

**MINUTES
REGULAR CITY COUNCIL MEETING**

NOVEMBER 14, 2012

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; Ashley Alsum, Cable Coordinator, Chuck DeWolf, Bolton & Menk, Inc.; Bill Spooner, City Attorney; Ellarry Prentice, Press; Mark Eckerly, Pastor Craig Cornelius, Neil Herzberg, Bob McDaniel, Gerry Mehr, Darlene Loven, Paul Wegner, Kay McDaniel, Chuck Buggs, Donavan Mayer, Linda Westvig, Barb LeClaire, Jeanette Lieser, Robert Lieser, and Marcellus Garding.

The Pledge of Allegiance was recited.

Pastor Craig Cornelius led the Council in prayer. Council members gave verbal activity reports.

CONSENT AGENDA

Motion to approve the minutes from the following meetings: July 25, 2012 Airport Commission, September 20, 2012 Policies & Procedures Committee, October 18, 2012 Planning Commission, August 15, 2012 Policies & Procedures Committee, and October 10, 2012 City Council.

Motion to approve the following vouchers:

10/25/12	#85097	\$ 13,330.81
11/1/12	#85102-85103	\$ 3,572.06
	#85104-85109	\$ 4,689.79
	+ACH	\$ 5,613.59
11/13/12	#85110-85171	\$547,022.13
Total		\$574,228.38
Payroll:		
11/1/12	#85098-85101	\$ 3,460.94
	Direct Deposit	\$ 11,984.22
ACH:	9/12 Liquor Sales Tax	\$ 8,530.00
	3 rd Qtr '12 Water Sales Tax	\$ 3,259.00

Motion to accept Bert Stanley's resignation from the Airport Commission, effective January 1, 2013.

Thompson pulled item D – Personnel – Accounting Specialist Resignation and added it to New Business.

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

FIRE DEPARTMENT BYLAWS

Mehr was in attendance to present and discuss the changes to the Fire Department Relief Association Bylaws. Added articles include V, VI, VII, VIII and section 2 of article 17. Mehr explained that the change is due to tax items and they added a lump sum for a survivor from \$1,000.00 to \$2,000.00.

Motion was made by Beavers to approve the Restated Bylaws Of The Paynesville Fire Department Relief Association As Amended November 14, 2012. Seconded by Soine and unanimously carried.

PART-TIME TEMPORARY CITY HALL OFFICE EMPLOYEE

Due to Chris Wittrock's resignation, Eckerly is requesting to utilize Employment Plus Temp Agency to bring in help at \$9.00 per hour which has a billable rate of \$13.33. Eckerly explained that she would like to work with the Polices & Procedures Committee to reassign the existing staff and their duties and bring in a lowered leveled employee (receptionist/secretary) at a lower rate of pay. In the mean time Eckerly would like to bring temporary help. Thompson mentioned that changing job descriptions may affect union contracts.

Motion was made by Soine to utilize Employment Plus Temp Agency for a part-time temporary City Hall employee at \$9.00 per hour which has a billable rate of \$13.33. Seconded by Zimmerman and unanimously carried.

CANVASSING ELECTION & ANNOUNCING RESULTS

Resolution 2012-35 Canvassing Election & Announcing Results of City Mayor and City Council was presented. Thompson stated for the record, the Mayor will be Jeff Thompson and Council members will be Kay McDaniel and Donovan Mayer.

Motion was made by Bertram to approve Resolution 2012-35 Canvassing Election & Announcing Results of City Mayor and City Council. Seconded by Soine and unanimously carried.

TEMPORARY STREET CLOSING APPLICATION – HOLIDAY BREAKFAST

A Temporary Street Closing for the Paynesville Area Chamber of Commerce Holiday Breakfast to be held on Sunday, November 18, 2012 was presented. They wish to close James Street from Augusta Ave. to Washburne Ave. or the alley. The Police and Fire Departments have reviewed this and recommend approval with the understanding that arrangements will be made with the Public Works Department for barricades, remove all barricades immediately, and leave access at the alley for emergency vehicles.

Motion was made by Zimmerman to approve the Temporary Street Closing for the Paynesville Area Chamber of Commerce Holiday Breakfast to be held on Sunday, November 18, 2012. Seconded by Beavers and unanimously carried.

VETERANS PARK MOWING & TRAIL MAINTENANCE & REPAIR EXPENSES

The Veterans Park mowing and trail maintenance and repair expenses submitted by Paynesville Township were presented. The total mowing expenses are \$2,520.00 with half to be paid for by the City equaling \$1,260.00. The total trail maintenance and repair expenses are \$4,647.50 with half to be paid for by the City equaling \$2,323.75. Mergen mentioned that the agreement with the Township works well and last year's amounts were \$1,620.00 for mowing and \$3,040.00 for the trail. The lower amounts this year are due to the dry weather conditions.

Motion was made by Bertram to approve the Veterans Park mowing expenses equaling \$1,260.00; payable to Paynesville Township. Seconded by Beavers and unanimously carried.

Motion was made by Beavers to approve the trail maintenance and repair expenses equaling \$2,323.75; payable to Paynesville Township. Seconded by Zimmerman and unanimously carried.

HIRING LIQUOR STORE CLERK PART-TIME

Interviews were recently held to create an eligibility list for the Liquor Store Clerk position. The City received four applications and all applicants were interviewed. The liquor store is in need of two clerks now.

Motion was made by Beavers to hire Justin Toombs and April Mathies at \$8.15 per hour with a start date of November 15, 2012 and add Leah Knapp and Tina Phillipp to the eligibility list. Seconded by Soine and unanimously carried.

GERONIMO WIND ENERGY

The Crop Tenant Subordination and Non-Disturbance Agreement document as well as the Transmission Easement Agreement dated December 28, 2011 were presented. Geronimo is wrapping up the title clearing phase of the development process, during this process they obtain consents from all tenants and third-party interests on land leased for the wind farm and transmission. Spooner reported:

- The language on damages is different than written in the December agreement.
- Has corrected some issues that Spooner brought to their attention, but not all issues.
- Suggested they change the language or explain why.
- No action until the City gets their response.

No action was taken at this time.

SISTER CITY

Thompson reported that the Paynesville Area Chamber of Commerce is willing to take the lead on Paynesville joining Sister City International and establishing a sister city relationship with Paynesville Liberia. However, the Chamber can not apply; the City must be the applicant. The Chamber is forming a sister city committee. A private individual has agreed to provide the funding and handle administrative and liaison functions. The Mayor is asking that his 5% 2013 salary increase be shifted from Mayor and Council to Administrative for budgeting purposes for

any incidental expenses such as postage, staff time, etc. The City's involvement would be small. It was also asked if there would be any on ongoing expenses beyond tonight. Thompson said no. It was also asked if Paynesville Liberia was the only other Paynesville. Thompson said no, there is also a Paynesville, Michigan and Paynesville, Ohio. It was further asked what are the benefits to the City of Paynesville. Thompson said virtually nothing to the City, but maybe more of a connection to the school, churches, Lions Club, and other cultural groups. Eckerly explained that Paynesville, Liberia could be eligible for a grant for their water and sanitation systems. It was stated that the 5% is equal to about \$200.00 and a budgetary transfer would be completed.

Motion was made by Soine to submit an application to Sister City International and begin the process of establishing a sister city relationship with Paynesville Liberia, with the understanding that the Paynesville Area Chamber of Commerce will be the lead local organization and authorize the mayor/administrator to sign the necessary documents. Seconded by Zimmerman and passed 4:1 (Thompson, yes; Zimmerman, yes; Beavers, yes; Soine, yes; and Bertram, no).

CERTIFICATES OF DEPOSIT, SAVINGS, MONEY MARKETS, & SAFE DEPOSIT BOXES

Due to the resignation of Chris Wittrock it is necessary to remove her name from the resolution authorizing her access to any and all City banking accounts or safe deposit boxes.

Motion was made by Beavers to approve Resolution 2012-34 Regarding Certificates Of Deposit, Savings Accounts, Money Market Accounts, and Safe Deposit Boxes. Seconded by Soine and unanimously carried.

PERSONNEL – ACCOUNTING SPECIALIST RESIGNATION

Christine Wittrock, Accounting Specialist, has submitted her resignation from the City of Paynesville. Wittrock's last day will be November 26, 2012. Eckerly would like to review the Accounting Specialist job description and staffing needs before advertising. Eckerly suggested that her last day be today, be released in good standing, and pay out her PTO.

Motion was made by Beavers to accept the resignation from Christine Wittrock, Accounting Specialist and release her in good standings as of November 14, 2012.

It was questioned if Ms. Wittrock was aware of this. Eckerly said no. It was mentioned that this could cause concern with the union as locks were changed; however, Wittrock gave a three week notice. Eckerly stated that Wittrock is only scheduled to work three more days and the locks were changed due to an employee losing their keys. It was asked what Wittrock will think. It was stated that this would free Wittrock up before starting her new job.

The motion passed 4:1 (Thompson, yes, Zimmerman, yes; Beavers, yes; Soine, yes; and Bertram, no).

POLICE DEPARTMENT

Thompson stated that the City offered Wegner \$56,613.22 and Wegner wants \$62,781.82 (Grade 15, Step 7) plus a 5% COLA increase and an increase in PTO hours up to 200 hours. Wegner has successfully passed all physicals. It was asked how Wegner's offer would affect the union. Eckerly explained that Wegner is not in the union now so his wages/benefits can be negotiated. There was some concern on budgetary and tax issues, as well as union and pay equity problems. It was asked if this would affect pay equity. Eckerly stated that the City would be okay if it is under where Kortlever was. It was stated that additional PTO would just mean more time to be covered by others. Wegner was commended for asking for an increase in money before he is hired. If the City gets a chief that does his job; it's worth every penny. Do a good job and hold people accountable.

Thompson recessed the Regular City Council meeting at 6:32 p.m. for the Dairy Queen Variance Public Hearing.

Thompson re-opened the Regular City Council meeting at 6:35 p.m.

VARIANCE – DAIRY QUEEN, LINDA WESTVIG

A Variance Application has been submitted by Linda Westvig for the Dairy Queen located at 823 Minnesota St. W., Paynesville, MN. Westvig wishes to add on a drive thru window to the northwest corner of their existing building. Their existing building's overhang is right on the property line. The existing building does not meet the 25' foot setback. Nor will the new drive thru as the overhang line will match the existing building. They will have no setback off of the Hwy. 55 right of way. They will meet all other zoning regulations. MnDOT has been contacted and they have no problem with the Variance as long as the structure does not encroach into the right of way. An Application, Report & Recommendation, and Grant of Variance were presented. The Planning Commission has reviewed this and recommends approval.

Motion was made by Zimmerman to approve the Grant of Variance for the Dairy Queen, Linda Westvig. Seconded by Beavers and unanimously carried.

POLICE DEPARTMENT CONTINUED

It was suggested to compromise and grant the salary increase, but not change the PTO amount.

Motion was made by Bertram to offer Paul Wegner \$62,781.82 (Grade 15, Step 7) and a 5% COLA increase. Seconded by Zimmerman and unanimously carried.

Wegner stated that he intends to start on November 26, 2012 and at the next Council meeting bring up hiring for the police officer position and decrease the County's hours of coverage. It was suggested that Elfering give a report on the County's coverage and reduce as necessary based on Elfering's report.

WASTEWATER TREATMENT FACILITY RE-SCOPING PROJECT

DeWolf reported that the contractor is moving forward on the lift station and boring. The project will continue as weather permits.

2013 BUDGET

The proposed 2013 Budget was presented. The budget has been reduced to 3% with a \$12,537.00 surplus. All changes were highlighted in yellow throughout the budget document. Eckerly stated that this will also cover Wegner's increase. It was suggested to reduce the budget to 2%. Eckerly will reduce the budget to 2% and prepare the documents for the Truth In Taxation Public Hearing.

TRAIL

Payment Estimate No. 1 in the amount of \$428,491.43; payable to Duininck, Inc. for work completed through October 30, 2012 was presented. The Trail Board has reviewed this and recommends approval. DeWolf stated that seeding and fencing remain and may have to be completed next Spring due to the wet ground.

Change Order No. 1 for an addition of a short segment of trail north of Cherrywood Road as requested by the owner; in the amount of \$4,589.13 was presented. The Trail Board has reviewed this and recommends approval.

Motion was made by Bertram to approve Payment Estimate No. 1 in the amount of \$428,491.43; payable to Duininck, Inc. Seconded by Beavers and unanimously carried.

Motion was made by Zimmerman to approve Change Order No. 1 for an addition of short segment of trail north of Cherrywood Road as requested by the owner; in the amount of \$4,589.13. Seconded by Bertram and unanimously carried.

WATER PLANT REHAB PROJECT

DeWolf reported that Bolton & Menk are moving forward with the design. The design will be submitted in the Spring, with the project to begin in April or May.

AIRPORT

Mergen reported on increases in costs due to doubling insurance costs; however, it has now been reduced to about half the cost. The hangar increase would not go into effect until 2014.

Fuel Pricing Policy – Minutes from the Airport Commission: The current fuel price is \$.31 cents per gallon over cost and the need to stay competitive was discussed and stressed.

After a short discussion,

Motion was made by Brown to rescind the motion recommending the price increase to \$.10 over costs. Seconded by Bollman and unanimously carried.

Motion was made by Beavers to increase the fuel price policy by \$.05 to equal \$.36 over cost and recommend such to the City Council. Seconded by Bollman and unanimously carried.

Hangar Rental Rates - Minutes from the Airport Commission: A letter from Gary Rothstein (City's insurance agent) was presented which indicates the City's premiums will be reduced by one half. With that, members felt the urgency to raise the rental rates has somewhat diminished. It was also noted that the contract states the City can't raise the rates except on the two year anniversary date. There is a snow and ice issue on the north side hangars and that maybe there should be a pay differential. After a short discussion,

Motion was made by Beavers to raise the South side hangars to \$120.00 per month and leave the North side hangars at \$100.00 per month and recommend such to the City Council. Seconded by Bollman and unanimously carried.

Zoning Ordinance – Minutes from the Airport Zoning Board: The Airport Zoning could be handled internally by Stearns County. Eckerly reported that the City zoning ordinance needs to be updated. Non-conforming use would define where non-conforming uses are at currently and document them. Any current issues would be grandfathered in. Adams stated that there are some restrictions on rebuilding the non-conforming structures.

Options to do include: 1. Is \$2,700.00 2. Is \$4,000.00

Total Project cost is \$40,000; with \$20,600.00 from the State Grant and the balance of \$19,400.00 from Airport Capital Improvement. Airport Capital Improvement Fund totals \$19,400.00.

The Board discussed at least doing number one to detect nonconforming issues and that after the document is completed copies should be sent to all entities surrounding the airport. Stearns County would need the map with the cross runway and ordinance and then they can do it themselves.

Motion was made by Buckentine to proceed with option number one and exclude number two for funding from Airport Capital Improvement Fund at \$36,000.00 and recommend such to the City Council. Seconded by Brown and unanimously carried.

Minutes from the Airport Commission: DeWolf reported that the reason the zoning needs to be updated is because of the update to the ALP and that zoning is usually updated every seven years. He also stated that this is identical to the previous proposal and they would not do the Comprehension Review, which causes the fee to go down \$4,000. Eckerly reported that this would go to the Airport Zoning Board in October.

Motion was made by Beavers to approve the Engineering Proposal from Bolton & Menk, Inc. in the amount of \$36,000.00 to update the Airport Zoning and agreement for such and recommend such to the Airport Zoning Board. Seconded by Bollman and unanimously carried.

DeWolf mentioned that the City has been waiting on updating the Airport Zoning Ordinance Until the payback issued was taken care of. That has been taken care of and the Airport Zoning Board and Airport Commission recommend updating the Airport Zoning Ordinance.

Pay Estimate No. 2 – Chuck DeWolf will give a verbal report. Please review the attached Payment Estimate No. 2 in the amount of \$26,125.00; payable to Electrical Systems, Inc. for work completed through October 31, 2012.

Motion was made by Beavers to approve increasing the fuel price policy by \$.05 to equal \$.36 over cost. Seconded by Soine and unanimously carried.

Motion was made by Soine to increase the rental rate of the South side hangars to \$120.00 per month and leave the North side hangars at \$100.00 per month. Seconded by Zimmerman and unanimously carried.

Motion was made by Bertram to approve the Engineering Proposal from Bolton & Menk, Inc. in the amount of \$36,000.00 to update the Airport Zoning and agreement for such. Seconded by Beavers and unanimously carried.

Motion was made by Beavers to approve Payment Estimate No. 2 in the amount of \$26,125.00; payable to Electrical Systems, Inc. Seconded by Soine and unanimously carried.

Mergen noted that the PAPI & REIL are being worked on and a load of fuel was purchased for \$.50 less a gallon than last time.

GOALS & OBJECTIVES MEETING

At the October 10, 2012 City Council Meeting a motion was made to set the Goals & Objectives meeting for November 13; however, all Council members could not attend so the meeting was cancelled.

Minutes from the October 10, 2012 City Council Meeting: It has been suggested to set the next Goals & Objectives/Special City Council Meeting for one of the following dates:

Wednesday	October 17, 2012	6:00 p.m.	Monday	October 22, 2012	6:00 p.m.
Monday	October 29, 2012	6:00 p.m.	Tuesday	October 30, 2012	6:00 p.m.
Thursday,	November 1, 2012	6:00 p.m.	Tuesday	November 13, 2012	6:00 p.m.
Thursday	November 15, 2012	6:00 p.m.			

Motion was made by Bertram to set the Goals & Objectives/Special City Council Meeting for November 13, 2012 at 6:00 p.m. Seconded by Soine and unanimously carried.

Proposed new dates include:

Wednesday, December 5, 2012 at 6:00 p.m.

Thursday, December 6, 2012 at 6:00 p.m.

Tuesday, December 11, 2012 at 6:00 p.m.

It was stated that there is no point in setting one now. In January a new Council takes over and December is already a busy month. No action was taken and date in January or February will be set.

INFORMATIONAL

Thompson reviewed the following informational items: Overtime Reports, MN Rural Water Association Class C Refresher Course, AWWA Central Section Water Operation Seminar, Central Section MN Wastewater Operator's Association Conference, September Liquor Revenue & Expenses, Incode Financial Reports, City Attorney Report, and Capital Improvement Breakdown Report (emailed to Council) a copy can also be obtained from the accounting department at City Hall.

There being no further business, the meeting was adjourned at 6:51 p.m.

Renee Eckerly, City Administrator