

## MINUTES REGULAR CITY COUNCIL MEETING

**APRIL 10, 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. Others present were Renee Eckerly, City Administrator; Ron Mergen, Public Works Director; Jennifer Welling, Administrative Assistant; Bill Spooner, City Attorney; Ashley Alsum, Cable Coordinator; Chuck DeWolf, Bolton & Menk, Inc.; Ellarry Prentice, Press; Neil Herzberg, Paul Wegner, Police Chief; Bob Brauchler, PAHCS; Dennis Miley, PAHCS CEO; and Joe Musel, PAHCS.

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

Eckerly asked that the Memorandum of Understanding (MOU) be added to the Small Cities Grant under New Business. Thompson also announced that Eckerly was recently elected as Vice President of the Minnesota Municipal Clerks & Finance Officers Association (MCFOA).

Wegner reported on the following:

- Training with Officer Thompson is going well
- New squad car is coming
- Grant recipient
- Attended LMC Loss and Safety Conference in Alexandria
- Situation at school – individual entered school without valid reason. Individual had contact with school staff and was escorted off property. The individual sat down the block in a vehicle at which time the police were called. The Police visited with the individual. The lock down was for precautionary measures.

Mergen reported on the following:

- Electrical rates report
- Airport fuel usage report
- All airport hangars are full
- A lot of air activity
- Parks – two Eagle Scout Projects:
  - Tire swing
  - Rehab downtown benches
- Ampe Park – soccer field concept
- Gazebo park – splash pad
- Beach is still in need of summer life guards
- Park reservations
- Compost site – delayed opening until April 20
- Oil Depot at the Township Hall has been very successful
- RV Dump Site will open soon
- Household Hazardous Waste Collection, Spring Clean Up, and Scavenger Days
- Water Festival is May 10, 2013
- Hydrant Flushing
- Street sweeping
- Public Works Department new pick up is in

- Public Works Committee will be bringing forward a recommendation on a different street sweeper in the near future

**CONSENT AGENDA**

Motion to approve the minutes from the following meetings: March 27, 2013 Regular City Council, March 4, 2013 Planning Commission, March 11, 2013 Liquor Board, October 3, 2012 Cable Committee, February 7, 2013 Special Park & Tree Board, March 14, 2013 Environmental Committee, and January 30, 2013 Special City Council.

Motion to approve the following vouchers:

|            |                        |             |             |
|------------|------------------------|-------------|-------------|
| 04/01/2013 | Special Vouchers       | 85952-85953 | \$1,140.00  |
| 04/04/2013 | Payroll                | 85954-85956 | \$3,260.06  |
| 04/04/2013 | Payroll Direct Deposit |             | \$13,370.08 |
| 04/04/2013 | Payroll Taxes          | 85957-85962 | \$5,226.67  |
| 04/04/2013 | Payroll - Fed          |             | \$4,414.34  |
| 04/04/2016 | Payroll - State        |             | \$825.20    |
| 04/04/2013 | Payroll - ING          |             | \$275.00    |
| 04/04/2013 | Payroll - TASC         |             | \$446.13    |
| 04/04/2013 | Payroll - AFLAC        |             | \$124.46    |
| 04/04/2013 | Payroll - PERA         |             | \$4,106.86  |
| 04/04/2013 | Vouchers               | 85963-86025 | \$59,584.24 |
| TOTAL      |                        |             | \$92,773.04 |

Motion to approve the resignation from Willie Butkofski and appointment of Neil Herzberg to the Environmental Committee, effective immediately.

Motion to approve the attendance of Bill Ludwig to the MMBA Annual Conference May 19 – 21, 2013 in Alexandria, MN.

Motion to accept the resignation from Jim Freiling, Firefighter from the Paynesville Fire Department, effective April 1, 2013.

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

**PAYNESVILLE AREA HEALTH CARE SYSTEM ANNUAL REPORT**

Dennis Miley PAHCS, CEO was in attendance to give an Annual Report:

- Introduced Board Members; Bob Brauchler and Joe Musel
- 2012 audit
- Operating margin is at 6.6%
- Rebate – electronic health records \$1.9 million dollars
- Days cash on hand is 81 days
- 3.3% was uncollectible
- Sold Watkins Hilltop Care Center – proceeds go to reduce the long term debt
- Currently remodeling Washburne Court
- Replace carpet at 700 Stearns

- Nurses station – repainted and re-carpeted
- Renovation at Koronis Manner
- Updating interior in Belgrade and Eden Valley clinics
- Centra Care affiliation:
  - Letter of intent
  - Currently working through due diligence process
  - Evaluating each other
  - Identify opportunities
  - Task force formed
  - Implementation of new electronic health care records system to go live in October
  - Continue communication with employees and communities
  - Earliest decision would be end of May
- Community forum is scheduled for May 16, 2013 – for a report on Centra Care affiliation
- City has first right of refusal on the hospital
- New elected board member, Jerry Quade is the City representative

### **GERONIMO WIND- SOLAR ENERGY – KEN ANDERSON**

Ken Anderson, Geronimo Wind Solar Energy was not in attendance to give a verbal report.

### **VARIANCE REQUEST – PAYNESVILLE ARCH, LLC**

A Variance Application submitted by Paynesville Arch, LLC was reviewed. They plan to construct a sign and detached shed/trash enclosure. They wish to erect a sign up to 60', but it could be less, but not any more than 60'. They will meet the 5' sign set back, but not the height restriction of 35'. They also wish to erect a detached shed/trash enclosure but will not meet the 20' rear set back as they will only be 5' from the property line therefore needing a 15' variance. Also the structure will not meet the 10' side set back as they will only be 5'4" so they will need a 4'6" variance. In the preconstruction meeting it was discussed that a statement be added to the Variance that addresses that the City will allow building within the City's easement, but if work must be done within the easement and damage is incurred; the costs and expenses for such would be consumed by Paynesville Arch, LLC. This is being reviewed by Attorney Spooner. The Planning Commission has reviewed this and recommends approval.

**Motion was made by Soine to set the Paynesville Arch, LLC Variance Public Hearing for Wednesday, May 8, 2013 at 6:30 p.m. Seconded by Beavers and unanimously carried.**

### **LOT SPLIT REQUEST – PAY DEL CO – VALLEY INDUSTRIES**

The Lot Split Application submitted by Pay Del Co for the purpose of splitting Lot 1, Block 1, River Park Estates into two lots zoned I1 Light Industrial was reviewed. The Planning Commission has reviewed this and recommends approval.

**Motion was made by Mayer to set the Pay Del Co Lot Split Public Hearing for Wednesday, May 8, 2013 at 6:45 p.m. Seconded by McDaniel and unanimously carried.**

## **VARIANCE REQUEST – BILL & HANCY FUCHS**

A Variance Application submitted by Bill & Hancy Fuchs of 372 Genesee Street was reviewed. They wish to add on to their existing non-conforming structure. Their current detached shed does not meet the side or rear setbacks as the shed is 1.5' off the rear property line and is over the side lot line by 2". They are requesting a 3.5' rear setback variance and a 5' side setback variance. The Building Inspector has reviewed the proposal and will require a fire wall, footings for the new addition, and the existing overhang nearest the side lot line be removed. The structure will meet the height restriction of 16' and will not exceed their lot coverage.

**Motion was made by Beavers to set the Bill & Hancy Fuchs Variance Public Hearing for Wednesday, May 8, 2013 at 7:00 p.m. Seconded by Soine and unanimously carried.**

## **SMALL CITIES GRANT – ADMINISTRATION AGREEMENT**

Excerpt of minutes from the March EDAP Board Meeting:

Eckerly gave some history on the City's relationship with Stearns County HRA. The HRA received funds from the Small Cities Grant to administer the grant on the City's behalf. Now all the people are gone from the HRA, but the City still has responsibilities and revolving funds to take care of and distribute. Eckerly has contacted Tri-CAP and they may be able to be a consultant to the City. The consulting cost can be charged to the funds in the account. The City would file the reports and Tri-CAP would help with qualifying projects. Tri-CAP found that the 2012 reports have not been filed and that the City could apply for more money to take care of more projects. The Board wanted to know if anything can be done with Stearns County HRA since they made a commitment through the signed contract. Eckerly will check with Attorney Spooner. The Board suggested that any further action go directly to the City Council, such as Tri-CAP's consulting agreement.

The Administrative Services Agreement between the City of Paynesville & Tri-County Action Program, Inc. and MOU between the City of Paynesville and Stearns County HRA were presented. Eckerly explained that Stearns County HRA used to do the grant administration, but can no longer handle the grant. Eckerly has talked to Tri-CAP and they are willing to do the administration for \$2,000.00 per project, which can be charged back to the grant. The Tri-CAP Board will consider the Agreement at their May meeting. Stearns County HRA is required to file the 2012 report and DEED wants the report filed before Tri-CAP takes over the grant administration. Tri-Cap would manage the revolving money and qualify projects. The account has approximately \$35,000.00 and additional money could be applied for.

**Motion was made by Beavers to approve the Administrative Services Agreement between the City of Paynesville & Tri-County Action Program, Inc. Seconded by Soine and unanimously carried.**

**Motion was made by Soine to approve the MOU between the City of Paynesville and Stearns County HRA. Seconded by McDaniel and unanimously carried.**

## PAY EQUITY

When the Union Negotiation Team was conducting union negotiations, any wage scale adjustments put the City in non-compliance. Springsted was contacted in July 2008 when the City last conducted a study like this, but the City went with Laumeier. Eckerly has contacted Springsted for assistance in December of 2011 and Springsted assisted the City at no charge. Please review the attached Proposal to Conduct a Classification and Compensation Study:

1. To remove the City from the Princeton Point System and go to a system known as Systematic Analysis and Factor Evaluation (SAFE) – which will spread out the point and re-categorize job classifications = \$1,950
2. If a wage and benefit analysis is desired = \$2,250
3. Pay ranges and step scales reviewed = \$1,250
4. Professional Fees = \$750.00 (this amount would be incurred for one or all of the options)

Eckerly reported that the City has been dealing with pay equity issues since 2008 at which time a study was done that cost the City fees for the study plus wage increases; just to find out the City was not out of compliance. Last year the City increased pay to two female jobs classes to get into compliance. This year increases were ran and even with a minimal increase the City became out of compliance. Eckerly contacted Springsted and they suggested the following:

1. To remove the City from the Princeton Point System and go to a system known as Systematic Analysis and Factor Evaluation (SAFE) – which will spread out the point and re-categorize job classifications
2. Wage and benefit analysis
3. Review pay ranges and step scales

The City can pick and choose what they want to do. Springsted did verify that the City is out of pay equity and is up for compliance in January of 2014. Thompson suggested getting pay equity established before any further union negotiations. Eckerly noted that any fees incurred for the study are not budgeted for.

**Motion was made by Beavers to move forward with option #1 in the amount of \$1,950.00 and #2 in the amount of \$2,250.00 and pay for the necessary professional fees. Seconded by Mayer and unanimously carried.**

## TEMPORARY STREET CLOSING – LADIES NIGHT OUT

A Temporary Street Closing Application submitted by the PEP Committee for Ladies Night Out on April 26, 2013 from 5 – 10 p.m.; to close Augusta Ave. from James Street to the alley near AMPI was presented. The Police Chief and Fire Chief have approved the application with the understanding that the Committee will have to work with the Public Works Department for barricades.

**Motion was made by Beavers to approve the Temporary Street Closing Application submitted by the PEP Committee for Ladies Night Out on April 26, 2013 from 5 – 10 p.m. Seconded by McDaniel and unanimously carried.**

## **ALLDON PARK – STREET LIGHTING FEES**

Some time ago Alldon Park residents complained that they had to pay for street lights in Alldon Park. Alldon Park owns their street lights. Recently it was asked why they shouldn't pay, as a typical resident may not have a street light in their yard, but still incur the street light fees of \$3.00 per quarter, per resident. This was brought to the Budget & Finance Committee and the Committee recommended charging the fee to the Alldon Park residents. Soine reported that this was discussed at the Budget & Finance Committee meeting. Alldon Park residents feel they don't have to pay as they have their own street lights; however, the fee is for all the lights in all the streets throughout the City including the bypass. The fee is currently being waived for Alldon Park residents. Eckerly stated that she has received complaints; that all should have to pay for all lights in the entire community.

**Motion was made by Beavers to charge all city residents including Alldon Park residents the \$3.00 per quarter street light fee, effective immediately. Seconded by Soine and unanimously carried.**

## **DEFERRED COMPENSATION**

Currently the City has deferred compensation through MSRS; however, they have very poor customer service. Wenzel Financial Services came to the City and offered the same financial services for a minimal fee. This is currently a benefit for full-time employees and not for part-time employees. They would be a reliable vendor and available to the employees. Currently there are 2 full-time employees enrolled in deferred compensation. By offering this to the employees it would reduce the City tax liability. Eric Nohner, Wenzel Finance would like to present this to the employees on April 23, 2013 over their half hour lunch. Eckerly explained her frustration with the poor customer service from MSRS. Currently the City matches up to \$1,200.00 for persons in the MAPE group and up to \$2,000.00 for the City Administrator. It was suggested to check with Managed Assets before proceeding and bring this back to a future meeting.

Thompson left at 6:56 p.m. and the meeting turned over to Jean Soine, Mayor Pro Tem.

## **PAYNESVILLE COMMUNITY PARK SHELTER CONCRETE PAD**

Excerpt from the October 4, 2012 Park & Tree Board Meeting:

Community Park – Playground equipment was discussed. A plan will be put together for the next meeting on the tire swing and tire crawl area. Also discussed was the shelter and the grass underneath it. Members suggested that this should be concrete to reduce the maintenance and the need to move the picnic tables each time the City mows.

Motion was made by Herzberg to pour a concrete pad under the shelter at the Community Park at the estimated cost of \$3,000.00 and recommend such to the City Council. Seconded by Ellis and unanimously carried.

The Park & Tree Board recommends installing a 30x30 concrete pad in the shelter at a cost of \$2,000.00. Mergen explained that the shelter was moved to the park in 2011. The shelter is

difficult to maintain and the Board recommends pouring concrete for easier clean up and maintenance. The \$2,000.00 would come from the Park Capital Improvement fund.

**Motion was made by McDaniel to approve a 30x30 concrete pad in the Community Park Shelter in the amount of \$2,000.00. Seconded by Beavers and unanimously carried.**

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

DeWolf reported the following:

- Applying for funding through PFA
- Department of Health is reviewing the plans
- Plans will be brought to the Public Works Committee for a recommendation and then to Council for consideration
- Bid the project in May or June with bids to be opened in June
- Start the project in July or August

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

DeWolf reported the following:

- Project continues to move forward
- Activity will pick up as weather allows
- Work on irrigation pump house
- Tentative completion date is scheduled for mid summer
- Pay Estimate No. 5 was not received in time for the last meeting
- Bolton & Menk have reviewed the Pay Estimates and recommends approval

Eckerly noted that all grant reimbursements are current.

Application For Payment No. 5 in the amount of \$357,874.47; payable to Magney Construction, Inc. for work completed through March 4, 2013 and Application For Payment No. 6 in the amount of \$370,575.05; payable to Magney Construction, Inc. for work completed through April 4, 2013 were presented.

**Motion was made by Beavers to approve Application For Payment No. 5 in the amount of \$357,874.47; payable to Magney Construction, Inc. and Application For Payment No. 6 in the amount of \$370,575.05; payable to Magney Construction, Inc. for work completed through April 4, 2013. Seconded by Mayer and unanimously carried.**

### **2013 SEAL COAT BID**

One sealed bid was received and opened on March 25, 2013 at 11:00 a.m. for the 2013 Seal Coat Project. The bid was from Caldwell Asphalt, Hawick, MN in the amount of \$57,470.72. Mergen noted that one additional bid was received, but not on time; therefore, it was sent back. The Public Works Committee has reviewed this and recommends approval.

**Motion was made by Mayer to accept the Seal Coat bid from Caldwell Asphalt, Hawick, MN in the amount of \$57,470.72. Seconded by McDaniel and unanimously carried.**

### **CHAMBER EXPO**

The Council discussed a staffing schedule for the City's booth on April 20, 2013 from 9:00 a.m. to 4:00 p.m. Thompson would be there the entire time. Some people are only able to be in attendance until noon or 1:00 p.m. Ideas to highlight were mentioned. Ludwig will serve root beer. Soine will come at around noon.

### **INFORMATIONAL**

Soine reviewed the following informational items: West Central Sanitation March Garbage Rates, Mediacom – Channel Line Up Changes, MPCA Annual Wastewater Conference Report, 29<sup>th</sup> Annual MRWA Water & Wastewater Technical Conference Report, March Police Reports, Central Minnesota EMS Region Grant Recipient, Mediacom – Rate Adjustments, Electrical Rate Report, Liquor Store Report, Airport Fuel Report, Investment Report, and Debtor Update. Mediacom going digital will help our broadcast.

There being no further business, the meeting was adjourned at 7:09 p.m.

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Renee Eckerly, City Administrator