

**MINUTES  
REGULAR CITY COUNCIL MEETING**

**MAY 12, 2014**

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 (6:03 p.m.); Ron Mergen, Public Works Director; Jennifer Welling, Administrative Assistant; Bill Spooner, City Attorney; Ellarry Prentice, Press; Chuck DeWolf, Bolton & Menk, Inc.; JoLyn Lindquist, Social Media Specialist; Bill Ludwig, Liquor Store Manager; Paul Wegner, Chief of Police; Tom Koshiol, Trail Guards; Neil Herzberg, Linda Henrichs, Bill Henrichs, Mark Dingmann, CentraCare; Dennis Miles, CentraCare; Frank Carter, CentraCare; Reed Ringstad, Sue Hecht, John Derichs, Nathen Derichs, and Dave Currens.

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

Bill Ludwig, Liquor Store Manager reported the following:

- Sales up 13%
- Profit up 11%
- Strong sales last week
- Fishing opener sales were good
- Cleaning and tagging the store for the summer
- Events included: Wine Club, MMBA Conference, Open House on May 23 and Beer Camp on June 6

**CONSENT AGENDA**

Motion to approve the minutes from the January 22, 2014 Airport Commission meeting.

Motion to approve the following vouchers:

05/01/2014	Payroll	88254-88257	\$3,570.01
05/01/2014	Payroll Taxes	88258-88262	\$4,367.29
05/01/2014	Payroll Direct Deposit		\$16,559.34
05/01/2014	Payroll - Fed		\$5,415.74
05/01/2014	Payroll - State		\$1,036.92
05/01/2014	Payroll - ING		\$275.00
05/01/2014	Payroll - TASC		\$451.37
05/01/2014	Payroll - PERA		\$5,083.52
05/01/2014	Payroll - AFLAC		\$139.41
05/01/2014	Payroll - SELECT		\$353.85
05/01/2014	Payroll (J. Depuydt only)	88263	\$459.16
05/01/2014	Vouchers	88264-88270	\$9,728.24
05/06/2014	Vouchers	88271-88326	\$68,982.54
		TOTAL	\$116,422.39

A motion to approve the refuse licenses for Miller Sanitation and JME Companies.

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

## **PRELIMINARY PLAT – FUCHS FARMS**

A Preliminary Plat Application has been submitted by Urban & Dorine Fuchs & Family to plat their existing property on Minnie Street into two parcels. The application, Title Opinion (verifying owners of the property), Report and Recommendation Of Planning Commission Regarding Application For Approval Of Preliminary Plat Of Fuchs Farms, and Resolution 2014-13 Approving The Preliminary Plat of Fuchs Farms were presented. The Planning Commission has reviewed this and recommends approval. Eckerly stated that the one parcel will now be rezoned to industrial.

**Motion was made by Mayer to approve Resolution 2014-13 Approving The Preliminary Plat of Fuchs Farms. Seconded by Soine and unanimously carried.**

## **REQUEST FOR FEES TO BE DELAYED/WAIVED – FUCHS FAMILY**

Linda Henrichs was in attendance to request that trunk area fees for water and sewer and parkland dedication for the proposed industrial portion of land be delayed and the parkland dedication for the homestead be waived. The written request was presented. This was presented at the April 28, 2014 City Council meeting as information only. Eckerly suggested that “until sold” language be added. It was asked if others have been deferred and what are trunk fees. Mergen stated that it is fees for non-assessable footages, river crossings, lift stations, and the oversizing of mains. Trunk fees are normal in a development; however, this is more like a lot split than a development.

**Motion was made by Soine to defer trunk fees on the industrial property until sold and to waive the park land dedication fees on the homestead property. Seconded by McDaniel and unanimously carried.**

## **COMMERCIAL COMPOST SITE KEY FEE WAIVER REQUEST – PAYNESVILLE AREA SCHOOLS**

A commercial compost site key fee waiver request from Paynesville Area Schools was presented. The current commercial compost site key fee is \$200.00. This fee has not been waived in the past. The School did not like the \$100.00 fee and now wants the \$200.00 fee waived. The Council discussed setting precedence and opening it up for others to ask for a waiver. It was suggested to set a fee for non-profits. It was stated that the School has already used the facility without paying. There was no action taken and tabled to a future meeting.

Thompson recessed the Regular City Council meeting at 6:29 p.m. to open the Vogelpohl & Lewis Variance Public Hearing.

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

## **INSURANCE AGENT – APPOINTING A CITY AGENT**

Resolution 2014-14 Appointing A City Agent was presented. The Budget & Finance Committee recommends a two year contract at 5%. The 5% fee is the same as the last two years and this is a two year appointment.

**Motion was made by Beavers to approve Resolution 2014-14 Appointing A City Agent. Seconded by Mayer and unanimously carried.**

### **RE-ZONE AMPI PROPERTIES**

The City Council or Planning Commission, can by its own motion, initiate a request to amend the text or the district boundaries. A Re-Zone Application submitted by the City of Paynesville to re-zone six properties, owned by AMPI, from C1 Central Business to I1 Light Industrial was presented. By doing the re-zone it will match what the land is currently being used for which is manufacturing. Eckerly noted that AMPI has been notified of the re-zone and they are fine with it.

**Motion was made by Soine to proceed with the re-zoning of the following AMPI Properties: 70.39034.0000, 70.39032.0000, 70.39035.0000, 70.39039.0000, 70.39040.0000, and 70.39033.0000. Seconded by McDaniel.**

It was asked why the City is initiating the re-zone and not AMPI. Spooner stated that staff brought it up due to zoning it for its use and by doing so AMPI will need to abide by the zoning regulations in the zone in which the property lies. It was asked if there are related fees for this. Spooner said yes. It was further asked why the City is paying for this and not AMPI; this should be initiated by AMPI. Spooner commented that if the property stays as is (C1- Central Business Commercial) there is a zero setback.

**The motion unanimously carried.**

### **EDAP LOAN – BLOOM CORNER FLORAL**

The EDAP Loan documents for Bloom Corner Floral were presented. The EDAP Board has reviewed this and recommends approval. This would be a refinance loan in the amount of \$18,794.28 at 3.5% interest for 5 years to close on May 15, 2014. This loan will be split with Paynesville Township.

**Motion was made by Beavers to approve the Amendment To Economic Development Loan Agreement, Extension Of Mortgage, Amended Personal Guaranty, Amended Promissory Note, Security Agreement, and UCC Financing Statement. Seconded by Soine and unanimously carried.**

### **AIR PATCHING**

Two quotes for air patching were presented: Pavement Resources \$3,250.00 and Glieden Enterprises, LLC \$3,094.00. The Public Works Committee has reviewed this and recommends the quote from Pavement Resources.

**Motion was made by Soine to approve the quote from Pavement Resources in the amount of \$3,250.00 for air patching. Seconded by Mayer and unanimously carried.**

Thompson recessed the Regular City Council meeting at 6:45 p.m. and opened the CentraCare Health Variance Public Hearing.

Thompson re-opened the Regular City Council meeting at 7:01 p.m.

### **VARIANCE REQUEST – CENTRACARE HEALTH – PAYNESVILLE**

Spooner suggested granting the Variance, with the understanding that all parts of the machine and vestibule must stay within the property lines.

**Motion was made by Soine to approve the CentraCare Health – Paynesville Grant of Variance. Seconded by Mayer and unanimously carried.**

### **CENTRACARE HEALTH – PAYNESVILLE – ENCROACHMENT AGREEMENT**

Representatives from CentraCare Health – Paynesville were in attendance to discuss an Encroachment Agreement for a larger MRI machine. It was suggested to have an agreement drafted and bring it back to Council for consideration. Spooner was directed to draft an agreement and visit with Miley on how much of an encroachment is needed. DeWolf commented that the utilities are in the street right of way.

### **TRAIL GUARDS – TOM KOSHIOL**

Tom Koshiol representing the Trail Guards was in attendance to address the Council:

- 23<sup>rd</sup> year of the Trail Guard program that was established in 1992
- Two part program – outings & opportunities
- Nature Park – 12 acres, bought by the City in 1929
- A dam has been built
- Trail guards now own some of the land
- There has been discussion on a bike trail along the river; the Trail Guards like to be a part of the discussions
- Provides opportunities for youth
- Would like to be considered for financial funding
- Provide a unstructured, but safe environment for youth

### **LIQUOR STORE LAYOUT PROPOSAL**

Representatives from Derichs Properties, LLC were in attendance to present the Council with a proposed new Liquor Store & Convenience Store opportunity. John Derichs presented the following:

- Thanked the Council for the opportunity
- History of their company and the project
- Delays in a decision
- What the project is proposed to look like – 3D make up based on needs and wants from the Liquor Board
- Full architect drawings
- Electrical, mechanical, and construction drawings

Nathen Derichs presented a 3D layout/drawing (to scale) of what the lot and building would look like.

John Derichs asked the Council for some direction. Thompson suggested forming an Ad Hoc

Committee to possibly consist of the Liquor Board, Budget & Finance Committee, and McDaniel.

John Derichs stated this is a great opportunity and would like to get this accomplished. This is just one way it can be done. A round table discussion would be appropriate.

Possible dates were discussed. This would come back to Council on May 28, 2014. It was consented that the Ad Hoc Committee members would include the Liquor Board, McDaniel, Eckerly, and Belinda Ludwig.

(Beavers left at 7:40 p.m.)

### **VARIANCE REQUEST – AMPI**

The City has received a Variance Application from Associated Milk Producers, Inc. (AMPI), to allow the following:

- a) The replacement of existing milk silo #4 with a new silo with an actual silo height of 78 feet to be set on an existing pad, which is 6 feet above the street level, giving the silo a height of 84 feet from street level, which is 39 feet higher than the building height limitation in Chapter 11 of the City Code, Section 11.50, Subd. 5(c); and
- b) Moving existing silo #4 from its current location to a new location. Silo #4 is 54 feet in height. It will sit on an existing pad which is 27 inches above street level, giving the silo a height of 56 feet 3 inches from street level, requiring a Variance from the building height limitation of Chapter 11, Section 11.50, Subd. 5(c), of 45 feet maximum height.

The application and Report & Recommendation Of Planning Commission On Application were presented. The Planning Commission has reviewed this and recommends approval.

**Motion was made by Soine to set the AMPI Variance Public Hearing for Monday, June 16, 2014 at 6:30 p.m. Seconded by McDaniel and unanimously carried.**

### **PERSONNEL – HIRING OF LIFEGUARDS**

It was suggested to hire Michaela Kellen-Vanzee, Trevor Meed, Mitchell Meed, and Bradley Zimmerman as lifeguards at the rate of \$9.00 and Alyssa Schultz as Head Lifeguard at the rate of \$11.00. Eckerly reported that she received call from Melrose and they have extra life guards and have developed a sub list that could be utilized by the City.

**Motion was made by Soine to hire Michaela Kellen-Vanzee, Trevor Meed, Mitchell Meed, and Bradley Zimmerman as lifeguards at the rate of \$9.00 and Alyssa Schultz as Head Lifeguard at the rate of \$11.00 and authorize the use of Melrose's lifeguard list and to pay them at the same rate. Seconded by Mayer and unanimously carried.**

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

Eckerly noted the email from John Hunt. Mergen stated there have been no test results received to date.

## **2014 STREET IMPROVEMENT PROJECT**

DeWolf reported:

- Contractor has started on Minnesota Street
- Working on underground utilities and lift station going west
- Veterans Park parking lot should be complete by Memorial day

Diane Nelson of 502 Exchange Street has applied for a deferred assessment on the 2014 Street Improvement Project. The application has been reviewed by the City Administrator and according to the City's Ordinance Financing Public Improvements By Special Assessments the above mentioned resident meets the required criteria for a deferred assessment. The qualification guidelines were presented.

**Motion was made by Mayer to approve the Deferred Assessment Application for Diane Nelson. Seconded by McDaniel and unanimously carried.**

## **WATER TREATMENT PLANT EXPANSION PROJECT**

DeWolf reported that the contractor is working on the clear well with about 6 weeks remaining before that portion will be complete.

Payment Estimate No. 4 in the amount of \$246,331.20; payable to Magney Construction, Inc. for work completed through April 30, 2014 was presented.

**Motion was made by Soine to approve Payment Estimate No. 4 in the amount of \$246,331.20; payable to Magney Construction, Inc. Seconded by Mayer and unanimously carried.**

## **WASTEWATER TREATMENT RE-SCOPE PROJECT**

DeWolf reported that site improvements are being completed including fencing and seeding.

Payment Estimate No. 16 in the amount of \$1,778.01; payable to Magney Construction, Inc. for work completed through May 1, 2014 was presented.

**Motion was made by Soine to approve Payment Estimate No. 16 in the amount of \$1,778.01; payable to Magney Construction, Inc. Seconded by McDaniel and unanimously carried.**

## **TOWN & COUNTRY DAYS PARADE**

The Council discussed participating in the parade. The use of the "Let's Go Fishing" pontoon is not available this year. It was consented to use a City pickup this year.

## **CITY COUNCIL WORKING SESSION**

This was tabled from the April 28, 2014 City Council Meeting. It has been suggested to set a City Council Working Session. Possible dates were discussed and June 17, 2014 was set.

## **VARIANCE REQUEST – VOGELPOHL & LEWIS**

A Variance Application and Report & Recommendation Of Planning Commission On Application For Variance were presented. The Planning Commission has reviewed this and recommends approval.

**Motion was made by Soine to approve the Vogelpohl & Lewis Grant of Variance. Seconded by McDaniel and unanimously carried.**

## **INFORMATIONAL**

Thompson reviewed the following informational items: April Police Reports, Morgan Stanley – Investment Report, and April Liquor Store Report.

There being no further business, the meeting was adjourned at 7:55 p.m.

---

Renee Eckerly, City Administrator