

**MINUTES
REGULAR CITY COUNCIL MEETING**

MARCH 28, 2016

Mayor Jeff Thompson called the meeting to order at 6:00 p.m. Council members present were Kay McDaniel, Donavan Mayer, and Jean Soine. Neil Herzberg was absent. 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.; JoLyn Lindquist, Social Media Specialist; Bill Ludwig, Liquor Store Clerk; Paul Wegner, Police Chief; Belinda Ludwig, Finance Specialist; and Nathan Johnson.

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

Bill Ludwig, Liquor Store Clerk reported on the following:

- 2016 - 1st quarter has been good so far
- Sales up 8.2%
- Profit up 8.9%
- Customer count up 531
- Getting the store ready for summer
- Day at the capital
- Splash pad fundraiser
- Wine club

CONSENT AGENDA

Motion to approve the minutes from the following meetings: February 8, 2016 Public Works Committee, February 11, 2016 Special Park & Tree Board, September 23, 2015 Special Environmental Committee, March 14, 2016 Regular City Council, February 8, 2016 Regular City Council, January 14, 2014 Policies & Procedures Committee, September 18, 2015 Policies & Procedures Committee, and August 19, 2015 Policies & Procedures Committee.

Motion to approve the following vouchers:

03/17/2016	Payroll Checks	92170 -92173	\$3,818.71
03/17/2016	Payroll Taxes	92174-92177	\$1,207.41
03/17/2016	Payroll Direct Deposit		\$16,148.22
03/17/2016	Payroll - Fed		\$5,625.82
03/17/2016	Payroll - State		\$1,004.23
03/17/2016	Payroll - TASC		\$538.43
03/17/2016	Payroll - PERA		\$5,222.70
03/17/2016	Payroll - SELECT		\$207.70
03/17/2016	Payroll - Blue Cross		\$4,693.60
03/17/2016	Payroll - AFLAC		\$139.41
03/23/2016	Vouchers	92178-92236	\$139,523.89
		TOTAL	\$178,130.12

Motion to approve the refuse licenses for West Central Sanitation, Inc., Tom Kramer Inc., JME Companies Service, Inc. and Bueckers Recycling Service Inc.; 3.2 on-sale beer license for Koronis Lanes, and Paynesville Baseball Association; 3.2 off-sale beer license for Shopko Hometown Store #567.

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

PARADE PERMIT – PAYNESVILLE FFA TRACTOR PARADE

The City has received a Parade Permit Application from the Paynesville FFA, Natalie Utsch for a Tractor Parade on April 8, 2016 (in case of inclement weather, April 17 or April 22) from 2:15 – 3:15 p.m. from the Paynesville Area High School to Koronis Manor. The Chief of Police has reviewed this application and recommends approval with the understanding that Ms. Utsch will need to contact the officer on duty for a parade escort.

Motion was made by Soine to approve the Parade Permit Application for the Paynesville FFA Tractor Parade. Seconded by McDaniel and unanimously carried.

MORTGAGE SATISFACTION – RUHOFF & HEINEN

The Mortgage Satisfaction for Jason Ruhoff and Pamela Heinen in the amount of \$2,500.00 for a Tri-CAP loan was presented.

Motion was made by Soine to approve the Mortgage Satisfaction for Jason Ruhoff and Pamela Heinen. Seconded by McDaniel and unanimously carried.

HIRING OF LIQUOR STORE CLERK

The City received seven applications. Bill Ludwig, Liquor Store Manager and Paul Wegner, Police Chief interviewed three candidates on Wednesday, March 23, 2016. Josh Mergen, part time Liquor Store Clerk has taken a full time position so he won't be able to work 32 hours any longer. It is recommended to hire Kristin Andrews and Kristin Desm.

Motion was made by Soine to hire Kristin Andrews and Kristin Desm as a Part-Time Liquor Store Clerks effective March 28, 2016 at the part time rate of Grade 1/Step 2 of \$9.05 per hour. Seconded by Mayer and unanimously carried.

HIRING FULL-TIME POLICE OFFICER

The City received 13 applications for the position and interviewed 9 applicants in the 1st round (1 was a no show); of which 4 were asked back for a second interview. The Policies & Procedures Committee and Paul Wegner, Police Chief conducted the 2nd round of interviews on March 23 & 25, 2016. The Policies & Procedures Committee recommends hiring Nathan Johnson and placing Tom Fread on an eligibility list for one year.

Motion was made by Mayer to hire Nathan Johnson as a full-time Police Officer at \$18.94 per hour (Grade 9 Step 1, \$39,385.16 annually) contingent on passing the

physical exam, physical test, psychological evaluations and background investigation. Seconded by Soine and unanimously carried.

Motion was made by Soine to create an eligibility list and place Tom Fread on the list for one year. Seconded by Mayer and unanimously carried.

PURCHASE OF RADIO READ WATER METERS

The installation of the radio read water meters is still in progress and the Public Works Department is in need of more units. The proposal is for 200 mxu's and 100 meters from HD Supply Waterworks in the amount of \$33,200.00. The Public Works Committee has reviewed this and recommends approval.

Motion was made by Soine to approve the proposal for 200 mxu's and 100 meters from HD Supply Waterworks in the amount of \$33,200.00. Seconded by Mayer and unanimously carried.

2016 CRACK SEALING

Crack Sealing quotes were received from:

Midwest Asphalt Maintenance, LLC	Belgrade, MN	\$1.55 per pound
Astech	St. Cloud, MN	\$1.95 per pound

The Public Works Committee has reviewed this and recommends approval.

Motion was made by Mayer to accept the quote from Midwest Asphalt Maintenance, LLC in the amount of \$1.55 per pound or \$9,300.00 for crack sealing. Seconded by McDaniel and unanimously carried.

2016 STREET PATCHING

Street Patching quotes were received from:

Midwest Asphalt Maintenance, LLC	air patch	full day (8 hours)	\$1,995.00
	air patch	½ day (4 hours)	\$1,295.00
Pavement Resources	spray inject	full day (10 hours)	\$3,250.00

The Public Works Committee has reviewed this and recommends approval.

Motion was made by McDaniel to approve the quote from Midwest Asphalt Maintenance, LLC in the amount of \$1,995.00 for full day (8 hours) for street patching. Seconded by Soine and unanimously carried.

2017 STREET IMPROVEMENT PROJECT

A proposal letter from Bolton & Menk, Inc. to complete the Preliminary Engineering Report in the amount of \$9,800.00 was presented. The Public Works Committee has reviewed this and recommends approval. Resolution 2016 – 08 Ordering Preparation of Report On Improvement is being presented for consideration.

Motion was made by Soine to approve the proposal from Bolton & Menk, Inc. in the amount of \$9,800.00 to complete the Preliminary Engineering Report for the 2017 Street Improvement Project. Seconded by McDaniel and unanimously carried.

Motion was made by Mayer to approve Resolution 2016 – 08 Ordering Preparation of Report On Improvement. Seconded by McDaniel and unanimously carried.

ORDINANCE NO. 155, 2ND SERIES – COMPOST SITE REGULATIONS

Ordinance No. 155, 2nd Series – Compost Site Regulations was presented. The Environmental Committee has reviewed this and recommends approval.

Motion was made by Soine to approve Ordinance No. 155, 2nd Series – Compost Site Regulations. Seconded by Mayer and unanimously carried.

COMPOST SITE AGREEMENT – RIVER LAKES HOCKEY

The Compost Site Agreement between the City of Paynesville and River Lakes Hockey was presented. The Environmental Committee has reviewed this and recommends approval. Mergen reviewed the Agreement noting that only the fees collected would be given back to the Hockey Association, not the \$6,500.00 as paid in the past. The new system should be in place by August 1, 2016. The card reader system is expensive; \$12,000.00 plus a monthly fee and \$31,000.00 to bring electricity to the site. SCORE fund in the amount of \$15,000.00 have been applied for through Stearns County and the City should hear from them by the end of July.

Motion was made by Soine to approve the Compost Site Agreement between the City of Paynesville and River Lakes Hockey. Seconded by McDaniel and unanimously carried.

BEACH – PURCHASE OF SPLASH PAD AQUATIC FLOAT MAT

Mergen presented the mat information including the price of \$390.00 plus shipping. The mat is approximately 1.5” thick, 6’ width, and 18’ long and can hold up to 1,400.00 pounds. The unit would need to be rolled up each night and put out each day as lifeguards come on and off duty. The Park & Tree Board has approved this and recommends approval.

Motion was made by Soine to approve the purchase of a Splash Pad Aquatic Float Mat in the amount of \$390.00 plus shipping from Huisman Global Ventures, Inc. Seconded by Mayer and unanimously carried.

COMMUNITY PARK – PURCHASE OF PLAYGROUND EQUIPMENT & MOVE TREES FOR PARKING AREA

Mergen presented the playground equipment from Miracle including:

Ten Spin	\$ 2,480.00
2 Bay Arch Swing with 4 belts	\$ 1,750.00
Installation	<u>\$ 2,500.00</u>

TOTAL

\$ 6,730.00

The Park & Tree Board has reviewed this and recommends approval. In addition, the Park & Tree Board would like to move some trees to increase the parking area at the cost of \$500.00.

Motion was made by McDaniel to approve the Community Park playground equipment totaling \$6,730.00 from Miracle. Seconded by Soine and unanimously carried.

Motion was made by Mayer to approve the moving of trees to increase the parking area at the Community Park in the amount of \$500.00. Seconded by McDaniel and unanimously carried.

WATER BILL DISPUTE - RALPH ORBECK

Documents providing the history to date as well as Ralph's written letter disputing his current water bill were presented. The fee due include:

\$45.00 initial 4th qtr 2015 bill
\$ 4.10 late fee
\$70.00 cutoff fee
\$45.39 meter test charge
\$24.74 final bill
\$189.23 total due

Belinda Ludwig, Finance Specialist was also be in attendance to answer any questions.

Motion was made by Mayer to deny any adjustment. Seconded by Soine and unanimously carried.

EDAP LOAN – KORONIS LIVING, LLC – RACHEL & SHAWN HOPPE

The EDAP Loan Agreement, Promissory Note, Personal Guaranty, UCC Financing Statement, and Security Agreement were presented. The EDAP Loan is in the amount of \$21,000.00 to purchase business equipment, fixtures, and remodel the premises at 202 Washburne Ave., Paynesville, MN; including the purchase of coffee shop equipment and to purchase equipment for hairstyling, massage, and related enterprises. The EDAP Board has reviewed this and recommends approval. There were some concerns expressed with the Council not having adequate time to review the documents. The equipment being used as collateral needs to be confirmed. There was further discussion on Bloom paying off their loan prior to loaning the money to Hoppe. There was a lengthy discussion on the proposed business, equipment, collateral, number of employees, cash flow, business plan, and the risk of the proposed loan. It was suggested to table this so that all Council members could be in attendance. It was further noted that there was some hesitation from the EDAP Board members on this loan also.

Motion was made by Soine to approve the EDAP Loan Agreement, Promissory Note, Personal Guaranty, UCC Financing Statement, and Security Agreement for Rachel & Shawn Hoppe; contingent upon Elizabeth Rose, LLC paying off their loan prior to paying the Hoppe loan. Seconded by Thompson and failed 2:2 (Thompson, yes; Soine, yes; Mayer, no; and McDaniel, no).

2016 STREET CIP

The 2016 Capital Improvement Plan through 2027 was presented. The downtown is scheduled for 2023. The Public Works Committee has reviewed this and recommends approval. DeWolf stated that this is only a plan and can change every year.

Motion was made by McDaniel to approve the 2016 Street CIP. Seconded by Mayer and unanimously carried.

2014 STREET IMPROVEMENT PROJECT – TRANSFER OF FUNDS

There is a negative balance in Fund 521, 2014 Street Construction. Staff is requesting a permanent transfer of \$31,147.49 plus un-accrued interest from January and February 2016 from Fund 120 Street Capital Improvement to Fund 521, 2014 Street Construction for the expense of the alley from Augusta Ave. to River St.

Motion was made by Soine to transfer \$31,147.49 plus un-accrued interest from January and February 2016 from Fund 120 Street Capital Improvement to Fund 521, 2014 Street Construction to cover the expense of the alley from Augusta Ave. to River St. Seconded by Mayer and unanimously carried.

2016 STREET IMPROVEMENT PROJECT – TRANSFER OF FUNDS

Ron Mergen is requesting a permanent transfer of \$50,000 from 113 Water Capital Improvement Fund and \$50,000 from 118 Sewer Capital Improvement Fund for a total of \$100,000 to 518, 2016 Street Construction Fund. This will allow for a buy down of the bond by \$145,000.00.

Motion was made by McDaniel to make a permanent transfer of \$50,000 from 113 Water Capital Improvement Fund and \$50,000 from 118 Sewer Capital Improvement Fund for a total of \$100,000 to 518, 2016 Street Construction Fund. Seconded by Soine and unanimously carried.

MPCA – WATER TREATMENT PROJECT GRANT – TRANSFER OF FUNDS

It was explained that there will soon be expenditures for the VOC Water Treatment System Construction Fund causing a negative balance. Staff is requesting a loan of \$50,000 from 113 Water Capital Improvement Fund to 526, VOC Water Treatment System Fund to cover the negative balance. This will be paid back when the City receives MPCA Water Treatment Grant money.

Motion was made by Soine to loan \$50,000 from 113 Water Capital Improvement Fund to 526, VOC Water Treatment System Fund until the City receives grant money from the MPCA Water Treatment Grant. Seconded by Mayer and unanimously carried.

INFORMATIONAL

Thompson reviewed the following informational items: February Liquor Store Reports, March West Central Sanitation Garbage Report, Morgan Stanley Investment Report, and April & May Meeting Schedules.

There being no further business, the meeting was adjourned at 7:18 p.m.

Renee Eckerly, City Administrator