

**MINUTES  
SPECIAL CITY COUNCIL MEETING**

**JUNE 30, 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; JoLyn Lindquist, Social Media Specialist; Bill Spooner, City Attorney; Chuck DeWolf, Bolton & Menk, Inc.; Ellarry Prentice, Press; Neil Herzberg, Paul Wegner, Police Chief; Linda Fuchs, Bill Fuchs, Tom Fordyce, Doris Wendlandt, Brad Mehlhop, Ken Reiman, Paul Schwarz, AFSCME; John Kulzer, Bob Wander, and Gerry Mehr.

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

Mergen reported on the splash pad usage and vandalism as well as garbage being dumped at the compost site.

**CONSENT AGENDA**

Motion to approve the minutes from the following meeting: March 24, 2014, 2014 Street Improvement Project Final Assessment Public Hearing and June 17, 2014 Special City Council – Working Session.

Motion to approve the following vouchers:

06/12/2014	Payroll	88488-88491	\$3,734.12
06/12/2014	Payroll Taxes	88492-88496	\$6,533.67
06/12/2014	Payroll Direct Deposit		\$18,216.52
06/12/2014	Payroll - Fed		\$5,922.66
06/12/2014	Payroll - State		\$1,146.55
06/12/2014	Payroll - ING		\$275.00
06/12/2014	Payroll - TASC		\$455.21
06/12/2014	Payroll - PERA		\$5,648.94
06/12/2014	Payroll - AFLAC		\$139.41
06/12/2014	Select - HAS		\$353.85
06/26/2014	Payroll	88497-88528	\$0.00
06/26/2014	Payroll - voided CK	88529	\$0.00
06/26/2014	Payroll Taxes	88530-88535	\$11,345.57
06/26/2014	Payroll Direct Deposit		\$20,188.45
06/26/2014	Payroll - Fed		\$7,379.22
06/26/2014	Payroll - State		\$851.70
06/26/2014	Payroll - ING		\$550.00
06/26/2014	Payroll - TASC		\$898.90
06/26/2014	Payroll - PERA		\$10,654.03
06/26/2014	Payroll - AFLAC		\$139.41
06/26/2014	Select - Has		\$811.54
06/25/2014	Voucher	88566-88635	\$397,027.52

TOTAL \$492,272.27

Motion to approve the attendance to the EVOC training for Officer Buggs, Officer Thompson, and Officer Klingfus.

Motion to approve the attendance of the Ron Mergen to the 38<sup>th</sup> Annual MWOA Conference July 22 – 25, 2014 in Grand Rapids, MN.

Motion to approve the list of Election Judges: Janice Zumwalde (Head Judge), Carolyn Swyter, Renee Eckerly, Jill Stang, Allen Anderson, Margaret Swanson, Ardys Zimmerman, Linda Mayer, and Joan Brogaard for the Primary Election on August 12, 2014 & General Election November 4, 2014.

Motion to give authority to Renee Eckerly, City Administrator to appoint judges in case of an emergency.

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

#### **FIRE DEPARTMENT RELIEF ASSOCIATION – 2013 AUDIT**

Representatives from the Fire Department Relief Association were in attendance to present the 2013 Audit which included the following:

- Form SC14
- Active Members
- Deferred Members
- Interest is being paid to some deferred members; this was prior to a verbiage change in the bylaws
- Liabilities
- Surplus of \$28,398.00
- Investments

**Motion was made by Beavers to approve the Paynesville Fire Department Relief Association 2013 Audit. Seconded by McDaniel and unanimously carried.**

#### **FINAL PLAT, RE-ZONE REQUEST & DEVELOPMENT AGREEMENT – FUCHS FARMS**

A Final Plat application has been submitted by Urban & Dorine Fuchs & family to plat their existing property on Minnie Street into two parcels. The application, Report & Recommendation, and Resolution 2014-17 Approving The Final Plat of Fuchs Farms were presented.

A Re-Zone application has been submitted by Urban & Dorine Fuchs & family to re-zone Lot 2, Block 1, of Fuchs Farms from R-1 Single & Two Family Residential to I-1 Light Industrial. An application, Report & Recommendation, and Resolution 2014-18 Granting Re-Zoning were presented.

The Development Agreement for Fuchs Farms Plat was also presented. The Planning Commission has reviewed these and recommends approval.

**Motion was made by Soine to approve Resolution 2014-17 Approving The Final Plat of Fuchs Farms. Seconded by Mayer and unanimously carried.**

**Motion was made by Mayer to approve Resolution 2014-18 Granting Re-Zoning. Seconded by McDaniel and unanimously carried.**

**Motion was made by Soine to approve the Fuchs Farms Plat Development Agreement. Seconded by Mayer and unanimously carried.**

### **PURCHASE OF COPIER**

This item was pulled from the agenda.

### **POLICE DEPARTMENT – PURCHASE OF EQUIPMENT**

The Police Department is in need of replacing some of the old/nonfunctioning equipment. In April, the City Council transferred the remaining balance of the 2013 budget into the department's capital improvement accounts. With those additional funds, the department would like to purchase the following items:

- Tasers - New Tasers. Current X26 tasers purchased in 2005 and 2006. One of the Tasers currently is inoperable. Recommended replacement is 5 years. Taser has come out with a new program called TAP. Upfront costs are slightly less however there is a yearly fee of \$615.00. This amount is included in the quoted price for year one. At the end of 5 yrs, Taser will replace the Tasers at no cost with the newest Taser in that class. The department would be given 4 Tasers for the price of 3, thus eliminating the need to purchase a taser in 2015 (Cost \$4,300.00 - This covers X2 Taser, extended warranty, cartridges, holster, and power magazine).
- Squad Camera - Replace current Digital Ally with Watch Guard. Digital Ally Video Manager may have issues running in Windows 7. Camera will be able to transfer to future squads. This will provide the department with two in-squad camera systems. The current WatchGuard camera system is functioning great and has provided exceptional evidence when needed. The department applied for and was awarded a matching grant from CenterPoint Energy to cover half the cost of the camera system (cost \$2,450.00).

Total Expense: Estimated \$6,750.00 (This is down from the initial \$11,500.00 originally requested).

Chief Wegner has prepared a depreciation scale for the continued replacement of aging equipment. With the purchase of these items, the department will use the depreciation scale for future purchases of these items. The Police Department currently has over \$70,000.00 in capital improvement. This does not include a possible transfer of \$10,000.00 into the Capital Improvement Fund at the end of the year (based on need from the hiring of Officer Klingfus).

The Budget & Finance Committee has reviewed this and recommends the purchase of equipment up to \$7,300.00.

**Motion was made by Soine to approve the purchase of New X2 Tasers on the TAP program through Taser and a new WatchGuard Camera System with a matching grant from CenterPoint Energy from the Police Departments Capital Improvement Fund up to \$7,300.00 out of CIP. Seconded by Beavers and unanimously carried.**

### **WELL NO. 8 REHAB**

Two quotes were received for the rehab of Well No. 8:

Traut Well	\$20,842.00
Thein Well	\$14,215.00

Thein Well quoted an hourly rate of \$195.00 per hour for re-development, where Traut Well gave a lump sum of \$3,500.00. Adding the \$14,215.00 and \$3,500.00 re-development cost Thein Well's total is \$17,715.00. Well No. 8 was constructed in 2001 and to date has not been reconstructed. The plan would be to televise the well to determine the extent of re-development needed. The Public Works Committee has reviewed this and approved the quote from Thein Well in the amount of \$17,715.00 with funds to come from the Capital Improvement Fund.

**Motion was made by Beavers to approve the quote from Thein Well in the amount of \$17,715.00 to rehab Well No. 8. Seconded by Mayer and unanimously carried.**

### **IT SERVICE PROPOSAL**

This item was pulled from the agenda.

### **TRANSFER FROM 118 TO 518**

There have been expenditures for the 2015 Street Construction Fund causing a negative balance. Staff is requesting a permanent transfer of \$10,000.00 from 118 Sewer Capital Improvement Fund to 518 2015 Street Construction Fund to cover the negative.

**Motion was made by Beavers to transfer \$10,000.00 from 118 Sewer Capital Improvement Fund to 518 2015 Street Construction Fund. Seconded by Soine and unanimously carried.**

### **TRANSFER FROM 100 TO 125**

There have been expenditures for the fuel pump and beacon in the Airport Capital Improvement Fund causing a negative balance. Staff is requesting a loan of \$100,000.00 from 100 General Fund Reserves to 125 Airport Capital Improvement Fund to cover the negative which would be repaid when grant monies come in.

**Motion was made by Mayer to loan \$100,000.00 from 100 General Fund Reserves to 125 Airport Capital Improvement Fund to be repaid when the City receives the grant monies. Seconded by McDaniel and unanimously carried.**

## **COUNCIL & MAYOR SALARIES & COMPENSATION**

If the Mayor/Council desires an increase to their salary and other compensation an ordinance amendment is required. Increases would become effective January 1, 2015. The current annual salaries are:

Mayor	\$4,703.35
Council Members	\$3,527.51

The last increase was for 2013 and 2014 by 5% each year.

The current per diems are:

Half Day	\$45.00
Full Day	\$90.00

If a change is desired a Resolution will need to be drafted. Budget & Finance has reviewed this and made no recommendation. Thompson stated that he did not support the last increase. It was consented to leave the compensation as is with no increase.

## **UNION CONTRACT – GENERAL UNIT**

Eckerly reported that this was offered by the City's Union Negotiations Team to have the most recent counter offer by the AFSCME General Unit be presented to Council with no recommendation from the City's Union Negotiations Team. The Attorney General's opinion on bonuses which was obtained by the AFSCME Representative was presented.

Thompson stated there was no recommendation from the Union Negotiation's Team. Both parties are at a standstill in negotiations and the next step would be mediation. Schwarz reviewed the proposed the changes in the contract:

- Contract term 3 years - 2013, 2014, and 2015
- City wants 2 year contract 2014 and 2015
- Call out language - dropping it and reverting back to old language and was dropped due to scheduling
- City – heard the employee's concern when getting woke up and not getting paid and want to pay a flat fee to be on call for one week for \$130.00 per week
  - If the employee is not called – gets paid \$130.00, but no comp time
  - If employee does get called out - gets paid time and a half
- Wages – employees want a 3 year contract due to some employees not having received compensation for a number of years
- Employees will accept the City's wage scale for 2014 and 2015
- City – will not issue any payments for 2013
- There is a tentative agreement for bereavement

There was some discussion on what is considered a bonus and a lump sum payout. Some members of the Council agreed that the parties are too close to have to go to mediation. The Council questioned how the \$1,200.00 dollar figure was decided upon. The parties further discussed the scale, steps, and paying out a lump sum.

## **GREENSTEP CITIES PROGRAM**

Jeff Thompson asked that this be on the agenda and stated that he doesn't want staff spending time on things that the Council does not want. Mergen stated that there is a decrease in lighting fees due to LED lighting. The Council was interested.

## **2014 STREET IMPROVEMENT PROJECT**

DeWolf reported that the curb and gutter are in with paving to start soon.

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

DeWolf stated that the contractor is working on the punch list items. Payment Estimate No. 17 in the amount of \$5,316.06; payable to Magney Construction, Inc. for work completed through June 6, 2014 was reviewed.

**Motion was made by Beavers to approve Payment Estimate No. 17 in the amount of \$5,316.06; payable to Magney Construction, Inc. Seconded by Soine and unanimously carried.**

## **WATER TREATMENT PLANT EXPANSION PROJECT**

DeWolf reported that the project continues to move forward on the clear well and electrical. The filter work will take 30-60 days.

## **2014 GENERAL FUND BUDGETED TRANSFERS**

The following are the 2014 General Fund Budgeted Transfers:

Transfer \$1,000.00 from General Fund to the General Fund Capital Improvement for Administration.

Transfer \$2,500.00 from General Fund to the General Fund Capital Improvement for Municipal Building.

Transfer \$5,000.00 from the General Fund to the Fire Reserve Fund for small equipment depreciation

Transfer \$10,000.00 from General Fund Fire to the Fire Reserve Fund for building depreciation.

Transfer \$25,000.00 from General Fund Fire to the Fire Reserve Fund for large equipment depreciation.

Transfer \$1,000.00 from General Fund to the Emergency Services Capital Improvement Fund.

Transfer \$15,000.00 from General Fund Street & Alleys to the Street/Sidewalk Capital Improvement Fund for Street Construction.

Transfer \$67,577.00 from General Fund Street & Alleys to the Street/Sidewalk Capital Improvement Fund for Street Equipment.

Transfer \$18,000.00 from General Fund Municipal Parks to the Park Capital Improvement Fund.

Transfer \$7,500.00 from General Fund Recreational Trail to the Lake Koronis Trail Fund.

Transfer \$9,000.00 from General Fund Airport to the Airport Capital Improvement Fund.

Transfer \$500.00 from General Fund Cable to the General Capital Improvement Fund for Cable.

Transfer \$27,376.00 from General Fund to the EDAP Fund.

The above transfers were included in the budget process and are part of the 2014 General Fund Budget.

**Motion was made by Soine to approve the 2014 General Fund Budgeted Transfers less the Police Department transfer of \$10,000.00. Seconded by Mayer and unanimously carried.**

### **2014 LIQUOR FUND BUDGETED TRANSFERS**

The following is the 2014 Liquor Fund Budgeted Transfer:

Transfer \$9,000.00 from the Liquor Fund to the Liquor Fund Capital Improvement Fund.

The above transfer was included in the budget process and is part of the approved 2014 Budget for the Liquor Fund.

**Motion was made by Mayer to approve the 2014 Liquor Fund Budgeted Transfer. Seconded by Beavers and unanimously carried.**

### **2014 BOND LEVY TRANSFER**

This transfer is based on the Debt Management Study draft dated 6/2/14 from Northland Securities.

G. O. Imp Bonds of 2008	83,000.00
G. O. Imp Bonds of 2010 Series A	52,000.00
G. O. Imp Bonds of 2010 Series B	34,500.00
G. O. Imp Bonds of 2010 Series C	7,800.00
G. O. Imp Bonds of 2012	<u>27,250.00</u>
	\$204,550.00

**Motion was made by Soine to approve the 2014 Budgeted Bond Levy Transfer of \$204,550.00. Seconded by Beavers and unanimously carried.**

### **2014 WATER AND SEWER FUNDS BUDGETED TRANSFERS**

The following are the 2014 Water and Sewer Funds Budgeted Transfers:

Transfer \$75,000.00 from the Water Fund to the Water Capital Improvement Fund.

Transfer \$91,392.00 from the Water Fund to the Water Equipment Replacement Fund.

Transfer \$20,000.00 from the Water Fund to the 2004 Improvement Debt Fund.

Transfer \$10,500.00 from the Water Fund to the 2006 Improvement Debt Fund.

Transfer \$25,500.00 from the Water Fund to the 2008 Improvement Debt Fund.

Transfer \$12,000.00 from the Water Fund to the 2010 Improvement Debt Fund.

Transfer \$30,000.00 from the Water Fund to the 2010 Hwy 23 Improvement Debt Fund.

Transfer \$10,000.00 from the Water Fund to the 2014 Improvement Debt Fund.

Transfer \$70,000.00 from the Water Fund to the Water Plant Rehab Debt Fund.

Transfer \$80,000.00 from the Sewer Fund to the Sewer Capital Improvement Fund.  
Transfer \$159,500.00 from the Sewer Fund to the Sewer Equipment Replacement Fund.  
Transfer \$14,000.00 from the Sewer Fund to the 2004 Improvement Debt Fund.  
Transfer \$12,000.00 from the Sewer Fund to the 2006 Improvement Debt Fund.  
Transfer \$21,000.00 from the Sewer Fund to the 2008 Improvement Debt Fund.  
Transfer \$15,250.00 from the Sewer Fund to the 2010 Improvement Debt Fund.  
Transfer \$20,000.00 from the Sewer Fund to the 2010 Hwy 23 Improvement Debt Fund.  
Transfer \$5,000.00 from the Sewer Fund to the 2014 Improvement Debt Fund.  
Transfer \$90,000.00 from the Sewer Fund to the WW Facility Plan Debt Fund.

The above transfers were all included in the budget process and are part of the approved 2014 Budgets for the Water and Sewer Funds.

**Motion was made by Beavers to approve the 2014 Water and Sewer Funds Budgeted Transfers. Seconded by Mayer and unanimously carried.**

### **RE-ZONING REQUEST – AMPI PROPERTIES**

The City Council or Planning Commission, can by its own motion, initiate a request to amend the text or the district boundaries. The City Council passed a motion on May 12, 2014 to proceed with the re-zoning process. A Re-Zone Application submitted by the City of Paynesville to re-zone a number of 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.

**Motion was made by Soine to approve Resolution 2014-19 Re-Zoning Property. Seconded by Mayer and passed 4:1 (Thompson, yes; Soine, yes; Mayer, yes; McDaniel, yes; and Beavers, no).**

### **INFORMATIONAL**

Thompson reviewed the following informational items: May Liquor Store Report, Wellhead Protection Certificate and West Central Sanitation June Garbage Rates.

There being no further business, the meeting was adjourned at 7:11 p.m.

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Renee Eckerly, City Administrator