MINUTES
CITY COUNCIL MEETING

DECEMBER 27, 2023

Mayor Pro-Tem Jean Soine called the meeting to order at 6:00 p.m. Council members present were Megan Brick, Neil Herzberg, and Paul Thielen. Shawn Reinke was absent. Others present were Tariq Al-Rifai, City Administrator; Kristin Leither, Social Media Specialist; Ron Mergen, Public Works Director; Bill Spooner, Spooner & Glenz; Jennifer Welling, City Clerk; Linda Lorentzen, Paynesville Press; Mike Stern, Assistant Fire Chief and Bill Fuchs.

The Pledge of Allegiance was recited.

Council members gave verbal activity reports.

Mergen reported the following:

- Real Christmas trees can be dropped off at the lot next to the Fire Hall until January 15th
- We are currently in 1st quarter for water billing, this is the quarter sewer is based off of for the year so residents may want to try being conservative with their water use in order to lower their water bill
- Irrigation project has started, crews are currently taking down the old pivots

Al-Rifai mentioned the following:

- Attended the Planning Board and Property Negotiations Board meetings
- Had a meeting with the League of MN Cities to review the City's insurance claims this year

PUBLIC OPEN FORUM

Bill Fuchs asked the Council to be mindful of where the Thursday driving tests are set up. Sometimes the test area is set up on the alley behind the Plaza, parallel to Washburne Ave., which make it difficult for deliveries and larger vehicles to navigate. Welling said she will talk with the State examiner tomorrow about the issue.

Fuchs also asked if there could be an alignment done on Business 23 from Zap Leather to Kwik Trip. Mergen stated that has been considered but believes there is an issue with the right of way in the area. Mergen stated they could take another look at it.

CONSENT AGENDA

Motion to approve the minutes from the following meetings: November 7, 2023 Special Ad Hoc Library Board, October 9, 2023 Public Works Board, December 6, 2023 Special Joint Council & Ad Hoc Library Board, and November 20, 2023 Planning Board**.**

Motion to approve the following vouchers:

12/14/2023	Payroll Direct Deposit		$ 31,992.80
12/14/2023	Payroll Taxes	107346-107350	$ 4,774.83
12/14/2023	Payroll - Fed		$ 9,765.43
12/14/2023	Payroll - State		$ 1,904.15
12/14/2023	Payroll - TASC		$ 41.53
12/14/2023	Payroll - PERA		$ 8,459.40
12/14/2023	Payroll - Further		$ 2,574.06
12/14/2023	Payroll - Health Partners		$ 5,961.41
12/14/2023	Payroll - AFLAC		$ 220.67
12/14/2023	Payroll - Met Life Dental		$ 194.15
12/28/2023	Payroll Direct Deposit		$ 36,204.88
12/28/2023	Payroll Taxes	107351-107355	$ 4,565.41
12/28/2023	Payroll - Fed		$ 10,508.72
12/28/2023	Payroll - State		$ 2,026.56
12/28/2023	Payroll - TASC		$ 41.53
12/28/2023	Payroll - PERA		$ 9,494.75
12/28/2023	Payroll - Further		$ 2,574.06

12/28/2023	Payroll - Health Partners		$ 5,961.48
12/28/2023	Payroll - AFLAC		$ 220.67
12/28/2023	Payroll - Met Life Dental		$ 194.16
12/28/2023	Payroll - Lincoln		$ 1,113.19
12/27/2023	Vouchers	107356-107415	$ 243,883.00
12/27/2023	Voucher spec run	107416	$ 1,731.91
		TOTAL	$ 384,408.75

Motion to approve the gambling permit for the Paynesville Sportsman's Club raffle event at Queen Bee's Bar & Grill, Inc., 121 James St. W., Paynesville, MN on March 22, 2024.

Motion to appoint Bill Fuchs to the Planning Board, effective immediately.

Motion to approve the gambling permit for the Koronis Ducks Unlimited to hold a raffle event at the American Legion Post 271, 770 Diekmann Drive, Paynesville, MN on January 20, 2024.

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

FIRE DEPARTMENT – CASCADE SYSTEM QUOTES & PUBLIC SAFETY STATE AID

Mike Stern, Assistant Fire Chief was in attendance to present the cascade system quotes:

Alex Air	$42,675.00 (includes installation)
3G Safety Supply	$48,609.85 (includes installation)
Alex Air (State Bid)	$45,443.20 plus installation of $4,558.00 – this increase in price is due to limited system components listed on contract pricing

The 2023 omnibus tax bill included a one-time public safety aid that will be distributed on December 26, 2023. This must be used to provide public safety. Al-Rifai, Belinda Ludwig, Wegner and Andy Soine met to discuss the best use of this money and it was the general consensus that the best use of the funds would be to put them toward the purchase of the cascade system and the remaining funds towards new turn out gear. The City of Paynesville expects to receive $107,166 in state aid. The turnout gear will be purchased at a later time.

Per City Treasurer, Belinda Ludwig; the City received its public safety state aid money on December 22, 2023 in the amount of $107,169.

Stern stated they recommend purchasing from the first Alex Air option and they would use the approximately $9,000 raised from the Liquor Store fundraiser and some of the state aid to pay for it.

Motion was made by Brick to approve the bid from Alex Air in the amount of $42,675.00 for a cascade system. Seconded by Thielen and unanimously carried.

Motion was made by Brick to delegate the public safety state aid funds of $107,169 toward the purchase of the cascade system and new turn out gear. Seconded by Herzberg.

Herzberg asked if the townships got this state aid as well. Soine said they did not, the public safety aid was only given to cities with active public safety entities.

Motion was unanimously carried.

2024 FEE SCHEDULE

Council reviewed Resolution 2023-30 Amending License and Fee Schedule along with the proposed 2024 Fee Schedule. Soine stated some people told her the cannabinoid license fee was too high. Council agreed to leave it for now and have the Budget & Finance Board review the entire schedule in August.

Motion was made by Herzberg to approve Resolution 2023-30 Amending License and Fee Schedule and the proposed 2024 Fee Schedule. Seconded by Thielen and unanimously carried.

(Please see Attachment #1 – the above-referenced Resolution which has been made a part of these minutes.)

ORDINANCE NO. 49, 3RD SERIES – AMENDING MAYOR & COUNCIL SALARIES

There was some discussion at the December 11, 2023 City Council meeting regarding the Mayor and Council salaries and possibly increasing them. Council reviewed the Ordinance No. 49, 3rd Series increasing the salaries 3%, effective January 1, 2025 (after the 2024 elections). This proposed ordinance has been posted for the required 10 days.

Herzberg asked when Council salaries were last updated. Welling said salaries were last updated in 2019. Herzberg thought the increase is in line with other cities and hopes the salary increase will create interest for residents to run for Council in the upcoming election.

Motion was made by Herzberg to approve Ordinance No. 49, 3rd Series – Amending Mayor & Council Salaries. Seconded by Thielen and unanimously carried.

(Please see Attachment #2 – the above-referenced Ordinance which has been made a part of these minutes.)

ORDINANCE NO. 44, 3RD SERIES – AMENDING CHAPTER 2

The changes to this Chapter were first discussed at the City Council's retreats in April with further changes by Mayor Reinke. The significant changes include:

- Council procedures are now outlined in the City's Bylaws and Rule of Order
- Using mayor pro tem rather than acting mayor
- Terms and filling of vacancies for board members
- The ability to remove board members that are not attending meetings
- Removing the Administrative Fine Hearing Board and Labor Union Negotiations Board and adding those responsibilities to the Policies & Procedures Board
- Clarifying each Boards membership; including voting & non-voting members

Welling added that the City could possibly disband the Property Negotiation Board in the future and they can discuss appointments at the next meeting.

Motion was made by Herzberg to approve Ordinance No. 44, 3rd Series and Official Summary. Seconded by Thielen and unanimously carried.

(Please see Attachment #3 – the above-referenced Ordinance which has been made a part of these minutes.)

PFAS CONTAMINATION LITIGATION

Council reviewed the Legal Services Agreement between the City of Paynesville and 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.

Al-Rifai reported that the City's water was tested and only a small trace of PFAS chemicals were found, with it being traced back to the main plant. Spooner clarified this litigation only applies to contaminated drinking water, but opens doors for litigations for contaminated irrigation water. Al-Rifai said the only cost to the City will be 25% of any settlement money we receive, which will go to the law firm.

Motion was made by Thielen to approve the Legal Services Agreement between the City of Paynesville and 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. for PFAS contamination litigation. Seconded by Herzberg and unanimously approved.

PAINTING CITY HALL

Mergen gave a verbal report. Painting City Hall was discussed at the City Council retreat in April. The last time City Hall was painted was about 15 years ago. Two quotes have been obtained:

Grandview Painting	$8,015.00 (includes fixing walls and corners as necessary, paint and supplies)
Carol Liestman	$6,000 - $6,500 plus paint at $2,491.20 = $8,491.20 (does not include fixing walls/corners, etc.

Mergen said Grandview Painting comes highly recommended. They will be painting all of City Hall except the Council Chambers with funds to come from the Building CIP. Soine asked how long it would take. Mergen said that depends on how many people the Council wants them to send out, more people means they'll be done sooner. They hope to get the painting done on January 15th while City Hall is closed for the Martin Luther King Jr. holiday.

Motion was made by Thielen to approve the quote form Grandview Painting in the amount of $8,015.00 with money to come from the Municipal Building CIP fund which has a balance of $31,091 as of November 30, 2023. Seconded by Brick and unanimously approved.

2024 LABOR ATTORNEY CONSULTING SERVICES AGREEMENT – MADDEN GALANTER HANSEN, PLLC

Council reviewed the Consulting Services Contract between the City of Paynesville and Madden Galanter Hansen, LLP (the City's labor attorney). This is a one-year contract commencing January 1, 2024 through December 31, 2024. There is a proposed rate increase of $15.00.

The only changes to the contract are the following:

- Increase in $15.00 per hour from $210.00 to $225.00 per hour for labor negotiations services other than arbitration and administrative hearing and litigation
- Increase in $15.00 per hour from $220.00 to $235.00 per hour for arbitration and administrative hearing representation

Welling reported that staff have been happy with the service and response time.

Motion was made by Herzberg to approve the Consulting Services Contract between the City of Paynesville and Madden Galanter Hansen, LLP for 2024 and authorize the Mayor to sign the Contract. Seconded by Brick and unanimously carried.

ELECTION – DESIGNATION OF POLLING PLACE

Council reviewed Resolution 2023-31 Designation of Polling Place. The polling place for each precinct is required to be designated annually. Paynesville's polling place will continue to be the Green Roof Area Center, located at 1105 W Main St.

Motion was made by Brick to approve Resolution 2023-31 Designation Of Polling Place. Seconded by Herzberg and unanimously approved.

(Please see Attachment #4 – the above-referenced Resolution which has been made a part of these minutes.)

MORTGAGE SATISFACTION – EATS & TREATS, LLC

Al-Rifai reported that Eats & Treats has made their final payment. Council reviewed the Mortgage Satisfaction for Eats & Treats, LLC who have satisfied their EDAP Loan dated December 3, 2013.

Motion was made by Herzberg to approve the Mortgage Satisfaction for Eats & Treats, LLC. Seconded by Brick and unanimously carried.

2024 CIGARETTE LICENSES

The City has received the 2024 cigarette license applications from the following businesses at $200.00 each:

- Casey's Retail Company, DBA: Casey's General Stores, Inc store #1652
- Casey's Retail Company, DBA: Casey's General Stores, Inc. store #3387
- Depot No. V, LLC, DBA: Teal's Market- Paynesville
- Paynesville Farmers Union Coop Oil Co., DBA Cenex- Paynesville

- City of Paynesville, DBA Paynesville Municipal Off-Sale Liquor
- DG Retail, LLC, DBA Dollar General Store #15509
- Kwik Trip Inc, DBA Kwik Trip #598

Motion was made by Thielen to approve the 2024 Cigarette Licenses for Casey's Retail Company (stores #1652 and #3387), Depot No. V, LLC (Teal's Market-Paynesville), Paynesville Farmers Union Coop Oil Company (Cenex-Paynesville), City of Paynesville (Paynesville Municipal Off-Sale Liquor), DG Retail, LLC (Dollar General Store #15509) and Kwik Trip Inc. (Kwik Trip #598). Seconded by Herzberg and unanimously carried.

ADOPT A DRAIN PROGRAM

Mergen gave a verbal report. Council reviewed the information regarding the Adopt A Drain Program. The following in an excerpt of minutes from the December 11, 2023 Public Works Board meeting:

ADOPT A DRAIN PROGRAM

Amanda Craft from the NFCRWD presented the Adopt A Drain Program; sponsored by the Watershed and funded through the 1 watershed 1 plan (1W1P). The program benefits are:

- *Improving water quality*
- *MS4 requirements*
- *Track the data*
- *Educational and outreach tools*

The 2024 costs are $950.00 to $1,000.00 covered by the 1W1P. The 2025 costs are $100.00 to $500.00 depending on the activities. Craft noted that residents can adopt a drain and regularly clean around the drain. There is no limit as to how many drains one can adopt. Also, the City can put up banners, send post cards, inserts, provide drain stencils, etc. Members noted the low cost and the water quality education benefits the program could provide.

Motion was made by Peschong to approve joining the Adopt A Drain Program with the 2024 fees and starter package paid for by 1W1P and recommend such to the City Council. Seconded by Quade and unanimously carried.

Mergen stated this would also qualify for the GreenStep Program the City is a part of. Mayor Reinke has already volunteered to adopt the drain near his house once the program starts. Herzberg asked how many drains were in town. Mergen responded there are over 1,000 drains that could be adopted. Herzberg suggested reaching out to the school and other local organizations to spur interest in the program.

Motion was made by Herzberg to approve joining the Adopt A Drain Program. Seconded by Brick and unanimously carried.

SPECIAL CITY COUNCIL WORKING SESSION

It has been suggested to set a Special City Council Working Session to only discuss the Downtown Street Project; including feedback received, project charter and aspirational goals. Council discussed the suggested dates.

Motion was made by Brick to set a Special City Council Working Session for Monday, January 29, 2024 at 6:00 p.m. Seconded by Thielen and unanimously approved.

TIF DECERTIFICATION – SAVAGE LAND PARTNERSHIP TIF 1-13

Al-Rifai gave a verbal report. The Savage Land Partnership, LLC TIF 1-13 has come to an end and is to be decertified as of December 31, 2023.

Motion was made by Thielen to decertify the Savage Land Partnership, LLC TIF 1-13 and file the confirmation with the Stearns County Auditor. Seconded by Herzberg and unanimously carried.

AIRPORT TEE HANGAR LEASE AGREEMENTS – NEWBERG, ANDREWS & ERICKSON

Mergen gave a verbal report. Council reviewed the Airport Tee Hangar Lease Agreement between the City of Paynesville and Curtis Newberg, Craig Andrews and Jon Erickson. One lease is being presented as a representation of all three lease agreements. These agreements are eligible for automatic renewal with the clause that the Council has the ability to adjust the rate with notice. Mergen added there are four empty hangars right now, but he is optimistic they will be able to fill them soon.

Motion was made by Brick to approve the Airport Tee Hangar Lease Agreements between the City of Paynesville and Curtis Newberg, Craig Andrews and Jon Erickson. Seconded by Thielen and unanimously carried.

2024 CANNABINOID LICENSES

The City has received the 2024 cannabinoid license applications from the following businesses at $500.00 each:

1. City of Paynesville, DBA Paynesville Municipal Off-Sale Liquor
2. Paynesville American Legion

Herzberg asked what they will do if more establishments want to sell. Al-Rifai figured the City could deal with them as they come in if that is the case.

Motion was made by Thielen to approve the 2024 Cannabinoid Licenses for City of Paynesville, DBA Paynesville Municipal Off-Sale Liquor and Paynesville American Legion. Seconded by Brick and carried 3:1 (Soine, yes; Thielen, yes; Brick, yes; Herzberg, no).

ALLOWING ON-STREET PARKING ON NEW YEAR'S EVE

Mayor Reinke asked that this be placed on the agenda following a discussion with a local resident and business owner. With the lack of snow on the ground, the overnight parking ban is not serving its purpose this year. The Mayor suggests suspending enforcement of the overnight parking ban throughout the City the evening of New Year's Eve (12/31/2023) – New Year's Day (01/01/2024). This would allow those who might imbibe in a little too much alcohol to leave their vehicles parked and secure another ride home. Doing so would foster greater public safety by preventing those from driving who might not want to risk a ticket and could also help support local business.

Brick asked how they would advertise the restriction suspension. Al-Rifai responded the City would post on Facebook and tell the Police Department to not issue parking tickets that night. Brick suggested letting businesses know as well.

Herzberg asked what they would do if it snowed that night. Al-Rifai said the City would plow after the suspension is over. Herzberg is worried that residents will want this restriction suspension every year. Mergen added that he hopes residents will use common sense and move their cars if it would snow that night.

Motion was made by Brick to suspend enforcement of the overnight parking ban on January 1, 2024. Seconded by Thielen and unanimously carried.

INFORMATIONAL

Mayor Pro-Tem Soine reviewed the following: November Incode Financial Reports, Budget versus Actual, Investment Report, Liquor Revenue & Expenses, Capital Improvement Report. All reports can be found on the City's website, and January & February Meeting Schedules.

Motion was made by Herzberg to meet in closed session as permitted by MN State Statute Section 13.D.05, Subdivision 3a. to discuss the City Administrator's Annual Performance Appraisal. Seconded by Thielen and unanimously carried.

Mayor Pro-Tem Soine recessed the Regular City Council meeting at 6:58 p.m. to go into Closed Session to discuss the City Administrator's Annual Performance Appraisal.

Mayor Pro-Tem Soine closed the Closed Session at 7:41 p.m. and re-opened the Regular City Council meeting.

Council reviewed the City Administrator evaluations and gave feedback to Al-Rifai.

There being no further business, Mayor Pro-Tem Soine adjourned the meeting at 7:42 p.m.

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Tariq Al-Rifai, City Administrator