

**MINUTES
REGULAR CITY COUNCIL MEETING**

JULY 24, 2013

Mayor Jeff Thompson called the meeting to order at 6:00 p.m. Council members present were Jean Soine, Kay McDaniel, Donovan Mayer, and Gene Beavers. Others present were Renee Eckerly, City Administrator; Jennifer Welling, Administrative Assistant; Bill Spooner, City Attorney; Chuck DeWolf, Bolton & Menk, Inc.; Ellarry Prentice, Press; Paul Wegner, Police Chief; Bill Ludwig, Liquor Store Manager; Ed Tschida, Lance Louis, Kevin Wall, Neil Herzberg, Leo Louis, and one un-identifiable signature.

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

Bill Ludwig, Liquor Store Manager reported the following:

- Over \$40,000.00 in sales during 4th of July week
- Up \$17,789.00 year to date
- Profit up \$3,800.00
- Events report
- Beer camp - over 70 persons in attendance
- Beer & Brats hosted by Third Street Brewery went very well
- Wine Club – frozen drinks
- Exterior lights on the building have been added for security
- Wine cooler has been installed

CONSENT AGENDA

Motion to approve the minutes from the following meeting: June 10, 2013 Paynesville Area Joint Trails Board, June 10, 2013 Liquor Board, June 10, 2013 Public Works Committee, May 2, 2013 Park & Tree Board, June 17, 2013 Planning Commission, June 18, 2013 EDAP Board, May 6, 2013 Planning Commission, and June 17, 2013 Special City Council.

Motion to approve the following vouchers:

07/11/2013	Payroll	86532-86463	\$4,731.85
07/11/2013	Payroll Direct Deposit		\$14,979.65
07/11/2013	Payroll	86533-86538	\$4,906.90
07/11/2013	Payroll - Fed		\$5,432.23
07/11/2013	Payroll - State		\$1,015.95
07/11/2013	Payroll - ING		\$275.00
07/11/2013	Payroll - TASC		\$446.13
07/11/2013	Payroll - PERA		\$4,267.86
07/12/2013	Voucher	86539	\$399,665.87
07/17/2013	Voucher	86540-86628	\$286,550.96
		TOTAL	\$722,272.40

Motion to approve the training request for SFST and OPUE for Officer Thompson.

Motion to accept the resignation of Deanne Nolen, Liquor Store Clerk, effective July 31, 2013 and Leah Knapp, Liquor Store clerk, effective immediately.

Motion to hire Ann Wendlandt and Bridget Weber at \$8.15 per hour with a start date of July 25, 2013 for the positions of Part-Time Liquor Store Clerk.

Motion to hire Melissa Ball-Warriner at \$12.87 per hour, Grade 6/Step 1, with a start date of July 25, 2013 for the position of Full-Time Payroll Specialist.

Motion to hire Amber Young at \$10.08 per hour, Grade 1/ Step 1, 24 hours per week with a start date of July 25, 2013 for the position of Part-Time Social Media Specialist.

Motion to put Corrina McQuiston on a City eligibility list.

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

2013 STREET CAPITAL IMPROVEMENT PLAN

The 2013 Capital Improvement Plan was presented. DeWolf reported the following:

- The Capital Improvement Plan is reviewed on an annual basis.
- Changes include:
 - 2015 project added
 - Plan used to maintain the assets the City has
 - Typical design holds for 20 years
 - Added a 2024 project
 - Downtown project is planned for 2022

RIP RAP FOR SEWAGE PONDS

DeWolf reported that the quote is to restore the rip rap around the ponds. Two quotes for rip rap for the ponds were presented:

Voss	\$43.75 per ton (1500 ton)
Monson Corporation	\$53.00 per ton (1500 ton)

This will be the final year of the project which started in 2008. The Public Works Committee has reviewed this and recommends approval.

Motion was made by Beavers to approve the quote from Voss Plumbing & Heating in the amount of \$43.75 per ton for 1,500 ton. Seconded by Mayer and unanimously carried.

LIBRARY RULES OF BEHAVIOR POLICY

The Rules of Behavior Policy for the Paynesville Public Library was presented. The change is being made to Number 3 of the policy to not allow pets other than service animals, service animals in training, and animals in sessions into the Library.

Motion was made by Beavers to approve the Rules of Behavior Policy for the Paynesville Public Library. Seconded by Soine and unanimously carried.

VARIANCE REQUEST – WATER TREATMENT PLANT

A Variance Application submitted by the City of Paynesville for the property located at 271 Ampe Drive was presented. The City of Paynesville is modifying and rehabilitating the existing Water Treatment Facility on Ampe Drive. In an effort to meet the water needs of the community, including addressing the low pressures in the water distribution system due to activities at the water treatment plant site, the City has designed a 460,000 gallon concrete reservoir on the northeast portion of the water treatment plant site. It is necessary to have this tank be above ground due to Minnesota Department of Health rules for tanks holding treated drinking water. The dimensions and location of the tank are designed to make the site workable given existing conditions and comply with as many ordinances and rules as possible. The request is to encroach on the backyard setback requirement of 25' by approximately 12.11' leaving a setback of 12.89'. This encroachment is on the T.H. 23 side of the lot and is due to the double frontage of this lot. The Planning Commission has reviewed this and recommends approval.

Motion was made by Soine to set the Water Treatment Plant Variance Public Hearing for Wednesday, August 14, 2013 at 7:00 p.m. Seconded by Beavers and unanimously carried.

BUSINESS SUBSIDY – SAVAGE LAND PARTNERSHIP

Resolution 2013 – 20 Setting A Public Hearing On The Proposed Business Subsidy To Savage Land Partnership, LLC was presented. This is necessary as the EDAP loan being applied for is over \$100,000.00. The Public Hearing will be held on Wednesday, August 14, 2013 at 6:15 p.m.

Motion was made by Beavers to approve Resolution 2013 – 20 Setting A Public Hearing On The Proposed Business Subsidy To Savage Land Partnership, LLC. Seconded by Soine and unanimously carried.

GAMBLING PERMIT – PAYNESVILLE GOLDEN EYES - RAFFLE

The MN Lawful Gambling LG220 Application For Exempt Permit submitted by Paynesville Golden Eyes to conduct a raffle on September 26, 2013 at the Paynesville American Legion, 770 W. Hwy. 23, Paynesville, MN was presented.

Motion was made by Mayer to approve the Paynesville Golden Eyes MN Lawful Gambling LG220 Application For Exempt Permit to conduct a raffle on September 26, 2013. Seconded by McDaniel and unanimously carried.

LOUIS INDUSTRIES TIF PUBLIC HEARING

Thompson recessed the Regular City Council meeting at 6:15 p.m. and opened the Louis Industries TIF Public Hearing. Ed Tschida, Advanced Resources reviewed the following:

- The City has done a number of similar projects
- Local business expansion
- TIF District could last up to a maximum of 9 years
- Louis is proposing an expansion of existing facilities
- 30,000 – 37,000 square foot building
- This is a pay as you go TIF

- The expansion will add value to the property
- Increase in property taxes by approximately \$25,000 per year
- Added several jobs and will continue to create more
- \$2.2 million dollars in value

There being no further comments or questions, Thompson closed the Public Hearing at 6:21 p.m. and re-opened the Regular City Council meeting.

TIF – LOUIS INDUSTRIES

Ed Tschida presented the TIF Development Agreement and Resolution Of The City Council Of The City Of Paynesville Approving Tax Increment Financing District No. 1-14 And The Use Of Tax Increment Financing. Louis Industries is planning on creating 7- 10 jobs.

Motion was made by Soine to approve Resolution Of The City Council Of The City Of Paynesville Approving Tax Increment Financing District No. 1-14 And The Use Of Tax Increment Financing, Development Agreement By And Between Paynesville, Minnesota And Louis Industries, Inc., and to transfer \$500.00 to cover the recording costs. Seconded by Beavers and unanimously carried.

SMALL CITIES DEVELOPMENT PROGRAM (SCDP) – GUIDELINES

Eckerly reported that Tri-Cap is updating the forms from 2008 and Stearns County HRA. There are interested parties in the remaining money. The revised City of Paynesville Downtown Redevelopment Program Grant/Loan Policies & Procedures was presented.

Motion was made by Beavers to approve the City of Paynesville Downtown Redevelopment Program Grant/Loan Policies & Procedures. Seconded by Soine and unanimously carried.

SUBORDINATION REQUEST – SWEET NOOK BAKERY

Eckerly reported that the City was efficient in filing the FCC and beat the Credit Union. The Credit Union will not loan Marilyn Blonigen the money unless the City approves the subordination. EDAP has reviewed this and recommends approval. A letter requesting to have the City of Paynesville subordinate its position on Marilyn Blonigen's business assets was presented.

Motion was made by Soine to subordinate the City's position on the lien for machinery and equipment for Marilyn Blonigen. Seconded by Mayer and unanimously carried (McDaniel Abstained).

POLICE DEPARTMENT - VOLUNTEER

Diane Fournier has approached the Police Department about volunteering within the Police Department. Fournier has over 20 years of support staff experience with the Plymouth Police Department with the last 8 years being in an administrative support role. Wegner has spoken with Chief Goldstein of the Plymouth Police Department about Fournier. She comes highly recommended from Chief Goldstein. He describes her as a very trustworthy, versatile individual with a good knowledge of MN Data Practices. Fournier would assist with general office tasks that

are not currently being covered by the sheriff's office. Fournier would need to have a background check due to the access to certain areas and information within the department. Costs to allow her on are little to none.

Thompson asked if there was a legal aspect. Spooner said that the City should carry the insurance due to the LMC liability issues. It was noted that the City does carry the necessary insurance. It was asked what projects Fournier will be doing. Wegner stated updating forms, general organization, and records retention.

Motion was made by Beavers to approve Diane Fournier as a volunteer for the Police Department. Seconded by McDaniel and unanimously carried.

FREIBERG ALLEY VACATION PUBLIC HEARING

Thompson recessed the Regular City Council meeting at 6:30 p.m. and opened the Freiberg Alley Vacation Public Hearing. Eckerly reported the following:

- Since the end of May the purchaser has backed out and Freiberg has lost his purchase on a property
- DNR has stated that any vacation going to public water should be denied
- DNR has sent a letter and it states their position on the matter
- A utility easement will remain in place
- There is another encroachment on this alley also
- There was a variance issued to another person in this neighborhood in 1996

It was asked if a variance could be granted instead of a vacation. Eckerly said yes; however, the process would have to start all over and could take up to an additional 60 days. Spooner interjected that Freiberg didn't apply for a variance. He applied for a vacation. Beavers asked if the alley is vacated; would the structure meet setbacks. Spooner said yes. Beavers stated that usually one acquires land through a process and have to pay for it; why doesn't the City sell Freiberg the land. Spooner stated that the City never paid for the land; the City acquired the land through a plat. Platted lands dedicate streets and alleys. It was further stated that the City can't grant a variance as the shed is on City land.

There being no further comments or questions, Thompson closed the public hearing and re-opened the Regular City Council at 6:44 p.m.

SAFETY TRAINING DAY – ACTIVE SHOOTER TRAINING

The Safety Committee has been researching training possibilities for the afternoon session (from noon- 4:30 p.m.) of the annual Safety Training Day. The Committee is recommending Active Shooter Training. The training fee is \$1,000.00 plus mileage at \$.565 x 170 miles equals approximately \$96.05. This training would be mandatory for all part-time and full-time City employees and to reduce the cost; other community entities and/or neighboring cities would be invited to attend.

Motion was made by Soine to approve the Active Shooter Training during the annual Safety Training Day; October 14, 2013. Seconded by Beavers and unanimously carried.

WATER TREATMENT PLANT REHAB PROJECT

DeWolf reported that the project is currently being bid, with bids due on August 20, 2013 at 11:00 a.m.

WASTEWATER TREATMENT FACILITY RE-SCOPING PROJECT

DeWolf reported that the project continues to move forward.

MPCA FORMER MID TOWN SERVICE STATION

Eckerly reported that there is no update at this time.

2014 STREET IMPROVEMENT PROJECT

Chuck DeWolf presented the 2014 Street Improvement options for the old Hwy. 23 rehab portion:

1. Eliminates the center turn lane and creates boulevard and parking
2. Has a center lane with no boulevard and an 8 foot parking lane
3. Has a center turn lane with no parking and no boulevard

Currently the City has a narrower version of option 2. Informational meetings and public hearings will be held with the County Engineer likely attending these meetings. The Public Works Committee has reviewed this, but no recommendation was made.

HEATHERWOOD PLAT 3 – RUTWALD PROPERTIES, LLC

Eckerly reported that Spooner has pursued the breach of the agreement and papers have been served. Eckerly and Spooner met with the property owners. Spooner interjected that this is a difficult situation to sell the land and meet the obligations. The property owners thought they didn't commit on a personal level and have fallen behind on payments to the City. The property owner's solution is to sell the land to developers on contract for deed and not pay the full special assessment upon the sale of the lot. There is some concern if plan is to sell the property on contract for deed and what kind of contracts are being made. It was asked if the City can be a third party on the contracts. Spooner stated that the City has a contract now; how do we know the future will be better. The property owners are also behind on their property taxes. It was suggested to look at this on a case by case basis. There was some discussion on spec homes and the covenant that is on the property. Spooner was directed to send another letter to the property owners.

ALLEY VACATION REQUEST – WALT FREIBERG

Walter Freiberg is trying to sell his property located at 111 Lyndall Ave. and in the process found that his detached accessory garage is 7' into the alley. This structure was built prior to him obtaining ownership of this property. Mr. Freiberg has paid the fees and obtained signatures of the majority of the property owners that abut this alley and is petitioning to have this alley vacated. This alley lies between Central Ave. and Lyndall Ave. The MN DNR has been given proper notice and their recommendation is to deny the request.

Motion was made by Soine to approve Resolution 2013-22 Vacating An Alley Within Block 2 Of Oak Park Addition, Stearns County, Minnesota. Seconded by McDaniel and passed 4:1 (Thompson, yes; Soine, yes; McDaniel, yes; Mayer, yes; and Beavers, no).

Motion was made by Soine to approve the Notice of Completion Of Proceedings For Vacation Of Alley Within Block 2 Of Oak Park Addition Stearns County, Minnesota. Seconded by McDaniel and unanimously carried.

AIRPORT

The Agreement For Professional Services for the City's Airport Land Use/Zoning Ordinance. The actual project was approved by Council on November 14, 2012; however this Agreement has never been approved and signed.

Motion was made by Beavers to approve the Agreement For Professional Services for the City's Airport Land Use/Zoning Ordinance. Seconded by Soine and unanimously carried.

Payment Estimate No. 4 (final payment) in the amount of \$7,342.50; payable to Electrical Systems, Inc. for work completed on the project was presented.

Motion was made by Beavers to approve Payment Estimate No. 4 (final payment) in the amount of \$7,342.50; payable to Electrical Systems, Inc. Seconded by Mayer and unanimously carried.

CITY COUNCIL WORKING SESSION

At the last City Council meeting the Council consented to hold a City Council Working Session. From the email that was sent; Jean Soine has replied and Tuesday, August 13, 2013 at 6:00 p.m. works for her. The Council consented to meet Tuesday, August 13, 2013 at 6:00 p.m.

TH 55/CO. RD. 181 INTERSECTION PROJECT

Payment Estimate No. 1 in the amount of \$95,036.20; payable to Knife River Corporation for work completed through June 28, 2013 was presented. The City will pay the contractor, but be reimbursed by the State.

Motion was made by Soine to approve Payment Estimate No. 1 in the amount of \$95,036.20; payable to Knife River Corporation. Seconded by McDaniel and unanimously carried.

INFORMATIONAL

Thompson reviewed the following informational items: Debtor Report, Morgan Stanley Investment Report, August & September Meeting Schedules, and Letter to Paynesville Area Center. Eckerly noted that the Area Center is satisfied with the City's response.

Thompson recessed the Regular City Council meeting at 7:19 p.m. to meet in Closed Session to discuss real property as described as Lot 1, Block 1, River Park Estates.

Thompson opened the Closed Session at 7:32 p.m. Thompson closed the Closed Session and re-opened the Regular Council meeting at 7:35 p.m. and gave a summary on the real property.

Motion was made by Beavers to authorize the City Administrator to approach the landowner for an option to purchase 1.5 acres in the amount of \$20,000.00 for a regional storm water pond. Seconded by Mayer and unanimously carried.

There being no further business, the meeting was adjourned at 7:37 p.m.

Renee Eckerly, City Administrator