

**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 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; 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, 2<sup>nd</sup> 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, 2<sup>nd</sup> 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 25<sup>th</sup> and three on June 26<sup>th</sup>.

**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.

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.

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Renee Eckerly, City Administrator