



City of Medicine Lake

November 6, 2023

City of Medicine Lake Council Minutes

Present: Mayor Chris Heim; Councilors Ruth Hovey, Ron Tomczik, Bill McNaughton; Treasurer Gary Englert, BCWMC Commissioner Clint Carlson, Public Works Superintendent Chris Klar, Planning Commissioner Jesse Swanson, BCWMC TAC Susan Wiese, BCWMC Alt TAC Shaun Kennedy

Council and Staff Absent: Councilor Connie Shaffer, City Clerk Therese Polum, Fire Chief Rich Halvorson, Fire Chief Assistant Mike Fox

Other attendees: Shannon Sweeney with David Drown Associates, Dave Hutton with SEH Consulting, Kirstin Nielson.

Mayor Heim called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

Minutes and Agenda

- **Motion to approve the agenda forwarded by Councilmember Tomczik and seconded by Councilmember McNaughton. Councilmembers Heim, Hovey, Tomczik, McNaughton in favor. Shaffer absent. Motion passed.**
- **Motion to approve the October 2, 2023 city council minutes forwarded by Councilmember Hovey and seconded by Councilmember McNaughton. Councilmembers Heim, Hovey, Tomczik, McNaughton in favor. Shaffer absent. Motion passed.**

Open Forum

- Jevne Park Project: Kirsten Nielsen
 - Reported SRF is preparing cost estimates for equipment and landscape ideas.
 - Reported tour of local landscape structures at a local company.
 - Reported need cost estimate to build out budget.
 - Reported fundraising is going well. In excess of \$150,000!
 - Reported council would like more details, target for the January or February meeting.
 - Reported old equipment will most likely be recycled.

Hennepin County Sheriff –Sergeant Nelson

- Reported speed indicator installed last week. Will be out a couple more weeks.
- Reported Sept 2 alarms, 2 suspicious calls. Oct. animal, 2 theft- one was misplaced property, one medical. Trending down. 21-23 numbers are consistent. This year part 5 are up- domestic, alarms, suspicious, thefts 31 for 2021, 2022 29, 33 in 2023.
- Reported HCSO hours are good. June 331 hours. 6 hrs a week, contract up to 4 hours per week.

Dave Hutton SEH and Shannon Sweeney David Drown Associates

- Dave Hutton presented the memo from SEH Consulting

- Dave presented on the BCWMC permit for mitigation. Provided info on BCWMC permit scheduled for the Nov. 17 meeting regarding Jevne Park mitigation grading work. Mitigation work may begin any time after permit is issued.
- Dave reported started advertising bids for road project. 21 days open for contractor to submit bids. Notice will be available in the bidding room by this Wednesday, notice will be in Sun Sailor Thursday's edition.
- Dave reported he and councilmember McNaughton met state bonding people. An agency has to be assigned. Public Facilities authority is assigned. They require 5-6 state mandated qualifications. Those are in the specs already. Bid opening Dec. 4th at 1:00pm. January council meeting is plan to vote on the bids.
- Dave reported on the request for a SEH contract amendment in the amount of \$32500.
- Council reviewed the SEH contract; initial contract was \$20,000, amendment earlier this year in the amount of \$30,300, new amendment tonight in the amount of \$32,500 per attached memo from SEH.

Motion to approve Resolution 23-27 a resolution approving an amendment to Short Elliot Hendrickson (SEH) Contract forwarded by councilmember McNaughton and seconded by councilmember Hovey. Councilmembers Hovey, Tomczik, Heim, McNaughton in favor. Shaffer absent. Motion carried.

Shannon Sweeny presented on the funding, required resolutions, and state statutes. Shannon presented the council with the full process of the funding from now to the sale of the future bonds. Shannon presented background from the city's past bond sale for the lift station. Shannon presented the need for an underwriter to negotiate the sale of the bond.

Shannon Sweeny reported street projects are funded by authority of state statutes. He reported on the tax levy pledge for repayment of the money borrowed. He reported on the waste disposal authority and street reconstruction authority as well as the tax abatement authority. He reported on the abatement resolution to reference new term on the bonds.

Council discussed.

Mayor Heim reviewed the financial obligations and stated we are tight and this project will just work with the anticipated interest rates.

\$7.5Million is anticipated full cost (including consulting fees)

\$3.5 Million from state bonds (50% match required)

\$2.8 Million from city sale of bonds

\$1.2 Million from city cash funds

At 5.6% interest rate, roughly \$200,000 payment for 30 years. This will use all of our city funds.

City also has a GO waste bond payment of \$50,000 for 30 years from Lift Station project.

Mayor Heim said next year the city will work to reduce the city budget by 8% or \$50,000.

January 8, 2024 Council meeting will include: award construction contract, award SEH support contract, agreement with bonding, and agreement with public facility authority.

Motion to approve Resolution 23-28 a resolution amending property tax abatement for certain property located in the city of Medicine Lake forwarded by councilmember McNaughton and seconded by councilmember Hovey. Councilmembers Hovey, Tomczik, Heim, McNaughton in favor. Shaffer absent. Motion carried.

Motion to approve resolution 23-29 a resolution approving the issuance of general obligation bonds subject to the approval of the mayor and city clerk and ratification by the city council. Forwarded by councilmember McNaughton and seconded by councilmember Hovey. Councilmembers Hovey, Tomczik, Heim, McNaughton in favor. Shaffer absent. Motion carried.

Motion to accept the Underwriter or Placement Agent Engagement Letter from D.A. Davidson, Paul Donna forwarded by councilmember McNaughton and seconded by councilmember Tomczik. Councilmembers Hovey, Tomczik, Heim, McNaughton in favor. Shaffer absent. Motion carried.

Fire Department Report – Rich Halverson (absent) Report via email

- Reported two calls
- Reported electrical work in fire hall.
- Reported on Halloween party support.
- Reported fire department is \$10,000 over budget on spend however have brought in \$16,000 from a nice grant and pizza sales.

Public Works Superintendent Report – Chris Klar

- Reported plans to coordinate the Jevne Park mitigation grading work and hopeful this will still occur this November.
- Reported parks will close this weekend.

Bassett Creek Watershed Management Commission Report – Clint Carlson and Shaun Kennedy and Susan Wiese

- Reported Hennepin County Chair Fernando held a meeting to pull together a community works program.
- Reported will attend a watershed training meeting.
- Reported on the BCWMC monthly steering committee meeting.
- Reported on the proposed City of Medicine Lake Natural Resources Committee
 - James L. and two others from AMLAC agreed to join
 - Hopeful for 7-member total
 - Hopeful for an initial meeting soon

Planning Commission Report – Jesse Swanson

- Reported on Cannabis
 - Ideas to ban smoking in parks and public property.
 - Modify ordinance to accommodate these rules.
 - Moratorium on new business selling cannabis until State determines rules.
 - Office of Cannabis management is available to assist.
 - Brad will send a memo regarding suggested verbiage.
- Reported on proposed regulations to obtain 75% for city water within next 10 years to meet our obligations to the City of Plymouth
 - Options being considered: New construction, sale of home, splitting a lot, new well/redrilled or cost exceeds connection costs. Revisit in 5 years to see where we sit as far as numbers.
 - Options being considered: New wells, new construction, large construction, sale of home require hook-up to city water.
 - Draft language will be developed.

Treasurer's Report – Gary Englert

- Receipts in reporting period: \$31,716
- Receipts year to date: \$573,069
- Disbursements in reporting period: \$68,411
- Disbursements year to date: \$610,720
- Capital Project Reserve Balance: \$907,705
- Debt Service Reserve Balance: \$32,638
- Reported high building permit activity primarily to roofing work
- Reported insurance premium and advisory services were largest disbursements
- Reported on bond debt payment scenarios
- Reported \$182,000 has been raised for the Jevne park project this year
- Reported on “cash in the bank”
 - October 31, 2023 \$1.4M in total
 - \$147,000 dedicated to Jevne Park
 - \$33,000 related to debt service to bonds
 - \$22,000 for fire department
 - \$885,000 set for road project
 - \$325,000 set for general fund
 - We spend on average \$40,000 per month for normal activities
 - Second half of tax arrives in November (\$250,000)
 - We currently have \$250,000 reserved in the city that is not marked
 - We have another 6-months to save for first bond payment (\$100,000 potential)
 - Thus we will have close to \$1 million in cash for road project by next summer
 - I/I program the council can designate to road project
 - Thus City has a \$250,000 potential relief if necessary.
 - If we exhaust the capital reserve fund we will still have some cash in the bank
- Mayor Heim would like to next look deep at the budget to see if council reduce budget by \$50,000.

Motion to approve resolution 23-30 a resolution accepting a monetary gift of \$31,620 from attached list to benefit the City of Medicine Lake Parks Department for Jevne Park forwarded by councilmember Hovey and seconded by councilmember McNaughton. Councilmembers Hovey, Tomczik, Heim, McNaughton in favor. Shaffer absent. Motion carried.

Motion to approve the summary spending, receipts and cash balances through October 31, 2023 forwarded by Councilmember McNaughton and seconded by Councilmember Tomczik. Councilmembers Hovey, Tomczik, Heim, McNaughton in favor. Shaffer absent. Motion carried.

Officer Reports:

Councilmember Hovey

- Reported on potential new website. Waiting to vote until additional feedback from city clerk.
- Discussion on whether city needs an electronic permitting platform.

Councilmember Tomczik

- Reported met with Gabriel J. regarding wake boat concerns and progress

Councilmember Shaffer (absent)

- No Report

Councilmember McNaughton

- Reported on EAB tree inventory
 - 265 trees 17 in Jevne. 88 in fair condition-candidates for treatment. 101 in poor, two were treated in 2021. 76 are dead.
 - 50 are currently being treated. All 265 will need to be removed unless treated.
- Reported Flare Heating callout out to fixed blower motor on rooftop (heater was not kicking on)
- Reported on roof leak in fire hall, temporary patch was installed.
- Reported on discussion to consider periodic inspections on the city hall building
- Reported that the Real Estate Office parking lot work dumped asphalt in the right-of-way
 - Councilor Shaffer is addressing.

Mayor Heim

- Reported on Pickleball
 - Mayor would like to resolve this issue at the December meeting. Heim has a proposed letter in development to make park rules.
 - Council discussed.
 - Council agreed to leave the set-up as is right now; no changes until park funds and estimates more clear.
 - Council agreed to delay any action until more details arrive regarding the park plan and whether there is available funding for pickleball.
- Public Works Superintendent reminded the council that the Jevne Park project was first and foremost a pavilion and playground equipment. Pickleball striping was added in later.
- Mayor Heim has heard comments regarding the speed humps/bumps
 - Council discussed
 - Council will invite citizens to offer their input at the December meeting

New Business

Special council meeting 11/16 for assessor. Virtual meeting.

Motion to approve resolution 23-31 a resolution designation a polling place forwarded by councilmember McNaughton and seconded by councilmember Hovey. Councilmembers Hovey, Tomczik, Heim, McNaughton in favor. Shaffer absent. Motion carried.

Motion to adjourn forwarded by councilmember McNaughton and seconded by councilmember Hovey. Councilmembers Hovey, Tomczik, Heim, McNaughton in favor. Shaffer absent. Motion carried at 9:04pm.

Respectfully submitted,

Therese Polum
City Clerk

Approved on: December 4, 2024