

**SPECIAL BUDGET & FINANCE COMMITTEE MEETING
CITY HALL CONFERENCE ROOM
APRIL 8, 2016
11:00 A.M.**

AGENDA

- I. CALL TO ORDER
- II. CONSENT AGENDA
 - A. Minutes (page 1)
- III. NEW BUSINESS
 - A. Council Wages (page 12)
- IV. OLD BUSINESS
 - A. Compost Site – Ron Mergen will give a verbal report
 - B. Library Furniture (page 18)
- V. INFORMATIONAL
 - A. Next Meeting – Tuesday, May 3, 2016 at 4:45 p.m.
- VI. ADJOURN

*****Please contact Renee Eckerly if you can't attend the meeting.*****

Voting Members: Jean Soine, Belinda Ludwig, Elliot LaBeau, Neil Herzberg, and Renee Eckerly.

This agenda has been prepared to provide information regarding an upcoming meeting of the Paynesville Budget & Finance Committee. This document does not claim to be complete and is subject to change.

BARRIER FREE: All Paynesville Budget & Finance Committee meetings are accessible to the handicapped. Attempts will be made to accommodate any other individual need for special services. Please contact City Hall (320) 243-3714 early, so necessary arrangements can be made.

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: Budget & Finance Committee

Committee/Council Meeting Date: April 8, 2016

Agenda Section: Consent Agenda

Originating Department: Administration

Item Number: II - A

ITEM DESCRIPTION: Minutes

Prepared by: Staff

COMMENTS:

Please review the minutes from the August 4, 2015, June 2, 2015, April 7, 2015, February 9, 2016, February 19, 2013 Budget & Finance Committee meetings.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the minutes from the August 4, 2015, June 2, 2015, April 7, 2015, February 9, 2016, February 19, 2013 Budget & Finance Committee meetings.

**MINUTES
BUDGET & FINANCE COMMITTEE**

AUGUST 4, 2015

Jean Soine called the meeting to order at 4:45 p.m. Other members present were Neil Herzberg, Elliot LaBeau, Belinda Ludwig, Finance Specialist; and Renee Eckerly, City Administrator.

No meeting minutes were available for approval.

COALITION OF GREATER MN CITIES

The Committee discussed being a member, but recommended not joining at this time.

LIGHT POLES

Eckerly presented a proposal to paint 37 poles (forest green) in the downtown area for \$225.00 each or \$8,325.00 along with 50 brackets at \$79.50 each or \$3,975.00. The Committee discussed whether to paint the poles now or save the \$12,000.00 in Capital Improvement until the downtown reconstruction project in 5 years. Ron Mergen was called to find out what condition the old brackets are in and if the painting could wait. It was questioned why there would be 50 brackets when there is only 37 poles. It was also questioned if someone local could make the brackets.

CHRISTMAS LIGHTS

The Committee discussed whether to do anything with the lights this year or wait until next summer to see if the Chamber project utilizes the school art class and local manufactures. The City would sell the old lights. It was suggested to get a price on refurbishing the frames the City has and relight them. The lights are put up just before Thanksgiving and are taken down after New Year's. The Committee would like to change it up and wait until spring and to bring this item back then. It was suggested to get a status on this from the Chamber of Commerce in the spring.

INTEREST INCOME ON INVESTMENT

The committee discussed interest income on investment and whether or not to increase it from \$15,000.00 to \$18,000.00. The past two years have been negative. The Committee agreed to increase it.

VETERANS PARK AED AND FIRST AID KIT

It was suggested to put a first aid kit in the kitchen and put it on the cleanup checklist. No AED is necessary at this time.

NEXT MEETING

The next meeting will be August 17, 2016 at 4:00 p.m.

There being no further business, the meeting was adjourned at 5:55 p.m.

**MINUTES
BUDGET & FINANCE COMMITTEE**

JUNE 2, 2015

Jean Soine called the meeting to order at 4:45 p.m. Other members present were Neil Herzberg, Elliot LaBeau, Belinda Ludwig, Finance Specialist.; and Renee Eckerly, City Administrator. Paul Wegner, Police Chief was also in attendance.

No meeting minutes were available for approval.

RFP FOR AUDITING SERVICES

The RFP for Auditing Services was reviewed.

Motion was made by Ludwig to approve the RFP For Auditing Services and recommend such to the City Council. Seconded by LaBeau and unanimously carried.

2015 CONTRACTS

The Sheriff's Department will be giving the City a 60 day notice indicating termination of the contract for record management services with Stearns County. Wegner explained that the County does all the data entry and transcription. The recorders are approximately \$400.00 each plus the computer software at \$299.00. Wegner will work with Eckerly and come back with some options which may include contracting the services out or hiring someone.

2016 BUDGET

The Committee reviewed the General Fund:

Revenues

- Park Rental – Veterans Park decreased \$400.00. The Committee suggested raising the weekend rate to \$120.00 and make it \$80.00 during the week (when it's not being rented as much).
- Fire Relief Aid – Increase \$2,000.00
- Code Red – Increase \$2,000.00 for participation payment from the Township and CentraCare
- Rental of Farm Land – Increase \$8,000.00 due to the bids that came in much higher than last year
- Aviation Fuel – Increase \$13,700.00
- Building Permit Fees – Increase \$3,500.00 due to better economy and more activity
- Refund/Reimbursement – Reduced \$40,000.00 due to not sharing the Building Official
- Reimbursement To Stearns County – Increased \$3,000.00 for salt for Township

Expenditures

- Combining Emergency Management Director & Police Officer (Brady) – Wegner explained that the main reason to make Brady a fulltime officer is to put him in the school to addressing issues. Wegner has spoken to the school regarding donating \$10,000.00 to the Police budget for such. If Klingfus is moved to fulltime; on-call coverage would almost be eliminated. Coverage would be 24/7. There would be a cost increase in salary as the

police department position wage is higher than the emergency management position. Eckerly explained that she has reviewed this with Wegner and the hours needed between both positions/departments. Emergency Management could be covered with 10% (208 hours) mainly being needed in the warmer 6 months of the year. Eckerly is concerned of the total cost currently of wages at \$1.1 million dollars in 2014. At the next meeting Eckerly will bring a payroll breakdown of the general fund and enterprise fund.

- Police Department Expenditures – Maintenance of Building – Increased \$500.00 for frozen sewer lines
- Uniforms – Increased \$500.00 to replace worn out uniforms
- New Equipment – Increased \$2,000.00 for e-citation software mandated July 2016
- Transfer To Capital Improvement – increased \$4,500.00 according to Wegner's depreciation schedule

NEXT MEETING

The next meeting is scheduled for Tuesday, July 7, 2015 at 4:00 p.m. The agenda will include bonding, financial advisor RFP, and 2015 contracts with the Township.

There being no further business, the meeting was adjourned at 6:15 p.m.

**MINUTES
BUDGET & FINANCE COMMITTEE**

APRIL 7, 2015

Jean Soine called the meeting to order at 4:30 p.m. Other members present were Neil Herzberg, Belinda Ludwig, Finance Specialist.; and Renee Eckerly, City Administrator. Elliot LaBeau was absent. Ron Mergen, Public Works Director and Nate Bork were also in attendance.

Motion was made by Ludwig to approve the minutes from the August 21, 2013, February 10, 2014, March 10, 2014, and February 9, 2015 Budget & Finance Committee meetings. Seconded by Herzberg and unanimously carried.

CREDIT CARD PAYMENTS

Bork was in attendance to discuss the City accepting credit card payments. Bork was not able to allow storage of data on his system. In this situation Bork would not be a viable solution for the City. Bork suggested going with PSN. Bork would still like to work with the Liquor Store. Eckerly emailed Bork the Public Data form to obtain copies for the Heartland bills. The Committee discussed quarterly utility billing to monthly. The Committee further discussed whether or not to go with e-billing or not and if there is a savings. Currently one can take payment out monthly to be applied to the quarterly bill. The Committee discussed what the advantages are for the City:

- More convenient for the customer
- Savings with e-billing are paper and stamps

Motion was made by Herzberg to go with PSN (including e-billing) and Tyler Technologies and recommend such to the City Council. Seconded by Ludwig and unanimously carried.

2016 BUDGET

Large Purchases/Expenditures – Pubic Works

Mergen reported that if the City is planning on staying at the current location for 15-20 years they would need room to add on. A new shop is estimated at \$800,000.00 - \$1 million.

Public Works Staffing

Mergen reported now that Mehlhop is the Part-Time Building Official, Mergen would like to add an additional 32 hour employee and replace the 67 day seasonal employee with 1 or 2 high school students (must be 16 years of age or older). This would be a \$13,115.20 increase in wages.

Motion was made by Herzberg to promote Dave Schwandt to the 32 hour position Grade 1, Step 1 and hire two 67 day seasonal positions 16 years of age or older for an average of 3 days a week for 12 weeks at \$8.50 per hour and recommend such to the City Council. Seconded by Eckerly and unanimously carried.

This would eliminate the Township mowing Veterans Park.

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COMMUNITY GARDENS

It was reported that the water costs are \$700.00 - \$800.00 per year. The Garden Club has only made one payment to the City on December 21, 2009 in the amount of \$848.03. Each plot is \$25.00. The Garden Club does mow the Community Park. It was suggested to invite a member of the Garden Club (Vinyl Christopherson) to the next meeting to discuss this.

RFP – AUDITOR

The Committee discussed whether or not to go out for RFP's. Eckerly will bring back a draft RFP to the next meeting.

RFP – BONDING

The Committee discussed whether or not to go out for RFP's. Eckerly will bring back a draft RFP to the next meeting.

WEBSITE UPGRADE

The following were reviewed:

Gov Office:

- \$2,995.00 plus
- Verify live streaming
- Hard to position item on a page
- At home support
- Easy, comfortable
- Credit cards accepted

SOCS:

- No live stream
- Nothing impressive
- No credit cards accepted

Civic Plus:

- Very expensive
- Exactly what the City wants
- Very nice
- Credit cards accepted

8-Bit Studio:

- Very expensive set up
- Monthly fees are cheaper
- No credit cards accepted

Motion was made by Eckerly to approve the proposal upgrade from Gov Office in the amount of \$2,995.00 and recommend such to the City Council. Seconded by Herzberg and unanimously carried.

2015 CONTRACTS

The contracts that expire this year will be on the next agenda.

SERVER UPGRADE

Motion was made by Eckerly to approve the proposal upgrade from OCC in the amount of \$18,012.00 to upgrade the server and recommend such to the City Council. Seconded by Soine and unanimously carried.

RECYCLING BINS – WEST CENTRAL SANITATION

West Central Sanitation is interested in moving to recycling carts for the City of Paynesville.

2015 FEE SCHEDULE

The Committee review and discussed the 2015 Fee Schedule. Eckerly will research shows and assemblies and bring it back to the next meeting.

SECURITY CAMERAS & SERVERS

Eckerly gave a verbal report on security cameras and servers.

NEXT MEETING

The next meeting is scheduled for Tuesday, May 5, 2015 at 4:45 p.m.

There being no further business, the meeting was adjourned at 6:15 p.m.

**MINUTES
SPECIAL BUDGET & FINANCE COMMITTEE**

FEBRUARY 9, 2016

Jean Soine called the meeting to order at 4:45 p.m. Other members present were Neil Herzberg, Elliot LaBeau, Belinda Ludwig, Finance Specialist.; and Renee Eckerly, City Administrator. Ron Mergen, Public Works Director was also in attendance.

Motion was made by Herzberg to approve the minutes from the May 11, 2015, September 1, 2015 and November 23, 2015 Budget & Finance Committee meetings (the October Park & Tree Board meeting minutes were put in the agenda by error). Seconded by Ludwig and unanimously carried.

ELECTION OF OFFICERS

Motion was made by Eckerly to elect Soine as Chairperson; LaBeau as Vice Chairperson; and Eckerly as Secretary. Seconded by LaBeau and unanimously carried.

MEETING SCHEDULE

It was consented to keep the Budget & Finance Committee meetings on the 1st Tuesday of each month at 4:45 p.m.

LIBRARY FURNITURE

It was noted that Kay McDaniel has two chairs that she is selling that may work for the Library. Eckerly will check with the Library if three office chairs from City Hall would work at the new computer bench by the windows.

Motion was made by LaBeau to purchase the table for the Library in the amount of \$70.00 and recommend such to the City Council. Seconded by Ludwig and unanimously carried.

AFTER PROM DONATION REQUEST

Ludwig reported that the City donated in 2010, 2013, and 2014. It was removed from the budget in 2015. The Committee discussed donating and felt there are other avenues for them to raise the money.

HOLIDAY LIGHTS

Eckerly reported that there is \$12,700.00 in the fund for new lights. The Committee discussed white snowflakes, red bells, and candles. The current lights are 5' in height. The Committee suggested a variety of bulb colors and a new shape for the snowflakes. The Committee further discussed a street crossing of "Christmas". The old lights would be sold.

Motion was made by LaBeau to purchase as many lights (bell – red, candle, and snowflake) as possible with the \$12,700.00 that is in the fund and recommend such to the City Council. Seconded by Herzberg and unanimously carried.

Mergen suggested looking into Display Sales for a quote also. It was suggested to make sure that these new lights would work on new decorative light poles.

SPLASH PAD – FUNDRAISING UPDATE

The Splash Pad has raised \$12,000.00 and needs an additional \$8,000.00. The Committee discussed options to raise the money. Mergen will follow up with Mastermark Plastics on a deck that could be auctioned off at the wine event.

COMPOST SITE

Mergen reported on a new automated system for access. Mergen has looked into solar power with two different companies. Solar power would work for the cameras, but not for the gates. The Committee discussed solar power with a transfer switch for a generator.

County SCORE funds are a possibility. Mergen will need to file an application by mid-March. Jeff Thompson has suggested that if power is installed it would be possible to put up a billboard and take the lease money to help pay for the project. Mergen reported that this system would not be available for use this year because installation would happen over this summer. It was suggested to put a \$10.00 fee on all water bills and issue everyone a card and charge the township residents \$15.00.

NEXT MEETING

The next meeting is scheduled for Tuesday, April 5, 2016 at 4:45 p.m.

There being no further business, the meeting was adjourned at 6:45 p.m.

**SPECIAL MINUTES
BUDGET & FINANCE COMMITTEE**

FEBRUARY 19, 2013

Jean Soine called the meeting to order at 4:30 p.m. Other members present were Kay McDaniel, Elliott LaBeau, Belinda Ludwig, Accounting Specialist Sr.; and Renee Eckerly, City Administrator. Also present was Paul Wegner, Police Chief.

Motion was made by McDaniel to approve the minutes of the October 15, 2012 Budget & Finance Committee meeting. Seconded by LaBeau and unanimously carried.

ELECTION OF OFFICERS

Motion was made by Soine to elect Soine as Chairperson, McDaniel as Vice Chairperson, and Eckerly as Secretary. Seconded by LaBeau and unanimously carried.

MEETING SCHEDULE

Motion was made by Ludwig to set the Budget & Finance Committee meetings for the second Monday, of each month at 4:30 p.m. Seconded by McDaniel and unanimously carried.

POLICE DEPARTMENT

Squad Car – Currently the cars have the following mileage on them:
2008 107,000 miles
2010 64,000 miles

Wegner stated that he would prefer to replace cars every 5 years and would like to replace the 2008 squad this year. Wegner would like to surplus the Explorer and a forfeiture vehicle. The Committee discussed the reasoning for the replacement of a squad car over 100,000 miles. The Committee discussed the issue with the condition of the 2008 squad car. The lights are not adequate for this squad car to respond to an emergency. Wegner stated that there is a need for a new camera system for continual recording. Wegner explained that the bid from Nelson should be \$42,200.00. There is a \$600.00 difference between Yarmon and Nelson. The Committee discussed rotating bidding/purchasing between Yarmon and Koronis Motors. It was noted that the current camera is not worth much. There is a need to un-install the equipment from the Mazda. The installation would be done by the same person that Stearns County utilizes.

Motion was made by Eckerly to purchase a 2013 Ford Interceptor; contingent on selling the other three cars and recommend such to the City Council. Seconded by McDaniel and passed 4:1 (McDaniel, yes; Soine, yes; Ludwig, yes; Eckerly, yes; and LaBeau, no).

There is a need to start budgeting \$10,000.00 per year to Capital Improvement starting in 2014. It was asked if there are special luxury items on these cars. Wegner said no, there is nothing that could be taken out of the quote. The car itself is in the price range. It is the equipment that costs so much because none of the existing equipment can be transferred to the new car. It was suggested to breakdown the cost of the car and equipment separately when being presented to the City Council. It was suggested to check what equipment would transfer to a new vehicle and list this on the Council action sheet. The next vehicle will be \$45,000.00. There is a need to show on the Council's action sheet the costs of the last vehicle and equipment. A second camera for the current squad would be budgeted for to be purchased in the future. Wegner would like to work toward a taser for each officer. Currently the officers are sharing this equipment. The department would have to trade in old tasers. Currently the department has two working and one broken taser. The Committee suggested to have the department get by with two working tasers and share them. It was reported that the current laptop is 6-7- years old and Wegner would like a new one for the new squad.

Motion was made by Soine to purchase the laptop in the amount of \$3,000.00 from MINCO with the funds to come from Administrative Fines and recommend such to the City Council. Seconded by LaBeau and passed 4:1 (Soine, yes; McDaniel, yes; Eckerly, yes; LaBeau, yes; and Ludwig, no).

It was asked if the laptop could be upgraded instead of replaced and Wegner said no.

ALLDON PARK STREET LIGHTING

Aldon Park owns their street lights and it is not on their water bills to pay the street lighting fees like everyone else in the City pays.

Motion was made by Eckerly to have Aldon Park pay the street lighting fees like everyone else in the City and recommend such to the City Council. Seconded by Ludwig and unanimously carried.

COUNCIL MEMBER COMPUTER TABLETS/NOTEBOOKS

The Committee discussed Council Member computer tablets/notebooks.

LAKE HENRY CONTRACT FEES

The Committee discussed the Lake Henry Contract fees.

There being no further business, the meeting was adjourned at 6:35 p.m.

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ORDINANCE NO. 142, 2ND SERIES

AN ORDINANCE OF THE CITY OF PAYNESVILLE, MINNESOTA, AMENDING CITY CODE CHAPTER 2 ENTITLED "ADMINISTRATION AND GENERAL GOVERNMENT" BY AMENDING SECTION 2.11 THEREOF ENTITLED "SALARIES AND OTHER COMPENSATION OF MAYOR AND COUNCIL MEMBERS"; AND BY ADOPTING BY REFERENCE CITY CODE CHAPTER 1 AND SECTION 2.99 OF CHAPTER 2, WHICH, AMONG OTHER THINGS, CONTAIN PENALTY PROVISIONS.

THE CITY COUNCIL OF PAYNESVILLE, MINNESOTA ORDAINS AS FOLLOWS:

Section 1. City Code, Chapter 2, Section 2.11, is hereby amended to read as follows:

SEC. 2.11. SALARIES AND OTHER COMPENSATION OF MAYOR AND COUNCIL MEMBERS.

Subd. 1. The salary of the Mayor shall be \$4,479.38 per year payable quarterly commencing January 1, 2013. The salary of the Mayor shall be ~~\$4,405.35~~ per year payable quarterly commencing ~~January 1, 2014.~~

Subd. 2. The salary of each council member shall be \$3,359.53 per year payable quarterly commencing January 1, 2013. The salary of each council member shall be ~~\$3,527.51~~ per year payable quarterly commencing ~~January 1, 2014.~~

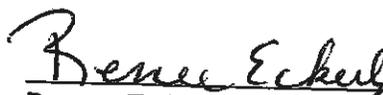
Subd. 3. In addition to the foregoing, a per diem and other compensation of council members shall be set by resolution of the council.

Section 2. City Code, Chapter 1, entitled "General Provisions and Definitions Applicable to the Entire City Code Including Penalty for Violation", and Section 2.99 entitled "Violation a Misdemeanor" are hereby adopted in their entirety by reference as though repeated verbatim herein.

Adopted by the City Council of the City of Paynesville this 11th day of June, 2012.

ATTEST:


Jeff Thompson, Mayor


Renee Eckerly, City Administrator

Published in the Paynesville Press on June ²³20, 2012.

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**MINUTES
SPECIAL CITY COUNCIL MEETING**

JUNE 11, 2012

Mayor Jeff Thompson called the meeting to order at 6:00 p.m. Council members present were Jeff Bertram, Jean Scine, 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; Chuck DeWolf, Bolton & Menk, Inc.; Bill Spooner, City Attorney; Ellarry Prentice, Press; Lieutenant Bob Dickhaus, Stearns County Sheriff's Department, Charles Buggs, Vince Wander, Shannon Olmscheid, Amanda VanderBeek, Dave Peschong, Sandy Wander, Duane Olmscheid, Neil Herzberg, Bob Liestman, Fire Chief, Joe Schmitz, Mark Eckerly, Tom Schwalbe, Keith Hemmesch, CenterPoint Energy; Paul Schwarz, AFSCME; Andrea Olmscheid, and Maria Schwalbe, and others that did not sign in.

The Pledge of Allegiance was recited.

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

Ron Mergen gave a Public Works Department Report including:

- Water Festival
- Meter reading
- Wastewater flows
- One airport hangar is open
- There are wood chips available at the compost site
- Community gardens
- **BMX bike track**

Lieutenant Bob Dickhaus gave a Police Department Report including:

- Overtime is due to training and shift coverage
- Dictation and transcription pilot project is working well

Dickhaus gave the public a brief background on the medical incident and presented the life saving awards to Vince Wander, Shannon Olmscheid and Officer Charles Buggs.

CONSENT AGENDA

Motion to approve the minutes from the following meetings: March 27, 2012 Public Safety Committee, January 24, 2012 Public Safety Committee, March 28, 2012 City Council, May 9, 2012 City Council, May 23, 2012 City Council, May 8, 2012 Board of Review & Equalization, and March 28, 2012 Credit Union Boundary Drainage & Utility Vacation Public Hearing.

Motion to approve the following vouchers:

5/23/12	#84255	\$ 14,691.66
5/31/12	#84260-84261	\$ 2,638.16
	#84262-84264	\$ 192.63
	#84265	\$ 1,467.39
	#84266	\$ 76.17
	+ACH	\$ 6,550.66
6/4/12	#84267-84308	\$ 40,743.18
6/11/12	#84309-84337	\$ 71,423.18
Total		\$ 137,783.03
Payroll:		
5/31/12	#84256-84259	\$ 3,708.83
	Direct Deposit	\$ 10,087.27
	Direct Deposit	\$ 4,289.66
ACH:	4/12 Liquor Sales Tax	\$ 6,797.00

Motion to approve the Airport Ground Lease between the City of Paynesville and Bill Lothert.

Motion to approve the list of Election Judges (Janice Zumwalde (Head Judge), Carolyn Swyter, Christine Wittrock, Renee Eckerly, Linda Mayer, Joan Brogaard, Mark Pelz, Lydia Desm, Allen Anderson) for the Primary Election on August 14, 2012 & General Election November 6, 2012.

Motion to give Renee Eckerly, City Administrator the authority and permission to appoint judges in case of an emergency.

Motion to approve step increase for Deanne Nolen from Grade 1, Step 2 (\$8.33) to Grade 1, Step 3 (\$8.52) retroactive to 4/7/12.

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

TRANSFER OF FUNDS FOR TIF 1-11 EXPENSES

The City has received a bill from Stearns County on the setup of TIF 1-11 in the amount of \$440.00. The TIF district will not receive tax increments until 2014 and in order to avoid negative interest it is recommended to transfer \$440.00 from EDAP fund 220 to TIF 1-11 fund 272 to be repaid when tax increments are allotted.

Motion was made by Bertram to transfer \$440.00 from the EDAP fund 220 to TIF 1-11 fund 272. Seconded by Beavers and unanimously carried.

CENTERPOINT ENERGY GRANT CHECK PRESENTATION

Keith Hemmesch, CenterPoint Energy Local Service Representative presented the City with a grant check in the amount of \$1,750.00 for confined space Fire Department equipment.

MAYOR & COUNCIL SALARIES

The Budget & Finance Committee has reviewed this and recommends increasing the salaries. Excerpt from the Budget & Finance Committee Meeting:

Council Salaries 2013/2014 – The Committee discussed that the City Council has frozen their salaries for the last 3 years from 2010 through 2012. The Committee discussed an increase of 10% in 2013 and zero in 2014 or 5% for the next 2 years 2013 and 2014.

2013	Mayor	\$4,266.08 + \$213.30 (5%) = \$4,479.38
	Council	\$3,199.55 + \$159.98 (5%) = \$3,359.53
2014	Mayor	\$4,479.38 + \$223.97 (5%) = \$4,703.35
	Council	\$3,359.53 + \$167.98 (5%) = \$3,527.51

Motion was made by Zimmerman to increase the Council salaries 5% for the next 2 years (2013 and 2014) and recommend such to the City Council. Seconded by LaBeau and unanimously carried.

If approved, an Ordinance will have to be amended (No. 142, 2nd Series). This ordinance could be approved and then drafted by Attorney Spooner. It was reported that this seemed reasonable at this time. Thompson stated that this is not a good idea.

Motion was made by Beavers to increase the Council salaries 5% for the next 2 years (2013 and 2014) and approve Ordinance No. 142, 2nd Series. Seconded by Soine.

It was further stated that the Council should receive what the employees get. This is actually less than what the employees have received over the past 8 years. This also seems reasonable for the 30 hours a month that is put in and for future Council's.

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

GAZEBO RENTAL REFUND

Jean Hazelwood rented the Gazebo for her dad (John Riffe) who paid for the rental fees for the Gazebo on May 19, 2012. They used the Gazebo; however, Voss Plumbing & Heating had the water shut off as they were installing the sprinkler system. Mr. Riffe was in and would like a refund due to having no water and the overall condition of the park.

Motion was made by Bertram to approve the Gazebo Rental Refund in the amount of \$26.72; payable to John Riffe. Seconded by Beavers and unanimously carried.

POLICE CHIEF POSITION

Eckerly reported the following:

- 15 applications received
- Currently on time with check list
- Polices & Procedures Committee has approved the scoring sheet and questions
- Interview Committee has been contacted regarding the interview dates

Dickhaus reported the following:

- 15 applications were scored
- 6 scored above 64
- 14 of the 15 applicants are eligible
- 3 applicants are from out of state
- 9 candidates scored above 60

It was stated that the score of 65 was a nice break which will give the Committee 6 candidates. Three interviews will be held on June 25th and three on June 26th.

EMERGENCY MANAGEMENT DIRECTOR

No applications were received and the position is being reposted through June 15, 2012.

2012 LIQUOR FUND BUDGETED TRANSFERS

The following is the 2012 Liquor Fund Budgeted Transfer:
Transfer \$9,000 from the Liquor Fund to the Liquor Fund Capital Improvement Fund. The above transfer was included in the budget process and is part of the approved 2012 Budget for the Liquor Fund.

Motion was made by Zimmerman to approve the 2012 Liquor Fund Budgeted Transfer. Seconded by Soine and unanimously carried.

2012 BOND LEVY TRANSFER

G. O. Imp Bonds of 2008	77,000
G. O. Imp Bonds of 2010 Series A	48,000
G. O. Imp Bonds of 2010 Series B	34,500
G. O. Imp Bonds of 2010 Series C	7,800
G. O. Imp Bonds of 2012	<u>45,000</u>
	\$212,300

This transfer is based on the Debt Management Study draft dated May16, 2012 from Northland Securities.

Motion was made by Zimmerman to approve the 2012 Budgeted Bond Levy Transfer of \$212,300. Seconded by Beavers and unanimously carried.

2012 GENERAL FUND BUDGETED TRANSFERS

The following are the 2012 General Fund Budgeted Transfers:
 Transfer \$800 from General Fund to the General Fund Capital Improvement for Administration.
 Transfer \$2,500 from General Fund to the General Fund Capital Improvement for Municipal Building.
 Transfer \$5,000 from the General Fund to the Police Capital Improvement Fund.
 Transfer \$5,000 from the General Fund to the Fire Department Capital Improvement Fund
 Transfer \$10,000 from General Fund Fire to the Fire Reserve Fund for building depreciation.
 Transfer \$25,000 from General Fund Fire to the Fire Reserve Fund for equipment depreciation.
 Transfer \$1,000 from General Fund to the Emergency Services Capital Improvement Fund.
 Transfer \$10,000 from General Fund Street & Alleys to the Street/Sidewalk Capital Improvement Fund for Street Construction.
 Transfer \$69,907 from General Fund Street & Alleys to the Street/Sidewalk Capital Improvement Fund for Street Equipment.
 Transfer \$15,000 from General Fund Municipal Parks to the Park Capital Improvement Fund.

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Transfer \$7,500 from General Fund Recreational Trail to the Lake Koronis Trail Fund.
Transfer \$9,000 from General Fund Airport to the Airport Capital Improvement Fund.
Transfer \$500 from General Fund Cable to the General Capital Improvement Fund for Cable.
Transfer \$25,268 from General Fund to the EDAP Fund.
The above transfers were included in the budget process and are part of the 2012 General Fund Budget.

Motion was made by Bertram to approve the 2012 General Fund Budgeted Transfers. Seconded by Soine and unanimously carried.

2012 WATER AND SEWER FUNDS BUDGETED TRANSFERS

The following are the 2012 Water and Sewer Funds Budgeted Transfers:
Transfer \$140,000 from the Water Fund to the Water Capital Improvement Fund
Transfer \$78,442 from the Water Fund to the Water Equipment Replacement Fund.
Transfer \$20,000 from the Water Fund to the 2004 Improvement Debt Fund.
Transfer \$10,500 from the Water Fund to the 2006 Improvement Debt Fund.
Transfer \$25,500 from the Water Fund to the 2008 Improvement Debt Fund.
Transfer \$12,000 from the Water Fund to the 2010 Improvement Debt Fund.
Transfer \$30,000 from the Water Fund to the 2010 Hwy 23 Improvement Debt Fund.
Transfer \$80,000 from the Sewer Fund to the Sewer Capital Improvement Fund.
Transfer \$152,900 from the Sewer Fund to the Sewer Equipment Replacement Fund.
Transfer \$14,000 from the Sewer Fund to the 2004 Improvement Debt Fund.
Transfer \$12,000 from the Sewer Fund to the 2006 Improvement Debt Fund.
Transfer \$21,000 from the Sewer Fund to the 2008 Improvement Debt Fund.
Transfer \$15,250 from the Sewer Fund to the 2010 Improvement Debt Fund.
Transfer \$20,000 from the Sewer Fund to the 2010 Hwy 23 Improvement Debt Fund.
Transfer \$45,000 from the Sewer Fund to the Sewer Capital Improvement Fund.
The above transfers were all included in the budget process and are part of the approved 2012 Budgets for the Water and Sewer Funds.

Motion was made by Beavers to approve the 2012 Water and Sewer Funds Budgeted Transfers. Seconded by Zimmerman and unanimously carried.

HWY. 23

DeWolf reported that a projected opening date has not yet been determined and the project continues to move forward. Eckerly reported that Paul Rasmussen thought the road would be opened sometime in mid to late July due to the shortage of break-away poles.

WATER PLANT REHAB PROJECT

DeWolf reported the following:

- The letter to MPCA was distributed and reviewed
- The Public Works Committee suggested another option if excavation is not done
- AMPI consumes 250,000 per day of water so there could be financial loss for them if the water is contaminated
- It was suggested that the entire Council sign the letter to MPCA of the alternative to excavation

MPCA – FORMER MIDTOWN SERVICE STATION CLEAN UP

Mergen reported on the example letter and Access Agreement, and map from Terracon. An official letter and Access Agreement is being drafted to the City of Paynesville from Terracon to install monitoring wells in the right-of-way at the following locations:

1. Corner of Hwy 23 and Koronis Avenue
2. Corner of Mill Street and Koronis Avenue
3. Corner of Lake Avenue and South Street
4. 200 ft south of Hwy 23 on Pomeroy Avenue
5. Mid-block of Morningside and South Street

Mergen reported that the Public Works Committee recommends delaying approval of the access agreement. The Council consented to delay the approval of the access agreement and no formal action was necessary at this time.

INFORMATIONAL

Thompson reviewed the following informational items: Overtime Reports, Spring Clean Up & Household Hazardous Waste Collection Report, April Liquor Revenue & Expenses, Incode Financial Reports, City Attorney Report, Liquor Revenue & Expenses, and Capital Improvement Breakdown Report (emailed to Council) a copy can also be obtained from the accounting department at City Hall. Data Practices Policies – due to the size please contact City Hall if you wish to have a hard copy of this document – this document is being sent as a separate attachment. May Police Report, Library Report and letters from John Neal, Attorney representing Renee Eckerly, City Administrator. There being no further business, the meeting was adjourned at 6:30 p.m.

Renee Eckerly, City Administrator

LOW AS \$824 (Special Terms only)



LOW AS \$379

WEIGHT 500lb CAPACITY

Citadel Reception

Contemporary style fit for any space.

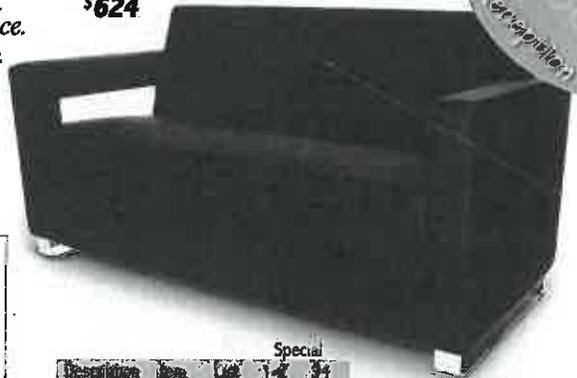
- Antimicrobial, antibacterial vinyl upholstery.
- Heavy-duty construction and fully supportive frame.
- Unique chrome-accented sled style base with nylon foot glides.
- Fully upholstered arm caps for comfort.

ROCKEY FULLY UPHOLSTERED (LB117) LIFETIME WARRANTY



Sleek open-end panels give the feel of a spacious room, even in tight areas

LOW AS \$624



Special

Chair	OFDS-C	\$819	\$394	\$379
Sofa	OFDS-S	1,353	649	624

VINYL COLORS



AVAILABLE IN ANTIMICROBIAL VINYL

OFDS-C

S P E C S

Chair: 29"Wx30"Dx31"H
Sofa: 59"Wx30"Dx31"H



See page 28 for Baldwin tables

Octave Seating

High quality construction with clean lines for a modern look.

- High-performance, easy-care upholstery is ideal for busy areas.
- Dacron® wrapped foam cushions and box spring seats provide comfort and durability.
- Sturdy wood arms and legs have a rich espresso finish.

ROCKEY FULLY UPHOLSTERED (LB117) LIFETIME WARRANTY

WEIGHT 500lb CAPACITY

LOW AS \$259 in standard fabric



S P E C S

Chair: 30"Wx29 1/2"Dx32"H
Loveseat: 49 1/4"Wx29 1/2"Dx32"H

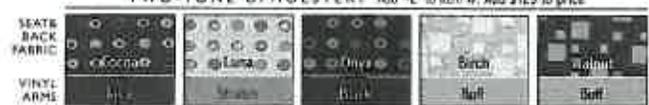
Special

	Chair	1-2	3-4
Arm Chair	OMST-C	\$525	\$269 \$259
Loveseat	OMST-L	725	369 354

STANDARD FABRIC COLORS



TWO-TONE UPHOLSTERY Add '-2' to Item #. Add \$129 to price



OMST-C-2 shown in two-tone combination Onyx/Black

OMST-L

LOW AS \$354



LOW AS \$98 to group

Rhapsody Mobile Club Chair

Easy to rearrange for guests or maintenance.

Convenient under-seat storage space

- Easy-to-clean vinyl upholstery with split back design for comfort and unique style.
- Lower shelf provides convenient storage for books or personal belongings.
- Chrome finished, nonlocking casters allow you to move easily.

ROCKEY FULLY UPHOLSTERED (LB117) LIFETIME WARRANTY

WEIGHT 400lb CAPACITY



Back view

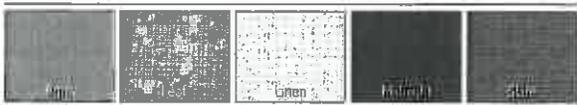
S P E C S

Seat: 19"Wx19 1/2"Dx17"H
Shelf: 18"Wx18"Dx6 1/4"H
Overall: 26 1/2"Wx25"Dx29"H

Special

Chair	OFDM-80	\$666	\$294	\$284
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VINYL COLORS



1st Choice for 2 chairs



Side view

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Recycled Fiber

Versa Modular Seating

AVAILABLE IN
**ANTIMICROBIAL
 VINYL**

Ideal for high traffic lobbies, lounges and waiting rooms.

- Heavy-duty, engineered hardwood seat frames have reinforced joints for long-term use.
- High-pressure laminate base and recessed black vinyl kick plate resists moisture, scuffs and scratches.
- Base cores are recycled wood fiber.



LOW AS
\$999
 sofa



Shown in black vinyl with Windsor Cherry bases

LOW AS
\$334
 cylinder table

Seat and back cushions are easily replaced

CAT#

CUST#

UPDAT

use send us this

same, Address

By Mail & Fa

Remove

Address C

Add A Frie

K-Log P. O.



Use my
 privacy
 as mo

Seating

Item	Description	Depth	Width	Material	Weight	Special
A	1-Seat Bench	25"x28 1/2"x19 1/2"	HVM-L1B	HVM-L18V	\$ 756	\$ 369 \$339
B	2-Seat Bench	50"x28 1/2"x19 1/2"	HVM-L2B	HVM-L28V	1,265	614 569
C	3-Seat Bench	74"x28 1/2"x19 1/2"	HVM-L3B	HVM-L38V	1,901	924 859
D	Chair	25"x28 1/2"x30"	HVM-1CH	HVM-1CHV	898	429 399
E	Loveseat	50"x28 1/2"x30"	HVM-2LS	HVM-2LSV	1,511	734 684
F	Sofa	74"x28 1/2"x30"	HVM-3SF	HVM-3SFV	2,225	1,079 999

Tables

Item	Description	Width	Depth	Material	Weight	Special
G	Coffee Table	52"x20"x14"	HVM-CT	HVM-CT	\$915	\$444
H	Square Table	25"x25"x14"	HVM-ST	HVM-ST	793	384
I	Cylinder Table	19" Dia. x14"	HVM-CY	HVM-CY	735	359
J	Connector Table	18"x25"x11 1/2"	HVM-CNT	HVM-CNT	714	349
K	Wedge Table	27"x25"x11 1/2"	HVM-45W	HVM-45W	887	429
L	Corner Table	38"x38"x11 1/2"	HVM-90C	HVM-90C	1,004	489



LOW AS
\$684
 loveseat

LOW AS
\$399
 chair

LAMINATE FINISH

Maple	Nature Maple
-------	--------------

STANDARD FABRIC

Grey	Blue	Green
White	Black	Red

DESIGNER FABRIC

Coriase	Madison	Wald
---------	---------	------

STANDARD VINYL

Black	Grey	White
-------	------	-------

ANTIMICROBIAL VINYL

Black	Grey	White
-------	------	-------

19

FREE color samples!
800.872.6611

LOW AS
\$569
 2-seat bench
 in fabric

Shown in leaf fabric with driftwood bases

800.872.6611
 k-log.com

800.872.6611
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44

2

eries
design.

ions with easy
y
finish on leg

Special

314 \$299
464 449
629 599



handle
(sofa)



LOW AS \$479



NEW! Serene Reception
A perfect mix of durability and comfort.

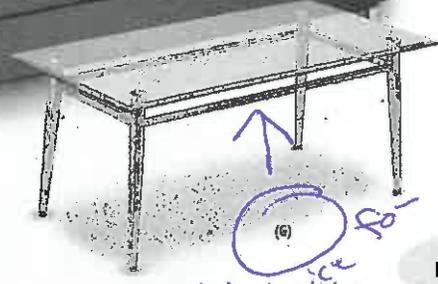
- High-performance antimicrobial vinyl upholstery with chrome finished legs.
- Comfortable box spring seat cushion.
- Tables feature clear tempered-glass tops and brushed nickel metal frame.



LOW AS \$244



\$194



AVAILABLE IN ANTIMICROBIAL VINYL

Combine 4 or more items in this series for lowest pricing.

S P E C S

- A: 32"Wx31"Dx29 1/2"H
- B: 51 1/2"Wx31"Dx29 1/2"H
- C: 72 1/4"Wx31 1/2"Dx29 1/2"H
- D: 23"Dia. x 20"H
- E: 30"Dia. x 16"H
- F: 22"Wx22"Dx20"H
- G: 42"Wx24"Dx16"H

Handwritten note: "2nd choice for table" with an arrow pointing to the coffee table and a circled 'G'.



\$339

Ref. Description	Item	Reg.	Special	Low
A Chair	OPA-51	\$500	\$254	\$244
B Loveseat	OPA-52	695	354	339
C Sofa	OPA-53	975	499	479
D Round End Table	OPA-RE	312	159	154
E Round Coffee Table	OPA-RC	395	199	194
F Square End Table	OPA-SE	312	159	154
G Rectangle Coffee Table	OPA-SC	395	199	194

\$154

(A)

\$154



\$194

ANTIMICROBIAL VINYL UPHOLSTERY COLORS



LOW AS \$1,254

WEIGHT 400 lb CAPACITY PER SEAT

Caria Reception Group

Contemporary style with commercial-grade strength.

- Solid hardwood frame with Matrex® seat support system for long-term comfort and brushed steel legs.
- 100% recycled polyester fabric.
- Matching tables have a tempered glass top with brushed steel frame and legs.



Ref. Description	Item	Reg.	Low	Special	Low
A 1-Seat Bench	21 1/2"x20"x18"	RSL-101	\$ 480	\$ 284	\$ 274
B Loveseat Bench	44 1/2"x20"x18"	RSL-150	817	489	469
C 3-Seat Bench	64 1/2"x20"x18"	RSL-103	1,440	859	824
D Chair (armless)	21 1/2"x29 1/2"x32 1/2"	RSL-402	731	434	419
E Chair (with arms)	27"x29 1/2"x32 1/2"	RSL-401	1,009	599	579
F Loveseat (with arms)	50"x29 1/2"x32 1/2"	RSL-501	1,521	904	869
G 2-Seat Sofa (end arms only)	48 1/2"x29 1/2"x32 1/2"	RSL-241	1,740	1,039	999
H 2-Seat Sofa (end & center arms)	51 1/2"x29 1/2"x32 1/2"	RSL-243	1,865	1,109	1,069
I 3-Seat Sofa (armless)	64 1/2"x29 1/2"x32 1/2"	RSL-342	2,193	1,309	1,254
J 3-Seat Sofa (end & center arms)	75 1/2"x29 1/2"x32 1/2"	RSL-343	2,721	1,619	1,559
K 5-Seat Sofa (end arms only)	112"x29 1/2"x32 1/2"	RSL-541	3,933	2,344	2,254
L End Table	22"x22"x20 1/2"	RSL-ET	491	294	279
M Coffee Table	40"x20"x16"	RSL-CT	593	354	339
N Sofa Table	40"x15"x29"	RSL-ST	631	374	359

FABRIC COLORS (others available)



MORE AVAILABLE IN THIS SERIES

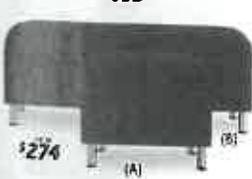
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\$999

(G)

\$469



\$274

(A)

\$419



(D)

\$579



(E)

\$869



(F)

\$1,559



(I)

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