

**MINUTES
CITY COUNCIL MEETING**

MAY 13, 2019

Mayor Jeff Thompson called the meeting to order at 6:01 p.m. Council members present were Alicia LaBeau, Shawn Reinke, Len Gilmore, and Neil Herzberg. 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.; Belinda Ludwig, Finance Specialist; Ryan Schmidt, Schlenner Wenner & Co.; Paul Evans; Paul Wegner, Police Chief; Kristin Liether, Social Media Specialist; and Tammy Omdahl, Northland Securities.

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

Ron Mergen, Public Works Director reported on the following:

- Water Festival and thanked the sponsors for the event
- Water plant tours
- Compost site and chipping done by Rotochopper
- Crack Sealing will be done Tuesday & Wednesday
- Parks and RV Dump are open for the season
- Park & Tree Board Sub-Committee is working on new playground equipment
- Nitrate Clinic
- Airport Fly In is August 11, 2019
- The hole at the stop light will be patched as soon as the asphalt plants are open

CONSENT AGENDA

Motion to approve the minutes from the following meetings: June 26, 2018 Public Safety Board, February 13, 2019 Liquor Board, and March 5, 2019 Liquor Board.

Motion to approve the following vouchers:

04/25/2019	Payroll Checks	99015-99020	\$5,857.07
04/25/2019	Payroll Direct Deposit		\$22,321.70
04/25/2019	Payroll Taxes	99021-99023	\$1,576.25
04/25/2019	Payroll - Fed		\$7,552.27
04/25/2019	Payroll - State		\$1,560.38
04/25/2019	Payroll - TASC		\$377.24
04/25/2019	Payroll - PERA		\$6,973.70
04/25/2019	Payroll - SELECT		\$413.08
04/25/2019	Payroll - Health Partners		\$4,935.05
04/25/2019	Payroll - AFLAC		\$270.60
04/25/2019	Payroll - Delta Dental		\$221.05
04/25/2019	Payroll - Lincoln		\$493.53
04/30/2019	Central MN Credit Union	99024	\$177,899.46
05/09/2019	Payroll Checks	99025-99029	\$4,277.32
05/09/2019	Payroll Direct Deposit		\$24,738.19
05/09/2019	Payroll Taxes	99030-99032	\$1,576.25

05/09/2019	Payroll - Fed		\$7,713.06
05/09/2019	Payroll - State		\$1,618.50
05/09/2019	Payroll - TASC		\$377.24
05/09/2019	Payroll - PERA		\$8,018.82
05/09/2019	Payroll - SELECT		\$793.08
05/09/2019	Payroll - Health Partners		\$5,091.95
05/09/2019	Payroll - AFLAC		\$288.37
05/09/2019	Payroll - Delta Dental		\$221.11
05/10/2019	Vouchers #2	99033-99080	\$445,523.35
		Grand Total	\$730,688.62

Motion to approve the attendance of Ron Mergen to the MWOA 43rd Annual Conference July 23 – 26, 2019 in Grand Rapids, MN.

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

EASEMENT – ROGER SIEBEN

It was reported that a small piece of land was found that the lift station sits on that is not attached to any other property and there is no easement to date. The lift station was installed in 1969. An Absolute, Irrevocable, & Perpetual Utility Easement Agreement and Agreement To Grant An Absolute, Irrevocable & Perpetual Utility Easement both between the City of Paynesville and Roger Sieben were presented. Mr. Sieben agrees to execute the Agreement upon receipt of a payment of \$1,500.00. These agreements would give access for the lift station that is on Mr. Sieben’s property. It was noted that Mr. Sieben is not interested in selling any land, but will give an easement.

Motion was made by Gilmore to approve Absolute, Irrevocable, & Perpetual Utility Easement Agreement and Agreement To Grant An Absolute, Irrevocable & Perpetual Utility Easement in the amount of \$1,500.00 for both between the City of Paynesville and Roger Sieben. Seconded by LaBeau and unanimously carried.

AIRPORT LEASE AGREEMENTS

Mergen presented the lease agreements between the City of Paynesville and Jon D. Erickson, Atwater, MN for Hangar No. 7 and Chris Howard, Spicer, MN for Hangar No. 103. Hangar 103 was sold to Chris Howard by LeRoy Moser (this is a private hangar).

Motion was made by Herzberg to approve the Airport Lease Agreements between the City of Paynesville and Jon D. Erickson for Hangar No. 7 and Chris Howard for Hangar No. 103. Seconded by Gilmore and unanimously carried.

PRELIMINARY PLAT – VOSS EXCAVATING ADDITION

The City has received a Preliminary Plat Application for the Voss Excavating Addition from David & Hannah Voss, Bruce Stang, and Leon Gehrke. The application and proposed layout of the plat were presented.

The property within the proposed plat is owned by three different entities; however, the ownership of the railroad spur is under investigation and the attorney for Mr. Voss and the City's Attorney, Bill Spooner are working through the details on this ownership. This is being brought forward now in the preliminary stages to speed up the process a bit once ownership is determined. The City will need ownership of the railroad spur confirmed before the City will accept a Final Plat and go through that stage in the platting process (Mr. Voss is aware of this). The Planning Board has reviewed this, held a public hearing, and recommends approval. The Report & Recommendation Of Planning Board Regarding Application For Approval Of Preliminary Plat Of Voss Excavating Addition was presented. At this time Voss' attorney is waiting for Ampe's signatures.

Motion was made by LaBeau to approve Resolution 2019-20 Approving Preliminary Plat Of Voss Excavating Addition. Seconded by Reinke and unanimously carried.

POLICE DEPARTMENT SQUAD ROOM FURNITURE

Wegner received two quotes for squad room furniture:

Northern Business Products, Inc.	\$3,730.15
Office Furniture Solutions, Inc.	\$5,015.00

This was reviewed by the Budget & Finance Board and they recommended approval. Funds for this would come from Police Capital Improvement. The furniture for the Emergency Services Director and Police Secretary has been installed, this furniture would be for the officers in the squad room.

Motion was made by Reinke to approve the purchase of Police Department squad room furniture in the amount of \$3,730.15 from Northern Business Products, Inc. Seconded by LaBeau and unanimously carried.

FEE SCHEDULE - PROPOSED FEE CHANGES

The proposed fee schedule changes that are being recommended by the Budget & Finance Board:

Item	Current Fee	Proposed Fee
Administrative Fine Late Fee	None	first reminder \$5.00 second reminder \$10.00 third reminder Go To Court
Assessment Search	None	\$20.00 per search
Transfer of Water & Sewer Accounts	\$12.50	\$20.00
Snow Removal, Downtown Parking, & Truck Parking	\$10.00 second offense	\$15.00 Second offense

This is being presented for discussion only at this time. If the Council wishes to proceed with the increases a resolution will be drafted. It was consented to draft the resolution for such.

INSURANCE LIABILITY COVERAGE WAIVER

The Insurance Liability Coverage Waiver Form was presented. In the past, the Council has approved not waiving the monetary limits on municipal tort liability established by Minnesota Statute 466.04.

Motion was made by LaBeau to not waive the monetary limits on municipal tort liability established by Minnesota Statute 466.04 and authorize the Mayor to sign the document. Seconded by Herzberg and unanimously carried.

TEMPORARY ON-SALE LIQUOR/BEER LICENSE – PAYNESVILLE AMERICAN LEGION POST #271

The Paynesville American Legion Post #271 has applied for a Temporary On-Sale Liquor /Beer License Application to hold an outdoor event on Friday, June 14, 2019 from 5:00 p.m. – 1:00 a.m. (Minnesota Statutes 340A.403, subdivision 2). The location is the south side of the Legion parking lot at 770 Diekmann Drive. People will be going through the building to access the outside area. Laurie Wegner, American Legion Manager has contacted Paul Wegner, Police Chief to prepare for the special event coverage for the beer garden at \$45.00 per hour.

Motion was made by Herzberg to approve the Temporary On-Sale Liquor /Beer License Application (T2019-2) submitted by Paynesville American Legion Post #271 to hold an outdoor event on Friday, June 14, 2019 from 5:00 p.m. – 1:00 a.m. Seconded by Gilmore and unanimously carried.

TEMPORARY ON-SALE LIQUOR/BEER LICENSE – PAYNESVILLE FIRE RELIEF ASSOCIATION

The Paynesville Fire Relief Association has applied for a Temporary On-Sale Liquor /Beer License Application to hold an outdoor event in association with the Chamber of Commerce Town & Country Dance on Saturday, June 15, 2019 from 5pm – Midnight. (Minnesota Statutes 340A.403, subdivision 2). The location is the high school baseball stadium located at 795 Business 23 S, Paynesville. Paul Wegner, Police Chief has prepared for 6 hours of special event coverage for the beer garden at \$45.00 per hour. Gary Rothstein, Central Minnesota Insurance Agency is applying for the insurance coverage through the League of MN Cities Insurance Trust. The insurance cost is \$533.00. Due to the damage that occurred last year, Eckerly has added the following requirement:

Applicant will need to schedule in advance a certified electrician to be on site to connect any generators that will be in use that the Fire Relief Association is involved with and inform the City Administrator of whom it will be and their contact information.

Motion was made by Reinke to approve the Temporary On-Sale Liquor /Beer License Application (T2019-1) submitted by Paynesville Fire Relief Association to hold an outdoor event in association with Town & Country Days on Saturday, June 15, 2019 from 5:00 p.m. – midnight. Seconded by Gilmore and unanimously carried.

RESIGNATION OF FIREFIGHTER

Kenneth Reiman, Firefighter has submitted his resignation from the City of Paynesville Fire Department with his last day being May 1, 2019. Reiman has been on the Fire Department since December 21, 1998 (21 years). Currently there are 22 volunteer firefighters, advertising for volunteer firefighters will be on going until 5 are hired.

Motion was made by Reinke to accept the resignation of Kenneth Reiman, Firefighter; effective May 1, 2019. Seconded by LaBeau and unanimously carried.

GREEN STEP CITIES – UPDATE

This was tabled from the April 8, 2019 and April 22, 2019 City Council meetings. The first step in the program is to approve a resolution. Resolution 2019-18 Authorizing The City Of Paynesville To Participate In The MN Green Step Program was presented. Herzberg commented on the amount of time and work needed for this program.

Motion was made by Reinke to refer this to the Environmental Board and report back in 90 days.

Eckerly commented that she didn't know what Board could handle this. LaBeau stated that the Environmental Board also has Paynesville Township members on it. Reinke stated that this could be completed by the community and not staff. Thompson noted that the reporting would need to be completed by staff. Eckerly offered to check with other small cities on how much time is needed. Thompson suggested Council members check on this at the LMC conference in June. This item was tabled until July, 2019.

The motion died due to lack of a second.

2018 AUDIT

Ryan Schmidt, Schlenner Wenner & Co. presented the 2018 Audit and reported on the following:

- Audit process – expressing an unmodified (clean) opinion (best opinion the City can get)
- Audit results – standard practices, net pension liability, positive working relationship with City management and staff, no issues with the audit
- Material weaknesses
 - Audit adjustments
 - Segregation of duties – very common for a City of this size
 - Auditor's prepare financial statements
- Minnesota legal compliance with state statutes – no noncompliance identified
- Financial highlights
 - General fund – revenue & expenses
 - Revenues are consistently exceeding expenses, expenditures in excess of budgeted figures; primarily police compensation and larger transfers in from other funds than budgeted
 - Fund balance goal – 55-60% of expenses in reserves
 - State recommends 35-40%
 - City's history of reserves:
 - 2014 79.6%
 - 2015 85.6%
 - 2016 76.8%
 - 2017 86.8%
 - 2018 90.7%
- Cash trends
- Water revenues and expenses
- Sewer revenues and expenses; increase in revenue due to AMPI billings

- Liquor revenues and expenses
- Cash
- Assets – buildings and infrastructure
- Liabilities
- Long-term debt

Motion was made by LaBeau to approve the 2018 Audit as presented. Seconded by Herzberg and unanimously carried.

Thompson recessed the Regular City Council meeting at 6:31 p.m. and opened the 2019 Street & Drainage Project Final Assessment Public Hearing.

2019 STREET & DRAINAGE PROJECT PUBLIC HEARING

DeWolf presented the 2019 Street & Drainage Project and reported on the following:

- Location and streets affected
- Sanitary sewer, water mains – 10” lines in all areas, and storm sewer
- Street widths
- Turf restoration
- Trail extension along Burr St. and the 2nd Street extension
- Drainage improvements East of Railroad St.
- New pond north of the railroad tracks with piping to the regional pond
- Costs and assessments
- Bids and the proposed schedule

Paul Evans, Paynesville Farmers Union (Cenex) was in attendance to express his opposition to the drainage project East of Railroad Street:

- Cenex has the largest share of the assessment
- Mergen & DeWolf have been very professional through this entire process
- In 2004 they were assessed for the Railroad Street Project, now another one and can't seem to get ahead
- The timing is not great due to the economy

Herzberg mentioned that the Council did approve a 15 year assessment instead of a 10 year assessment to ease the pain. LaBeau also noted that the City's portion was adjusted and increased. Gilmore stated that it is still a lot of money. Evans agreed and for no benefit to them. DeWolf commented that this will alleviate the flooding issues this area is having. Gilmore stated that the assessments should be lowered. DeWolf stated that the final numbers are the numbers.

Mergen stated that there are two parcels in which the property owners have brought forward a change to their proposed assessment:

1. 797 Maple St. – Jill & Rick Paul – Pave their driveway at the City's cost of \$8,731.79 as the City removed the pavement few years back to access the water and sewer.
2. 754 Maple St. – George & Norma Gabrielson – To not pay for the linear footage of the City's easement totaling \$7,754.17.

Spooner stated that these are unique situations and he can tweak the documents and acknowledge the changes.

Tammy Omdahl, Northland Securities was in attendance and reviewed the following:

- Four bids for the bond were received today
- City received a rating of AA-
- Bids came in less than estimated.
- The assessment rate in the Resolution is 5.35%, or 2% above the cost of issuance

There being no further comments or questions, Thompson closed the public hearing at 7:04 p.m. and re-opened the Regular City Council meeting.

2019 STREET & DRAINAGE PROJECT CONTINUED

Motion was made by LaBeau to approve Resolution 2019-22 Adoption Assessment Roll with adjustments made to 797 Maple St. (Paul) at \$8,731.79 and 754 Maple St. (Gabrielson) at \$7,754.17 also to amend the interest rate on the assessment to 5%. Seconded by Herzberg and unanimously carried.

Motion was made by Gilmore to approve Resolution 2019-23 Providing The Issuance And Sale Of \$3,980,000.00 (not 4,220,000.00) General Obligation Improvement Bonds, Series 2019B, And Pledging Special Assessments And Levying A Tax For The Repayment Thereof. Seconded by Herzberg and unanimously carried.

AMPI EXPANSION PROJECT

DeWolf reviewed the letter from Bolton & Menk, Inc. regarding the bids received. The City received and opened 6 bids for the AMPI Expansion Project on April 2, 2019. The apparent low bid of \$3,633,818.00 was received from Eagle Construction Co., Inc. from Little Falls, MN. If the City Council wishes to proceed the contract would need to be awarded to Eagle Construction Co. The City has received the grant for the project.

Motion was made by Herzberg to accept the bid of \$3,633,818.00 from Eagle Construction Co., Inc. from Little Falls, MN and award the contract to them. Seconded by Reinke and unanimously carried.

AIRPORT – MAINTENANCE & OPERATION GRANT CONTRACT

Mergen presented the Airport Maintenance And Operation Grant Contract and Resolution 2019-21 Authorizing To Execute Minnesota Department Of Transportation Airport Maintenance And Operation Grant Contract. This contract is for July 1, 2019 through June 30, 2021.

Motion was made by Gilmore to approve the Airport Maintenance And Operation Grant Contract and Resolution 2019-21 Authorizing To Execute Minnesota Department Of Transportation Airport Maintenance And Operation Grant Contract. Seconded by LaBeau and unanimously carried.

POLICE – SCHOOL RESOURCE OFFICER (SRO) MEMORANDUM OF UNDERSTANDING

Wegner presented the Memorandum of Understanding for the School Resource Officer between the City of Paynesville and Paynesville Area Schools District 741; which has now been signed by

the School. There were a couple changes to the agreement since presented and approved by Council on April 8, 2019. The changes include:

- Page 5 – The term of the Agreement is August 1, 2019 through June 30, 2020.
- Page 5 – 11. A – The last sentence of this paragraph was deleted.

Motion was made by LaBeau to approve the Memorandum of Understanding For School Resource Officer (SRO) between the City of Paynesville and Paynesville Area Schools District 741. Seconded by Reinke and unanimously carried.

HIRING PART TIME LIQUOR STORE CLERKS

The City received five applications for the Part-Time Liquor Store Clerk position and Ludwig and Eckerly conducted interviews on 2 applicants on Thursday, May 2, 2017 at 4:20 p.m. Ludwig and Eckerly are recommend the hiring of William Doll and Megan Brick for over 14 hours per week; a union position.

Motion was made by Reinke to hire William Doll and Megan Brick at \$12.67 per hour, union labor scale 2019 Grade 1/Step 1, with a start date of May 14, 2019 for the position of part time (up to 32 hours per week) Liquor Store Clerk. Seconded by LaBeau and unanimously carried.

HIRING OF PART-TIME SEASONAL 67 DAY PUBLIC WORKS EMPLOYEES

The City received three application and two candidates were interviewed for the open part time seasonal 67 day Public Works position. Ron Mergen, Public Works Director/Airport Manager and Renee Eckerly, City Administrator recommend hiring Olivia Schleper.

Motion was made by Gilmore to hire Olivia Schleper for the seasonal part time 67 day maintenance worker position at \$10.10 per hour effective May 28, 2019. Seconded by LaBeau and unanimously carried.

INFORMATIONAL

Jeff Thompson reviewed the following information items: 2018 Consumer Confidence Report, April Police Department Reports, 2018 Employee Wage & Benefit Report, April Liquor Store Report, Stearns County Municipal League Meeting Notice/Agenda, DEED – Greater MN Bus. Dev. Public Infrastructure Grant – AMPI, and April & May West Central Garbage Rates.

There being no further business, the meeting was adjourned at 7:18 p.m.

Renee Eckerly, City Administrator