

**MINUTES  
CITY COUNCIL MEETING**

**MARCH 25, 2019**

Mayor Pro Tem, Alicia LaBeau called the meeting to order at 6:00 p.m. Council members present were Shawn Reinke, Neil Herzberg, and Len Gilmore. Jeff Thompson was absent. Others present were Renee Eckerly, City Administrator; Jennifer Welling, Administrative Assistant/Zoning Specialist; Ron Mergen, Public Works Director; Bill Spooner, City Attorney with Spooner & Glenz; Chuck DeWolf, City Engineer with Bolton & Menk, Inc.; Andy Soine, Fire Chief; and Jessica Green, Northland Securities.

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

Andy Soine, Fire Chief reported on the following:

- Calls for January and February:
  - Medicals – 9
  - Car accidents – 2
  - Fires – 2
  - Alarms – 4
  - Mutual aids – 2
- Update on new hires:
  - 5 firefighters are taking firefighter 1 & 2 and finishing April 6<sup>th</sup> with a live burn
  - Currently hiring for 3 openings on the fire department
- Last month's training - rope and knots, in conjunction with high angle rescue
- Upcoming events:
  - House burn on April 6<sup>th</sup> in Belgrade, the department will supply a pumper and a tanker for the training
  - We will be helping the SADD team perform a mock car accident the first week of May
  - 3 firefighters will attend fire school in Mankato the end of April

**CONSENT AGENDA**

Motion to approve the minutes from the following meetings: February 25, 2019 Regular City Council, February 11, 2019 Public Works Board, and April 5, 2018 Environmental Committee.

Motion to approve the following vouchers:

03/14/2019	Payroll Checks	98767-98770	\$3,890.19
03/14/2019	Payroll Direct Deposit		\$22,052.47
03/14/2019	Payroll Taxes	98771-98773	\$1,730.42
03/14/2019	Payroll - Fed		\$7,301.44
03/14/2019	Payroll - State		\$1,415.11
03/14/2019	Payroll - TASC		\$377.24
03/14/2019	Payroll - PERA		\$7,085.07
03/14/2019	Payroll - SELECT		\$418.08
03/14/2019	Payroll - Health Partners		\$5,247.43
03/14/2019	Payroll - AFLAC		\$270.60
03/14/2019	Payroll - Delta Dental		\$221.11

03/15/2019	VOID	98774	\$0.00
03/25/2019	Vouchers	98775-98828	\$111,231.76
	GRAND TOTAL		\$161,240.92

Motion to approve the refuse licenses for West Central Sanitation, Inc., Tom Kramer Inc., JME Companies Service, Inc. and Advanced Disposal; 3.2 on-sale beer license for Koronis Lanes, and Paynesville Baseball Association; 3.2 off-sale beer license for Kwik Trip Store #598.

Motion to approve the attendance of Lee Schleper to the MMCC Compost Operator Training & Emerging Workshop on April 17, 2019.

Motion to approve the attendance of Brad Mehlhop, Chris Price and Adam Fuchs to the 2019 Fire School Conference, April 26-27, 2019 in Mankato.

**Motion was made by Reinke to approve the Consent Agenda. Seconded by Herzberg and unanimously carried.**

**MORTGAGE SATISFACTION - RIERSON**

Richard Rierson has paid off his Small Cities Loan with Stearns County HRA.

**Motion was made by Herzberg to approve the Mortgage Satisfaction for Richard Rierson. Seconded by Gilmore and unanimously carried.**

**PARADE PERMIT – PAYNESVILLE AREA FFA**

A Parade Permit Application was submitted by Paynesville Area FFA to conduct a tractor parade on Thursday, April 18, 2019 at 2:45 p.m. to drive tractors from Paynesville High School to Koronis Manor and 700 Stearns. The Police Chief has reviewed this and a police escort is required.

**Motion was made by Reinke to approve the tractor parade on April 18, 2019 at 2:45 p.m. Seconded by Gilmore and unanimously carried.**

**2019 CRACK SEALING PROJECT**

Mergen presented the crack sealing quotes from:

Midwest Asphalt Maintenance, LLC	\$14,000.00
KAMCO, Inc.	\$14,500.00

Excerpt of minutes from the Public Works Board meeting:

Two proposals were received for crack sealing of 10,000 pounds of material. The low price was from Midwest Asphalt at \$1.40 per lb. which includes routing, blowing the cracks, and sealing with Deery 3723 MNDOT crack sealer. The roads to be sealed are the 2017 street project streets. It was also noted that Midwest Asphalt has worked for the City several times in the past and has performed very acceptable work.

Motion was made by Peschong to approve the quote from Midwest asphalt at the price of \$1.40 per pound for a total of \$14,000.00 for crack sealing and recommend such to the City Council. Seconded by Freiling and unanimously carried.

The Public Works Board has reviewed this and recommends approval.

**Motion was made by Gilmore to approve the quote from Midwest Asphalt Maintenance, LLC in the amount of \$14,000.00. Seconded by Reinke and unanimously carried.**

### **CONSENT TO ASSIGNMENT - SPRINGSTED**

On January 10, 2019, Springsted announced its intention to combine with Baker Tilly Virchow Krause, LLP, a financial services and accounting firm, enabling them to broaden and enhance the services to the City. The combination is expected to be finalized on or about April 1, 2019, at which time the Springsted Group companies will be providing advisory services under the name Baker Tilly Municipal Advisors, LLC. A letter requesting the assignment of a current agreement between your entity and a Springsted Group company was presented.

**Motion was made by Reinke to approve the Addendum Consent To Assignment between the City of Paynesville and Baker Tilly Municipal Advisors, LLC. Seconded by Herzberg and unanimously carried.**

### **SHOPKO BANKRUPTCY**

Spooner reported that Shopko wants creditors to vote to approve the plan. The unsecured creditors committee which is appointed to represent the interests of unsecured creditors, recommends voting against the plan. It appears the unsecured creditors are basically going to get nothing, and the creditors committee is saying vote against. They are there to represent the interests of small unsecured creditors who don't have a sufficient financial stake to get deeply involved in the bankruptcy and, therefore, Spooner recommended following their direction. The ballot that was signed and sent to New York to meet the March 29, 2019 deadline was presented.

**Motion was made by Gilmore to approve the Ballot For Voting To Reject The Joint Chapter 11 Plan Of Specialty Retail Shops Holding Corp. And Its Debtor Affiliates. Seconded by Herzberg and unanimously carried.**

### **IRRIGATION MANAGEMENT PLAN**

Mergen presented the letter from Bolton & Menk, Inc. regarding a Waste Water Treatment Facility Irrigation Management Plan. A plan would give the City some direction for 20 plus years. The Public Works Board suggested to visit other sites. The goal is to balance out the wet and dry years. The estimated cost for such plan is \$9,800.00 plus any agriculture advisor costs.

Excerpt of minutes from the Public Works Board meeting:

A proposal was reviewed for the scope of work to conduct an Irrigation Management Plan which includes:

- Volumes of discharge - wet year versus dry year
- Windows of operation for each crop
- Nutrient loadings and nutrient up take for each crop
- Soil maps for all irrigation sites
- Tiling recommendations
- The need for pasture (i.e. dumping sites versus row crops)

- Identify the optimal acreage, crop type and rotation for each site to be able to irrigate in the wet and dry conditions without leeching any nutrients or having any run off
- Develop a cost per acre value, what should the City be charging
- Explore other irrigation options

Members all agreed this would be a useful tool and will help communicate with the irrigators the City works with.

Motion was made by Peschong to approve Bolton & Menk, Inc. to conduct an irrigation management plan in the amount of \$9,800.00 and recommend such to the City Council. Seconded by Vaske and unanimously carried.

The Public Works Board has reviewed this and recommends approval.

**Motion was made by Gilmore to approve Bolton & Menk, Inc. to conduct a Water Treatment Facility Irrigation Management Plan in the amount of \$9,800.00 plus any agriculture advisor costs. Seconded by Reinke and unanimously carried.**

### FUTURE PUBLIC WORKS FACILITY

Mergen reported that a new public works facility will have to be delayed due to costs and the proposed increase in bond payments by 35%. To help in the meantime please review the two quotes received for an overhead door for the cold storage building on Railroad St.:

Garage Door Store	\$4,130.00
Buerman Garage Door	\$3,461.00

In addition, Mergen and the on-call employee would like to take their City vehicles home at night to free up room at the shop.

Excerpt of minutes from the Public Works Board meeting:

Members were informed that due to budget concerns with the 2019 project and the shop the bond payments would increase by 35%; therefore, the shop will need to be delayed for several years. Two proposals were presented to assist operations until that point:

1. Mergen and the on-call person be allowed to take the City vehicles home. This will free up two stalls in the shop and would have two less private vehicles there in the summer months when more room is necessary. Members discussed this and did not have an issue with it as long as no City vehicle is left on the street overnight and the vehicles are used for City use only.
2. Install two overhead doors with openers at the cold storage building on Railroad St. Currently there are two 14' sliding doors which during the last storm were frozen into the ground. Employees worked over an hour trying to open one of them up at 3:00 a.m. Two quotes for the doors were presented:

Garage Door Store	\$4,130.00
Buerman Garage Door	\$3,461.00

Motion was made by Freilinger to approve the quote from Buerman Door in the amount of \$3,461.00 for the installation of two overhead doors and recommend such to the City Council. Seconded by Peschong and unanimously carried.

Motion was made by Peschong to allow Ron Mergen and the on-call person to take City vehicles home with the understanding the vehicles will not be left out on the street and

will be used for City use only and recommend such to the City Council. Seconded by Vaske and unanimously carried.

The Public Works Board has approved this and recommends approval. Eckerly will be drafting a policy regarding taking home vehicles.

**Motion was made by Gilmore to approve the quote from Buerman Door in the amount of \$3,461.00 for the installation of two overhead doors. Seconded by Herzberg and unanimously carried.**

### **AIRPORT – 10 UNIT T-HANGAR**

DeWolf reported that the City received and opened one bid on March 13, 2019 from Voss Plumbing & Heating in the amount of \$1,487,513.00. This bid exceeds the allotted entitlement funds available. Staff is visiting with Voss regarding the bid to see if any adjustments can be made to lower the costs. No action was taken.

### **AMPI EXPANSION PROJECT**

Jessica Green, Northland Securities was in attendance and reviewed the bond for the project. This bond is paid for by AMPI over 15 years. The rating call was held today and the bond sale is scheduled for April 16, 2019 at 10:30 a.m. PFA has approve the credit enhancement and signed the Agreement. The engagement letter was presented requesting the transaction be rated by S&P Global Ratings. The City will need to indicate that they are ready to proceed with the rating engagement for S&P Global Ratings to begin the analytical rating process. Resolution 2019-12 Providing For The Competitive Negotiated Sale Of Taxable General Obligation Sewer Revenue Bonds, Series 2019A along with the Notice Of Sale and Finance Plan were presented.

**Motion was made by Reinke to approve the S & P Global Ratings Engagement letter. Seconded by Gilmore and unanimously carried.**

**Motion was made by Gilmore to approve Resolution 2019-12 Providing For The Competitive Negotiated Sale Of Taxable General Obligation Sewer Revenue Bonds, Series 2019A along with the Notice Of Sale. Seconded by Reinke and unanimously carried.**

### **2019 STREET & DRAINAGE PROJECT**

DeWolf reported that the City received and opened 8 bids on March 20, 2019. The apparent low bid is from Voss Plumbing & Heating in the amount of \$3,124,656.93; this amount included the 3 alternates:

1. Storm Water Pond
2. Avon Plastics & Cenex Industrial Extensions
3. Second St. Extension

The assessments all decreased except for the Second St. extension, which actually increased. The demolition of the two homes were not included in the bids. There was some discussion on the Second St. extension and the amount the abutting properties would need to pay. It was suggested to hold off on this part of the project and possibly move the stop signs. There was

further discussion on putting it on the 2021 project, costs would increase if it is postponed, and what is going to happen with the school and the potential for them to move their accesses. It was consented that the Second St. extension will remain in the project for now. Resolution 2019-13 Declaring Costs To Be Assessed, And Ordering Preparation Of Proposed Assessment was presented for consideration.

**Motion was made by Gilmore to approve 2019-13 Declaring Costs To Be Assessed, And Ordering Preparation Of Proposed Assessment. Seconded by Reinke and unanimously carried.**

Staff has determined that it may be in the best interest of the City to hold the final assessment public hearing at which time the project is substantially complete (this fall) rather than before the project starts (the City used to do it this way) to have better numbers for parts of the project; including, but not limited to, demolition or moving of 2 residences. It was determined to leave the assessment schedule as is and hold the public hearing in May. Resolution 2019-14 Setting Hearing On Proposed Assessment is being presented.

**Motion was made by Herzberg to approve Resolution 2019-14 Setting Hearing On Proposed Assessment. Seconded by Reinke and unanimously carried.**

Jessica Green, Northland Securities was in attendance to review the bond schedule for the project.

An Encroachment Agreement between the City of Paynesville and LTS Holdings, LLC and their tenants was presented. Spooner reported that the owner of the mobile home park is willing to grant the City an easement across their property for the pipe to the storm water pond in return for this Encroachment Agreement. The agreement allows the homes in question to remain within the City's right of way until upon the home is moved, torn down, or becomes hazardous or otherwise no longer fit for occupancy. In the event that the structure be moved or replaced it must comply with the City's setback regulations of the Zoning Ordinance.

**Motion was made by Reinke to approve the Encroachment Agreement between the City of Paynesville and LTS Holdings, LLC and their tenants. Seconded by Gilmore and unanimously carried.**

### **INFORMATIONAL**

LaBeau reviewed the following informational items: March West Central Sanitation Garbage Rates, R.O.S.E. Center – Dancing With The Stars Fundraiser, Geronimo Energy & National Grid Announcement, March Fire Department Report, Winter Parking Regulations lifted March 15, 2019, April & May Meeting Schedules, City-wide Scavenger Days – April 19 – 21, 2019, and Flushing Hydrants – April 24 & 25, 2019.

There being no further business, the meeting was adjourned at 7:08 p.m.

---

Renee Eckerly, City Administrator