

**MINUTES
SPECIAL CITY COUNCIL MEETING**

JANUARY 26, 2011

Mayor Jeff Thompson called the meeting to order at 6:00 p.m. Council members present were Jeff Bertram, Jean Soine, Dennis Zimmerman, and Gene Beavers. Others present were Renee Eckerly, City Administrator; Ron Mergen, Public Works Director; Jennifer Welling, Administrative Assistant; Stephanie Hormann, Cable Coordinator; Bill Spooner, City Attorney; Chuck DeWolf, Bolton & Menk, Inc.; Bill Ludwig, Liquor Store Manager; Mark Eckerly, and Jack Winter, Fire Chief.

The Pledge of Allegiance was recited.

Bertram led the Council in prayer. Council members gave verbal activity reports.

CONSENT AGENDA

Motion to approve the minutes from the following meetings: November 10, 2010 Public Works Committee and January 4, 2011 Special Municipal Off-Sale Retail Liquor Board.

Motion to approve the following vouchers:

1/13/11	#81454-81456	\$ 5,336.15
	#81457-81463	\$ 5,246.25
	+ ACH Payments	\$ 6,476.54
1/19/11	#81464-81526	\$314,988.22
Total		\$332,047.16
Payroll:		
1/13/11	#81451-81453	\$ 3,268.72
	Direct Deposit	\$ 16,439.44
ACH:	4 th Qtr '10 Water Sales Tax	\$ 2,430.00
	12/10 Liquor Sales Tax	\$ 8,014.00

Motion to approve the attendance of eight firefighters to the 2011 MN State Fire School.

Motion to approve the attendance of Renee Eckerly, City Administrator to the MCFOA 2011 Conference March 15 – 18 in St. Cloud, MN.

Motion to approve the attendance of Renee Eckerly, City Administrator to the Second Annual LarsonAllen Government Training Academy on March 4, 2010 in Minneapolis, MN.

It was noted that the course amount for the firefighter training was \$720.00 not \$640.00

Motion was made by Beavers to approve the Consent Agenda. Seconded by Soine and unanimously carried.

GAMBLING PERMIT – ST. LOUIS CATHOLIC CHURCH BINGO

The MN Lawful Gambling LG240B Application to Conduct Excluded Bingo on February 13, 2011 at St. Louis Catholic Church, Paynesville, MN was presented.

Motion was made by Bertram to approve the MN Lawful Gambling LG240B Application to Conduct Excluded Bingo on February 13, 2011 at St. Louis Catholic Church, Paynesville, MN. Seconded by Beavers and unanimously carried.

EDAP LOAN - BOWDEN

The request from Edina Realty was presented. Bill Spooner has filed a judgment in the amount of \$2,923.73 plus interest of \$49.73 for a total of \$2,973.46. The judgment amount is the total payment due and any additional costs that the City could recover, but it does not include all the costs. The last payment received was on 4-19-10 for \$300.00 for the months of January, February, and \$80.00 of the March 2010 payment. The monthly payment amount was \$110.00 and they made 17 payments of \$110.00 and 1 payment of \$80.00 during the loan. Eckerly reported that the EDAP Board has met and discussed options. Spooner was in attendance at the EDAP Board meeting and the judgment is only good in Stearns County. The EDAP Board recommends taking the settlement on the judgment. There was concern with this being a \$1,400.00 loss and a number of unknowns. The only persons benefiting are the Bowden's and the realtor. It was questioned why the request was coming from the realtor and not the owners. It was questioned why the City would give up what is owed. Spooner interjected that the odds of collection is little. This property was in foreclosure and now they want to do a short sale. The judgment will not be signed if in foreclosure. It was suggested to take the money that the City can get. If the City does not agree to this there would be continual legal costs or collection agency costs. It was further stated that the amount of principal is \$300.00 the rest is interest and other fees. The principal amount is not a big loss, but there are administration fees and other expenses. There has been staff time incurred on this loan. It was questioned when there is a lien doesn't it have to be satisfied in a foreclosure situation. It was stated no, the bank is in first position. It was further stated that this is unfortunate; however, the City has to take a riskier position for businesses in the community and that EDAP is a gap financier.

Motion was made by Soine accept the offer on the settlement in the amount of \$1,486.73. Seconded by Zimmerman and unanimously carried.

MN STATE LOTTERY RETAILER CONTRACT

The MN State Lottery Retailer Contract between the MN State Lottery and Paynesville Municipal Liquor was presented. The annual fee is \$20.00.

Motion was made by Zimmerman to approve the MN State Lottery Retailer Contract between the MN State Lottery and Paynesville Municipal Liquor and pay the annual fee of \$20.00. Seconded by Soine and unanimously carried.

ETHICS/CODE OF CONDUCT

Thompson reported that over the past couple years the League has discussed this and he is now bringing it before the Council. There are two documents the Statement of Values and Code of Conduct. If changes are desired the Council would need to seek a legal opinion. It was asked if this is a solution in search of a problem. Thompson said no, that many communities have adopted them. It was suggested that the Council read them, become familiar with them, bring comments, and address it once or twice a year. It was further stated that if the Council sees a problem they should be able to talk about it. It was further noted that the document extends beyond just the Council as it makes a statement. Thompson stated that this would be revisited at another time. No action was taken.

MCFOA – APPLICATION FOR POSITION ON EXECUTIVE BOARD

Renee Eckerly, City Administrator would like to apply for the Executive Board Treasurer for the Municipal Clerks & Finance Officers Association and part of the application is a written affirmation by the City Council. Eckerly explained that this position would require less time than the Vice President position. Any work would be done on her own time. This position is a one year position that can go up to four years as Secretary, Vice President, and then President. This organization is very valuable and has really helped her and other clerks.

Motion was made by Beavers to support Renee Eckerly, if elected, as the MCFOA, Treasurer. Seconded by Soine and unanimously carried.

CITIES, SERVICES AND FUNDING: BROADER THINKING, BETTER SOLUTIONS

Bertram reported that the LMC is reaching out and trying to engage the public. This is something that would be awarded to 5 or 6 communities, to engage the public, what they want, etc. The LMC pays all the fees; however, they are asking cities to apply. The cities would be responsible for help with coordinating the event. It would be similar to the Design Team. Bertram would be willing to take the leadership role on this and fill out and submit the application. This should not take any staff time. Thompson confirmed that there is no cost to the city and very limited staff time. It was stated that it will take some coordination that can mostly be done by the Council. The size and location of the cities applying will be taken into consideration. Eckerly suggested that the Finance Committee could help. The information on Cities, Services and Funding: Broader Thinking, Better Solutions was reviewed. Applications to host community conversations are due by February 11, 2011.

Motion was made by Beavers to host a community conversation. Seconded by Soine and unanimously carried.

PAY EQUITY IMPLEMENTATION AND COMPLIANCE FORMS

The Pay Equity Implementation Form, Compliance Report and Guide to Understanding Pay Equity was presented. A new requirement from 2008, when the City last filed, is the approval by the governing body is needed. The form must be filed by January 31, 2011 for

2010 payroll. Eckerly apologized for such short notice, but when she sat down to file the report she noticed it was different from 2008 as it needs to be approved by the governmental agency.

There was some discussion on the timing of this. It was asked if the City is required to submit the report as this report may be eliminated. Just because the City doesn't submit the report doesn't mean the City is not meeting the guidelines. Eckerly stated that the report is due January 31, 2011 and has received an email that 75% of the cities in the state have replied. She did not know what would happen if the report was not submitted. The report is 99% completed. It was stated that if the report didn't require Council action the report would have already been submitted. It was asked what happens if the City does not submit the report. It was further stated that just because someone asks for something doesn't mean one has to do it; one could wait for an additional notice. 2008 was the last time the report was filed. There was further discussion on the implications this report may cause as well as what would happen if the City did not file the report. Eckerly will contact the State to find out what will happen if the City does not file the report.

Motion was made by Zimmerman to file the report, but hold off until the last day and inquire if there is any wiggle room on filing or implications that might be. Seconded by Beavers and passed 4:1 (Thompson, yes; Beavers, yes; Soine, yes; Zimmerman, yes; Bertram, no).

HVAC PROJECT

Eckerly reported the following:

- Phones and computers have been up and down
- All equipment is in except in the council chambers
- Trusses have been reinforced
- False ceiling will be put back
- Cleaning up needs to be done
- Cleaning and carpet cleaning – will obtain 3 quotes
- Called for final inspection
- Voss called for the stop order to be taken off so the HVAC system can be installed next week
- Hope to be completed by the week of 2-14-11
- Final bills will be on the next agenda

LIQUOR STORE

Ludwig reported on the store layout and the task list items, including doors, outlets, electrical, and construction bids. Ludwig highlighted the following:

- Would love to have more outlets
- May be able to use used doors or an overhead door to lower the expense
- The need for more shelving
- Email, telephone, credit card machine, and cabling
- Security
- Signage – not started
- Cooler – condenser location

It was stated that it is important now to not make mistakes. Have a space that is efficient and welcoming.

Motion was made by Zimmerman to start with \$15,000.00 to come from reserves until it can be paid back at closing for the Liquor Store project. Seconded by Beavers and unanimously carried.

WASTEWATER TREATMENT FACILITY

DeWolf reported the following:

- Applied for the grant in December
- Notified the City received the grant in the amount of \$2,494,362.00 or 42% of total project cost
- Triggers a series of steps
- New funding breakdown needed
- Establish an Industrial User Agreement
- AMPI has been notified
- There will be another meeting with AMPI on February 4, 2011
- The City received more grant funding than originally thought

There is a need to make the public aware of the new rates. It was questioned if there is a need to do the project; what if the City did nothing. Mergen stated that it would limit AMPI growth. It was further questioned, if the need isn't there why do it. It was stated that the City should not make up the difference between the cost and the grant amount.

Eckerly noted that when the City was called with the award notice, it was stated that the City will be watched by legislation. The AMPI Board will have to approve this before moving forward.

WATER TREATMENT FACILITY

DeWolf gave a brief power point presentation:

- Funding through PFA low interest loan
- The public would see a rate increase
- The SCADA system is included in the project
- This is a 2.5 million dollar project

SWPPP

DeWolf reported:

- The plan is too large to email
- This is the surface water management plan
- The plan looks at the storm water collection system
- Will also help when development occurs
- Recommended ordinance language changes
- Series of improvements:

- Improvements to the outfalls into the river
- Regional ponding in the Industrial Park
- Miscellaneous improvements
- Encouraging rain gardens
- This study will be put on the City's web site
- This document is needed to pursue grant funds

MIDTOWN SERVICE STATION CLEAN UP

Petro Fund Board Meeting:

Date: Wednesday, March 9, 2011
 Time: 8:30 a.m.
 Location: Department of Commerce, St. Paul
 Who can attend: Thompson, Bertram, Mergen, and DeWolf

Larry Hosch has committed to attend the meeting and would also be available to meet sometime beforehand to prepare for the meeting. It was suggested to meet ahead of time with Larry Hosch to go over things before the March 9th meeting.

UNEMPLOYMENT

It was stated that the Council hopes to never have to go through this again; but is there a process when it has to be done. A process/protocol needs to be in place to address the following:

- Allow employees to ask questions
- Do for one must do for all
- Take care of employees and former employees

It was further asked if a hearing was held. Eckerly reported that according to state statute the hearing and everything within the hearing is private data. The number of persons laid off is too small; therefore the public would know who is being talked about. It would only become public if the employee would sign off on a release. It was suggested to put a procedure in place for layoffs and terminations and bring it to the Policies and Procedures Committee.

INTERCEPTOR PROJECT

Payment Estimate No. 3 in the amount of \$23,664.50; payable to Kuechle Underground for work completed by December 30, 2010 was presented.

Motion was made by Zimmerman to approve Payment Estimate No. 3 in the amount of \$23,664.50; payable to Kuechle Underground for work completed by December 30, 2010. Seconded by Soine and unanimously carried.

Hwy. 23

It has been suggested that the City transfer \$850.00 from the Sewer Capital Improvement Fund 118 to the Hwy 23 Project Fund 550 to cover a negative balance. This will be repaid when the remainder of the funds come from MNDOT. The Payment from MNDOT will be \$98,437.77

Motion was made by Zimmerman to transfer \$850.00 from the Sewer Capital Improvement Fund 118 to the Hwy 23 Project Fund 550. Seconded by Bertram and unanimously carried.

CABLE – MEDIACOM CORPORATE CHANGE

Resolution 2011-05 Consenting To Mediacom Corporate Restructuring and letter from Mr. Vose was presented.

Motion was made by Bertram to approve Resolution 2011-05 Consenting To Mediacom Corporate Restructuring. Seconded by Zimmerman and unanimously carried.

Thompson stated that the City Council would meet in Closed Session following the Regular Meeting to discuss an offer on real property described as Lots 1 & 2, Block 1, Diekmann Business Park Plat Two; Parcel Numbers 70.38748.0022 & 70.38748.0020 and pursuant to Minnesota Statute Section 13d.05, Subdivision 3 – To evaluate the performance of the City Administrator.

INFORMATIONAL

Thompson reviewed the following informational items: December Police Reports, Overtime Reports, Public Utilities Commission Notice, December Liquor Revenue & Expenses, City Attorney Expenses, Incode Financial Reports, and Capital Improvement Breakdown Report (emailed to Council) a copy can also be obtained from the accounting department at City Hall. 2010 Conference Breakdown Worksheet is also being sent as an attachment. Thompson announced that he and Kortlever have additions to add to the worksheet.

Thompson recessed the Council meeting at 7:55 p.m.

Thompson opened the Closed Session at 8:03 p.m. to discuss an offer on real Property described as Lots 1 & 2, Block 1, Diekmann Business Park Plat Two; Parcel Numbers 70.38748.0022 & 70.38748.0020.

Thompson closed the Closed Session at 8:24 p.m. and re-opened the Regular City Council meeting.

Motion was made by Bertram to reject the offer. Seconded by Soine and unanimously carried.

Thompson recessed the Regular Council meeting at 8:24 p.m. and opened the Closed Session pursuant to Minnesota Statute Section 13d.05, Subdivision 3 – To evaluate the performance of the City Administrator.

Thompson opened the closed session at 8:27 p.m. to hear the report from the Ad Hoc (Beavers and Bertram) Committee on Administrator Eckerly's review.

Thompson closed the Closed Session at 8:35 p.m. and opened the Regular City Council meeting.

Motion was made by Bertram to accept the favorable employee evaluation report on Administrator Eckerly for presentation to her by the Mayor. Seconded by Beavers and unanimously carried.

There being no further business, the meeting was adjourned.

Renee Eckerly, City Administrator