MINUTES
CITY COUNCIL MEETING

JANUARY 13, 2025

Mayor Shawn Reinke called the meeting to order at 6:02 p.m. Council members present were Paul Thielen, Donna Potter, Megan Brick, and Neil Herzberg. Others present were Jennifer Welling, City Clerk; Kristin Leither, Social Media Specialist; Sam Ketchum, Kennedy & Graven; Ron Mergen, Public Works Director; Chuck DeWolf, Bolton & Menk, Inc; Paul Wegner, Police Chief; and Cody Haakonson, Police Sergeant.

The Pledge of Allegiance was recited.

Council members gave verbal activity reports.

Wegner reported the following:

- Position is open for hiring a 5th officer
- One squad car is in the shop, this vehicle is still under warranty
- Switched to the new RMS system in November, but it has been a rough process
- Resignation of Part-Time Officer Ringness due to department policy of part-timers needing to be able to work once every quarter

Mergen mentioned the following:

- Flags will remain at half-staff until January 28th
- Partial street closure on 1st Street by CentraCare; January 27th, 6:30 a.m. to 3:30 p.m.
- They were not awarded the chloride grant they applied for, but will apply again next year
- Skating rink and sledding hill are open
- Residents/property owners are responsible for clearing sidewalks of snow and ice
- Wander and Schleper attended wastewater training in Cold Spring
- Lake Avenue River Bank Project has been completed and came in under budget
- Spring Clean-Up scheduled for April 26th

PUBLIC OPEN FORUM

No one was in attendance to address the Council.

CONSENT AGENDA

Motion to approve the minutes from the following meetings: November 20, 2024 Joint Planning Board, December 18, 2024 Special City Council, December 9, 2024 City Council, July 9, 2024 Liquor Board, and August 21, 2024 Ad Hoc Downtown Street Improvement Committee.

Motion to approve the following vouchers:

1/9/2025	Payroll Direct Deposit		$ 38,958.81
1/9/2025	Payroll Taxes	109045-109049	$ 2,841.15
1/9/2025	Payroll - Fed		$ 11,505.33
1/9/2025	Payroll - State		$ 2,209.27
1/9/2025	Payroll - TASC		$ 218.44

1/9/2025	Payroll - PERA		$ 10,545.92
1/9/2025	Payroll - Further		$ 3,016.05
1/9/2025	Payroll - Health Partners		$ 7,769.05
1/9/2025	Payroll - AFLAC		$ 232.31
1/9/2025	Payroll - Met Life Dental		$ 243.49
1/13/2025	Vouchers	109050-109122	$ 277,095.68
		Total	$ 354,635.50

Motion to approve the gambling permit for the Lions Club of Paynesville, MN to hold a Bingo event at Queen Bee's Bar & Grill, Inc., 121 James St. W., Paynesville, MN on February 16, 2025.

Motion to approve the gambling permit for the Koronis Ducks Unlimited to hold a raffle at the American Legion Post 271, 770 Diekmann Drive, Paynesville, MN on January 18, 2025.

Motion to accept the resignation of Darren Ringness, Part-Time Police Officer, effective December 30, 2024.

Motion to approve the Sewer Installer License for Burski Excavating.

Motion to approve the 2025 On-Sale Liquor & Sunday Liquor Licenses for Koronis Brewing Company LLC.

Motion to apply for the Safe Routes To School (SRTS) Infrastructure Grant Program and submit the letter of support by Mayor Reinke.

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

AMPE PARK SHELTER – PAYMENT ESTIMATE NO. 3 – VOSS

DeWolf presented the Payment Estimate No. 3 in the amount of $100,013.27; payable to Voss Plumbing & Heating of Paynesville, Inc. for work completed through December 20, 2024. The shelter is almost complete with the rest of the work being done in the spring.

Motion was made by Brick to approve Payment Estimate No. 3 in the amount of $100,013.27; payable to Voss Plumbing & Heating of Paynesville, Inc. Seconded by Thielen and unanimously carried.

AIRPORT HANGAR FOR FBO

Mergen presented the memorandum from Bolton & Menk, Inc. for the construction of an 80' x 80' hangar for a future Fixed Based Operator (FBO) at the airport. The total estimated project is $1,000,000.00; including construction, engineering and administration with the project being competed by using the City's Bipartisan Infrastructure Law and Federal Entitlement Funds.

DeWolf presented Bolton & Menk's proposed schedule to complete the plans and specifications.

Mergen reported there is an individual interested in renting the FBO Hangar. The City will pay 2.5% of the $1,000,000.00 to construct the hangar, of which will come from the Airport CIP fund, the remainder will be paid from the Federal Entitlement Funds. DeWolf noted the schedule will be the same as a typical airport project. Construction will likely start next fall and be completed in 2026.

Motion was made by Herzberg to authorize Bolton & Menk, Inc. to complete the plans and specifications. Seconded by Brick and unanimously carried.

DONATION FROM PAYNESVILLE AMERICAN LEGION TO PAYNESVILLE FIRE DEPARTMENT – CHECK PRESENTATION

No one was in attendance to present or receive the check and this item was tabled until next meeting.

EMPLOYMENT AGREEMENT – DAN GENS, PUBLIC WORKS DIRECTOR

On December 18, 2024 the Council interviewed three candidates and selected Dan Gens as the new Public Works Director; contingent on a passing background and reference checks. Mr. Gens has successfully passed the background and reference checks. Council reviewed the Employment Agreement between the City of Paynesville and Daniel Gens. Mr. Gens has reviewed and signed the agreement. Welling stated Gens will start on January 21, 2025.

Motion was made by Brick to approve the Public Works Director Employment Agreement between the City of Paynesville and Daniel Gens. Seconded by Herzberg and unanimously carried.

SPECIAL CITY COUNCIL MEETING – RETREAT

There is a desire to hold a Special City Council Meeting – Retreat again this year. Welling noted the Green Roof Area Center is open for all of the listed dates.

Motion was made by Herzberg to set the Special City Council Meeting – Retreat for Thursday, March 6, 2025 at the Green Roof Area Center from 9:00 a.m. until finished. Seconded by Brick and unanimously carried.

2025 CONFERENCE ATTENDANCE

In the past the Council has pre-approved the attendance (registration, mileage, usual expenses, per diem (if applicable), lodging, and staff time) of the City Administrator and any Council member to the following events for 2025:

League of Minnesota Cities (LMC) Annual Conference – June 25-27, 2025 in Duluth
LMC Regional Meetings
LMC Safety & Loss Control Workshops
Mayor's Conference
Association of MN Emergency Managers Trainings
Stearns County Municipal League Meetings
Municipal Clerks & Finance Officers Association of Minnesota (MCFOA) Clerks Conference – March 18-21, 2025 in Brooklyn Center

All other LMC Conferences & Trainings

Motion was made by Herzberg to approve the attendance (registration, mileage, usual expenses, and per diem (if applicable) of the City Administrator and any Council member to the following events for 2025:

League of Minnesota Cities (LMC) Annual Conference – June 25-27, 2025 in Duluth
LMC Regional Meetings
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Stearns County Municipal League Meetings
Municipal Clerks & Finance Officers Association of Minnesota (MCFOA) Clerks Conference – March 18-21, 2025 in Brooklyn Center
All other LMC Conferences & Trainings

Seconded by Thielen and unanimously carried.

2025 LIQUOR STORE LEASE PAYMENT

The 2025 Liquor Store Lease monthly payment is $1,828.00 plus $10.00 for sign electricity. The lease is to be paid in monthly installments of $1,828.00 plus $10.00 per month for sign electricity; payable to Teals Management. These are the same amounts as in 2024. Council reviewed the Extension of Lease Agreement through December 31, 2025 with the rates remaining the same.

Motion was made by Brick to pay the 2025 Liquor Store lease in monthly installments of $1,828.00 plus $10.00 per month for sign electricity from 105 Liquor Fund; payable to Teals Management. Seconded by Thielen and unanimously carried.

2025 IRS MILEAGE RATE

In the past the City has used the IRS mileage rate. The IRS has set the 2025 mileage rate at .70 cents per mile. In 2024 the IRS mileage rate was .67 cents.

Motion was made by Brick to approve the City mileage rate .70 cents per mile effective January 1, 2025 through December 31, 2025. Seconded by Thielen and unanimously carried.

ELECTION OF MAYOR PRO TEM

The Mayor Pro Tem performs the duties of the mayor during the absence of the mayor. Jean Soine served as the Mayor Pro Tem in 2024. Brick nominated Neil Herzberg due to his experience.

Motion was made by Brick to elect Neil Herzberg as Mayor Pro Tem. Seconded by Potter and unanimously carried.

OFFICIAL DEPOSITORIES FOR CITY FUNDS

Council reviewed Resolution 2025-01 Designating Depositories Of Funds, Designating A Chief Financial Officer & Establishing Authority To Act.

Motion was made by Herzberg to approve Resolution 2025-01 Designating Depositories Of Funds, Designating A Chief Financial Officer & Establishing Authority To Act. Seconded by Brick and unanimously carried.

2025 COUNCIL MEMBER BOARD & WEED INSPECTOR APPOINTMENTS

Mayor Reinke recommends the following 2025 Council member Board/Committee and weed inspector appointments:
Ad Hoc Library Board – Megan Brick
Ad Hoc Downtown Street Improvement Committee – Donna Potter
Budget & Finance Board – Paul Thielen & Megan Brick
Chamber of Commerce Representative – Donna Potter
Community Ed Representative – Shawn Reinke
EDAP Board – Neil Herzberg & Megan Brick
Environmental Board – Shawn Reinke
Green Roof Area Center Representative – Neil Herzberg
Hwy. 23 Collation Representatives – Neil Herzberg
Joint Planning Board – Paul Thielen
Lodging Tax Advisory Board – Megan Brick
Municipal Airport Board – Shawn Reinke
Municipal Off-Sale Liquor Retail Board – Paul Thielen
Park & Tree Board – Shawn Reinke
Paynesville Area Joint Trails Board – Paul Thielen
Planning Board – Paul Thielen
Policies & Procedures Board – Shawn Reinke & Donna Potter
Public Works Board – Neil Herzberg
Safety Board – Shawn Reinke
Wellhead Protection Board – Donna Potter
Weed Inspector – Shawn Reinke

Reinke suggested also appointing Public Works Staff to Weed Inspector as they have done in the past. Herzberg expressed interest in taking on another board appointment, preferably the trails board. Thielen said Herzberg could have his spot on the Paynesville Area Joint Trails Board.

Motion was made by Brick to approve the 2025 Council member Board/Committee and weed inspector appointments with the modification that Neil Herzberg will serve on the Paynesville Area Joint Trails Board instead of Paul Thielen and that the Weed Inspector will defer to the Public Works Department. Seconded by Thielen and unanimously carried.

2025 CITY BOARD MEMBER APPOINTMENTS

Council reviewed the list of City Board member appointments for 2025. Reinke reported that the only change from last year is that Jean Soine will serve on the Municipal Off-Sale Liquor Retail Board as a citizen instead of a Council member. Soine also expressed interest in continuing to serve on the Ad Hoc Downtown Street Improvement Committee as a resident.

Herzberg confirmed that Mergen's replacement, Dan Gens, will be assigned all of Mergen's appointments once he retires. Brick also reported the potential resignation of a member on the Park & Tree Board. Wegner added the Citation Neutral Party position could be disbanded due to how the Police Department now operates. Reinke said he would be fine with vacating that position, but wants to discuss it with the City Administrator first.

Motion was made by Herzberg to approve the 2025 City Board member appointments with the addition of Jean Soine to the Ad Hoc Downtown Street Improvement Committee. Seconded by Brick and unanimously carried.

APPOINTING DATA PRACTICES COMPLIANCE OFFICIAL

Council reviewed Resolution 2025-02 Appointing Data Practices Compliance Official as Tariq Al-Rifai, City Administrator.

Motion was made by Brick to approve Resolution 2025-02 Appointing Data Practices Compliance Official. Seconded by Potter and unanimously carried.

2025 CITY ASSIGNMENTS & APPOINTEMENTS

Designate Official Newspaper:	Paynesville Press
Designate City Attorney:	Sam Ketchum, Kennedy & Graven, Chtd.
Designate Prosecuting Attorney:	Janell Kendall, Stearns County Attorney
Designate Labor Attorney:	Madden Galanter Hansen, LLP Attorneys at Law
Designate PFAS Contamination Attorney:	Taft Stettinius & Hollister, LLP Law Office of Kevin Madonna, PLLC; SL Environmental Law Group PC; Douglas & London P. C.; Levin, Papantonio, Rafferty, Proctor, Buchanan, O'Brien, Barr, Mougey, P.A.

Annual Appointments:

Building Inspectors:	Brad Mehlhop Jim Tews, City of Litchfield (back up)
City Treasurer:	Belinda Ludwig
City Engineer:	Bolton & Menk, Inc.
Emergency Services Director:	Shawn Reinke
Auditor:	Schlenner Wenner & Co.
Data Practices Compliance Officer:	Tariq Al-Rifai

Reinke noted the only change from last year is Sam Ketchum of Kennedy & Graven is now the City Attorney. Ketchum thanked the Council for the opportunity to serve as Paynesville's City Attorney.

Motion was made by Brick to approve the 2025 City assignments and appointments as presented. Seconded by Herzberg and unanimously carried.

2025 CITY COUNCIL MEETING DATE CHANGES

Looking ahead at the 2025 Calendar:

Monday, May 26, 2025 – Memorial Day Holiday

Suggested reschedule date – Tuesday, May 27, 2025

Motion was made by Thielen to reschedule the May City Council meeting from Monday, May 26th to Tuesday, May 27th. Seconded by Potter and unanimously carried.

CERTIFICATE OF DEPOSITS, SAVINGS & MONEY MARKET ACCOUNTS

Council reviewed Resolution 2025-03 Regarding Certificate of Deposits, Savings Accounts, & Money Market Accounts.

Motion was made by Brick to approve Resolution 2025-03 Regarding Certificate of Deposits, Savings Accounts, & Money Market Accounts. Seconded by Herzberg and unanimously carried.

AUTOMATED BANK PAYMENTS & WIRES

Council reviewed Resolution 2025-04 Allowing Wire/Automated Bank Payments. The auditors would like the City to annually and formally pass a resolution giving authorization to the City Administrator and City Treasurer to make wire/automated bank payments as needed.

Motion was made by Brick to approve Resolution 2025-04 Allowing Wire/Automated Bank Payments. Seconded by Herzberg and unanimously carried.

SPECIAL CITY COUNCIL MEETING WORKING SESSION

It has been suggested to set a Special City Council Meeting Working Session in January or February, 2025. Agenda items received to date include:

City's 2024 Strategic Plan – Update

Future Public Works Technician Water/Wastewater Operator position

Motion was made by Brick to set the Special City Council Meeting Working Session for Thursday, February 6, 2025 at 1:30 p.m. Seconded by Potter and unanimously carried.

CHECK SIGNING AUTHORITY & PROCEDURES

Council reviewed Resolution 2025-05 Regarding Check Signing Authority & Procedures. This outlines that two signatures are required on all checks and gives the authority to the Mayor, Acting Mayor (Mayor Pro Tem), and the City Administrator/Acting City Administrator or City Treasurer to sign checks. It also allows, in emergency situations, to use a facsimile signature, with one live signature.

Motion was made by Brick to approve Resolution 2025-05 Regarding Check Signing Authority & Procedures. Seconded by Potter and unanimously carried.

MEAL REIMBURSEMENT INCREASES

Over the past several months the Accounts Payment (AP) Department has seen an increase in reimbursements for meals that no longer meet the City's allowed threshold. Therefore, AP staff is having to decrease the employee's reimbursement request to the allowed amount.

Meal	Current	Proposed	
Breakfast	$15.00	$20.00	
Lunch	$20.00	$30.00	
Dinner	$35.00	$35.00	leave as is

With this being the first meeting of the year staff thought this would to be the most appropriate time to present an increase. Allowances were set in 2020 with the adoption of the new Personnel Policies.

Herzberg thought someone could still get breakfast for less than $15.00, but Thielen noted when you add in a drink and tip it can cost close to $20.00. Welling added that many of the trainings and conferences include meals now, so what they pay out for meal reimbursements isn't a whole lot.

Motion was made by Herzberg to approve the meal reimbursement increases for breakfast from $15.00 to $20.00 and lunch from $20.00 to $30.00 and to be incorporated into the City's Personnel Policies. Seconded by Thielen and unanimously carried.

MOTOR VEHICLE – ANNUAL MN DEPUTY REGISTRARS ASSOCIATION (MDRA) ANNUAL CONFERENCE – CLOSING CITY HALL

It has been suggested to close the Motor Vehicle division of City Hall so that staff can attend the Minnesota Deputy Registrars Association (MDRA) Annual Conference on September 19, 2025.

Motion was made by Brick to close the Motor Vehicle division of City Hall on September 19, 2025 so that staff can attend the annual MDRA Conference. Seconded by Potter and unanimously carried.

EDAP LOAN INTEREST RATE CAP – ANNUAL REVIEW

When the Council approved the EDAP loan interest rate cap on September 25, 2023 it was suggested that this be reviewed annually. Excerpt of minutes from the September 25, 2023 Council meeting:

EDAP – INTEREST RATE CEILING FOR EDAP LOANS

Al-Rifai gave a verbal report. The following is an excerpt of minutes from the September 19, 2023 EDAP Board Meeting:

ESTABLISHING A FLOOR AND CEILING FOR EDAP LOANS

Stanley noted the high interest rate being a recent issue with the EDAP loans. Using the current formula of Prime plus 0.25%, the interest rate on an EDAP loan today would be 8.75%. Al-Rifai asked Stanley what Magnifi charges for business loans. Stanley said around 8%. He added that the purpose of EDAP loans are for economic development and that they should be below market rates to encourage development. At such high rates today, they would not attract new business.

Stang said if we were to take this from a different perspective and look at the fact that EDAP loans are not secured and take second place to the main business loan, shouldn't this higher risk allow for us to charge a higher rate? Stanley said if we are a for-profit business then yes, but we are not. Our objective is to support local businesses and economic development. The loan for Avon, for example, is bridge financing because the bank cannot exceed 75% loan-to-value (LTV). This is where EDAP comes in to take on the remaining amount and in this case, it should be lower than the bank rate.

Members agreed with Stanley on this and discussed the best formula to use so. Stanley suggested keeping the formula of Prime plus 0.25%, but place a cap on it, such as 5%. If Prime were to be above 4.75% for example, the interest rate would be capped at 5% regardless of how high Prime goes. Al-Rifai said there is also a floor on EDAP loans of 3%. Members felt we can remove this as well and just keep the formula at Prime plus 0.25% capped at 5%. Soine said she thinks it's a good idea, but felt 5% is too low.

> *Motion was made by Stanley to change the way interest rates on EDAP loans are calculated to Prime plus 0.25% with a maximum interest rate limit of 5.5% and recommend such to Council. Seconded by Loesch.*

Al-Rifai asked about interest rates on recently closed loans. How would they be affected. Stanley said we could reach out to them and refinance their loans at the lower interest rates provided they pay for any fees associated with closing. Some loans would be too small to justify paying closing costs. In this case, they would keep the current interest rate until the loan is paid off.

> *Motion unanimously carried.*

The EDAP Board recommends changing the way interest rates on EDAP loans are calculated to Prime plus 0.25% with a maximum interest rate limit of 5.5%.

Soine pointed out that investments are at 5.5% so the EDAP loans would generate more revenue than if the money was just invested. Herzberg asked what happens if Prime increases that much that they start losing money. Soine said if that happens they will have to look at changing the cap.

Al-Rifai said that EDAP loans are usually supplemental to bank loans and they want to entice businesses to take EDAP loans rather than take out another bank loan. Thielen

asked if there was a cap for how much could be borrowed on EDAP loans. Al-Rifai said the only limit was how much is in the revolving loan fund.
Reinke asked about if Prime minus something would work better. Soine explained EDAP thought that would get to complicated and business want to know a set rate. Council can raise the cap if they want. Reinke said inflation is stabilizing so he suspects Prime will start to stabilize as well, but it's hard to tell at this point.

Herzberg and Reinke both want to set the cap a little higher than 5.5. Reinke agrees the EDAP loans are there to incentivize business to come to the area, but the City still needs to see some return on their investment so they can keep offering these loans. Soine has no problem with raising the cap.

Council discussed what the cap should be and agreed on 6.5%. Reinke suggested reviewing the cap annually.

> *Motion was made by Soine to change the way interest rates are calculated on EDAP Loans to Prime plus 0.25% with a maximum interest rate of 6.5% and for this policy to be reviewed at least annually. Seconded by Herzberg and unanimously carried.*

The current prime rate is 7.5% so in keeping with the same policy as last year, EDAP loans will be capped at 6.5%. Reinke suggested sending this to the EDAP Board to review and provide a recommendation. If the EDAP Board recommends the cap stay the same then it will be posted to informational, if they recommend a change then Council will discuss it. The rest of Council agreed and there was no action taken.

CITY COUNCIL PER DIEMS – ANNUAL REVIEW

It has been suggested to review the City Council per diems on an annual basis. Currently the per diems are:

1. *Per Diem: A per diem will be paid for any meeting outside the City of Paynesville that is longer than 2 hours in length. Meetings between 2 and 4 hours shall be eligible for a $50.00 per diem, and meetings longer than 4 hours shall be eligible for a $100.00 per diem. Travel time to the event should not be considered unless the one-way travel time exceeds one hour. Events longer than three days or travel on behalf of the City will be compensated through a special per diem set by the Council at the time the event or travel is approved.*

Resolution 2023-12 was adopted by the Council on May 8, 2023 that set the above per diems. There was discussion about raising the amounts. Thielen suggested sending this to the Policies & Procedures Board to discuss. Council agreed and there was no action taken.

AIRPORT TEE HANGAR & GROUND LEASE – RUPRECHT, NEWBERG AND GROTHE & LEUSINK

Mergen presented the Airport Ground Lease Agreements between the City of Paynesville and Curtis Newberg and Dan Grothe & Harlan Leusink. David Ruprecht changed his mind this afternoon and will no longer be renting the Tee Hangar. There is a waiting list for the Tee Hangars and Mergen is confident they'll be able to rent this hangar within a month or two.

Motion was made by Brick to approve the Airport Ground Lease Agreement between the City of Paynesville and Curtis Newberg and Dan Grothe & Harlan Leusink. Seconded by Herzberg and unanimously carried.

CITY OF PAYNESVILLE RULES & BYLAWS – ANNUAL REVIEW

According to the LMC the City Council should review their Bylaws and Rules of Order on an annual basis. Council reviewed the City of Paynesville Rules & Bylaws which were amended on June 12, 2023. No changes were recommended so no action was taken.

ANNUAL MEETING OF ALL CITY OF PAYNESVILLE BOARDS & SPECIAL CITY COUNCIL MEETING

It has been suggested to hold an Annual Meeting Of All City Of Paynesville Boards & Special City Council again this year at the Paynesville American Legion from 6:00 – 7:30 p.m. It was further suggested to hold this meeting earlier in the year and not in the summer.

Reinke suggested having the meeting later and hosting it at Veteran's Park. Welling noted that June gets pretty busy for everyone and they received requests to not hold this meeting in summer. Reinke requested dates in May. This was tabled for the next Council meeting.

OFFICIAL BONDS – ANNUAL REVIEW

According to the LMC the City should, at least annually, review the City's official bonds. Council reviewed the summary of the City's bond debt as of December 31, 2024 provided by Northland Public Finance.

City Administrator, Tariq Al-Rifai, noted on the agenda that the City's total debt today is $9,653,419. Interest rates on the City's debt range from 1% - 3.25%; therefore, there is no incentive to pay off debt early at these rates. Council acknowledged Al-Rifai's comment and no action was taken.

INSURANCE AGREEMENT WITH PAYNESVILLE AREA SCHOOLS

The City is required to collect insurance certificates listing the City as an additional insured from entities that use the City's facilities/grounds for activities and events. The School's insurance company charges extra for this; therefore, an agreement has been created to meet the necessary requirement.

Council reviewed the Agreement Between the City of Paynesville And ISD No. 741 (Paynesville Area Schools) For Use Of City Property regarding the School's acknowledgement that they carry and maintain the necessary general liability insurance when use or hold an event on the City's property.

The Agreement was drafted by Attorney Spooner and reviewed and approved by Paynesville Area Schools.

Motion was made by Brick to approve the Agreement Between the City of Paynesville And ISD No. 741 (Paynesville Area Schools) For Use Of City Property. Seconded by Herzberg and unanimously carried.

MEMORANDUM OF UNDERSTANDING LELS UNION – PERSONAL LEAVE DAY/FLOATING HOLIDAY

When the HR Department reviewed the approved LELS Union Contract it was noticed that no Personal Leave Day/Floating Holiday was outlined in Article 9.1. Council reviewed the Memorandum of Understanding between the City of Paynesville and the LELS Union adding in the necessary language to Article 9.1 to correspond with Article 9.2 Personal Holiday.

Motion was made by Brick to approve the Memorandum of Understanding between the City of Paynesville and the LELS Union regarding Personal Leave Day/Floating Holiday. Seconded by Herzberg and unanimously carried.

MEMORANDUM/LETTER OF UNDERSTANDING LELS & AFSCME UNIONS – ESST

On January 6, 2025 the City Council amended the Earned Sick And Safe Time Policy due to legislative changes, effective January 1, 2025.

Council reviewed the MOU Between The City Of Paynesville and LELS Police Union regarding adding in Earned Sick And Safe Time (ESST) language (to match the Personnel Polices) in the 2025-2027 contract per the recommendation of the City's labor attorney.

Council reviewed the Letter Of Understanding Between The City Of Paynesville and AFSCME Union regarding amending the Earned Sick And Safe Time (ESST) language (to match the Personnel Polices) in the 2025-2027 contract per the recommendation of the City's labor attorney.

These documents were sent to the unions on January 9, 2025 for review and approval. Welling stated AFSCME has approved the Letter of Understanding, but they are still waiting on LELS for approval.

Motion was made by Herzberg to approve the MOU Between The City Of Paynesville and LELS Police Union regarding adding in Earned Sick And Safe Time (ESST) language in the 2025-2027 union contract and to approve the Letter Of Understanding Between The City Of Paynesville and AFSCME Union regarding amending the Earned Sick And Safe Time (ESST) language in the 2025-2027 union contract. Seconded by Thielen and unanimously carried.

Mayor Reinke stated that if LELS Union does not approve the MOU it will need to come back to Council.

AMPI BOD LEVEL SURCHARGES

Mergen presented the letter from AMPI regarding their recent increase in BOD levels that have resulted in a large December monthly surcharge of approximately $58,000.00. Their normal monthly surcharges equal approximately $15,000.00. AMPI is requesting the Council consider

reducing their December surcharge. They are aware of the issue and are working on correcting it.

The Public Works Board recommends lowering the surcharge to $35,000 with the caveat that this is a one-time adjustment. If it happens again, AMPI will be billed the full amount. Mergen reported that the BOD level surcharges are there to encourage AMPI to keep their BOD levels under their allotted limit and are not part of operational costs. The City will not be losing money if they decide to lower this month's surcharge amount.

Motion was made by Herzberg to reduce the surcharge from $58,000 to $35,000 with the notice that this is a one-time adjustment to the bill. Seconded by Brick and unanimously carried.

INFORMATIONAL

Mayor Reinke reviewed the following: Xcel Energy – Notice Of Application To Increase Electric Rates, Stearns County Highway Department – Open House Notice, MN Public Utilities Commission – New Law Notice, LMC – Day On The Hill – Please contact Kristin Leither directly to get registered and for hotel accommodations, if necessary., November Month End Reports – all reports can be found on the City's website., Eligible Chloride Reduction Grant Notice, and Police Department Reports.

There being no further business, Mayor Reinke adjourned the meeting at 6:59 p.m.

Tariq Al-Rifai, City Administrator