

**MINUTES  
REGULAR CITY COUNCIL MEETING**

**MARCH 27, 2013**

Mayor Jeff Thompson called the meeting to order at 6:00 p.m. Council members present were Kay McDaniel, Donovan Mayer, Jean Soine, and Gene Beavers. Also present was Bill Spooner, City Attorney; and Patricia Beety, League of Minnesota Cities.

The Pledge of Allegiance was recited.

Thompson recessed the Regular City Council meeting at 6:03 p.m. to meet in Closed Session for 30 minutes to discuss threatened or pending litigation with the City's Attorney.

Thompson closed the Closed meeting and re-opened the Regular City Council meeting at 6:33 p.m.

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.; Mark Eckerly, Bill Ludwig, Liquor Store Manger; Ellarry Prentice, Press; and Neil Herzberg.

Thompson announced that the City Council met in closed session to discuss threatened or pending litigation with the City's Attorney.

Council members gave verbal activity reports.

Thompson announced that two items would be added to the agenda; Resignation & Hiring Process – New Business and Wellhead Source Water Protection Grant – Old Business.

**CONSENT AGENDA**

Motion to approve the minutes from the following meetings: February 5, 2013 Liquor Board, February 12, 2013 Public Works Committee, April 5, 2012 Environmental Committee, October 9, 2012 EDAP Board, December 18, 2013 EDAP Board, and March 13, 2013 City Council.

Motion to approve the following vouchers:

	Purchased National Bank, Superior WI		
03/28/2013	Certificate		\$245,000.00
03/21/2013	Payroll	85857-85886	\$12,332.70
03/21/2013	Payroll Direct Deposit		\$17,707.04
03/21/2013	Payroll	85887-85895	\$9,824.59
03/21/2013	Payroll - Fed		\$6,694.46
03/21/2013	Payroll - State		\$831.17
03/21/2013	Payroll - ING		\$275.00
03/21/2013	Payroll - TASC		\$446.13
03/20/2013	Vouchers	85896-85951	\$106,077.13
	TOTAL		\$399,188.22

Motion to approve the refuse licenses for West Central Sanitation, Inc., Tom Kraemer, Inc., and Veolia Environmental Services; 3.2 on-sale beer license for Koronis Lanes and Alco Stores, Inc.

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

### **PUBLIC WORKS DEPARTMENT – SURPLUS PROPERTY**

The Public Works Department would like to surplus the following equipment:

Radios:

9 – Mobile vehicle mounted radios, 1 Johnsons, 5 GE, and 3 Regency

6 – Hand held radios, 1 Kenwood, 3 Motorola, and 2 Ericsson

8 - Radio charger, 2 Kenwoods, 4 Motorola, and 2 GE

2 - Motorola batteries for hand held units

2 – Desktop radio phones

1– Astron Model RS- 4A

1 - Communications Specialists Model PE -100

Other Equipment:

2- Makita cordless drills

1-1968 Rosco Vibrastat II Packer

**Motion was made by Soine to declare the equipment as surplus property and advertise for sealed bids. Seconded by McDaniel and unanimously carried.**

### **LIQUOR STORE - RETURN POLICY**

The Liquor Store Return Policy was reviewed. The Liquor Board has approved this and recommends approval. Currently the employees follow this policy; however, they would like to have a written policy.

**Motion was made by McDaniel to approve the Paynesville Liquor Store Return Policy. Seconded by Soine and unanimously carried.**

### **TIF NO. 1-13 VALLEY INDUSTRIES**

The TIF No. 1-13 information including the TIF schedule was presented. Valley Industries is interested in a TIF District for their new warehouse. This would be a 9 year TIF. Valley Industries plans to hire an additional 2 – 5 employees. The EDAP Board has reviewed this and recommends approval. Resolution 2013 – 12 Calling Public Hearing On The Proposed Establishment Of Tax Increment Financing District No. 1-13 Within Development District No. 1 And The Proposed Adoption Of A Tax Increment Financing Plan Relating Thereto was presented.

**Motion was made by Beavers to approve Resolution 2013 – 12 Calling Public Hearing On The Proposed Establishment Of Tax Increment Financing District No. 1-13 Within Development District No. 1 And The Proposed Adoption Of A Tax Increment Financing Plan Relating Thereto. Seconded by Soine and unanimously carried.**

## **COMPOST SITE AGREEMENT – HOCKEY ASSOCIATION**

The Agreement For Contribution To The Administrative Expense At The Township Ice Arena, For Compensation Of The Hockey Association For Services At The Compost Site, For The Providing Of Services To The City Of Paynesville And For Open Ice Time between the City of Paynesville, Paynesville Township, and River Lakes was presented. The amount of the agreement is \$6,000.00 for staffing the compost site and \$5,500.00 for the operation of the ice arena both to be paid in November, 2013. Mergen noted that the Association operates the site. Annual residential compost permits are \$10.00 and annual commercial permits are \$100.00. It was asked if the full \$6,000.00 is raised with the permit fees. Mergen responded that no, approximately \$4,200.00 is collected and the difference is split between the City and Township at 62%:38% respectively.

**Motion was made by Beavers to approve the attached Agreement For Contribution To The Administrative Expense At The Township Ice Arena, For Compensation Of The Hockey Association For Services At The Compost Site, For The Providing Of Services To The City Of Paynesville And For Open Ice Time between the City of Paynesville, Paynesville Township, and River Lakes. Seconded by Mayer and unanimously carried.**

## **RESIGNATION & HIRING PROCESS**

Excerpt of minutes from the Policies & Procedures Committee Meeting are as follows:

The Committee interviewed six of the seven applicants that applied for the part-time (32 hour) Maintenance Worker position. One application was received after the deadline. The selected applicant would start the second week in April.

Motion was made by Mayer to hire John Loven for the 32 hour Part-Time Maintenance Worker position at Step 3, \$9.83 per hour, which is the closet step as he is currently at \$9.25 per hour and recommend such to the City Council. Seconded by Eckerly and unanimously carried.

Motion was made by Mayer to offer the 67 day Maintenance Worker position to Roger Elfering at Step 1, \$8.50 per hour, starting May 1, 2013 and recommend such to the City Council. Seconded by Eckerly and unanimously carried.

Motion was made by Mayer to place David Schwandt on the part-time seasonal 67-day Maintenance Worker position eligibility list and recommend such to the City Council. Seconded by Eckerly and unanimously carried.

Ron Mergen, Public Works Director/Airport Manager did contact Roger Elfering and Elfering respectfully declined the 67 day position.

Justin Toombs, Liquor Store clerk, has submitted his resignation from the City of Paynesville. Toombs last day was March 26, 2013. On November 14, 2012, the Council approved Tina Phillipp to be placed on the part – time Liquor Store Clerk eligibility list.

Excerpt of minutes from the Policies & Procedures Committee Meeting are as follows:

The Public Safety Committee and the Policies & Procedures Committee held a joint meeting and interviewed one applicant that applied for the part-time Emergency Management Director position. One applicant did not show up for the interview.

Motion was made by Eckerly to offer the part-time Emergency Management Directors position to Denise Czech-Schwandt and recommend such to the City Council. Seconded by Liestman and unanimously carried.

**Motion was made by Mayer to hire John Loven for the 32 hour Part-Time Maintenance Worker position at Step 3, \$9.83 per hour, which is the closet step as he is currently at \$9.25 per hour. Seconded by Soine and unanimously carried.**

**Motion was made by Soine to hire David Schwandt for the 67 day Maintenance Worker position at Step 1, \$8.50 per hour, starting May 1, 2013. Seconded by Mayer and unanimously carried.**

**Motion was made by Beavers to accept the resignation of Justin Toombs, Liquor Store Clerk effective March 26, 2013. Seconded by McDaniel and unanimously carried.**

**Motion was made by Beavers to post the Part-Time Liquor Store Clerk position and create an eligibility list. Seconded by Soine and unanimously carried.**

**Motion was made by Beavers to hire Denise Czech-Schwandt at \$92.30 bi-weekly or \$2,400.00 annually with a start date of March 27, 2013 for the Part-Time Emergency Management Director Position contingent on passing background check. Seconded by Soine and unanimously carried.**

### **WATER TREATMENT PLANT REHAB PROJECT**

DeWolf reported the following:

- Loan documents have been submitted to the PFA
- Design has been submitted to the MN Department of Health
- Bidding the project is planned for this summer

### **CITY ADMINISTRATOR PERFORMANCE EVALUATION**

The City Council has met and the Mayor has presented the City Administrator with her annual performance evaluation.

**Motion was made by Beavers to accept the favorable employee evaluation report on Administrator Eckerly. Seconded by Soine and unanimously carried.**

### **WASTEWATER TREATMENT FACILITY RE-SCOPING PROJECT**

DeWolf reported the following:

- Work continues as weather cooperates on the main lift
- Concrete is poured
- Irrigation building on pumps are also being worked on

Eckerly stated that there will be a pay request on next agenda.

## **AIRPORT**

Payment Estimate No. 3 in the amount of \$45,980.00; payable to Electrical Systems, Inc. for work on the airport lighting improvements through February 28, 2013 was reviewed. DeWolf stated that all work is complete on the runway lights. There are a few minor punch list items that remain. FAA inspections still need to be conducted. This project is 90% funded by a grant.

**Motion was made by Beavers to approve Payment Estimate No. 3 in the amount of \$45,980.00; payable to Electrical Systems, Inc. Seconded by Mayer and unanimously carried.**

## **UTILITY BILLING – LATE FEES**

Excerpt of minutes from the 3-13-13 Public Works Committee are as follows:

It was requested by Council that the Committee review the utility billing late fee and establish a late fee waiver policy. The current ordinance was reviewed noting that there is a current late fee of 10% with a maximum fee of \$500.00. Ludwig explained the entire billing and late fee process including the late fee, shut off notices, and payment plan information. Ludwig also elaborated that this is time consuming and each quarter there is always approximately 160 late accounts. It was discussed that on a residential bill the fee is not out of line and that in comparison the larger accounts are not out of line either.

It was asked that for what reasons the City should waive the late fee. The reasons could be endless; "I misplaced my bill", "I forgot to pay but I've never been late", "death in the family", etc. Members all agreed it would be too time consuming to keep a list of excuses and track them. It was also discussed to give Eckerly and Mergen the authority to waive the fee on a case by case bases; however, then they would have to answer to why one was given a waiver and not the next. It was also mentioned that staff has to answer to the auditors as to why the City does an adjustment. It was discussed that the City has an ordinance with the late fee in it and the City should follow it.

Motion was made by Hemmesch to make no changes to the current ordinance and that there is no waiver of any late fee for any amount and recommend such to the City Council. Seconded by Peschong and unanimously carried.

The Public Works Committee recommends no changes to the existing ordinance and that there is no waiver for any late for any amount and recommend such to the City Council.

Mergen explained that the Public Works Committee reviewed this including, the ordinance and waiver issue. There is a maximum penalty of \$500.00. Belinda Ludwig was at the Public Works Committee meeting and went through the entire billing process. There are about 160 past due accounts every quarter. The Committee felt the 10% is justified on residential and commercial accounts. The ordinance was established in 2008 and only in the last few months has the penalty been an issue. It was stated that staff is following the process and that there is

nothing wrong with the existing ordinance. Spooner interjected that residents still have the opportunity to appeal and bring it to the City Council for consideration. It was suggested the staff continue to research electronic bill/auto pay for City bills.

**Motion was made by McDaniel to make no changes to the existing ordinance and that there is no waiver for any late charges for any amount. Seconded by Mayer and passed 4:1 (Thompson, yes; Soine, yes; Mayer, yes; McDaniel, yes; and Beavers, no).**

### **CITY ENGINEER RFP**

At the February 7, 2013 Special City Council – Goals & Objectives Meeting the Council requested that City Engineer Request For Proposals (RFP's) be put on a future agenda to discuss proceeding with the RFP's for City Engineering Services. Thompson stated that the City has several options. Thompson suggested the Council authorize Eckerly, Mergen, Mayer, and himself to discuss this and make a presentation for Council to consider in April.

**Motion was made by Beaver to create an Ad Hoc ERFP Committee. Seconded by Mayer and unanimously carried.**

### **WELLHEAD – SOURCE WATER PROTECTION GRANT**

The City has been awarded the Source Water Protection Plan Implementation Grant in the amount of \$9,595.00 to conduct the following:

Update Well Inventory And Database	\$395.00
Seal Unused/Unsealed Wells	\$1,200.00
Support Children's Water Festival	\$1,955.00
Storage Tank Inventory; GIS Database	\$4,645.00
Public Education (newsletter, brochure, ads)	\$1,400.00
TOTAL	\$9,595.00

**Motion was made by Soine to accept the Source Water Protection Plan Implementation Grant and spend the monies for such. Seconded by Beavers and unanimously carried.**

Mergen stated that this is part of the Clean Water Partnership and is 100% grant.

### **INFORMATIONAL**

Thompson reviewed the following informational items: 2013 Tax Capacity Rates, Investments Report, Rinke Noonan Legal Bills Report, Overtime Reports, February Liquor Revenue & Expenses, Incode Financial Reports, January & February City Attorney Report, and Capital Improvement Breakdown Report (emailed to Council) a copy can also be obtained from the City's website. April & May Meeting Schedule.

There being no further business, the meeting was adjourned at 7:10 p.m.

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Renee Eckerly, City Administrator