

**MINUTES  
REGULAR CITY COUNCIL MEETING**

**MAY 23, 2016**

Mayor Jeff Thompson called the meeting to order at 6:00 p.m. Council members present were Kay McDaniel, Donavan 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.; Bill Ludwig, Liquor Store Manager; Paul Wegner, Police Chief; Ellarry Prentice, Press (6:06 p.m.); Wilfred Kulzer, Larry Mathison, and Catherine Christinsen.

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

**CONSENT AGENDA**

Motion to approve the minutes from the following meeting: May 5, 2015 Board of Appeal & Equalization.

Motion to approve the following vouchers:

05/12/2016	Payroll Checks	92510-92514	\$4,366.21
05/12/2016	Payroll Taxes	92515-92518	\$1,274.59
05/12/2016	Payroll Direct Deposit		\$17,719.12
05/12/2016	Payroll - Fed		\$6,001.85
05/12/2016	Payroll - State		\$111.53
05/12/2016	Payroll - TASC		\$538.43
05/12/2016	Payroll - PERA		\$5,837.26
05/12/2016	Payroll - SELECT		\$207.70
05/12/2016	Payroll - Blue Cross		\$4,693.66
05/12/2016	Payroll - AFLAC		\$139.41
05/12/2016	Void CK Bolton/Menk	92298	-\$24,888.33
05/18/2016	Vouchers	92519-92596	\$143,948.42
		TOTAL	\$159,949.85

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

**SMALL CITIES GRANT LOAN – VAHALLA APTS., LLC – DEED TRANSFER AGREEMENT**

Vahalla Apartments have a current Small Cities Grant Loan with the City of Paynesville. They have changed their name to a LLC; therefore, the need for the Deed Transfer Agreement. Valhalla Apartments, LLC Deed Transfer Agreement between the City of Paynesville and Richard Glenz and Michelle Glenz was presented.

**Motion was made by Soine to approve the Valhalla Apartments, LLC Deed Transfer Agreement between the City of Paynesville and Richard Glenz and Michelle Glenz. Seconded by Herzberg and unanimously carried.**

## **NUISANCE PROPERTY REPORT**

During the ordinance codification it was recognized that the Council (annually – in the month of May) orders an investigation of premises to determine any hazardous conditions/nuisance on any premise. There was some discussion on if the Council wishes to continue to with this ordinance or deem as un-necessary and remove it prior to the final codification. It was suggested to keep the ordinance, but re-word it from “annually” to “time to time”.

## **CITY OF ROSCOE LETTER – WASTEWATER TREATMENT FACILITY IMPROVEMENTS**

Mergen gave a verbal report and reviewed what the Public Works Committee discussed. Excerpt of minutes from the Public Works Committee meeting:

Members reviewed the letter from the City of Roscoe. MPCA has directed Roscoe to explore wastewater treatment improvements. One of the options is to regionalize with Richmond or Paynesville. DeWolf presented a buy in analysis:

**Option 1** - Sewer Access Charge (SAC) method – City currently charges \$1,000.00 connection fee to all users that hook up. Roscoe would have 58 equivalent units. The buy in fee would be \$58,000.00.

**Option 2** - based on permitted flow capacity and the last rehab improvements.

Permitted flow - .887mgd

Roscoe’s estimated daily flow - 10,000 gpd

Percentage of capacity - 1.13%

Cost of improvements - \$5,550,000.00

Total buy in charge - \$62,570.46

**User rates** - \$21.00 base fee

**Usage rate** - \$3.36/1,000 gallons

Pros & Cons for the City of Paynesville:

Cons:

- The City would be allocating 1.13% of its capacity; currently running at 65% of capacity

Pros:

- City would receive the buy in fee
- Roscoe would be included in all future projects and rate increases so the costs would be spread out to more accounts
- Roscoe would be responsible for all costs up to the point the wastewater enters the City’s system
- Paynesville would bill base on a meter from the lift station and not each account

Currently the City is averaging .575 MGD or 65% of its capacity. This is due to the City’s installation of the backwash reclaim tank 25,000 gpd and AMPI’s installation of a polisher 80,000 gpd. Members discussed the buy in options noting the SAC method is fair and the City is currently utilizing it and can continue to use into the future.

Motion was made by Hemmesch to recommend the Sewer Access Charge (SAC) proposal to the City of Roscoe; allowing them to connect to the wastewater system and recommend such to the City Council. Seconded by Quade and unanimously carried.

There was some discussion on how Roscoe would connect and the feasibility of such. If negotiations result in an agreement, that agreement would come back to Council for final approval.

**Motion was made by Herzberg to authorize City staff to negotiate a contract with the City of Roscoe for wastewater services. Seconded by McDaniel and unanimously carried.**

### **COUNCIL & MAYOR SALARIES & PER DIEM**

Thompson explained that the Budget & Finance Committee discussed the Council and Mayor salaries and what the staff received. The last increase was approved on June 11, 2012 effective 2013. The Budget & Finance Committee recommends increasing the Council & Mayor salaries by 1.5% in 2017 and 2% in 2018.

Eckerly stated that if agreed upon an ordinance amendment would have to be approved at the next meeting.

Thompson further explained that the Budget & Finance Committee also discussed the per diem of \$45.00 for a half day and \$90.00 for a full day. The last increase was in 2006. The Budget & Finance Committee recommends increasing it to \$50.00 for a half day and \$100.00 for a full day.

**Motion was made by Soine to increase the Council & Mayor salaries by 1.5% in 2017 and 2% in 2018. Seconded by Herzberg and unanimously carried.**

**Motion was made by Herzberg to increase the Council & Mayor per diems to \$50.00 for a half day and \$100.00 for a full day, effective January 1, 2017. Seconded by Soine and unanimously carried.**

### **GOLF CARTS**

Chief of Police, Paul Wegner reported on the golf cart usage in Paynesville. The driving of golf carts in Paynesville on streets is illegal and always has been. Recently there has been numerous situations of youth driving them, residents not following traffic rules, etc.

There was some discussion on what to do and how to handle the situation. Thompson expressed his frustration on how much time this subject has taken and there should be a common sense solution. Thompson used registering and driving a motor vehicle as an example.

Kulzer noted that the kids horsing around spoils it for everyone.

The Public Safety Committee will be addressing golf carts at their June 28, 2016 meeting.

### **TREES ON PUBLIC PROPERTY**

Mergen reported that during the ordinance codification process it was discovered that the City is to have a Resolution in place addressing standards for the selection and placement of trees

on public property. Resolution 2016-13 Adopting Standards For The Selection And Placement Of Trees On Public Property addressing such was presented.

**Motion was made by Mayer to approve Resolution 2016-13 Adopting Standards For The Selection And Placement Of Trees On Public Property. Seconded by McDaniel and unanimously carried.**

### **2016 STREET PROJECT**

Doug Green, Springsted was in attendance and reviewed the Bond for the 2016 Street Improvement Project. Resolution No. 2016-14 Providing For The Competitive Negotiated Sale of \$1,410,000.00 General Obligation Improvement Bonds, Series 2016A was presented for consideration.

**Motion was made by Herzberg to approve Resolution No. 2016-14 Providing For The Competitive Negotiated Sale of \$1,410,000.00 General Obligation Improvement Bonds, Series 2016A. Seconded by Soine and unanimously carried.**

DeWolf reported that the street construction project started today.

### **HEATHERWOOD PLAT THREE LOTS – DEFERRED ASSESSMENTS**

Eckerly explained the requests she has received regarding the deferred assessments on the Heatherwood Plat 3 lots that Rutten & Rodenwald own. One individual wants to pay half and have the other half put on a payment schedule. The second party wants to buy 4 lots and pay the assessments on two and have the other two deferred for 5 years. The existing agreement states the assessments are due at the time the lots are sold and/or built on. The City paid for the deferred assessments out of reserves.

Spooner interjected that he would not be comfortable with allowing persons to make payments on the deferred assessments.

**Motion was made by Soine to deny the request to extend the deferred assessments that are deferred on the lots in Heatherwood Plat 3. Seconded by Herzberg and unanimously carried.**

### **HIRING OF PART-TIME LIQUOR STORE CLERK**

The City received two applications for the Part-Time Liquor Store Clerk position and the Policies & Procedures Committee interviewed both applicants on Monday, May 23, 2016 at 5:00 p.m. and recommends hiring Jean Nichols.

**Motion was made by Soine to hire Jean Nichols at \$9.05 per hour, Part-time scale Grade 1/Step 2, with a start date of May 24, 2016 for the position of part-time Liquor Store Clerk; pending a background check. Seconded by McDaniel and unanimously carried.**

## **VOC – WATER TREATMENT PLANT**

DeWolf reported that a month ago the pilot study was conducted and the state has given verbal approval. DeWolf will have plans available at the next meeting with bidding the project to follow.

## **2016 AIRPORT FLY IN**

Mergen reported on the 2016 Airport Fly In scheduled for June 10 & 11, 2016. There is a need for additional insurance, in the amount of \$950.00. The Airport Commission is asking the City to pay for the additional insurance. The \$950.00 has not been budgeted for.

**Motion was made by Mayer to approve \$950.00 for additional insurance needed for the Airport Fly In. Seconded by Soine and unanimously carried.**

## **TEMPORARY ON-SALE LIQUOR/BEER LICENSE – PAYNESVILLE FIRE RELIEF ASSOCIATION**

The Paynesville Fire Relief Association has applied for a Temporary On-Sale Liquor/Beer License Application to hold an outdoor event in association with the Chamber of Commerce Town & Country Street Dance on Friday, June 10, 2016 from 7 p.m. – midnight. (Minnesota Statutes 340A.403, subdivision 2.)

Paul Wegner, Police Chief has prepared for 6 hours of special event coverage for the beer garden at \$45.00 per hour.

Gary Rothstein, Central Minnesota Insurance Agency is applying for the insurance coverage through the League of MN Cities Insurance Trust, but no price has been received yet.

**Motion was made by Herzberg to approve the Temporary On-Sale Liquor /Beer License Application (T2016-1) submitted by Paynesville Fire Relief Association to hold an outdoor event in association with Town & Country Days on Friday, June 10, 2016 from 7 – Midnight. Seconded by Soine and unanimously carried.**

## **REVISED TEMPORARY STREET CLOSING – T & C DAYS CHAMBER OF COMMERCE – STREET DANCE, BEER GARDEN & FOOD BOOTH**

On May 9, 2016 the City Council approved a Temporary Street Closing to close James Street from Washburne Ave. to Augusta Ave. on June 10, 2016 from 4:30 p.m. to June 11, 2016 at 1:00 a.m. The Chamber of Commerce has now realized that more time is needed to allow for the stage and band to set up. The Chamber would now like to close James Street from Washburne Ave. to the Public Bathroom (alley) on June 10, 2016 from 2:00 p.m. (2 ½ hours earlier) to June 11, 2016 at 1:00 a.m. The Chamber has verbally indicated that they will notify all property owners/businesses of such change. The alley will remain open for vehicle access, etc.

**Motion was made by Soine to approve the Temporary Street Closing Application from the Chamber of Commerce to close James Street from Washburne Ave. to the Public Bathroom (alley) on June 10, 2016 from 2:00 p.m. (2 ½ hours earlier) to June 11, 2016 at 1:00 a.m. Seconded by Herzberg and unanimously carried.**

**INFORMATIONAL**

Thompson reviewed the following informational items: April Police Reports, West Central Sanitation May Garbage Report, Electronic/Credit Cards Accepted June 1, 2016 for Water/Sewer Bills.

There being no further business, the meeting was adjourned at 7:07 p.m.

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Renee Eckerly, City Administrator