

**MINUTES
CITY COUNCIL MEETING**

JULY 28, 2014

Mayor Jeff Thompson called the meeting to order at 6:04 p.m. Council members present were Kay McDaniel, Jean Soine, and Gene Beavers. Donavan Mayer was absent. Others present were Renee Eckerly, City Administrator; Ron Mergen, Public Works Director; Jennifer Welling, Administrative Assistant/Zoning Specialist; Bill Spooner, City Attorney; Eric Glenz, Spooner & Glenz; Ellarry Prentice, Press; Chuck DeWolf, Bolton & Menk, Inc.; JoLyn Lindquist, Social Media Specialist; Bill Ludwig, Liquor Store Manager; Paul Wegner, Chief of Police; Neil Herzberg, and John Derichs.

The Pledge of Allegiance was recited. Council members gave verbal activity reports. Eckerly announced that the filing for candidacy is open from July 29 at 8:30 a.m. – August 12 at 5:00 p.m.

Bill Ludwig, Liquor Store Manger reported the following:

- Sales are up \$48,505.00 or 6.7%
- Profit is up \$10,884.00 or 6.9%
- July sales are up \$2,000.00
- \$50,000.00 in sales over the 4th of July holiday
- Events include: Open House, Beer Camp – over 100 people in attendance, and Wine Club – no August Wine Club

CONSENT AGENDA

Motion to approve the minutes from the following meetings: June 5, 2014 Special Park & Tree Board, April 14, 2014 Public Works Committee, June 17, 2014 EDAP Board, February 3, 2014 Special Safety Committee, May 27, 2014 Public Safety Committee, and May 12, 2014 Public Works Committee.

Motion to approve the following vouchers:

07/10/2014	Payroll	88543-88549	\$4,884.48
07/10/2014	Payroll Taxes	88709-88713	\$6,413.49
07/10/2014	Payroll Direct Deposit		\$21,361.94
07/10/2014	Payroll - Fed		\$7,458.04
07/10/2014	Payroll - State		\$1,479.72
07/10/2014	Payroll - ING		\$275.00
07/10/2014	Payroll - TASC		\$451.37
07/10/2014	Payroll - PERA		\$6,670.93
07/10/2014	Payroll - AFLAC		\$139.41
07/10/2014	Select - Health Saving Acct		\$453.85
07/24/2014	Payroll	88714-88719	\$4,418.90
07/24/2014	Payroll Taxes	88720-88725	\$6,918.93
07/24/2014	Payroll Direct Deposit		\$17,984.04
07/24/2014	Payroll - Fed		\$6,211.90

07/24/2014	Payroll - State		\$1,124.04
07/24/2014	Payroll - ING		\$275.00
07/24/2014	Payroll - TASC		\$451.37
07/24/2014	Payroll - PERA		\$5,203.25
07/24/2014	Payroll - AFLAC		\$139.41
07/24/2014	Select - Health Saving Acct		\$453.85
07/22/2014	Voucher	88726-88785	\$322,314.67
		TOTAL	\$415,083.59

Motion to appoint Sheri Wegner and Matt Dickhausen to the Ad Hoc Enhancement Committee, effective immediately.

Motion to hire Natasha Meed as a lifeguard at the rate of \$9.00 per hour.

Motion to accept the resignation of Kayla Loesch, Liquor Store Clerk effective August 30, 2014 and to start the process to create an eligibility list.

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

CONDITIONAL USE PERMIT REQUEST – KALLEVIG & CHRISTINSEN

A Conditional Use Permit application has been submitted by Daniel & Renee Kallevig and Catherine & Rodney Christinsen regarding the lots they own at 914 Business 23 W and 902 Business 23 W respectively. These parcels are currently zoned “C-2” Highway Commercial District. The application is for two parcels and their respective owners due to the fact that ultimately this parcel will be purchased by a retail business, the lots will be combined, and the Conditional Use is really for their facility. They need the Conditional Use Permit according to City Code Chapter 11, Section 11.60, Subd. 5B. The proposed grading and filling is to be done in connection with the construction of a retail store, driveway, and parking areas, and portions of which are within the shoreland overlay, being within 300 feet of the river or stream or the landward extent of the flood plain on such river or stream. The Application, Report & Recommendation, and Conditional Use Permit were presented. The Planning Commission has reviewed this, held a public hearing, and recommends approval.

Motion was made by Soine to approve the Report & Recommendation Of Planning Commission On Application For Conditional Use Permit. Seconded by Beavers and unanimously carried.

TIF NO. 1-15 – STANG

Stang Precision is requesting the use of tax increment financing in conjunction with a proposed manufacturing facility. Please review the attached TIF information, schedule and resolution setting the public hearing. The EDAP Board has reviewed this and recommends approval.

Motion was made by Soine to approve Resolution 2014-20 Calling Public Hearing On The Proposed Establishment Of Tax Increment Financing District No. 1-15 Within Development District No. 1 And The Proposed Adoption Of A Tax Increment Financing Plan Relating Thereto. Seconded by Beavers and unanimously carried.

LEASE OF COPIER

Three quotes have been obtained for a new copier:

Marco	=	\$6,163.44	annually
Loffler	=	\$5,850.72	annually
MN Computer Systems	=	\$5,247.84	annually

Currently the City is paying \$6,429.89 annually. All companies would buy out the current lease and ship the copier back. A spreadsheet was presented for further details on the individual copiers. The Budget and Finance Committee has reviewed this and recommends the lease of the Konica C654e from Marco and lock in the rates. Eckerly explained that the current copier is on a 5 year lease that ends in September. Eckerly was contacted by Marco on July 24, 2014 and Marco would match Loffler's rates and lock it in for five (5) years.

Motion was made by Soine to lease the Konica C654e copier from Marco and lock in the rates for 5 years. Seconded by Beavers and unanimously carried.

IT SERVICES

Two proposals were received for IT support:

Marco	=	\$1,504.00	monthly	Bennett	=	\$2,500.00	monthly
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Currently the City is with Bennett and has been for many years; however, the City is being charged for support on a situation that Bennett has never resolved. The Budget & Finance Committee has reviewed this and recommends Marco, with a decrease in timeframe and with the termination clause. Eckerly commented that she has lost confidence in Bennett and would want a company to provide support rather than an individual. Eckerly further suggested that the vendor would be switched prior to the server upgrade. The server upgrade is estimated at \$10,000.00. There was some discussion on Bennett not resolving the computer issues.

Motion was made by Beavers to approve the quote from Marco in the amount of \$1,504.00 (monthly fee) and to decrease (in half) the timeframe with the termination clause. Seconded by Soine and unanimously carried.

2014 STREET IMPROVEMENT PROJECT

DeWolf reported that the Minnesota Street section of the project will be complete in 1-2 weeks. Water and sewer services are being installed on Business 23.

AIRPORT

Mergen updated the Council on the Airport and the Airport Fly In that will be held on August 10, 2014. A letter to Paul Lo regarding Residential Through-the-Fence was reviewed. This reserves the right for a thru the fence at a later time.

Motion was made by Beavers to approve the Residential Through-the-Fence letter to Paul Lo. Seconded by Soine and unanimously carried.

LIQUOR STORE PROPOSAL

The Council discussed the liquor store proposal from Derichs Properties, LLC. Ludwig explained the proposed 2015 Budget which is 10% above 2013 (actual). With the increased expenses the given figures would cash flow if the store would relocate. The Liquor Board has reviewed this and recommends approval. It was suggested to table this until August 11, 2014 when a full Council would be present. This item was tabled.

BOY SCOUT EAGLE PROJECT – LARRY CARLSON

This was tabled from the July 14, 2014 City Council meeting. Larry Carlson, Boy Scout is requesting that the Building Permit fee of \$140.00 be waived for two baseball dugouts at the Paynesville Elementary School that he is going to construct with a local contractor for his Eagle Project. Please see the attached written request, letter of support, building permit application, and applicable fees. Per the Building Official, the actual Building Permit fee cost is \$144. There was a lengthy discussion on if this is considered a donation to the school when it could be included in the school's recreational programming.

Motion was made by Soine to approve waiving the Building Permit fee of \$144.02. Seconded by McDaniel and unanimously carried.

COMMERCIAL COMPOST SITE KEY FEE WAIVER REQUEST – PAYNESVILLE AREA SCHOOLS

This was tabled from the May 12, 2014 City Council meeting. A commercial compost site key fee waiver request submitted by the Paynesville Area Schools was presented. The current commercial compost site key fee is \$200.00 (this allows for unlimited use of the site). The current residential compost key fee is \$10.00 (this allows for the use of the site during supervised hours). The School District used the site during regular manned hours on April 26, 2014 four times (leaves and brush) and was not charged. An email from Bob Hout was reviewed. The City has not in the past waived the fee for the School. It was confirmed that a non-profit was to be researched, but the Environmental Committee has not met yet; however, the School wants a decision. The City already donates to the Hockey Association. It was suggested to not waive the fee until the Council has a recommendation from the Environmental Committee. No action was taken.

WASTEWATER TREATMENT RE-SCOPE PROJECT

DeWolf stated that the project is near completion. Payment Estimate No. 18 in the amount of \$130,907.92; payable to Magney Construction, Inc. for work completed through July 3, 2014 was presented.

Motion was made by Beavers to approve Payment Estimate No. 18 in the amount of \$130,907.92; payable to Magney Construction, Inc. Seconded by Soine and unanimously carried.

UNION CONTRACT – CITY HALL UNIT

A Memorandum of Agreement between the City of Paynesville and AFSCME Council 65 City Hall Bargaining Unit this Agreement was reviewed. This is a three year Agreement effective January 1, 2013 through December 31, 2015. The Negotiation Team has negotiated the Agreement and recommends approval.

Eckerly highlighted the changes:

- 3 year contract – 2013, 2014, and 2015
- Call out language - remain unchanged
- Increase \$10.00 in health insurance coverage to match the police officers
- Add in bereavement leave to match the police officers
- Add in back-fill pay for the three girls in the administration office that back-filled the vacant Accounting Specialist position at \$130.00 x 52 weeks = \$6,760.00 / 3 = \$2,253.33 each.
- Step increases would be in January - no COLA

There were some concerns with setting a precedence. Back-fill pay has been already done in the past. The City has received verbal ratification of the contract from the Union.

Motion was made by McDaniel to approve the Memorandum Of Agreement between the City of Paynesville and AFSCME Council 65 City Hall Bargaining Unit. Seconded by Soine and unanimously carried.

WATER TREATMENT PLANT EXPANSION PROJECT

DeWolf reported that the contractor is working on the clear well, electrical, and interior.

There was not adequate money transferred from the Water Fund 100 to the Water Plant Rehab Debt Fund 524 to cover the principal and interest payment for 2014 as the City did not have that figure when doing the 2014 budget. Originally the City transferred \$70,000.00 and the payment due is \$104,252.76. There is a need to transfer an additional \$40,000.00 to cover the 2014 payment and avoid a negative balance.

Motion was made by Beavers to approve an additional transfer from the Water Fund 110 to the Water Plant Rehab Debt Fund 524 of \$40,000.00. Seconded by McDaniel and unanimously carried.

INFORMATIONAL

Thompson reviewed the following informational items: Gary Grossinger, Stearns County Assessor Retirement Notice, Morgan Stanley Investment Report, Solar Energy – Site Permit Application Notice, and August & September Meeting Schedules.

There being no further business, the meeting was adjourned at 7:13 p.m.

Renee Eckerly, City Administrator