

**MINUTES  
REGULAR CITY COUNCIL MEETING**

**MARCH 23, 2015**

Mayor Jeff Thompson called the meeting to order at 6:00 p.m. Council members present were Kay McDaniel, Donovan Mayer, Jean Soine, and Neil Herzberg. Others present were Renee Eckerly, City Administrator; Jennifer Welling, Administrative Assistant/Zoning Specialist; Ron Mergen, Public Works Director; Bill Spooner, City Attorney; Chuck DeWolf, Bolton & Menk, Inc.; Ellarry Prentice, Press; Morgan Soine, SADD; Mari Shumaker, SADD; Tegan Shumaker, SADD; Tatum Spanier; SADD; and Heather Anderson, SADD Advisor.

The Pledge of Allegiance was recited. Council members gave verbal activity reports.

**CONSENT AGENDA**

Motion to approve the minutes from the following meeting: February 9, 2015 Public Works Committee, February 9, 2015 City Council, January 8, 2015 Park & Tree Board, and April 3, 2014 Environmental Committee.

Motion to approve the following vouchers:

3/13/2015	Vouchers	90032-0081	-\$65,010.67
3/19/2015	Payroll	90082-90110	-\$10,189.51
3/19/2015	Payroll Taxes	90111-90116	-\$1,932.82
3/19/2015	Payroll Direct Deposit		-\$21,458.11
3/19/2015	Payroll - Fed		-\$7,426.91
3/19/2015	Payroll - State		-\$934.72
3/19/2015	Payroll - Blue Cross		-\$4,470.83
3/19/2015	Payroll - TASC		-\$392.28
3/19/2015	Payroll - PERA		-\$5,340.85
3/19/2015	Payroll - AFLAC		-\$139.41
3/19/2015	Payroll - SELECT		-\$207.70
3/23/2015	Vouchers	90117-0130	-\$18,595.15
		<b>TOTAL</b>	<b>\$136,098.96</b>

Motion to approve the refuse licenses for West Central Sanitation, Inc., Miller Sanitation, and JME Companies Service, Inc.; 3.2 on-sale beer license for Koronis Lanes and Paynesville Baseball Association.

Motion to approve the attendance of Ron Mergen to the MN Dept. of Health Central District Water Operators School June 10 – 12, 2015.

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

## **HEATHER ANDERSON & STUDENTS AGAINST DESTRUCTIVE DRIVING (SADD)**

Heather Anderson and Students Against Destructive Driving (SADD) were in attendance to inform the Council of upcoming events for the elementary, middle and high schools including a mock car crash scheduled for Thursday, April 30, 2015 at approximately 12:30 p.m.

## **ACTUARIAL SERVICE – HILDI INC.**

Eckerly presented the Agreement For Consulting Services between the City of Paynesville and Hildi Inc. to provide actuarial services in the amount of \$2,800.00. Hildi Inc. has provided this service for the City since 2010.

**Motion was made by Soine to approve the Agreement For Consulting Services between the City of Paynesville and Hildi Inc. to provide actuarial services in the amount of \$2,800.00. Seconded by Herzberg and unanimously carried.**

## **HIRING OF LIFEGUARDS**

The beach is in need of lifeguard staffing for the summer. Aly Schultz will be coming back as the Head Lifeguard. Renee Eckerly is requesting authorization to post the position. All of the applicants will be interviewed. The rate of pay will be \$9.00 per hour with the Head Lifeguard at \$11.00 per hour. There is a need for 5 lifeguards plus the Head Lifeguard.

**Motion was made by Soine to start the hiring process and hire Aly Schultz as the Head Lifeguard at the rate of \$11.00. Seconded by Mayer and unanimously carried.**

## **COMPOST SITE**

Mergen presented the letter from the ROSE Center requesting the City to waive the \$200.00 compost site key fee for 2015. The ROSE Center provides lawn services and transports compost for senior citizens and handicapped individuals. The Environmental Committee has reviewed this and recommends waiving the fee.

Mergen also presented a letter from the Paynesville Area Schools from May 2, 2014 requesting the City to waive the \$200.00 compost site key fee for 2014. This was tabled by the Council until the Environmental Committee could meet and review this. The Environmental Committee has reviewed this and recommends not waiving the fee for the Paynesville Area School as this money is passed through to the Hockey Association and if there is a shortfall the City and Township have to pick up the difference.

Excerpt of draft minutes from the Environmental Committee meeting:

### **COMPOST SITE**

#### **ROSE Center Request**

The Rose center provides lawn service and transports leaves, brush and grass to the compost site for the elderly and handicapped. After a short discussion,

Motion was made by Thielen to waive the fee for the ROSE Center and recommend such to the City Council. Seconded by Jensen and unanimously carried.

#### Paynesville Area Schools Request

The current fee structure is \$10.00 per resident, open to the residents during the regular hours or a commercial permit for \$200.00 which gives them a key and they can utilize the site any time. Members discussed the request noting that if the City grants this request the City will have a list of civic organizations asking to have the commercial fee waived. A special rate for non-profits was discussed. Members explained that the funds are a pass through to the hockey association and the Township and City are committed to cover the short fall.

Motion was made by Thielen to not waive the fee for the Paynesville Area Schools and leave the fees at \$10.00 per resident and \$200.00 per key holder or commercial user and recommend such to the City Council. Seconded by Jensen and unanimously carried.

#### Agreement

The Agreement was reviewed with one addition to be added - under the hockey association responsibility they are to flood and maintain the outdoor ice rink, this is a service the Hockey Association is already providing. The Hockey Association will again provide this service for \$6,500.00, if compost site permit fees don't reach the \$6,500.00 the City and Township will make up the difference at a 62%:38% cost split respectively. The Compost will again be open on Mondays in May, June, and October which seemed to be very popular last year.

Motion was made by Aas to approve the Agreement between the City of Paynesville, Paynesville Township, and the Hockey Association and recommend such to the City Council. Seconded by Michaelis and unanimously carried.

**Motion was made by Mayer to waive the Compost Site key fee of \$200.00 for the ROSE Center for the 2015 Compost Site season. Seconded by McDaniel and unanimously carried.**

It was questioned if this was a legal waiver.

**Motion was made by Soine not waive the fee for the Paynesville Area Schools and leave the fees at \$10.00 per resident and \$200.00 per key holder or commercial user. Seconded by Herzberg and unanimously carried.**

It was stated that the School is a taxing district.

**Motion was made by Herzberg to approve 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 the Hockey Association. Seconded by Soine and unanimously carried.**

## WATER TREATMENT EXPANSION PROJECT

DeWolf reported that the contractor has started up the generator and is working on the controls. A number of miscellaneous items remain as well as exterior work. Payment Estimate No. 14 in the amount of \$38,514.42; payable to Magney Construction, Inc. for work completed through March 6, 2015 was presented.

**Motion was made by Mayer to approve Payment Estimate No. 14 in the amount of \$38,514.42; payable to Magney Construction, Inc. Seconded by Soine and unanimously carried.**

Mergen presented Change Order No. 1 in the amount of \$126,454.16 for a radio read meter reading system; 1000 radio read meters and one handheld upgrade was presented to Council on January 22, 2014 as informational. The Public Works Committee has reviewed the radio read system; see attached specifications, and recommends approval. Excerpt of draft minutes from the Public Works Committee meeting:

### WATER PLANT

A change order from Magney Construction, Inc. was presented for the Radio Read system which the Committee recommended last fall, but had planned to hold off on until funding was available through the Water Rehab project. In review of the change order it was noted that the vendor added on a \$7,807.03 fee and that by going through Magney the City would have to pay sales tax totaling \$7,638.13 where normal water meter purchases are tax exempt, the total added cost would be \$15,445.16. Members then discussed purchasing the meters direct and over a two year period taking the money out of the Water Equipment CIP fund and save the \$15,000.00.

Motion was made by Quade to approve the purchase of the Radio Read Meter Reading System upgrade over two years with funding to come out of the Water Equipment CIP and recommend such to the City Council. Seconded by Peschong and unanimously carried.

Mergen presented the following information on the Radio Read System:

- Last year information was brought to the City Council from the Public Works Committee for information purposes only
- The savings of going to the radio read system are:
  1. Currently it takes 3-4 days to read meters per quarter with the hand held upgrade it would take 1 day per quarter X 4 billing cycles per year = a savings of 12 to 16 days of labor annually
  2. Liability - slips & falls and dog bites
  3. Eliminate City employees from having to walk through resident's back, front, and side yards
- Previous Cost Estimate was \$110,700.00
- Previous Recommendation - Wait until the Water Plant is near completion and the City knows there will be no other change orders and to utilize the PFA low interested loan at 1%
- With the funds still available in the Water Rehab PFA loan, this was brought this back to the Public Works Committee

- The change order cost went from \$110,700.00 to \$126,545.00 due to tax and mark up in the amount of \$15,845.00
- The Public Works Committee recommended purchasing the system direct and taking the funds out of the Equipment CIP Fund
- Renee Eckerly pointed out that the City can use the 1% low interest loan from PFA and purchase the system direct, also the City is making more than 1% on the investments
- The City has the Department of Health and PFA approval; however, the City does need to keep the purchase under \$100,000.00 as per the bidding requirements
- A new quote for 600 meters and adding the option of the drive by read is a total of \$80,150.00:
  1. The drive by is exactly what it says, staff will drive up and down the blocks, which will take 1-3 hours to read the entire town
  2. With the hand held staff will need to stop and hit the button for each meter read
- Recommended Motion – Motion to approve the purchase of the Radio Read Meter Reading System from H. D. Waterworks in the amount of \$80,150.00 with monies to come from the PFA Loan.

**Motion was made by Soine to approve the purchase of the Radio Read Meter Reading System from H. D. Waterworks in the amount of \$80,150.00 with monies to come from the PFA Loan. Seconded by McDaniel and unanimously carried.**

## **SPLASH PAD**

Mergen review the excerpt of draft minutes from the Park & Tree Board meeting:

### **SPLASH PAD**

The prices were reviewed for the phase II and are as follows:

Rain Deck – parts, materials, and shipping	\$24,154.00
Concrete and Installation	\$34,000.00
Landscaping	<u>\$ 1,500.00</u>
Sub Total	\$59,654.00
Less sidewalk approved in 2014	<u>\$ 7,875.00</u>
TOTAL	\$51,779.00

Also reviewed was the amount of funds in the Park CIP which is \$120,000.00 of which \$60,000.00 will be utilized for the Community Park shelter. Members discussed the need for a kick start campaign and setting a goal of \$20,000.00 to \$25,000.00. A number of ideas were discussed on raising the funds, contacting the townships, business owners, and have the concept drawing updated to what is actually being planned.

Motion was made by Dickhausen to approve Phase II of the splash pad in the amount of \$51,779.00; contingent upon fundraising a total of \$20,000.00 and recommend such to the City Council. Seconded by Herzberg and unanimously carried.

**Motion was made by Soine to approve Phase II of the splash pad in the amount of \$51,779.00; contingent upon fundraising a total of \$20,000.00. Seconded by Mayer and unanimously carried.**

## **MPCA – FORMER MID-TOWN SERVICE STATION**

Mergen and Mayer presented the information sheet on the Former Mid-Town Service Station put together for Senator Fischbach and Representative Howe. No motion was necessary; however, the Council consented to send the information to the legislators to pursue funding.

## **NOTICE OF PENDENCY OF PROCEEDING – ROONEY – SMALL CITIES GRANT**

City Attorney, Bill Spooner reviewed the settlement letter from First American Title Insurance Company in the amount of \$14,400.00 for full release of the lien on the property located at 371 Mill St. W. On March 9, 2015 the City Council approved a Notice Of Pendency Of Proceeding And Power Of Attorney To Foreclose Mortgage. The outstanding balance on the Small Cities Revolving Grant is \$18,000.00. There was some discussion on the City making a counter offer of \$16,000.00.

**Motion was made by Soine to authorize Bill Spooner, City Attorney to make a counter proposal in the amount of \$16,000.00 and accept the settlement.  
Seconded by Herzberg and unanimously carried.**

## **INFORMATIONAL**

Thompson reviewed the following informational items: January Investments, Liquor Revenue & Expenses, Incode Financial Reports, City Attorney Report, and Capital Improvement Breakdown Reports – all reports can be found on the City's website. 2015 Stearns County Tax Capacity Rates, Morgan Stanley Investment Report, Mediacom Letter, April & May Meeting Schedules.

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

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Renee Eckerly, City Administrator