MINUTES
CITY COUNCIL MEETING

APRIL 8, 2024

Mayor Shawn Reinke called the meeting to order at 6:00 p.m. Council members present were Jean Soine, Neil Herzberg, Paul Thielen, and Megan Brick. Others present were Tariq Al-Rifai, City Administrator; Kristin Leither, Social Media Specialist; Ron Mergen, Public Works Director; Chuck DeWolf, Bolton & Menk, Inc.; Paul Wegner, Police Chief; Jennifer Welling, City Clerk; Will Beardmore, Lisa Thompson, Morgan Urequm, Andy Meagher, Riley Flanders and City Attorney, Bill Spooner (via Zoom).

The Pledge of Allegiance was recited.

Council members gave verbal activity reports.

Mergen reported the following:

- Compost site will open Wednesday
- Public Works will be flushing hydrants on April 17th and April 18th
- Spring Cleanup will be April 27th
- Bids for the surplus dock are due tomorrow on MinnBid
- Someone is donating a 10 to 12-foot spruce tree to the City to grow for winter activities
- Water Festival will be May 17th
- Tornado sirens were tested last Wednesday and all are working well
- Seal Coat project bids will be opened tomorrow
- Airport Crack Repair Project bids will be opened on Thursday
- Library will be hosting their Story Stroll from May 13th to May 27th
- Airshow will be August 24th

Al-Rifai mentioned the following:

- Attended Park & Tree, Environmental, and Airport Board meetings
- Took part in two interviews, one for Liquor Store Clerk and one for Police Officer
- Discussed CodeRed with CentraCare
- Mergen, DeWolf, and he participated in the LCCMR call reviewing the draft report of the water testing from four cities, final report will be available soon

PUBLIC OPEN FORUM

No one was in attendance to address the Council.

CONSENT AGENDA

Motion to approve the minutes from the following meetings: March 11, 2024 City Council, March 20, 2024 Annual Meeting Of Paynesville City Board & Special City Council, March 25, 2024 City Council, February 20, 2024 EDAP Board, and January 4, 2024 Airport Board.

Motion to approve the following vouchers:

4/4/2024	Payroll Direct Deposit		$ 33,607.61
4/4/2024	Payroll Taxes	107794-107798	$ 4,308.67
4/4/2024	Payroll - Fed		$ 10,655.90
4/4/2024	Payroll - State		$ 2,124.21
4/4/2024	Payroll - TASC		$ 41.53
4/4/2024	Payroll - PERA		$ 8,870.50
4/4/2024	Payroll - Further		$ 2,399.69
4/4/2024	Payroll - Health Partners		$ 6,329.14
4/4/2024	Payroll - AFLAC		$ 220.67
4/4/2024	Payroll - Met Life Dental		$ 211.50
4/8/2024	Vouchers	107799-107861	$ 237,219.61
		Total	$ 305,989.03

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

HIRING OF REALTOR FOR CITY RESIDENTIAL LOTS

Al-Rifai reported that he has been approached again by a local realtor to enter into an agreement to sell the remaining City residential lots in Heatherwood Plat 3 for the City. This was tabled on March 25, 2024 and last discussed on May 8, 2023. Representatives from the following local relators were in attendance:

- Central MN Realty
- Michael Meagher Realty
- Patrick Flanders Realty

Discuss:

- Prepare Request For Proposals - for any local realtor to submit a proposal to sell the City lots
- Conduct our own aggressive marketing and advertising strategies to be completed by the EDA Director to sell the City lots

The Council needs to consider if its affordable to hire a realtor due to the housing incentive per lot equaling $4,550.00 and the deferred assessments on each lot that total $16,670.94 of which both would need to be covered prior to paying any commission.

The City will be meeting in closed session later in the meeting to discuss an offer on a lot in Heatherwood that may affect this decision.

Riley Flanders stated he understands the concerns of the Council. Patrick Flanders Realty has had recent success in selling other lots in Paynesville and feel they can sell the City owned lots quickly by getting the listings in front of interested parties.

Andy Meagher found that since January 2022, 10 lots have sold online to every 1 lot the City has sold. The City lots are already competitive on price, but lack the exposure to sell quickly. Michael Meagher Realty would be honored to work with the City and list those lots on the various list serves to get them sold.

Spooner said they could request proposals from the realtors if they wanted to move forward with this, but proposals would not be required. He also reminded the Council that there is a later agenda item that could impact their decision. Reinke said if Council requests proposals, then they can compare numbers and advertising options.

Motion was made by Thielen to have a request for proposals packet drafted and distributed among local realtors. Seconded by Brick.

Herzberg wanted to wait until after the closed session to make a final decision. That way they aren't wasting the City's or the realtors time if they change their mind. Reinke suggested they hold another vote after the closed session to reconsider the current motion.

Motion was unanimously carried.

AMPE PARK SHELTOR BID RESULTS

DeWolf reviewed the bids received for the construction of the Ampe Park Shelter:

Breitbach Construction Co.	Elrosa, MN	$843,343.06
Voss Plumbing & Heating	Paynesville, MN	$791,088.00

The bids received are significantly higher than anticipated. DeWolf reported that they have been able to lower Voss's bid a little bit and they are reviewing their DNR grant to see if they can get more money for the project from there.

The Park & Tree Board recommends waiting until they get a response from DNR and other funding options. They are also looking into the possibility of building in stages or scaling down the project.

Council discussed other potential funding sources and possible fundraising events.

Motion was made by Reinke to authorize staff to apply for any and all grants related to this project without having to seek further Council approval and to solicit donations from the private sector, acknowledging creative ways of recognizing generosity. Seconded by Brick and unanimously carried.

LASERFICHE – OPG-3

Al-Rifai presented the Laserfiche proposal from OPG-3 in the amount of $15,890.00 with the funds to come from the remaining ARPA funds. There is an annual reoccurring fee of $3,100.00 per year. The City's remaining ARPA funds equal $45,606.46. Some of the remaining funds could be used toward the costs of scanning as the funds must be spent by December 31, 2024. Staff has researched other electronic storage companies; however, they are more expensive. Staff has visited with the Cities of Melrose, Albany and Mahtomedi to name a few.

Council also reviewed Resolution 2024-11 Adopting the Minnesota General Records Retention Schedule And Adopting Electronic Files As Permanent Retention Method.

Al-Rifai noted that Laserfiche is the most widely used program for city government. The other programs they looked at were either more expensive and/or less user friendly. Welling added

that it will take a few months for set up and training. Then staff can begin scanning documents into the system.

Motion was made by Soine to approve the Laserfiche proposal from OPG-3 in the amount of $15,890.00 for electronic document storage and retention and authorize the City Administrator to sign the necessary documents. Seconded by Herzberg and unanimously carried.

Motion was made by Herzberg to approve Resolution 2024-11 Adopting the Minnesota General Records Retention Schedule And Adopting Electronic Files As Permanent Retention Method. Seconded by Brick and unanimously carried.

311 WASHBURNE AVE. LAND

This was brought up at the Council Retreat. Spooner told Opatz's attorney about three weeks ago that the City would not sell the parkland without closing on the Washburne property and he has not gotten a response back. Al-Rifai stated they could keep the two transaction together or they can proceed with one transaction and not the other. Herzberg agreed they could separate the transactions, but he wants to know Opatz's decision in 15 days.

Motion was made by Herzberg to instruct the City Administrator or City Attorney to notify Mr. Opatz or CURA that they have 15 days to sign a purchase agreement or the Council is going to explore other options.

Spooner asked if the Council still wanted the sale of the parkland to be contingent on the City purchasing Washburne Court. Herzberg said no, they'll accept a purchase agreement for either one of them at this point. Spooner warned the Council that they might not receive an answer by the next Council meeting. Herzberg said they can always hold a special Council meeting if need be.

Motion was seconded by Soine and unanimously carried.

LMC – INSURANCE LIABILITY COVERAGE WAIVER

Council reviewed the Insurance Liability Coverage Waiver Form. 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 Soine 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 Brick and unanimously carried.

NIGHT 2 UNITE EVENT

Reinke explained that there is a need to appoint a lead person to plan the Night 2 Unite event. This was previously handled solely by Chief Wegner, then the Police & Fire Advisory Board took the lead, and finally the Council said it would take over when that Board was dissolved. Reinke has the planning book along with some documents from doing some of the planning

last year, but is unable to plan it this year. Al-Rifai volunteered to be the lead person for the event.

Motion was made by Soine to appoint Tariq Al-Rifai as the lead on the Night 2 Unite event. Seconded by Reinke and unanimously carried.

AIRPORT TEE HANGAR LEASE – SPRINGER

Mergen presented the Airport Tee Hangar Lease Agreement between the City of Paynesville and Jesse Springer for hanger #8. This agreement is eligible for automatic renewal with the clause that the Council has the ability to adjust the rate with notice.

Mergen reported that there will be only one hangar open after this and he is happy with the current momentum at the airport. Reinke noted he is also happy to see almost all of the hangars rented even with the rate increase and all the activity out there.

Motion was made by Herzberg to approve the Airport Tee Hangar Lease Agreement between the City of Paynesville and Jesse Springer. Seconded by Soine and unanimously carried.

AIRPORT – YOUTH SAFTEY CAMP

Mergen reported that the Stearns County Sherriff's Department would like to use the airport property for a Youth Safety Camp on Tuesday, July 2, 2024 with a backup date of Thursday, July 11, 2024. Council reviewed the written request. Mergen reported this is the third year in a row that they'll be hosting this event at the airport and it's a great way to promote the facility. The City has requested proof of insurance with the City listed as an additional insured.

Motion was made by Herzberg to allow the Stearns County Sherriff's Department to use the airport property for a Youth Safety Camp on Tuesday, July 2, 2024 with a backup date of Thursday, July 11, 2024; contingent upon the City receiving proof of insurance. Seconded by Thielen and unanimously carried.

PARADE PERMIT – PAYNESVILLE AREA SCHOOL GRADUATION PARADE

A Parade Permit Application has been submitted by the Paynesville Area Schools for a Graduation Car Parade on Friday, May 24, 2024 from 5:30 p.m. – 6:00 p.m. with staging to begin at 5:00 p.m. In addition, the school is requesting to use the grassy area of 605 Lake Ave. (City owned property) to be used for parade staging. The Police Chief has reviewed this and recommends approval. The City has received their proof of insurance with the City listed as an additional insured. Soine mentioned this is their fourth year doing the parade.

Motion was made by Soine to approve the Paynesville Area Schools Parade Permit and allow them to use 605 Lake Ave. for staging on May 24, 2024. Seconded by Brick and unanimously carried.

Reinke suggested adding this to the Consent Agenda next year.

ELECTION – DIRECT VOTING AGREEMENT

Council reviewed the 2024 Direct Voting Agreement between the City of Paynesville and Stearns County to provide early voting to the residents of Stearns County. The City of Paynesville has offered this service in the past.

Stearns County indicated that the following are the changes from previous agreements:

1. There were state legislative changes that would allow for 18 days of direct voting for a temporary/pop up location. After some discussion it was decided to keep the temporary direct voting location to 7 days, to begin the Tuesday before the statewide election.
2. The Secretary of State is still requiring municipal email addresses to be assigned to election judges who will be using the State Voter Registration System.
3. At the state legislature there were additional hour requirements for counties for the November General absentee locations. Those additional requirements will not affect the City except for opening an hour earlier the Saturday before the election.

Motion was made by Herzberg to approve the Agreement Between Stearns County And The City of Paynesville For Providing Early Voting To the Residents Of Stearns County. Seconded by Soine and unanimously carried.

SPECIAL CITY COUNCIL WORKING SESSION

In the past the City Council typically holds quarterly working sessions. Suggested dates were presented. Welling asked if the Council wanted to hold one this quarter since they just had the Council Retreat. Soine figured they could wait until July or August for the next working session. Reinke suggested Welling bring back dates for next quarter on a future agenda.

EDAP – INTEREST FREE LOAN CLOSING COSTS

Al-Rifai gave a verbal report. The EDAP Board has discussed reducing the closing costs on the interest free loans by replacing the requirement of a title search with an owner's encumbrance report. The following are an excerpt of minutes from the EDAP Board meetings:

2-20-24 INTEREST-FREE LOAN CLOSING COSTS

Al-Rifai said there have been two businesses considering the interest-free loan for improving their buildings, but decided to hold-off once they saw the estimated closing cost. As it stands now, we will do a title search and take out a mortgage. The title work is what costs the most. For a maximum interest-free loan of $20,000, the estimated closing cost will be over $1,000. Al-Rifai asked if members were comfortable removing the title search requirement to bring down the cost.

Stanley said the title work is probably the biggest expense in closing costs. Since we are offering these loans to existing businesses and not new businesses, we can ask for an Owners & Encumbrance Report in lieu of a full title search. This may reduce the total closing cost by half. It's also worth noting that interest-free loans are a 50:50 match so if the business doesn't have cash for the remaining amount, they will need bank financing for the rest. The bank will require a full title search. In all cases, we will file a mortgage

as the cost for doing so is around $75. Members felt this would be the best option for reducing closing costs.

> *Motion was made by Dingmann to approve replacing the requirement of a title search for interest-free loans with an Owners & Encumbrance Report to help reduce closing cost and recommend such to the City Council. Seconded by Stanley.*

Al-Rifai said he will speak with the City Attorney to get a new estimated closing cost if we are to do this and present it at the next EDAP meeting.

> *Motion unanimously carried.*

3-19-24 INTEREST-FREE LOAN CLOSING COSTS

Al-Rifai said he spoke with City Attorney Spooner on reducing the closing cost on interest-free loans by replacing the requirement for a title search with an Owners & Encumbrance Report. A title search is what increases the total closing cost. In doing so, total closing cost on a $20,000 interest-free loan would drop from over $1,000 to approximately $565. Members agreed with this change.

> *Motion was made by Stanley to approve replacing the requirement for a title search on interest-free loans with an Owners & Encumbrance Report to help lower the closing costs and recommend such to the City Council. Seconded by Soine and unanimously carried.*

Motion was made by Soine to replace the requirement of a title search with an owner's encumbrance report for the EDAP Interest Fee Loans. Seconded by Brick and unanimously carried.

RENTAL OF CITY OWNED LAND – OLSON

Al-Rifai gave a verbal report. Council reviewed the Agreement For Lease Of Bare Land between the City of Paynesville and Kenneth Olson, III. The following are an excerpt of minutes from the Policies & Procedures Board meetings:

11-8-23 RENTAL OF CITY-OWNED LAND FOR CONSIGNMENT AUCTION

Al-Rifai discussed the Ken Olson proposal to host a farm equipment consignment on the city-owned land at Airport View Ct. Olson is willing to pay rent for the week, has insurance coverage and will be responsible for all clean-up afterwards. Members were concerned with having the consignment auction next to the funeral home, which would be an inconvenience if there were a funeral on that day.

Members suggested offering Olson the land behind Midwest Machinery in return for a fee of $250 and a deposit of $250. Reinke also suggested Al-Rifai develop a policy on this so that we are consistent in the future in the event someone else wants to rent city-owned land.

It was also suggested that Mr. Olson contacts private landowners regarding renting their property; including Voss, Ferche and Binsfeld.

2-14-24 RENTAL OF CITY-OWNED LAND AGREEMENT

Members reviewed the draft agreement prepared by the City Attorney. Members were okay with the rental fee of $250 for the consignment event and noted that the dates of the event need to be added to the agreement. Al-Rifai said he will finalize the dates with the business owner once the terms of the agreement are finalized. The remaining terms were reviewed and noted that there is no amount put in for the deposit. Members discussed it and agreed $750 would be a reasonable amount for a deposit.

Motion was made by Herzberg to add in the deposit amount of $750 to the agreement and recommend to Council. Seconded by Al-Rifai and unanimously carried.

Herzberg asked if Olson was fine with the $750 deposit. Al-Rifai notified him about it but has not gotten a response.

Motion was made by Herzberg to approve the Agreement For Lease Of Bare Land between the City of Paynesville and Kenneth Olson, III. Seconded by Soine and unanimously carried.

HIRING OF PART-TIME LIQUOR STORE CLERK – BERG

Bill Ludwig, Tariq Al-Rifai and Jennifer Welling interviewed one part-time liquor store clerk applicant on April 3, 2024. They recommend hiring Jennifer Berg as a Part-time Liquor Store Clerk (up to 39 hours per week) at Grade 1, Step 3, $16.64 per hour; per the City's wage scale due to her past liquor store and retail experience; contingent upon passing a background check.

Motion was made by Brick to hire Jennifer Berg as a Part-time Liquor Store Clerk (up to 39 hours per week) at Grade 1, Step 3, $16.64 per hour; contingent upon passing a background check. Seconded by Herzberg and unanimously carried.

PART-TIME ADMINISTRATIVE ASSISTANT POSITION

Tariq Al-Rifai gave a verbal report. Council reviewed the Job Description. This is a ¾ position, not to exceed 32 hours per week. The position has been pointed at Grade 2, Step 1 or $16.63 per hour. The Policies & Procedures Board has reviewed this and recommends approval. The following is an excerpt of minutes from the February 14, 2024 Policies & Procedures Board meeting:

PART-TIME ADMINISTRATIVE ASSISTANT POSITION

Members reviewed the job description prepared by staff. Al-Rifai said this would be a ¾ position initially developed to assist the Public Works Director with all his reporting, especially as he gets closer to retirement. This will also support his replacement when the time comes. The second part of the role would be to support the administrative functions in City Hall, such as human resources. Herzberg asked if there was enough

work for the person taking on this job. Al-Rifai said there would be based on Public Works reporting alone.

Motion was made by Herzberg to approve the job description for the Part-Time Administrative Assistant Position and recommend to Council, with weekly hours not to exceed 32. Seconded by Al-Rifai and unanimously carried.

Al-Rifai mentioned this person can also help with scanning documents into the Laserfiche system they just approved earlier. Reinke added that this position is budgeted for.

Motion was made by Soine to approve the Part-Time Administrative Assistant Job Description, start the hiring process with the position to remain open until filled and to continue the processes until a final recommendation can be made to Council. Seconded by Herzberg and unanimously carried.

STRATEGIC PLANNING

Al-Rifai explained that strategic planning for the City was recently discussed at the Council's Retreat and presented the proposal and strategic plan for the City of Big Lake from Phil Kern.

Al-Rifai reported that the City's comprehensive plan is very outdated. Completing a strategic plan is the first step in revising the comprehensive plan. It's also important to have a strategy and vision for downtown when they start the Downtown Street Project. The fee would be $2,800.

Phil Kern was highly recommended to Reinke by a number of cities on the League of MN Cities' Mayor list server. They have talked about revising the comprehensive plan for awhile but have put it off do to cost. Reinke feels the cost is reasonable for a strategic plan which will help more with their current issues than a full comprehensive plan. Soine noted the last time they did a strategic plan was back in 2015.

Motion was made by Herzberg to move forward with the strategic planning with Phil Kern. Seconded by Brick and unanimously carried.

PURCHASE OF COMPUTERS

Al-Rifai gave a verbal report. Council reviewed the proposal from Marco for 5 computers and set up (3 for DMV, 1 Liquor Store Manager & 1 Public Works) in the amount of $7,569.70. Al-Rifai noted he was able negotiate prices down to closer to $5,000.

Motion was made by Soine to approve the purchase of 5 computers and set up in the amount not to exceed $7,569.70 from Marco. Seconded by Brick and unanimously carried.

INFORMATIONAL

Mayor Reinke reviewed the following: Stearns County Environmental Office Public Hearing Notice and MN Board of Peace Officer Standards & Training Review.

Motion was made by Soine to meet in closed session as permitted by MN State Statute Section 13.D.03; 13D.05, Subdivision 3 to discuss an offer received for real property located at 300 Kira Court described as Lot 2, Block 3, Heather wood Plat 3; Parcel No. 70.39118.0531. Seconded by Herzberg and unanimously carried.

Mayor Reinke recessed the Regular City Council meeting at 7:03 p.m. to go into Closed Session to discuss an offer on real property located at 300 Kira Court.

Mayor Reinke closed the Closed Session at 7:25 p.m. and re-opened the Regular City Council meeting.

Reinke reported that the Council considered a purchase offer on 300 Kira Court that the City received.

Motion was made by Herzberg to accept the purchase agreement on 300 Kira Court as presented. Seconded by Soine and carried 4:1 (Thielen, no; Soine, yes; Reinke, yes; Brick, yes; Herzberg, yes).

Reinke asked if the Council wanted to revisit hiring a realtor to sell the remaining City lots. Soine stated Welling has reported there have been a number of phone calls expressing interest and with only three or four lots left it wasn't worth hiring a realtor. Herzberg feels hiring a realtor will be a disservice to the taxpayers. Thielen suggested considering hiring a realtor again in six months to a year depending how the other lots sell.

Motion was made by Herzberg to not move forward with request for proposals from realtors. Seconded by Soine and unanimously carried.

Motion was made by Brick to meet in closed session as permitted by MN State Statute Section 13.D.05, Subdivision 3 to discuss an offer for real property located at 18799 County Road 33, Paynesville, MN 56362. Seconded by Thielen and unanimously carried.

Mayor Reinke recessed the Regular City Council meeting at 7:29 p.m. to go into Closed Session to discuss an offer on real property located at 18799 County Road 33.

Mayor Reinke closed the Closed Session at 7:36 p.m. and re-opened the Regular City Council meeting.

Council met to discuss an offer on 18799 County Road 33 near the aeration ponds. Reinke reported that the Council has given the necessary information to staff to move forward.

There being no further business, Mayor Reinke adjourned the meeting at 7:37 p.m.

Tariq Al-Rifai, City Administrator