

**MINUTES
SPECIAL CITY COUNCIL MEETING**

DECEMBER 23, 2013

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 (6:02 p.m.). Others present were Renee Eckerly, City Administrator; Ron Mergen, Public Works Director; Jennifer Welling, Administrative Assistant; Bill Spooner, City Attorney; Ellarry Prentice, Press; Chuck DeWolf, Bolton & Menk, Inc.; Neil Herzberg, Mark Eckerly, Corey Gerads, and John Derichs.

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

CONSENT AGENDA

Motion to approve the minutes from the following meeting: December 11, 2013 Truth In Taxation Public Hearing, December 11, 2013 Regular City Council, October 21, 2013 Special Budget & Finance, October 9, 2013 Public Works Committee, September 16, 2013 Policies & Procedures Committee, May 14, 2013 Policies & Procedures Committee, and November 25, 2013 Public Hearing On Hazardous Building Located At 417 Minnie St.

Motion to approve the following vouchers:

12/09/2013	First Bank of Puerto Rico - Purchased		\$150,000.00
12/12/2013	Payroll	87417-87420	\$4,179.29
12/12/2013	Payroll Direct Deposit		\$19,527.59
12/12/2013	Payroll Taxes	87427-87431	\$4,747.11
12/12/2013	Payroll - Fed		\$7,036.98
12/12/2013	Payroll - State		\$1,431.81
12/12/2013	Payroll - ING		\$275.00
12/12/2013	Payroll - TASC		\$446.13
12/12/2013	Payroll - PERA		\$5,975.30
12/12/2013	Payroll - AFLAC		\$124.46
12/12/2013	Payroll - SELECT		\$353.85
12/12/2013	Void Checks	87421-87426	\$0.00
12/19/2013	Vouchers	87432-87498	\$220,909.32
		TOTAL	\$415,006.84
12/23/13	Payroll	87499-87527	\$11,729.83
12/23/13	Payroll Direct		\$20,069.77
12/23/13	Vouchers	87528-87544	\$14,518.95
		GRAND TOTAL	\$461,325.39

Motion to approve Cigarette Licenses for 2014 for H & L Express, Inc., Casey's Retail Company, Teal's Market, Paynesville Farmers Union Coop Oil Company, and Paynesville Municipal Off-Sale Liquor; and On-Sale Liquor & Sunday Liquor Licenses for 2014 for Paynesville American Legion Post No. 271 and Queen Bees Bar & Grill, Inc.

Motion to approve the City mileage rate at 56 cents per mile effective January 1, 2014 through December 31, 2014.

Motion to approve step increases for April Mathies, Liquor Store Clerk, Grade 1, Step 1 \$8.15 to Grade 1, Step 2 \$8.33 retro to 11/15/13 and Josh Mergen, Liquor Store Clerk, Grade 1, Step 2 \$8.33 to Grade 1, Step 3 \$8.52 retro to 12/1/13.

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

COMPOST SITE FEES

On December 11, 2013 the Council passed a motion to create two tiers for the commercial compost users:

Non-Profit Users	\$100.00
All Other Commercial Users	\$200.00

Motion was made by Soine to approve Resolution 2013 – 38 Setting Commercial Compost Site Fees. Seconded by Mayer and unanimously carried.

FEE SCHEDULE

The proposed 2014 Fee Schedule was presented. The Budget and Finance Committee has reviewed this and recommended only the compost site fee change. It was suggested to remove the Recreational Fire Permit line as there is no permit or fee necessary.

Motion was made by Soine to adopt the 2014 Fee Schedule. Seconded by McDaniel and unanimously carried.

BUILDING INSPECTION SERVICES

A letter from Inspectron, Inc. stating that they will not be renewing their Building Inspection Services Contract for 2014 with the City of Paynesville was presented. The Council discussed going out for RFP's or advertise for an in-house position. Eckerly reported that she had talked to Wasmund and that he does not want to continue further contracting business with the City and Inspectron will be done on January 13, 2014. Eckerly has also visited with Gary Utsch and he is not interested in working for the City at this time. The City of New London is maybe interested in sharing an inspector. The Council may also want to consider hiring its own inspector. Eckerly is gathering job descriptions and information on computer programs for permit tracking. It was suggested to have a game plan ready for the January 8, 2014 City Council meeting. It was further suggested to send out notifications to all open permit holders and have Bill Spooner help in getting Inspectron to close out the outstanding 2011 and 2012 permits. No official action was taken.

OPPORTUNITY PARK – LETTER OF INTENT

A letter of intent between Derichs Properties, LLC and the City of Paynesville was presented. This will now be forwarded to the Liquor Board meeting on January 7, 2014.

Motion was made by Beavers to approve the Letter of Intent between Derichs Properties, LLC and the City of Paynesville. Seconded by Soine and unanimously carried.

2015 STREET IMPROVEMENT PROJECT

A engineering services proposal for the pre-design of the 2015 Street Project in the amount \$8,900.00 was presented. An excerpt of minutes from the Public Works Committee meeting:

A letter from Bolton & Menk on the proposed realignment and reconstruction of Washburne Ave. North of the railroad tracks to Minnie St., Minnie St. to approximately 600' West of Industrial Loop West, and Lake Ave. South of the River was reviewed. The cost for the report would be \$8,900.00. Members discussed the area and scope of the project.

Motion was made by Hemmesch to proceed with the project at the cost of \$8,900.00 for the 2015 project preliminary engineering report and recommend such to the City Council. Seconded by Quade and unanimously carried.

The Public Works Committee has reviewed this and recommends approval. Resolution 2013-39 Ordering Preparation Of Report On Improvement was presented.

Motion was made by Beavers to approve Resolution 2013-39 Ordering Preparation Of Report On Improvement. Seconded by Mayer and unanimously carried.

IRRIGATION – FIELD NET

Price quotes for renewal of field net services were presented:

4 month, 3 year	\$8,190.00
6 month, 3 year	\$9,750.00

An excerpt of draft minutes from the Public Works Committee meeting:

The cost for a three year contract renewal was reviewed. The system has been utilized for the past 4 years and saves many hours and mileage on the vehicles. It was noted that the City had asked Automated System for a quote; however, they indicated that they are not familiar with the irrigation technology and it would be much more expensive than Field Net. The four versus the six month proposal was discussed noting the pivots are utilized over a six month period. After short discussion,

Motion was made by Quade to approve a 3 year contract with coverage May – October each year and recommend such to the City Council. Seconded by Hemmesch and unanimously carried.

The Public Works Committee has reviewed this and recommends a 3 year, 6 month per year contract. Mergen commented that this is an internet based irrigation program that works extremely well; saves time, mileage, etc. It was noted that a 4 month contract per year is too short.

Motion was made by Mayer to approve a 3 year contract with coverage May – October (6 months) each year for Field Net Services with Lindsay Corporation. Seconded by Soine and unanimously carried.

ALLEY BETWEEN WASHBURNE AVE. AND KORONIS AVE. - EXIT TO BUSINESS 23

An excerpt of minutes from the Public Works Committee meeting:

This alley currently has a “no exit” sign on it. There has been a request to remove the “no exit” sign. Members noted the low volume of traffic in the alley and the reduced traffic volumes on Business 23 since the sign was installed. It was suggested to check with the Police Chief to see if he has any issues.

Motion was made by Peschong to remove the “no exit” sign in the alley and recommend such to the City Council. Seconded by Quade and unanimously carried.

The Public Works Committee has reviewed this and recommends removing the “no exit” sign in the alley.

Motion was made by Soine to remove the “no exit” sign in the alley between Washburne Ave. and Koronis Ave. Seconded by McDaniel and unanimously carried.

SPECIAL CITY COUNCIL MEETING – WORKING SESSION

It has been suggested to hold a Special City Council Meeting – Working Session and possible dates were presented.

Motion was made by Soine to set a Special City Council Meeting – Working Session meeting for Wednesday, January 29, 2014 at 6:00 p.m. Seconded by McDaniel and unanimously carried.

LOAN FOR AIRPORT FUND 455

The Airport Fund 455 has a negative balance going into year-end which is not allowed. Staff is requesting Council to loan \$54,400.00 from the Airport Capital Improvement Fund 125 to the Airport Fund 455. This would be paid back when the City receives the grant monies. This would take the Airport Capital Improvement Fund 125 down to a little over \$500.00 balance.

Motion was made by Soine to transfer \$54,400.00 from Airport Capital Improvement Fund 125 to Airport Fund 455 to be paid back when grant monies are received. Seconded by Beavers and unanimously carried.

TRANSFER FUNDS TO 2014 STREET PROJECT AND A DEPARTMENT TRANSFER WITHIN FUND 120

The 2014 Improvement Construction Fund 521 has developed a negative balance going into year end. Staff is requesting Council to transfer \$100,000.00 from the Water Capital Improvement Fund 113 to the 2014 Improvement Construction Fund 521. The Storm Water Pond within the Street-Sidewalk Capital Improvement Fund 120 has a negative balance. Staff is requesting an interfund transfer of \$30,000.00 from the Street Construction Department 4220 to the Storm Water Pond Department 4223 both within fund 120.

Motion was made by Beavers to transfer \$100,000.00 from the Water Capital Improvement Fund 113 to the 2014 Improvement Construction Fund 521 and \$30,000.00 from the Street Construction Department 4220 to the Storm Water Pond Department 4223 both within fund 120. Seconded by Soine and unanimously carried.

CENTRAL MN CREDIT UNION INTERNET BANKING AGREEMENT

The Central Minnesota Credit Union Internet Banking Agreement between the City of Paynesville and the Central Minnesota Credit Union was presented. The Addendum to the Agreement is not public as it contains private data. The last time this agreement was updated was three years ago.

Motion was made by Soine to authorize the Mayor to sign and initial the Agreement and authorize the City Administrator to designate Users for the Accounts. Seconded by McDaniel and unanimously carried.

WASTEWATER TREATMENT FACILITY RE-SCOPING PROJECT

DeWolf reported:

- New SCADA system allows to check the facility remotely
- There was 5% added to the loan
- Have extra funds available
- Loan is at 1% interest
- Install the system at 4 other lift stations
- Ability to monitor without going to the site
- Estimated cost is \$75,050.27
- MPCA and PFA have approved to add this to the project

Change Order No. 1 in the amount of \$75,050.27 to install four lift station SCADA systems was presented. The Public Works Committee has reviewed this and recommends approval.

Excerpt of draft minutes from the Public Works Committee meeting:

Members were informed that there are funds remaining from the project and it is being proposed to expand the SCADA system to four of the City's lift stations in town. This would eliminate the need for local phone lines, dialer units in each lift station, reduce the operator rounds, and it will increase the reliability of the alarm systems. After a short discussion,

Motion was made by Hemmesch to approve Change Order No. 1 to expand the SCADA system and recommended such to the City Council. Seconded by Peschong and unanimously carried.

Motion was made by Beavers to approve Change Order No. 1 to expand the SCADA system in the amount of \$75,050.27. Seconded by Soine and unanimously carried.

WATER TREATMENT PLANT REHAB PROJECT

DeWolf reported that the contractor continues to work; weather permitting.

MPCA FORMER MID TOWN SERVICE STATION

Thompson received a call from MPCA questioning why the meeting was cancelled and that MPCA would be coming anyway. The meeting turned out to have full agenda with 10 persons in attendance. Mergen reviewed the site visits:

- Koronis Ave. – no variance would be considered
- South St. – MPCA will apply for a variance at this location
- Morningside Ave. – the location of the test well was moved across the street – no variance would be considered

Mayer reported that in his opinion MPCA and the Department of Health were only here to say no. Mayer further reported on the 2012-2013 Terracon Report. McDaniel interjected that she felt the City was ignored. Eckerly reported that Representative Howe came to the meeting late, but seemed to have some impact on MPCA. Howe gave his input from what had happened with issues in Waite Park.

The profile for John Hunt of Barr Engineering Company; a possible consultant was presented. John Hunt called as he was contacted by the Javelin Group. Hunt was also the person DeWolf was going to recommend to the City. Hunt will come out, at no cost to the City, on January 7, 2014 at 9:00 a.m. and go through files to get as much input and information as he can. Hunt will then determine if Barr Engineering Company is the best fit for the City and make a proposal.

TRAIL

Resolution 2013-40 Agreement To Maintain Facility For The Lake Koronis Recreational Trail Bridge was presented. Thompson announced that Meeker County has agreed to proceed with the bridge project and will help with funding.

Motion was made by Soine to approve Resolution 2013 – 40 Agreement To Maintain Facility For The Lake Koronis Recreational Trail Bridge. Seconded by Mayer and unanimously carried.

AIRPORT

The Grant Agreement For Airport Improvement Excluding Land Acquisition and Resolution 2013-41 Authorization To Execute MnDOT Grant Agreement For Airport Improvement Excluding Land Acquisition was presented. DeWolf commented that this is a 50:50 matching grant.

Motion was made by Beavers to approve Grant Agreement For Airport Improvement Excluding Land Acquisition and Resolution 2013-41 Authorization To Execute MnDOT Grant Agreement For Airport Improvement Excluding Land Acquisition. Seconded by Soine and unanimously carried.

INFORMATIONAL

Thompson reviewed the following informational items: November 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. Morgan Stanley Investment Report.

Stearns County Environmental Services – Ordinance Public Hearing Notice and January & February 2014 Meeting Schedules. The total pounds taken in through the Drug Take Back Program since August of 2011 equals 405.9 lbs.

Thompson recessed the Special City Council meeting at 6:49 p.m. as the City Council will be meeting in closed session to conduct the performance evaluation of the City Administrator.

Thompson opened the Closed Session at 6:50 p.m. Thompson closed the Closed Session and re-opened the Special City Council meeting at 7:28 p.m.

Thompson summarized that the reason for the Closed Session to conduct the performance evaluation of the City Administrator. The overall rating was – Meets Expectations Plus.

There being no further business, the meeting was adjourned.

Renee Eckerly, City Administrator