

**Approved
04/23/24**



**MEETING MINUTES
CITY COUNCIL
March 26, 2024**

Present: Mayor Gustafson, Council Member Dresel, Battles, Rivers and Meyers

Absent: None

Staff: City Administrator Pechman, Fire Chief Reed, Police Chief Schlumbohm, Attorney Doran, Associate Planner Nelson

Public Attendance: Leilani Freeman, Don Skelly, Joe Triplet, Linda Germain, Dan Lydon, Bill Mack and Marlys Dunne

REGULAR MEETING-CALL TO ORDER 6:30

Mayor Gustafson called the meeting to order at 6:30 p.m.

1a. "Pledge of Allegiance"

The Pledge of Allegiance was recited.

Action

1b. Roll Call

All members present.

Action

AGENDA

Administrator Pechman stated he would like to add item 7h. Ojiketa Renewal for William Hooey to the agenda.

Mayor Gustafson asked for a motion.

Council Member Battles made the motion to approve the agenda, Council Member Meyer seconded, all in favor, all ayes, motion carried.

CONSENT AGENDA

- 3a. Minutes of January 9 & 23, 2024 Action
- 3b. Payment of Bills/Finance Information Action
- 3c. Committee Reports Discussion
- 3d. Resolution – 23-02-04 Lake Martha Overlook Preliminary Plat Action
- 3e. Resolution – 24-01-03 Lake Martha Overlook Final Plat Action
- 3d. Resolution – 23-03-06 Chisago Lakes Car Condos Preliminary Plat Action
- 3e. Resolution – 23-03-07 Chisago Lakes Car Condos Conditional Use Permit Action

- 3f. Resolution – 23-07-07 Chisago Lakes Car Condos Final Plat Action
- 3g. Resolution – 23-09-04 Wallmark Lake Villas (previously Natureview) Variance Action

Council Member Rivers made the motion to approve the consent agenda, Council Member Dresel seconded, all in favor, all ayes, motion carried.

PUBLIC COMMENT/AGENDA PLACEMENT

Mayor Gustafson asked if anyone had any comments or concerns on anything which was not on the agenda.

PETITIONS, REQUESTS, COMMUNICATION

5a. Board of Review April 24, 2024 @ 6:00 p.m. / Regular Council April 23, 2024

Administrator Pechman stated that the Board of Review will be held on April 23, 2024 at 6:00 pm.

5b. Joe Triplet – Hwy 8 underpass at Jennifer Court

Chisago County Engineer Triplet gave a presentation of the proposed pedestrian underpass for Highway 8 a box culvert. As they got further down the design road, they found out there is a lot more to installing these. Now they are looking into installation it would need 200 feet in length; this would require maintenance, lighting and drainage and would fall on the city to handle. The cost ranges up to 5 million and affects the design of the highway plan. As we move into final design, we will need to have a decision on this. They have right of way contracts but cannot make any yet until we have environmental assessments. We have some bats, some Rusty bumble bees and Blanding turtles that need to be addressed since they are endangered species which needs to be submitted to fish and game wildlife.

Council Member Rivers asked how long these tunnels can hold up under the Highway.

Triplet said 50 to 100 years for the box culvert themselves. There would also be issues with drainage and graffiti. We still are required to put in area designated for getting across the road.

Council Member Battles asked if there was a way for a path along the highway.

Triplet stated there are frontage roads and the project is 100% funded.

PUBLIC HEARINGS

None.

NEW BUSINESS

7a. Kichisaga Preliminary Plat

Action

City Planner Nelson stated John Pechman, representing Chisago City EDA owners of PID 13.00048.35, has submitted a preliminary plat application to develop three commercial/industrial lots. The property is in the Light Industrial (LI) district. The property is currently being used for agricultural purposes. The Planning Commission held a duly noted public hearing on 03/07/2024. Public comment was received concerning the

walkability of the development given no sidewalks are proposed. Administrator Pechman explained the city is working to obtain a grant to reconstruct Liberty Lane which would include a sidewalk on the south side of Liberty Lane. Comment was also received regarding potential screening of the proposed development. The Planning Commission voted to approve the Kichisaga Preliminary Plat with the eight conditions listed in the agenda review and directed city staff to look at screening and berming for the east side of the property. Current zoning is Light Industrial. The subject property is guided Light Industrial and High Density Residential on the Comprehensive Plan Future Land Use Map and the proposed lots would be consistent with that. The property is zoned LI The development consists of slightly less than 20 acres and is proposed to be a three-lot project for industrial use. Chisago City EDA is requesting the Water and Sewer Area fees be waived given they are a City entity. Water and Sewer Access fees are paid at the current rate when the permits are applied for building along with the WAC and SAC will be determined.

Council Member Meyer made the motion to approve, Council Member Rivers seconded.

Council Member Meyer asked about berming, shielding the different areas of homes.

A resident asked curious about waiving the park dedication fees.

Administrator Pechman stated the EDA has been giving \$40,000 per year to Ojiketa debt service and would like the fees waived.

Mayor Gustafson all in favor, all ayes, motion carried.

7b. Chisago Warehouse Liquors Off Sale – New licensee Action

Administrator Pechman stated Prince Singh has applied for an Off-sale liquor license. The application was submitted on February 14, 2024. The application is for 10640 South Avenue which is being sold. The LAPD has completed the preliminary background investigation on Prince Singh pursuant to MN State Statute 340a.412. City Council is the ultimate authority in review of liquor license in determining if the background information provided determines if the license issuance is in the best interest of the city. City staff has received the completed background packet from LAPD. Chief Schlumbohm has given an ok.

Council Member Rivers made the motion to approve the license, Council Member Dresel seconded, all in favor, all ayes, motion carried.

7b. Chisago County Communication System Agreement Action

Administrator Pechman stated the County in 2011 began the shift from low band frequency to 800 MHz All users of the radio system operate under the under the Communication User Agreement. The agreement is set to expire in 2024. The county has approved a new agreement for 25-26 (attached). The entire agreement has remained the same with the exception of increasing the fixed fee from \$30 to \$100 for 2025 and \$125 for 2026.

Council Member Meyer made the motion to approve, Council Member Rivers seconded, all in favor, all ayes, motion carried.

Linda Germain wishes to speak to the council. Council approved her speaking at this point of meeting.

Administrator Pechman said the council can allow it if they so chose.

Linda Germain lives at Croix Estates and is present with another representative. Ms. Germain said they had found out that the owner of the park had received a grant of over 250,000. They would like to know what he is proposing with the monies to make the park better. They need parking, storage area, tree trimming, etc.

Mayor Gustafson asked if we are familiar with this to Administrator Pechman.

Administrator Pechman stated Ms. Germain has been to various council meetings.

Ms. Germain gives a history of the landlord and what he is and is not doing in the park for improvements.

Mayor Gustafson asked Administrator Pechman what authority they might have for the park.

Administrator Pechman stated it is privately owned property. The grant they got is not a grant from the city but from the State; we have nothing to do with the grant. Monica Tucker is the grant administrator with the manufactured home division in Minnesota.

The council directed them to contact the ones which had given the grant to the property owner and see if there is anyway that they can enforce in the funds. The person who is administering the grant should have some control over what is happening.

7c. Greater MN Business Infrastructure Grant

Action

Administrator Pechman stated the Chisago City Economic Development Authority (EDA) purchased approximately 20 acres of land adjacent to our existing industrial park in February 2023. The EDA has received two letters of intent to purchase different portions of the property. The city will be required to construct a small extension of roadway, storm sewer and municipal water and sewer. The total estimated costs for the road and utilities is \$428,541. The EDA would like to apply for the Business Development Public Infrastructure (BDPI) grant program through the Minnesota Department of Economic Development (DEED) but the city council needs to apply. The amount of the grant request to offset the cost of the infrastructure would be \$214,270. The balance of the project and other expenses would be \$307,771. The sources and uses that would be potentially used to pay the EDA portion could be EDA Fund 51 - \$75,250, EDA Fund 25 - \$176,600, Capital Fund 52 Roads - \$629,000 and or ARPA Funds which need to be expended of under contact by the end of 2024. Staff needs approval of the attached resolution 24-03-04 to apply for the grant. There are two eligible projects are a local manufacturing facility looking to expand into a new second building on proposed Lot 1, Block 1. The ability to have local businesses expand in adjacent areas allows the city to keep the business in the community and increase jobs and tax base. A new start up agricultural processing facility on lot 2 Block 1 will increase the tax base and create new development for the city. The remaining five and a half acres on Lot 3 Block 1 will be served by the proposed road extension allowing for additional economic development. The city has started the preliminary plat of the property. The properties can then be sold to each party with the right of way established for the improvements. Land sales are expected to close spring/summer of 2024 with improvements completed in the fall of 2024.

Council Member Meyer made the motion to approve applying for the grant, Council Member Rivers seconded, all ayes, motion carried.

7d. LAPD Request to spend Public Safety Funds

Action

Chief Schlumbohm stated they would like to use public safety funds for law enforcement recruitment there has been slowing decreasing. In the state of Minnesota there is currently over 1,500 jobs available. We would like to be offer hiring bonus to \$4,000 and a \$3,000 retention to current officers to stay through the year. We

have people leaving to go to other jobs and make more money; in response to this we have changed some of our pay structures through our union contracts. We would like to retain our current employees and be able to offer hiring bonus to the new officers.

Mayor Gustafson made the motion to approve \$20,500 from each city out of the public safety funds for retention pay and hiring bonuses, Council Member Rivers seconded.

Council Member Meyer asked if the public safety money was to be used for radios, within the fire department.

Administrator Pechman stated Chief Reed and Schlumbohm have discussed public safety but no decisions have been made. All the money needs to be spent for all of public safety.

Chief Schlumbohm stated this is a small portion of the safety monies we had received from the state.

Council Member Dresel stated if we do not have officers we would not be needing radios.

Mayor Gustafson stated there is a motion on the floor, all in favor, all ayes, motion carried.

7e. 2024 Street Maintenance

Action

Administrator Pechman stated City staff has attached the proposed 2024 street maintenance projects. The city Received it allotment for municipal stated aid maintenance of \$88,500 for 2024 and has \$13,883 remaining from 2023 along with our regular street maintenance budget of \$90,000 would fund up to \$192,383 of the total road maintenance. Staff is proposing to spend \$25,000 of that budget on street sweeping, pothole repairs and miscellaneous repairs. The remaining \$167,383 is proposed to be spent on crack filling and chip sealing 260th, James and Park Place. Staff would like to also fog seal Jennifer Court and micro seal Eagle Ridge, Shoreline Court, North Martha Lake, and Ridge Point Blvd. The construction and 2 small hammer handles on 302nd and King's Bluff is also recommended. Staff is not proposing to use any of the capital streets budget which will have a year balance of \$629,010. Staff has received several request for lane striping on rural roads. If the council were to consider this staff would being looking at July Ave, Itasca Ave. Staff are planning to repaint portion of Pioneer and Itasca (curves) as well. Staff is looking for policy direction as there are many rural paved roads that do not have striping.

Council Member Meyer made the motion to approve the street maintenance plan with going to update the stripling policy in the future, Council Member Dresel seconded, all in favor, all ayes, motion carried.

7f. Fishing Peir at Paradise Park – Park Dedication fees

Action

Administrator Pechman stated Parks Programmer Zacho has supplied a memo and some park board members are present. In 2021 the fishing pier was removed due to age it was over 30 years old and showed it. The intention of the Park Board was to replace it with a more ADA compliant fishing pier and lighter

weight due to having to remove it every year. They are proposing to use Park dedication funds. Parks Programmer Zacho is also proposing looking at a better walkway system out to the fishing pier which could possibly be around \$11,000. The quote for the fishing pier is \$19,413 so the request is for approval of those projects with the park dedication fund.

Council Member Dresel asked if there is enough in the fund.

Administrator Pechman stated there is but the next agenda item about the trails will require more funds. Staff is looking at mainly using the trails funds. The trail will be ADA complaint they were looking at using Gas Francise fees as well.

Council Member Rivers stated the pier is nice to have, especially when you have little kids to go fishing.

Council Member Rivers made the motion to use the park dedication funds for the fishing pier, Council Member Dresel seconded, all in favor, all ayes, motion carried.

7g. Update on Old Towne Trail Extension Project

Administrator Pechman stated before the council is an update by the City Engineer Jake Guzik. As you are aware the city had applied for and received a grant from the Department of Natural Resources for the extension of Ojiketa Regional Park Trail. We were awarded a \$250,000 grant and the total of the project continues to rise, and we are near the \$500,000 mark with this trail. One of the reasons for the rising costs was from the State Historic Preservation office and our need to do a full archaeological survey for the review of Ojiketa Park. When we bought the park, we had done the survey but it was not a full archaeological survey. The survey had produced some significant artifacts from the Ojibway in the park and because of that the entire park would have to be surveyed. And in addition to that the city engineer had planned on a retaining wall on the east side where we have a drainage and utility easement without the wall we would be encroaching into the neighbor's property which is approximately \$80,000. We are going to try and work with the neighbor there since we already have a drainage and utility easement. We are looking at paving up to the old entrance of the park and then going to a gravel standard for trails within. We did submit that to the DNR after discussions and they did approve this plan. The action requested tonight are they ok with the continuation of this grant and bring the paving up to the old entrance and they would begin working with the property owners and see if they can eliminate this retaining wall.

Council Member Meyer asked where this is?

Administrator Pechman stated on Old Towne Road and just south of 276th, if they can be able to grade out the property versus installing a retaining wall. Pechman stated now all trails must be 10 feet wide to be ADA compliant. It is a new standard and if you're going to get any state money needs to be done.

Park Commission Members Lydon and Mack were present and want to make sure monies weren't being spent on high ticket items without the Park Commission knowledge.

Administrator Pechman stated no monies have been spent and they are reviewing the engineers' estimate at this time.

Council Member Meyer asked how long we have until the grant goes away.

CITY COUNCIL MINUTES

March 26, 2024

Page 7 of 7

Administrator Pechman we have a construction schedule that will begin this year and we have until the end of next year to complete the project.

Council Member Meyer stated he would make the motion to have the City Engineer Guzik work on it.

Administrator Pechman stated we have the estimate and are ready to bid it at this point.

Bill Mack member of the Park Commission asked what is left in the trail fund after this is completed and how will it be replenished; there doesn't seem to be a lot out there. Especially when the Highway 8 project, the Liberty Lane area and other trails that will be coming up. We have trails all over the place and we need to pick our priorities.

Administrator Pechman stated if they want to bring it back to the Park Commission for discussion they can; he does not know when or even if the Swedish Immigrant Trail will be completed.

The Council decides this item should go to the Park Commission and they can revisit the priorities of trails within the city.

7h. Ojiketa Renewal for William Hooey

Administrator Pechman stated as you are aware we hired William Hooey for public works. At the time of hiring he was looking for a place to live and we had offered Lokinda caretaker home. The lease was for 10 months and would be renewable for 2 years if the council approves.

Council Member Meyers made the motion to approve the lease, Council Member Battles seconded, all in favor, all ayes, motion carried.

UNFINISHED BUSINESS

None.

ADJOURN

Council Member Rivers made the motion to adjourn, Council Member Dresel seconded, all in favor, all ayes, motion carried.

Respectfully Submitted by:
Paula Oehme,
Deputy City Clerk