

**MINUTES
CITY COUNCIL MEETING**

OCTOBER 27, 2014

Mayor Jeff Thompson called the meeting to order at 6:00 p.m. Council members present were Kay McDaniel, Donavan Mayer, Jean Soine, and Gene Beavers. Others present were Renee Eckerly, City Administrator; Ron Mergen, Public Works Director; Jennifer Welling, Administrative Assistant/Zoning Specialist; Chuck DeWolf, Bolton & Menk, Inc.; Ellarry Prentice, Press; JoLyn Lindquist, Social Media Specialist; Neil Herzberg, Bob Liestman, Fire Chief; Linda Musel, Paynesville Area Center, Bob Stoneburner, Doris Wendlandt, Inez Jones, Paynesville Area Center; Don Williamson, West Central Sanitation; Kim Nelson, After Prom; Bill Ludwig, Liquor Store Manager; and Paul Bugbee, Historical Society.

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

CONSENT AGENDA

Motion to approve the minutes from the following meeting: July 21, 2014 Safety Committee, August 18, 2014 Special Budget & Finance Committee, July 15, 2014 EDAP Board, and May 8, 2014 Special Joint Liquor Board and Budget & Finance Committee.

Motion to approve the following vouchers:

10/16/2014	Payroll Checks	89236-89240	\$4,502.18
10/16/2014	Payroll Taxes	89241-89246	\$6,769.50
10/16/2014	Payroll Direct Deposit		\$15,107.59
10/16/2014	Payroll - Fed		\$5,269.22
10/16/2014	Payroll - State		\$951.86
10/16/2014	Payroll - PERA		\$5,018.13
10/16/2014	Payroll - ING		\$275.00
10/16/2014	Payroll - TASC		\$451.13
10/16/2014	Select - Health Saving Acct		\$453.85
10/16/2014	Payroll - AFLAC		\$139.41
10/22/2014	Vouchers	89247-89311	\$744,255.14
		TOTAL	\$783,193.01

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

FIRE DEPARTMENT – REPLACE FLOORING IN FIRE HALL MEETING/KITCHEN AREA

Bob Liestman, Fire Chief was in attendance to present the proposals to replace the flooring in the Fire Hall meeting and kitchen areas:

Home Enhancement	Paynesville, MN	\$5,358.11
Green Lake Carpet Extremes	Spicer, MN	\$4,810.82
Mclain Floors	Spicer, MN	\$5,000.00

Liestman stated that this would replace the 1970's flooring and money for such would come from the Fire Department Building Capital Improvement Fund.

Motion was made by Soine to approve the proposal from Green Lake Carpets in the amount of \$4,810.82 (less tax) to replace the flooring in the Fire Hall meeting and kitchen areas. Seconded by McDaniel and failed 1:4 (McDaniel, yes; Thompson, no; Beavers, no; Soine, no; and Mayer, no).

The Council discussed keeping the project local.

Motion was made by Soine to approve the proposal from Home Enhancement in the amount of \$5,358.11 to replace the flooring in the Fire Hall meeting and kitchen areas. Seconded by Beavers and unanimously carried.

POLICE DEPARTMENT – SPECIAL REQUEST FOR LICENSED PEACE OFFICER FEE

Resolution 2014-31 Amending Certain Fees was presented. This resolution increases the special request (beer gardens, dances, etc.) for licensed peace officer from \$35.00 to \$45.00 per hour. This will be consistent with what Stearns County and other cities charge for the service. Currently the City's officers are asked to provide this type of service only a few times a year. The Budget & Finance Committee has reviewed this. It was suggested to set a two tier fee schedule (\$45.00 outside the City and \$35.00 inside the City). This will be researched and brought back to a future meeting.

2014 STREET IMPROVEMENT PROJECT

DeWolf reported that the alley is being worked on and will be paved this week.

WATER TREATMENT PLANT EXPANSION PROJECT

DeWolf reported that the project is moving forward. The filter work is going well and should be back on line by the end of November.

TAX ABATEMENT – YARMON FORD

Eckerly reported that the EDAP Board reviewed this including resolutions from other cities, giving tax abatements (process and application) and the criteria for such. EDAP has tabled this for more information; they are interested, but will take more time. It was questioned if construction could start before or after a tax abatement is determined. Eckerly stated that not all the questions have been answered. No action was taken.

2015 PROPOSED BUDGET

Representative(s) from the recreational programs will be in attendance to formally request funding. Written requests from the following entities were presented:

Paynesville Area Community Education	\$6,251.00
After Prom	\$ 450.00
Paynesville Historical Society	\$9,728.00
Paynesville Area Center	\$9,000.00

River Lakes Hockey Association

No request was received

The proposed 2015 Budget; including the General Fund, EDAP, Liquor Store and Water & Sewer were reviewed.

After Prom

Kim Nelson reported the following:

- After Prom Party is funding through donations
- Last year the City donated \$450.00
- The Committee utilizes local businesses
- 124 youth attended the party last year
- Every other year large entertainment is featured
- Most kids get a prize
- T-shirts are printed with sponsors on the back
- Surveyed students this year to get their input so that dollars are used more wisely
- Trying to get middle school parents involved

Historical Society

Paul Bugbee thanked the Council for their past contributions and reported the following:

- Commended the foresight to include a historical society as a part of the community
- Budget is \$20,000.00
- City funds are 40 – 50% of the annual operation
- Respect that all budgets are tight

Paynesville Area Center

- Latest project is the Act on Alzheimer's
- Invitation to annual meeting
- 5 year plan
- New care coordinator starting in the Rose Center

Thompson recessed the Regular City Council meeting at 6:30 p.m. for the Certification of Past Due Bills Public Hearing.

Thompson re-opened the Regular City Council meeting at 6:33 p.m.

CERTIFICATION OF PAST DUE GARBAGE, WATER & SEWER, SNOW REMOVAL & MOWING BILLS

Motion was made by Mayer to certify the delinquent refuse, water & sewer, snow removal, and mowing accounts to the County Auditor to be put on the real estate taxes. Seconded by Soine and unanimously carried.

2015 PROPOSED BUDGET CONTINUED

Community Education

Eckerly reported that the Community Education request is based on numbers and this has been the same request since 2011.

Eckerly reviewed the following:

- Levy increase is at 2.75%, but without the Liquor Store transfer it would be 10.7%
- Preliminary property tax increase was 8%, but recommending at 2.75%
- Significant increases and decreases in the budget including:
 - Internet speed
 - Airport operation and maintenance
 - Adjusting all departments to pay for the copy machine
 - Uniforms and safety boots
 - Snow and ice
 - Beach
 - Mowing

Mergen reviewed the water and sewer budgets. The proposed rate increases are as follows:

Water	base charge \$1.00	bulk rate \$1.12
Sewer	base charge no increase	bulk rate \$1.10
WAC & SAC	no increase	
Trunk Charge	no increase	
Industrial Rate CBOD charge for wind mixers	reduce to .005 cents per pound of CBOD	

- Add mandated conservation rate of \$.05 for over 100,000 gallons for second and third quarter for residential users only
- City will have residents run their water again if necessary

Ludwig reported the following on the liquor store budget:

- Sales increase 2% or \$80,000.00
- Changes to margins on actual figures
- Salaries – working with the Policies & Procedures Committee on staffing
- Rent is not taken from reserves, but rather out of the operating budget
- \$45,000.00 is the estimated figure to transfer to the City in 2015

LOCAL ROADS IMPROVEMENT PROGRAM – LAKE AVE. GRANT APPLICATION

A letter from Bolton & Menk, Inc. asking if the Council would like to move forward with the grant application was presented. The maximum grant amount is \$750,000.00 and the Lake Ave. project is estimated \$1,300,000.00. The application is due early January through the County. This would be a 2016 project from the bridge to the railroad crossing. The Ad Hoc Enhancement Committee is working with the State on landscaping.

Motion was made by Soine to authorize the engineering and to proceed with the grant application. Seconded by Beavers and unanimously carried.

COUNCIL CHAMBERS REMODEL – TRANSFER FROM 121 (605 LAKE AVE. & MOTOR VEHICLE DEPARTMENTS TO 121 (CABLE & MUNICIPAL BUILDING DEPARTMENTS)

At the October 20, 2014 Budget & Finance Committee meeting, it was recommended to transfer \$12,000.00 from the Motor Vehicle Department to the Municipal Building Department, \$4,707.10 from the 605 Lake Ave. Department to the Cable Department and \$39,434.00 from

the 605 Lake Ave. Department to the Municipal Building Department all within Fund 121 General Capital Improvement to cover the cost of the council chambers renovations.

Motion was made by Beavers to transfer \$12,000.00 from the Motor Vehicle Department to the Municipal Building Department, \$4,707.10 from the 605 Lake Ave. Department to the Cable Department, and \$39,434.00 from the 605 Lake Ave. Department to the Municipal Building Department all within Fund 121 General Capital Improvement to cover the cost of the council chambers renovations. Seconded by Soine and unanimously carried.

SURPLUS EQUIPMENT/PROPERTY – BIDS

The bids that were received and opened on October 22, 2014 were presented and reviewed.

Motion was made by Mayer to approve the bids that were received for surplus equipment/property, with the exception of item number one (Lanier 5470 copier/finisher) until the hard drive can be removed. Seconded by Soine and unanimously carried.

INFORMATIONAL

Thompson reviewed the following informational items: Mediacom – Transforming Its TV Channel Line-up To All Digital, September Liquor Store Reports, September 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, and November & December Meeting Schedules.

CLOSED SESSION

Mayor Thompson recessed the Regular Council Meeting at 6:55 p.m. and opened the Closed Session to discuss and draft City Administrator Renee Eckerly's annual performance evaluation.

Mayor Thompson closed the Closed Session at 8:40 p.m. and re-opened the open session. Mayor Thompson announced that the Council had met in Closed Session to discuss and draft the City Administrator's annual performance evaluation and that Councilmember Beavers will prepare final draft of a satisfactory annual performance evaluation for the City Administrator and that Mayor Thompson will present the evaluation to Administrator Eckerly when a meeting can be arranged.

There being no further business, the meeting was adjourned at 8:41p.m.

Renee Eckerly, City Administrator