

**MINUTES
SPECIAL CITY COUNCIL MEETING**

JUNE 16, 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; Ron Mergen, Public Works Director; Jennifer Welling, Administrative Assistant; Bill Spooner, City Attorney; Ashley Peck, Press; Chuck DeWolf, Bolton & Menk, Inc.; Neil Herzberg, Keith Hemmesch, CenterPoint Energy; Dennis Miley, CentraCare Health Paynesville; Frank Carter, CentraCare Health Paynesville; Pat Flanders, Steve Vaske, AMPI; and Paul Wegner, Chief of Police.

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

Paul Wegner, Chief of Police reported on the following:

- Uneventful T & C Days
- Stearns County Grant for TZD; Stearns County received first ever Commissioners Award
- Finishing up training with Officer Klingfus

Ron Mergen, Public Works Director reported on the following:

- Park reservations
- Beach – new raft and lifeguards have started
- Concerts in the park starts this week
- Splash pad at Gazebo Park
- Ampe Park – sprinkler system ready and new seeding looks good
- Community Park – shelter bids
- Leak survey found one in Wilglo Acres
- 800 MHz tower has been installed
- Relay for Life
- Airport – hangars are full, Fly In will be held on August 10, 2014, currently have a volunteer mowing the airport property
- Irrigation has been a challenge this year so far
- Residents are to be aware of tree trimming to be conducted by the Public Works Department
- Sidewalks inspections have been concluded

CONSENT AGENDA

Motion to approve the minutes from the following meeting: February 25, 2014 Public Safety Committee, April 21, 2014 Airport Commission, and May 5, 2014 Planning Commission.

Motion to approve the following vouchers:

05/13/2014	Goldman Sachs Bank - Purchased		\$96,000.00
05/19/2014	American Wxpress Centurion Bank – Matured		\$50,000.00
05/29/2014	Payroll	88397-88400	\$4,531.46

05/29/2014	Payroll Taxes	88401	\$479.33	
05/29/2014	Payroll Direct Deposit		\$21,776.98	
05/29/2014	Payroll - Fed		\$6,922.33	
05/29/2014	Payroll - State		\$1,463.58	
06/02/2014	Aurora Bank - Matured			\$200,000.00
06/04/2014	CIT - Purchased		\$96,000.00	
06/18/2014	HSBC - Purchased		100,000.00	
06/10/2014	Vouchers	88402-88485	\$416,849.09	
		TOTAL	\$744,022.77	\$250,000.00

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

DOWNTOWN PUBLIC/PRIVATE PROJECT – PAT FLANDERS

Pat Flanders addressed the Council regarding a Downtown Public/Private Project:

- Three story high rise with senior living, retail space, and parking
- Efficiency apartments and a variety of apartment sizes
- Condo (with rental opportunity) or apartment complex
- Propose public/private partnership with \$25,000.00 being put in by interested parties
- This would make money and have a good return
- Alldon Park 1 to 8 years; 47 units – now all full
- If all the money is borrow to build there may by pressure to fill it
- Raise money up front – Flanders will put in the first \$25,000.00
- Can this be done legally – City of Hopkins downtown gorgeous old buildings were renovated
- Also completed in New London, Spicer, and St. Joseph
- First step is to revitalize
- Other communities are doing it and making it work
- Water Park has always been an interest, but one needs to fix what you have first
- Addressed in the Governor’s Design Team visit
- Hwy. 23 funds available

Thompson suggested putting this item on a Working Session agenda.

CENTERPOINT ENERGY COMMUNITY PARTNERSHIP GRANT – POLICE DEPARTMENT

Keith Hemmesch, CenterPoint Energy was in attendance to present the Paynesville Police Department with a grant in the amount of \$2,450.00 for an in-squad video camera system.

ENCROACHMENT AGREEMENT – CENTRACARE HEALTH – PAYNESVILLE

An Encroachment Agreement drafted by City Attorney, Bill Spooner and then the same Agreement with revisions made by Tom Mathews, Attorney for CentraCare Health – Paynesville were presented. Miley met with Public Works Committee prior to this meeting where a couple of

issues were resolved. CentraCare wants to work with the City as CentraCare is making an investment as well. CentraCare requested a year notice to move the trailer as it creates a ripple effect to move it.

There was some concern regarding a non-scheduled event (water break) and the moving of the trailer. The Public Works Committee recommended a 360 day termination notice, but a 24-48 hour relocation notice. There was more discussion on the terms of the agreement.

Motion was made by Mayer to authorize Attorney Spooner to draft the final agreement that incorporates the final changes as discussed and authorize the signing. Seconded by Soine and unanimously carried.

Thompson recessed the Special City Council meeting at 6:30 p.m. and opened the AMPI Silo Variance Public Hearing.

Thompson re-opened the Special City Council meeting at 6:36 p.m.

VARIANCE REQUEST – AMPI SILO

Motion was made by McDaniel to approve Grant of Variance for AMPI. Seconded by Soine and passed 4:1 (Thompson, yes; Soine, yes; Mayer, yes; McDaniel, yes; and Beavers, no).

BAD DEBT

The City staff has tried unsuccessfully to collect for a vehicle fire from Troy Doering (\$350.00). Staff would like to turn this debt over to the Bullseye Collection Agency for collection.

Motion was made by Soine to turn the debt of Troy Doering over for collection to Bullseye Collection Agency. Seconded by McDaniel and unanimously carried.

UNION – POLICE CONTRACT

The Memorandum of Agreement between the City of Paynesville and AFSCME Council 65, Local 748, Chapter K – Police Officers Bargaining Unit was presented. This is a two year agreement effective January 1, 2014 through December 31, 2015. Eckerly noted changes to the agreement being:

- Moving employees to SAFE Scale
- Increases as of January 1 - performance evaluations are not tied to pay increases
- No COLA adjustment
- Work week – proposed standard work period of 14 days up to 84 hours
- Bereavement Leave – 3 days paid upon death of an immediate family member and 1 day for employee's funeral

Motion was made by Soine to approve the Memorandum Of Agreement between the City of Paynesville and AFSCME Council 65, Local 748, Chapter K – Police Officers Bargaining Unit. Seconded by Beavers and unanimously carried.

AIRPORT

A budget in the amount of \$18,900.00 for engineering services associated with the construction of a beacon at the airport was presented. This project is on the Airport CIP for 2014. This project is applicable for Federal grant funding at a 90:10 split. The State also has a grant which may fund 5%. The Airport Commission has reviewed this and recommends approval. DeWolf explained that this is an estimated budget. Mergen noted it would be a loan from the General Fund and then be reimbursed. Mergen explained that the Airport Commission recommends discounting the fuel cost of \$.25 per gallon the day of the Fly In. Currently the fuel is priced at \$.37 cents above cost with the proposed discount it would be \$.12 above cost.

Motion was made by Soine to approve the Bolton & Menk, Inc. engineering budget in the amount of \$18,900.00 for engineering services associated with the construction of a beacon at the airport. Seconded by Mayer and unanimously carried.

Motion was made by Beavers to discount the aviation fuel \$.25 per gallon on the day of the Fly In. Seconded by Soine and unanimously carried.

MPCA FORMER MID TOWN SERVICE STATION

Mergen reported that all the wells are installed and sampled. MPCA is still working with the resident on Business 23. The contamination is still present and the quarterly test results will be sent to the City's consultant.

2014 STREET IMPROVEMENT PROJECT

DeWolf reported that the street will be gravel tomorrow, curb and gutter will be installed next week, and the County has started their part of the project today. Payment Estimate No. 1 in the amount of \$271,040.07; payable to Kuechle Underground, Inc. for work completed through May 28, 2014 was presented. Signage was discussed. DeWolf reported on the alley improvements. This is being proposed to be added to the 2014 Street Project. This would be a 24 foot wide alley with curb for drainage.

Motion was made by Beavers to approve Payment Estimate No. 1 in the amount of \$271,040.07; payable to Kuechle Underground, Inc. Seconded by Mayer and unanimously carried.

The time frame for the project was questioned. DeWolf stated it would be about a 2 week process.

Motion was made by Mayer to approve Change Order No. 1 adding improvements to the alley located between River Street and Augusta Ave. (just South of the AMPI campus) at an estimated cost of \$41,120.00. Seconded by Beavers and unanimously carried.

WATER TREATMENT PLANT EXPANSION PROJECT

DeWolf reported that the contractor is working on the clear well and should be completed in the next couple of weeks. Electrical is also being worked on. Payment Estimate No. 5 in the amount of \$245,346.05; payable to Magney Construction, Inc. for work completed through May 31, 2014 was presented.

Motion was made by Beavers to approve Payment Estimate No. 5 in the amount of \$245,346.05; payable to Magney Construction, Inc. Seconded by McDaniel and unanimously carried.

WASTEWATER TREATMENT RE-SCOPE PROJECT

DeWolf commented that the punch list items and re-seeding are being completed.

OPPORTUNITY PARK – LOAN REPAYMENT

Eckerly reported that the City closed on the sale of the 6,115 square feet to Yarmon Ford on January 31, 2014. The breakdown of the money is as follows:

City received for purchase of land	\$34,572.72
Minus old assessments \$.30 per sq. ft.....	-\$1,834.50
Balance remaining.....	\$32,738.22

A transfer was done from EDAP to the General Fund paying \$2,614.79 in interest at 2% and \$30,123.43 to principal toward the \$430,000.00 that was borrowed from Reserves. The balance owed to Reserves is \$94,797.42 plus 2% interest from January 31, 2014. No Action was necessary.

COMMUNITY PARK SHELTER BIDS

The Community Park Shelter bids were reviewed:

Mechanical:

Voss Plumbing \$13,950.00

Building & Dirt work:

Koronis Builders \$48,990.00

JP Evans \$49,700.00

Voss Plumbing \$41,200.00

Electrical:

Haines Electric \$4,100.00

The Park & Tree Board has reviewed this and recommends approving the bids from Voss Plumbing, and Haines Electric. Mergen commented that he was pleased with the bids for a 24 x 34 shelter with bathrooms. This will be similar to the Veterans Park Shelter with block and color. The project was estimated at \$59,250.00.

Motion was made by Soine to approve the bids from:

Mechanical	Voss Plumbing	\$13,950.00
Building & Dirt Work	Voss Plumbing	\$41,200.00
Electrical	Haines Electric	\$ 4,100.00

for the Community Park shelter for total of \$59,250.00. Seconded by McDaniel and unanimously carried.

LETTER OF INTENT – DERICHS PROPERTIES, LLC

The Letter of Intent which extends their original Letter of Intent to August 15, 2014 was presented. Eckerly explained that there are no changes except the date was extended to August 15, 2014. There was no recommendation from the Liquor Board.

**Motion was made by Soine to extend the letter of intent to August 15, 2014
Seconded by Beavers and unanimously carried.**

FOOD CART/MOBILE FOOD SERVICE

Spooner questioned what direction he should go with this. The City of St. Cloud licenses them and charges them a fee. Eckerly will make a request on list serve to see what other communities are doing.

INFORMATIONAL

Thompson reviewed the following informational items: 2013 Consumer Confidence Report, May Police Reports, Morgan Stanley Investment Report, 2014 Household Hazardous Waste Collection Results, and March Investment, Liquor Revenue & Expenses, Incode Financial Reports, City Attorney Report, and Capital Improvement Breakdown Report – all reports can be found on the City's website.

There being no further business, the meeting was adjourned at 7:06 p.m.

Renee Eckerly, City Administrator