

**MINUTES
REGULAR CITY COUNCIL MEETING**

AUGUST 28, 2013

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; Bill Spooner, City Attorney; Amber Young, Social Media Specialist; Chuck DeWolf, Bolton & Menk, Inc.; Paul Wegner, Police Chief; and Bill Madigan, Serenity Path; and Julie Madigan, Serenity Path.

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

Thompson added that the Public Hearing on the reconstruction of Old Hwy. 23 had been well attended.

CONSENT AGENDA

Motion to approve the minutes from the following meetings: June 26, 2013 Regular City Council; July 10, 2013 Regular City Council; June 10, 2013 Regular City Council; July 24, 2013 Regular City Council; August 14, 2013 Regular City Council; July 10, 2013 Public Works Committee; July 11, 2013 Special Park & Tree Board; July 23, 2013 Special EDAP Board; July 15, 2013 Budget & Finance Committee; May 22, 2013 Regular City Council.

Motion to approve the following vouchers:

08/21/2013	Payroll	86742-86748	\$4,543.32
08/21/2013	Payroll Direct Deposit		\$16,625.01
08/21/2013	Payroll Taxes		\$353.85
08/21/2013	Void	84750-86755	\$0.00
08/21/2013	Payroll Taxes	86756-86761	\$5,058.19
08/21/2013	Payroll - Fed		\$5,848.30
08/21/2013	Payroll - State		\$1,067.62
08/21/2013	Payroll - ING		\$275.00
08/21/2013	Payroll - TASC		\$343,308.45
08/21/2013	Payroll - PERA		\$4,462.05
08/21/2013	Payroll - AFLAC		\$124.46
08/27/2013	Vouchers	86762-86819	\$176,124.04
08/27/2013	Voucher	86820	\$430.68
Total			\$215,358.65

Motion to approve the attendance of Brad Mehlhop to the MN Rural Water Association – Water Exam Refresher Training on October 15, 16, and 17, 2013 in St. Cloud, MN.

Motion to approve the attendance of Ron Mergen and Lee Schleper to the MWOA Central Section Meeting on Tuesday, September 10, 2013 in Buffalo, MN.

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

RECOVERY PROCLAMATION

Serenity Path requested that the City sign a proclamation naming September as Recovery Month in Paynesville. It was noted that the City has not done this in the past, but Serenity Path is in the community and the City wants to continue to support the organization.

Motion was made by Soine to sign the proclamation naming September as Recovery Month in Paynesville. Seconded by Mayer and unanimously carried.

Thompson signed the proclamation and presented it to Bill Madigan

PURCHASE OF COMPUTERS FOR MOTOR VEHICLE & ADMINISTRATION

The State of MN (MNLARS) and DNR are upgrading their access to the internet-based software. The requirements are Internet Explorer version 9 or 10 and an operating system software of Windows Vista SP2, 7 or 8. The other requirement is that everyone must log in individually each time they wait on a customer for data privacy. The State is also requiring that the computer that they provide to take the pictures for drivers licenses be used for nothing else. Eckerly reported that with the new requirement, she would like to add a computer to the front counter to allow for faster customer service. Eckerly received quotes from Bennett, HP and Dell. It would be cheaper through the Dell Surplus Outlet. There is one computer at the front counter that can be upgraded. There are four Administrative computers (Belinda, Melissa, Amber, and Jennifer) that will not allow the new requirements and are extremely slow and inefficient.

It was asked if all of the new computers would be refurbished machines. Eckerly replied yes, and added that the current computers for Motor Vehicle and Administration are all refurbished computers and are at least four years old.

Eckerly requested to purchase:

- 1 Dell Inspiron All-In-One 20" Touch computer for \$599.99 (Cash Drawer)
- 5 Dell Optiplex 7010 for \$699.00 (Motor Vehicle, Belinda, Amber, Melissa and Jennifer)
- 1 HP LaserJet Pro P1102w Printer for \$99.99 for Jennifer because her current printer will not work with a new operating system.

Capital Improvement funds:

- Purchase 3 and a printer from Fund 121 Administration that has a balance as of July 31st of \$12,034.79.
- Purchase 1 from Fund 121 Motor Vehicle that has a balance as of July 31st of \$27,593.78.
- Purchase 1 from Fund 121 Cable that has a balance as of July 31st of \$27,593.78.

The Budget & Finance Committee reviewed this and recommended approval.

Motion by Soine to approve the purchase of 1 Dell Inspiron All-In-One 20" Touch computer for \$599.99 (Cash Drawer), 5 Dell Optiplex 7010 for \$699.00 (Motor Vehicle, Belinda, Amber, Melissa, and Jennifer) and 1 HP LaserJet Pro P1102w Printer for \$99.99 plus sales tax and shipping and utilize Capital Improvement funds in the total amount of \$4,194.98. Seconded by McDaniel and unanimously carried.

CHIEF OF POLICE PAUL WEGNER POLICE DEPARTMENT REPORT

Chief of Police Paul Wegner reported that the volunteer had started in the Paynesville Police Department. The volunteer is working on organizing files within the office. She will be updating forms and transitioning office materials such as letterhead and a new logo from the prior administration to the new administration. The finishing touches are being put on the new policy manual and Wegner said he hoped to have it ready for the next Council meeting.

The Paynesville Police Department has been working to assist Premier Auto in cleaning up their property and getting rid of excess car parts. Over half of the junk vehicles have been removed.

The City's surplus vehicles have had their graphics removed and they will be up for sale within the next few weeks. There will be postings in the paper, on the City's website, as well as a listing on Ebay for which links will be provided for anyone wishing to bid on the vehicles.

The Paynesville Police Department is preparing for a safe school year by working on a stronger presence in the school zones; particularly during bus loading and unloading times in the morning and afternoon. Wegner notified the Council that there would be a safety meeting at the Paynesville High School on August 29, 2013 at 6:30 pm.

It was asked whether there was any news on the new school liaison officer. Wegner replied that they would have more information on the liaison officer by the end of September.

LOCAL BOARD OF APPEAL & EQUALIZATION TRAINING

The City is required to have at least one Council member certified to be able to hold a Local Board of Appeal & Equalization meeting. Thompson is currently the only one certified and is current until July 1, 2015. The closest training is scheduled for Wednesday, November 13, 2013 at 6:30 p.m. in Waite Park, MN. This is also a City Council meeting night. McDaniel volunteered to receive training.

Motion was made by Soine to approve attendance of any Council member who is not yet trained to the Local Board of Appeal & Equalization Training and to move the Wednesday, November 13, 2013 Council meeting to Tuesday, November 12, 2013. Seconded by Beavers and unanimously carried.

MNDOT CONSENT

Excerpt of minutes from the Public Works Committee meeting:

MnDOT has requested the City's consent to cross the City's easements on some of the irrigation properties as the ponds they have constructed by the fly-over are not draining properly. The ponds are designed to drain into the ditch going north which the City has an easement on and the City's tile line drains. It was also noted the owner can clean this ditch without the City's consent any time.

Motion was made by Quade to approve the MnDOT Consent Form and recommend such to the City Council. Seconded by Peschong and unanimously carried.

The Public Works Committee has reviewed this and recommended approval.

Thompson asked if the drainage ditch eventually drains into the Sauk River. Mergen replied yes.

Motion made by Beavers to approve MnDOT Consent Form. Seconded by Soine and unanimously carried.

PURCHASE OF SNOW BLOWER

Excerpt of minutes from the Public Works Committee Meeting were presented:

Snow blower quotes were reviewed:

A & C Farm Service:

- | | |
|--------------------|---|
| 1. Schulte SDX 102 | \$6,450.00 (does not meet the minimum specifications) |
| 2. Loftness 1082 | \$8,800.00 |
| 3. Schulte SDX 117 | \$11,450.00 |

Torborg Equipment:

- | | |
|-----------|------------|
| 1. Lorenz | \$6,900.00 |
|-----------|------------|

Midwest Machinery John Deere:

- | | |
|------------------|------------|
| 1. Loftness 1082 | \$7,350.00 |
|------------------|------------|

Members discussed the prices and that the Schulte didn't meet the necessary specifications which are:

Width 108" minimum – unit is 102"

Cutting height 44" minimum – unit is 35"

Augers minimum of 2 this unit only has one

Motion was made by Quade to approve the quote from Torborg Equipment in the amount of \$6,900.00 plus tax. Seconded by Peschong and unanimously carried.

Mergen reported that the Public Works Committee reviewed this and recommended the purchase of the Lorenz from Torborg Equipment along with trading in the old snowblower.

Motion was made by Beavers to purchase a Lorenz Snow Blower in the amount of \$6,900.00 from Torborg Equipment plus tax with funds from the Street Equipment Fund. Seconded by Soine and unanimously carried.

2014 BUDGET

Eckerly reported a budget increase of only 1.7%. It was asked if the City had budgeted for a facilitator for codification of the ordinance book. Eckerly replied yes. It was noted that in previous years the Council approved a levy increase of 7%, but they would recommend only a 5% increase this year.

Motion was made by Soine to approve calculating the preliminary levy budget at 5%. Seconded by McDaniel and unanimously carried.

ERFP COMMITTEE NAME CHANGE

Excerpt of minutes from the ERFP Committee:

The Committee discussed whether to go out for RFP's or not. The previous Council's practice was to go out for RFP's on a regular basis. The Committee discussed evaluating services the current contractors provide to keep up the quality of service. The Committee discussed that changing contractors you have to review the history and it creates a learning curve for both the contractor and staff. The Committee discussed the average cost of \$350,000.00 for an engineer. The Committee further discussed for the average cost could the City hire an internal engineer. There was discussion on whether to contact other cities our size to see if they have their own in-house engineer or contractor and the cost for such. It was mentioned that for major projects the City could do RFP's.

The Committee recommended establishing a Committee to evaluate the contractors and rename the Committee "Contractual Review Committee".

OR

These evaluations could be done by Budget & Finance Committee in January/February for budgeting purposes.

It was suggested to put together a list of contractors and when contracts expire.

Representatives from the ERFP Committee reported on the Committee's discussion regarding City Engineering RFP's. The ERFP Committee does not recommend going out for RFPs for City Engineer. The Committee also recommended changing the name to "Contractual Review Committee" to conduct City contractual reviews.

It was suggested to have the Budget & Finance Committee review contractors in January/February prior to starting budgeting.

WORKING SESSION

It was suggested to schedule another Working Session. Possible dates included:

Tuesday, September 10, 2013 at 6 p.m.

Monday, September 16, 2013 at 6 p.m.

Wednesday, September 18, 2013 at 6 p.m.

Monday, September 30, 2013 at 6 p.m.

Motion was made by Beavers to set a Working Session meeting for September 10, 2013 at 6:00 p.m. Seconded by Soine and unanimously carried.

WATER TREATMENT PLANT REHAB PROJECT

DeWolf presented the bids that were received and opened on August 27, 2013 at 2:00 p.m. Action on approving the bids will be on the next Council Agenda.

WASTEWATER TREATMENT FACILITY RE-SCOPING PROJECT

DeWolf reported that the project is nearing completion and that training has started. They are two weeks from the lift station going online. Once it's online, all components will be operational.

MPCA FORMER MID TOWN SERVICE STATION

Mergen informed the Council there was no update to report.

OPPORTUNITY PARK IMPROVEMENT PROJECT

DeWolf reported that they are monitoring seeding in the pond and that the weed issues had been taken care of.

It was asked if the flowers in the pond were meant to be on the sides as well or only on the bottom of the pond. DeWolf said there would be regular lawn on the sides and a native mix of flowers in the bottom of the pond.

Payment Estimate No. 4 in the amount of \$30,293.04; payable to Chad Monson Excavating for work completed through August 10, 2013 was presented.

Motion was made by Mayer to approve Payment Estimate No. 4 in the amount of \$30,293.04; payable to Chad Monson Excavating. Seconded by McDaniel and unanimously carried.

EDAP REVOLVING LOAN APPLICATION REVISIONS

This item was tabled from the August 14, 2013 City Council meeting. The EDAP Board has reviewed and discussed the Industrial/Commercial Paynesville Revolving Loan Fund Application and made the following changes:

- Maximum eligible loan request may be up to 50% of the EDAP Revolving Loan Fund balance.
- It will not be the practice to refinance the balloon after 10 years.

Motion was made by Beavers to approve the revised Industrial/Commercial Paynesville Revolving Loan Fund Application. Seconded by McDaniel and unanimously carried.

PAHCS – FIRST RIGHT OF REFUSAL

City Attorney Bill Spooner reported on the conference call with CentraCare on August 20, 2013. Spooner also received a draft agreement that is to replace the current 1992 agreement from CentraCare Hospital – Paynesville. Spooner reported that part of CentraCare's agreement with the Hospital District is giving a first option to buy any assets that they would determine that they didn't want to retain, which is why the Hospital District is part of the agreement that was sent to the Council. One of the provisions of the documents says the City's rights are subject to the rights of the district under the terms of the lease.

Thompson asked what the life of the District is. Spooner replied that the District would continue as long as the entity of the lease was in place; once the lease is gone, the City wouldn't be subject to anybody else's rights. Draft agreements between the Hospital District and CentraCare should be available after September 5, 2013. There was concern about the City being subject to the rights of the District.

The Council tabled the PAHCS – First Right of Refusal until the next Working Session, which will be on September 10, 2013 at 6 p.m.

2014 STREET IMPROVEMENT PROJECT – HWY 23 OPTIONS & STOPLIGHT

DeWolf reported that a new option was added in addition to the other 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 turn lane with no boulevard and an 8 ft parking lane
- 3) Has a center turn lane with no parking and no boulevard

DeWolf said that the new option would keep the center turn lane with parking on both sides and no boulevard as the street is now. It was requested that DeWolf ask Stearns County if State money can be used to update the stop light to LED and be painted before turning it back over to the City.

Motion was made by Mayer to recommend the new option, which would keep the center turn lane with parking on both sides and no boulevard, as well as having the City take over the stoplight. Seconded by Soine and unanimously carried.

BUSINESS SUBSIDY/EDAP LOAN – SAVAGE LAND PARTNERSHIP – VALLEY INDUSTRIES

The EDAP Board has reviewed the Economic Development Loan Agreement/Business Subsidy Agreement, Guarantee of Payment, Promissory Note, and Mortgage between the City of Paynesville, Savage Land Partnership and Valley Industries, LLP, and recommends approval.

Motion was made by Soine to approve the Economic Development Loan Agreement/Business Subsidy Agreement, Guarantee of Payment, Promissory Note, and Mortgage between the City of Paynesville, Savage Land Partnership and Valley Industries, LLP. Seconded by Mayer and unanimously carried.

INFORMATIONAL

Thompson reviewed the following informational items: September/October 2013 meeting schedules (a Policies & Procedures meeting, as well as a Working Session, were added to the calendar), Registration for LMC Regional Meetings, Windstream Notice of Channel Changes, and the West Central Sanitation Report for August.

Thompson recessed the Regular City Council meeting at 7:07 p.m. to meet in Closed Session to discuss real property as described as Lot 1, Block 1, River Park Estates and Lots 5 & 6, Gales Addition.

Thompson opened the Closed Session at 7:10 p.m. Thompson closed the Closed Session at 7:30 p.m. and reopened the Regular City Council meeting at 7:34 p.m.

On the first item of Lot 1, Block 1, River Park Estates – the Council took no action and had questions regarding a survey and obtaining an abstract for the regional storm water pond.

On the second item of Lots 5 & 6, Gales Addition the following motion was made:

Motion was made by Soine to amend the purchase agreement with Central Minnesota Credit Union to have the City cover all closing costs. Seconded by Beavers and unanimously carried.

There being no further business to discuss, the meeting was adjourned at 7:36 p.m.

Renee Eckerly, City Administrator