administrator – Teri Hastings

Recommendation Preliminary Plat – Hendrickson Addition to Lake Shore – The property is described as Part of Government Lot 1, Section 4 and is approximately 20.3 acres of land. The property is zoned low density residential (R-1) and Medium Density Residential (R-2). The property owners are not proposing a zoning change.

The owners are proposing six residential lots meeting the minimum lot size requirement for their respective zoning district. The proposed lake lots are zoned Medium Density Residential (R-2) with a general development classification. The R-2 district has a minimum lot size of 30,000 square feet and buildable area of 20,000 square feet (removing bluffs and wetlands). The minimum amount of shoreline required is 100 feet. Both of the lake lots meet the minimum ordinance requirements. The off lake lots are zoned R-1 with a minimum lot size of 40,000 square feet and a minimum of 20,000 square feet of buildable area. All four off lake lots exceed these requirements.

Boundary lines, north area, scale, date of survey is shown on the preliminary plat.

An existing building is shown on Lot 1, Block 1. There is also a shed near the lot line of Lot 1 and 2, Block 1 that will be removed.

The information on the plat lists that soils are Mahtomedi Loamy sand according to the USDA web soil survey. These soils should be adequate for building and ssts systems. Prior to a permit being issued for a dwelling, soils will need to be verified according to ordinance requirements.

Each lot shows a primary and alternate on-site septic location as required. The locations are noted with the letters P and A. Each location is 30’x50’.

Vegetation limits are shown on the plat based off aerial photography.

Erosion control for the proposed development has not been addressed.

Contours are indicated on the plat and their source.

Wetlands are located and along with a building envelope for each lot. The wetlands have not been delineated however, there is adequate area on the property for building.

Lots with steep slopes have been identified. The location of steep slopes will limit construction and driveway placement.

Covenants have not been submitted by the property owner nor are any proposed.

ITEMS 13-17:

[A satisfactory title opinion is needed (approved by the City Attorney)].

An independent plat check is required for the plat (prior to signing the final plat). These documents have been received and are currently being reviewed by the city attorney.

The developer is required to pay all professional costs incurred for the development (must be paid prior to the city signing the final plat).

Darrick Anderson, Cass County Highway Engineer has been sent a copy of the preliminary plat for his review and comment. His only comment that the driveway location for Lot 1, Block 3 be off Upper Roy Lake Road versus a new driveway off of County 29.

A park dedication is required for the plat. Based on the plat, a cash payment of \$250.00 per newly created lot in lieu of land is recommended.]

STAFF RECOMMENDATION

The Planning Commission is recommending approval of the Preliminary Plat of Hendrickson Addition to Lake Shore as the proposed plat is in substantial compliance with the city zoning and subdivision ordinance. Approval contingent upon items 13-17 being completed prior to signing the final plat along with an easement for the driveway located on Lots 1 and 2, Block 3.

MOTION BY JOHN TERWILLIGER TO APPROVE THE PRELIMINARY PLAT OF HENDRICKSON ADDITION TO LAKE SHORE AS THE PROPOSED PLAT IS IN SUBSTANTIAL COMPLIANCE WITH THE CITY ZONING AND SUBDIVISION ORDINANCE. APPROVAL CONTINGENT UPON ITEMS 13-17 BEING COMPLETED PRIOR TO SIGNING THE FINAL PLAT ALONG WITH AN EASEMENT FOR THE DRIVEWAY LOCATED ON LOTS 1 AND 2, BLOCK 3. WAYNE ANDERSON SECONDED THE MOTION. ROLL CALL VOTE PASSED UNANIMOUSLY.

January Minutes and April Permit Summary – Teri included the January minutes and April permit summary for review.

Wastewater/Road Committee – Wayne Anderson said the committee met telephonically in May.

Resolution 2020-05-01 Approving Tax Abatements – The City proposes to finance various street improvements in connection with the 2020 Street Reconstruction Project located in the City. The City proposes to use the abatement for the purposes provided for the Abatement Law, including the Project. The proposed term of the abatement will be for up to 15 years in an amount not to exceed \$2,112,948. The abatement will apply to the City’s share of the property taxes (the ‘Abatement’) derived from the property benefitted by the Project as described by property identification numbers as property advertised.

MOTION BY DOUG MILLER TO APPROVE RESOLUTION 2020-05-01 A RESOLUTION APPROVING TAX ABATEMENTS. WAYNE ANDERSON SECONDED THE MOTION. ROLL CALL VOTE PASSED UNANIMOUSLY.

Pre-Sale Report - \$2,065,000 General Obligation Tax Abatement Bonds – Todd Hagen summarized the pre-sale report. The City will have to go through a bond rating process before the sale of the bonds. This will be publicly bid so they will solicit competitive bids.

Resolution 2020-05-02 – A Resolution Providing for the Sale of \$2,065,000 G.O. Tax Abatement Bonds –

MOTION BY DOUG MILLER TO ADOPT RESOLUTION 2020-05-02 A RESOLUTION PROVIDING FOR THE SALE OF \$2,065,000 GENERAL OBLIGATION TAX ABATEMENT BONDS, SERIES 2020A. KRISTA KNUDSEN SECONDED THE MOTION. ROLL CALL VOTE PASSED UNANIMOUSLY.

Resolution 2020-05-03 Declaring Adequacy of Petition and Ordering Preparation of Report – Robinhood Way – Dave Reese confirmed the residents of Robinhood Way have met the signature requirement of 35% by frontage to submit the petition.

MOTION BY DOUG MILLER TO ADOPT RESOLUTION 2020-05-03 DECLARING ADEQUACY OF PETITION AND ORDERING PREPARATION OF REPORT – ROBINHOOD WAY AS PRESENTED. JOHN TERWILLIGER SECONDED THE MOTION. ROLL CALL VOTE PASSED UNANIMOUSLY.

WSN Proposal for Robinhood Way Feasibility Study –

MOTION BY DOUG MILLER TO APPROVE WSN TO MOVE FORWARD WITH THE ROBINHOOD WAY FEASIBILITY STUDY AS PROPOSED. WAYNE ANDERSON SECONDED THE MOTION. ROLL CALL VOTE PASSED UNANIMOUSLY.

Crack Sealing Quote – Astech for Whitstrom Road, Pohl Road and Point Narrows Road – Astech provided a quote for \$4,658 to route and crack seal Whitstrom Road, Pohl Road and Point Narrows Road.

MOTION BY KRISTA KNUDSEN TO APPROVE THE ASTECH QUOTE OF \$4,658 TO ROUTE AND CRACK SEAL WHITSTROM ROAD, POHL ROAD AND POINT NARROWS ROAD AS PROPOSED. DOUG MILLER SECONDED THE MOTION. ROLL CALL VOTE PASSED UNANIMOUSLY.

Certificate of Commendation from MPCA – The Pine River Area Sanitary District completed the necessary paperwork and processes required to receive a Certificate of Commendation – as reads – This Wastewater Treatment Facility Operation Award is presented to Lake Shore WWTP and its staff in recognition of exception compliance with its Minnesota Pollution Control Agency NPDES/SDS wastewater permit during the 2019 review year. Your ongoing efforts to protect the waters of Minnesota are duly recognized and appreciation by the Agency and the state of Minnesota. Signed the the MPCA Commissioner.

Wastewater Monthly Report – PRASD – The operations report for May was included for review.

April Minutes – The April minutes were included for review.

Park and Recreation Committee – Krista Knudsen said the committee didn't meet in May.

Environmental Committee – Doug Miller said the committee didn't meet in May.

Trail 77 – Teri reported that the city received notice that the city didn't received the Transportation Alternative Grant that was submitted back in November. She is continuing to work on the Legacy Grant Application due mid-summer.

Personnel – Kevin Egan/Doug Miller – There was no personnel business.

City Attorney – Gammello - Pearson – Dan Hawley – Nothing to report.

City Engineer – Widseth Smith Nolting – Dave Reese – Nothing to report.

OLD BUSINESS – There was no old business.

NEW BUSINESS –

Broadband Report and Recommendation – Kathy Moore – The Mayor commented that Kathy would hope that people move forward with a speed test offered through CTC which helps prepare to qualify for grant dollars.

Doug Miller offered up discussion relating to businesses that had closed during the COVID-19 shut down, he suggested a possible discount for liquor licenses or other fees the city could reduce or refund either now or next year's renewal. Teri said some communities with simple council action have agreed to discounted or partially refunded fees. Kevin suggested a solid recommendation for the next council meeting.

ANNOUNCEMENTS – Sharon K. Anderson, long time serving Cass County Auditor and Cass County Election Administrator is retiring at the end of May. Cass County is recognizing her on Friday, May 29th from 2 to 3 p.m.

Wayne Anderson thanked staff and council for all the hard work put into the road projects.

MOTION BY DOUG MILLER TO ADJOURN THE REGULAR CITY COUNCIL MEETING VIA ZOOM OF MAY 26, 2020 AT 7:29 PM. WAYNE ANDERSON SECONDED THE MOTION. ROLL CALL VOTE PASSED UNANIMOUSLY.

Transcribed by Patti McDonald
Lake Shore City Clerk