

MINUTES CITY COUNCIL MEETING

JULY 22, 2019

Mayor, Jeff Thompson called the meeting to order at 6:00 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.; Kristin Leither, Social Media Specialist; Andy Soine, Fire Chief; Bill Ludwig, Liquor Store Manager; Kayla Loesch, Rick Wurst, Pat Flanders, and Tim Rothstein.

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

Bill Ludwig, Liquor Store Manager reported on the following:

- Sales are up \$18,766.00 or 2.3%
- Profits are up \$1,320.00 or .7%
- Transactions are down 1.123
- Average sale is up \$1.38
- Items per sale is up .12
- Troop donations are being collected in July
- In August donations will be collected for Fire Relief Associations
- On August 22, 2019 from 6:30 p.m. – 8:30 p.m. will be a walk around Liquor Store event at the Legion

Andy Soine, Fire Chief reported on the following:

- Calls For May And June:
 - Medicals – 7
 - Car Accidents – 1
 - Fires Calls – 5
 - Alarms – 3
 - Mutual aids – 1
- There are 5 firefighters that need to take firefighter EMR training, this will be starting in the fall
- 3 new firefighters have been hired
- In the last two months the department was trained on relaying water, pump operation, scene size up, hydraulic ventilation, and a Saturday house burn
- The department has purchased a new side-by-side with track to aid in grass fires and snow rescues
- The department will be selling tickets to their annual fundraiser in September

CONSENT AGENDA

Motion to approve the minutes from the following meetings: April 8, 2019 Public Works Board, March 5, 2019 Budget & Finance Board, January 28, 2019 Special Safety Board, June 10, 2019 Special Airport Board, June 17, 2019 Planning Board, May 13, 2019 Public Works Board, April 9, 2019 Budget & Finance Board, and June 4, 2019 Budget & Finance Board.

Motion to approve the following vouchers:

07/08/2019	VOID	99366-99368	\$0.00
07/10/2019	Vouchers #1 7-22-19	99369-99417	\$676,607.64
07/18/2019	Payroll Checks	99418-99425	\$5,559.50
07/18/2019	Payroll Direct Deposit		\$25,485.96
07/18/2019	Payroll Taxes	99426-99428	\$1,576.25
07/18/2019	Payroll - Fed		\$8,194.73
07/18/2019	Payroll - State		\$1,678.06
07/18/2019	Payroll - TASC		\$341.97
07/18/2019	Payroll - PERA		\$8,119.58
07/18/2019	Payroll - SELECT		\$1,169.48
07/18/2019	Payroll - Health Partners		\$5,471.21
07/18/2019	Payroll - AFLAC		\$274.05
07/18/2019	Payroll - Delta Dental		\$237.63
07/18/2019	Payroll - Lincoln		\$653.88
07/19/2019	Vouchers #2 7-22-19	99429-99493	\$358,838.73
07/19/2019	Void - Wrong Vendor	99369, 99401	-\$241,370.04
07/22/2019	Vouchers #3 7-22-19	99494-99531	\$185,152.63
		Grand Total	\$1,037,991.26

Item F under New Business has been pulled from the agenda. Eckerly has a call into Managed Assets.

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

PAYNESVILLE AREA SCHOOLS REFERENDUM

Matt Bullard, Superintendent did not attend the meeting.

DNR REGISTRATION & TITLING ELS AGENT CONTRACT WITH DEPUTY REGISTRARS OF MOTOR VEHICLE OFFICES

A contract between the City of Paynesville and the State of Minnesota, acting through the Department of Natural Resources (DNR) was presented. The current Contract expired June 30, 2019. There are no changes to the contract; just a 5 year extension. This Contract does not include fish and game licenses.

Motion was made by LaBeau to authorize the Mayor to sign the State of Minnesota Department of Natural Resources Registration and Titling Electronic License System Agent Contract with Deputy Registrar of Motor Vehicles. Seconded by Gilmore and unanimously carried.

GAMBLING PERMIT – PAYNESVILLE BASEBALL CLUB, INC.

A MN Lawful Gambling LG220 Application For Exempt Permit from the Paynesville Baseball Club, Inc. to conduct a raffle on October 4, 2019 at the Paynesville Football Field at 795 Business 23 S was presented.

Motion was made by Gilmore to approve the MN Lawful Gambling LG220 Application For Exempt Permit from the Paynesville Baseball Club, Inc. to conduct a raffle on October 4, 2019. Seconded by Reinke and unanimously carried.

GAMBLING PERMIT – TRI-COUNTY RBB CHAPTER OF MN DEER HUNTERS ASSOCIATION

A MN Lawful Gambling LG220 Application For Exempt Permit from the Tri-County RBB Chapter Of MN Deer Hunters Association to conduct a raffle on September 13, 2019 at Queen Bee's Bar & Grill, 121 James St. W, Paynesville, MN 56362 was presented.

Motion was made by Herzberg to approve the MN Lawful Gambling LG220 Application For Exempt Permit from the Tri-County RBB Chapter Of MN Deer Hunters Association to conduct a raffle on September 13, 2019. Seconded by Reinke and unanimously carried.

LIQUOR STORE AUTOMATION UPGRADE – RITE

Ludwig reported on RITE, the current software provider at the liquor store is changing their platform to Cloud Retailer POS subscription. The cost is \$2,475.00 for a 25 hour bundle of support, which is the current cost. The changes will be \$120.00 monthly maintenance fee (\$1,440.00 annually). The upgrade amount is \$4,239.00. The handheld is \$1,695.00 plus \$19.00 per month. A second quote from another company was requested, but never received. The Budget & Finance Board met on July 9, 2019 and passed a motion to recommend to the City Council to purchase the upgrade to RITE software, 25 hour bundle of support, and handheld inventory unit for \$8,409.00 and a monthly fee of \$139.00. After further review of the quote, Ludwig would like to add \$450.00 for the Customer loyalty program. The \$8,859.00 will be paid for from Liquor Store Capital Improvement fund.

Motion was made by LaBeau to approve the purchase of the upgrade to RITE software, 25 hour bundle of support, customer loyalty program and handheld inventory unit for \$8,859.00 and a monthly fee of \$139.00. Seconded by Reinke and unanimously carried.

INVESTMENT ADVISOR

This item was pulled from the agenda.

CONDITIONAL USE PERMIT – PAYNESVILLE COMMUNITY SERVICE CENTER

The City has received a Conditional Use Permit Application from the Paynesville Community Service Center. The property in question is located at 115 James St. E., Paynesville, MN 56362, is zoned "C-1" – Central Business District, and is identified as Tax Parcel No. 70.39005.0000, which is legally described as follows, to-wit:

The Westerly 40 feet of Lots Five (5) and Six (6) in Block Two (2), in Haines Addition to Paynesville, according to the plat and survey thereof on file and of record in the office of the County Recorder in and for Stearns County, Minnesota; and

The Westerly 40 feet of the Southerly 35 feet of Lot 4 in Block 2 in Haines Addition to Paynesville, according to the plat and survey thereof on file and of record in the office of the County Recorder in and for Stearns County, Minnesota.

The application seeks a Conditional Use Permit to develop up to four (4) residential units being a multi-family dwelling, which is a conditional use under City Code, Chapter 36, Section 36-46(d)(5), which provides that a multi-family dwelling is a conditional use, provided that there is either adjacent to or provided off-street parking, and that there is no conflict with adjacent commercial activities.

The Planning Board has reviewed this, held a public hearing and approved the Report & Recommendation for the Conditional Use Permit. There were a number of property owners in attendance at the Public Hearing and expressed the following concerns:

- Low income apartment rental - apartments will not be Section 8 housing, but rather mid to high end rental
- Parking on the street by residents; need to have room for business customers to park
- Noise the bowling alley makes wants it known to the proposed renters; may need to increase insulation

It was asked what the proposed rent would be for these apartments. Rothstein stated around \$700.00. They would not be Section 8 Housing.

Motion was made by LaBeau to grant the Conditional Use Permit for the Paynesville Community Service Center. Seconded by Herzberg and unanimously carried.

PURCHASE OF TABLETS/LAPTOPS FOR COUNCIL

Eckerly reported that on December 31, 2019 the Windows 7 operating system will no longer be supported by MARCO due to Microsoft ending support January 14, 2020. All of the laptops used by the City Council are in need of replacement prior to December 31st. At the July 9, 2019 Budget & Finance Board meeting it was recommended to bring two price quotes to City Council and find out which the Council members would prefer. As of July 17, 2019, Dell had a sale on New Vostro 13 5000 laptops (weight 2.59 lbs.) for \$794.83 each. These would be paid for from Administrative Capital Improvement. An updated quote was presented. Council members gave some input on what each desired. The Surface Pro is more expensive; however, there was some interest in this device. No decision was made and Council members are to submit their personal preference with approval at the next meeting.

TRI-CAP – SMALL CITIES GRANT – TERMINATION OF SERVICES

Eckerly reviewed the letter from Tri-CAP as a formal notice to terminate the contract for services of the Small Cities Development Program effective August 1, 2019. The current balance in the Small Cities Development Program Fund is \$36,006.32. Eckerly will set up a meeting to go over the outstanding grants and any outstanding paper work. Eckerly plans to conduct the future grants in-house.

Motion was made by Gilmore to accept the contract termination notice from Tri-CAP for the services of the Small Cities Development Program, effective August 1, 2019. Seconded by Reinke and unanimously carried.

AIRPORT HANGAR RENTAL RATES

Mergen reported on the proposed rates. An excerpt of minutes from July 15, 2019 Airport Board meeting:

The current fuel price and hangar rent policy was reviewed:

- Fuel upcharge is at \$.46 cents – this was changed in 2016
- North facing hangars are at \$100 per month – this is set in 2004 and never changed
- South facing hangars are at \$120.00 - this was changed in 2012
- Private land rent for hangars are set at \$.10 cents per sq. ft.

The Board would like to keep one or two units for daily, weekly or monthly rentals and establish a fee schedule for this. Discussion and suggestions were as follows:

Daily Rate	\$30.00
Weekly Rate	\$150.00
Monthly Rate	\$250.00

A survey of other airports was reviewed:

Benson	\$90.00 per month
Long Prairie	\$80.00 per month
Sauk Centre	\$120.00 per month
Hector	\$65.00 per month
Maple Lake	\$.40 cents per sq. ft. annually, private hangars only
Oliva	\$100.00 per month

It was discussed to leave the rates as they currently are until the hangars are built.

Motion was made by Bailey to recommend the following rates:

Daily Hangar Rental	\$30.00
Weekly Hangar Rental	\$150.00
Monthly Hangar Rental	\$250.00
Existing Southside hangar units and the new hangar rate	\$120.00
Northside existing hangars	\$100.00

Seconded by Bayer and unanimously carried.

Motion was made by Gilmore to set the following airport hangar rates:

Daily Hangar Rental	\$30.00
Weekly Hangar Rental	\$150.00
Monthly Hangar Rental	\$250.00
Existing Southside hangar units and the new hangar rate	\$120.00
Northside existing hangars	\$100.00
Fuel Up Charge	\$.46
Private Hangar	\$.10 per square foot, with a \$300.00 minimum
Private Hangar - Commercial	\$.20 per square foot, with a \$600.00 minimum

Seconded by Reinke and unanimously carried.

LEASE/PURCHASE OF COPIERS

Eckerly reported that on July 30, 2019, the 60 month lease on the copier in Administration will come to an end. Eckerly has received 3 quotes from Marco (current lease), Coordinated Business Systems and Minnesota Computer Systems Inc (MCSI). During the process of

obtaining the quotes, Eckerly requested leasing/purchasing information for a copier for the Police Department due to the Officers having to transfer everything to a flash drive to print off the copier in Administration because of the security on the Stearns County Sheriff's Department network. At the July 9, 2019 Budget & Finance Board meeting it was recommended to approve a 60 month lease on a Konica C654e and to purchase a HP E57540dn for \$1,600.00 from Marco for the Police Department.

Motion was made by Herzberg to approve a lease for 60 months from Marco for a Konica C654e for \$425.25 per month plus \$11.88 for freight of supplies for the municipal building and purchase a HP E57540dn copier/printer for \$1,600.00 plus \$17.50 per month for copies for the Police Department. Seconded by LaBeau and unanimously carried.

DEMOLITION LOAN APPLICATION

Eckerly reviewed the information regarding a Demolition Loan Application for the former Corner Drug and Eats & Treats buildings. The EDAP Board reviewed at their July 16, 2019 meeting and liked the idea of the low interest loan program, that is interest free for the first two years, and if the properties are developed within 2 years 50% of the loan is forgiven; however, they do not want the funds for the project taken from the EDAP Revolving Loan funds as the City can take the funds out of the General Fund. Worst case scenario is that the land would not be developed within the two years and the City would have to pay back the loan. The Eats & Treats building has renters in it so would not be eligible, as it has to be vacant for one year. Applications are due in August and February of each year. It was suggested to compile all necessary documents and numbers for a February submission. No formal action was taken. This will come back to Council in January, 2020 for action.

EDAP REVOLVING LOAN SUBORDINATION – BLUE STEM FLOWERS

Eckerly reviewed the proposed subordination of the EDAP Revolving Loan. A request for subordination letter from Central MN Credit Union was presented with the following proposal:

CMCU 1 st Mortgage on Commercial Property	\$267,500.00
CMCU 1 st Mortgage on Residential Lots	\$ 35,000.00
EDAP 2 nd Mortgage on all lots	<u>\$ 35,000.00</u>
TOTAL LOANS	\$337,500.00

The original loan was increased due to the hoop building needing to meet MN Building Code and being more expensive. There is a SBA operating loan behind the City also. The EDAP Board has reviewed this and recommends approval.

Motion was made by Reinke to approve the subordination of the revolving loan to 2nd mortgage on all lots. Seconded by Gilmore and unanimously carried.

MN GREENSTEP CITIES PROGRAM

This was tabled from the April 8, 2019, April 22, 2019, and May 13, 2019 City Council meetings so that the Council could gather information regarding the program from the League of MN Cities Conference to determine if this is what they desire for the City of Paynesville. The first step in the program is to approve a resolution. Please review Resolution 2019-26 Authorizing The City Of Paynesville To Participate In The MN Green Step Program.

Herzberg recommend not approving this program. No action was taken. This item died for lack of a motion.

AIRPORT FLY IN

Mergen reviewed the flyer and reported on the Fly In that is scheduled for Sunday, August 11, 2019 from 10:00 a.m. to 2:00 p.m. Hot dog or hamburger, chips and a pop will be sold for \$5.00.

Motion was made by Reinke to authorize the 2019 Airport Fly In. Seconded by LaBeau and unanimously carried.

INFORMATIONAL

Thompson reviewed the following informational items: August & September Meeting Schedules, Fire Department Report, and West Central Sanitation July Garbage Rates.

There being no further business, the meeting was adjourned at 7:04 p.m.

Renee Eckerly, City Administrator