MINUTES
REGULAR CITY COUNCIL MEETING

FEBRUARY 14, 2022

Mayor Shawn Reinke called the Zoom City Council meeting to order at 6:00 p.m. Council members present were Jean Soine, Paul Thielen, Megan Brick and Neil Herzberg. Others present were Tariq Al-Rifai, City Administrator; Jennifer Welling, Administrative Assistant/Zoning Administrator; Ron Mergen, Public Works Director; Bill Spooner, Spooner & Glenz; Chuck DeWolf, Bolton & Menk, Inc.; Kristin Leither, Social Media Specialist; Paul Wegner, Police Chief; Bill Ludwig, Liquor Store Manager; Belinda Ludwig, City Treasurer; Andy Soine, Fire Chief; and Jessica Green, Northland Securities.

Council members gave verbal activity reports.

Mergen gave a department report and highlighted the following:

- Now is a great time to make park reservations
- Public Works Board will have a number of items coming forward in the future
- Airport Airshow is set for August 27, 2022
- Reminded residents to check water temperature; if 37/38 degrees start running your water and notify City Hall
- Reminded residents to clean sidewalks and around fire hydrants after each snow event
- Water billed:
    - 2021 – 199 million gallons
    - 2020 – 197 million gallons
    - 2019 – 173 million gallons
- Sewer billed:
    - 2021 – 230 million gallons
    - 2020 – 215 million gallons
    - 2019 – 208 million gallons

Reinke questioned the survey results regarding water softeners. Mergen stated that City has received 125 responses to date.

Al-Rifai mentioned the following:

- Attended the Police & Fire Advisory Board, Park & Tree Board, Public Works Board meeting and the LMC Conference
- DeWolf, Mergen, and himself attending a meeting regarding the trail extension
- Interviewed four candidates for the Police Officer position; with additional interviews this week scheduled

PUBLIC OPEN FORUM

No one was in attendance to address the Council.

CONSENT AGENDA

Motion to approve the minutes from the following meetings: January 24, 2022 Regular City Council, December 28, 2021 Police & Fire Advisory Board, and October 6, 2021 Special Park & Tree Board.

Motion to approve the following vouchers:

1/27/2022	Payroll Direct Deposit		$ 47,144.52
1/27/2022	Payroll Taxes	104165-104168	$ 3,239.27
1/27/2022	Payroll - Fed		$ 11,712.93
1/27/2022	Payroll - State		$ 1,815.38
1/27/2022	Payroll - TASC		$ 126.29
1/27/2022	Payroll - PERA		$ 8,685.44
1/27/2022	Payroll - Further		$ 2,590.77
1/27/2022	Payroll - Health Partners		$ 4,963.34
1/27/2022	Payroll - AFLAC		$ 245.06
1/27/2022	Payroll - Delta Dental		$ 189.11
1/27/2022	Payroll - Lincoln		$ 1,046.09
2/10/2022	Payroll Direct Deposit		$ 33,007.66
2/10/2022	Payroll Taxes	104169-104172	$ 3,233.54
2/10/2022	Payroll - Fed		$ 9,175.64
2/10/2022	Payroll - State		$ 1,803.77
2/10/2022	Payroll - TASC		$ 126.29
2/10/2022	Payroll - PERA		$ 8,852.35
2/10/2022	Payroll - Further		$ 2,590.77
2/10/2022	Payroll - Health Partners		$ 4,761.39
2/10/2022	Payroll - AFLAC		$ 245.06
2/10/2022	Payroll - Delta Dental		$ 189.11
2/14/2022	Vouchers	104173-104252	$ 165,379.47
		TOTAL	$ 311,123.25

Herzberg questioned why more employees were not attending some of the trainings. The trainings were pulled from the Consent Agenda and put under New Business letter G.

Motion was made by Herzberg to approve the Consent Agenda (minutes and vouchers only). Seconded by Soine and unanimously carried (Reinke, yes; Brick, yes; Herzberg, yes; Thielen, yes; and Soine, yes).

DEBT MANAGEMENT STUDY – NORTHLAND SECURITIES

Jessica Green, Northland Securities was in attendance and presented the City's Debt Management Study:

Bond	Outstanding Principal	Final Maturity	Call Date
2013 GO Sewer Revenue	$2,051,000	8/20/2032	
2013 GO Water Revenue	$2,450,000	8/20/2033	
2014A GO Improvement	$270,000	12/1/2024	12/1/2021

2016A GO Improvement	$705,000	12/15/2026	12/15/2024
2017A GO Improvement	$475,000	12/15/2027	12/15/2025
2019A GO Improvement	$2,135,000	12/15/2034	12/15/2027
2019B GO Improvement	$3,765,000	12/15/2034	12/15/2027
2020A Taxable GO Sewer Revenue Bond	$650,000	1215/2030	12/15/2027

- There has not been a lot of change since the last presentation 14 months ago
- In 2034 the City will be debt free if no other debt is taken on
- There will be significant debt relief in 2027, and some relief in 2025

RESIGNATION OF PART-TIME MAINTENANCE WORKER – SCHOENBERG

Mark Schoenberg, Part-time Maintenance Worker has submitted his resignation effective January 17, 2022.

Ron Mergen requested to start the hiring process to fill this open position of Part-time Maintenance Worker at Grade 1/Step 1, $14.78 per hour according to the Union Wage Scale. This position typically runs from April – November annually.

Motion was made by Herzberg to accept the resignation of Mark Schoenberg, Part-time Maintenance Worker. Seconded by Brick and unanimously carried (Reinke, yes; Brick, yes; Herzberg, yes; Thielen, yes; and Soine, yes).

Motion was made by Herzberg to start the hiring process to fill the Part-Time Maintenance Worker position, effective January 17, 2022. Seconded by Soine and unanimously carried (Reinke, yes; Brick, yes; Herzberg, yes; Thielen, yes; and Soine, yes).

RESIGNATION OF FULL-TIME POLICE OFFICER - HEGG

Alton Hegg, Full-Time Police Officer has submitted his resignation, effective February 14, 2022. On December 13, 2021 the Council approved starting the hiring process in anticipation of this resignation.

Motion was made by Brick to accept the resignation of Alton Hegg, Full-Time Police Officer, effective February 14, 2022. Seconded by Soine and unanimously carried (Reinke, yes; Brick, yes; Herzberg, yes; Thielen, yes; and Soine, yes).

Reinke questioned Wegner's temporary staffing options. Wegner stated that he would have something more formal on the February 28, 2022 City Council agenda including:

- Hiring Full-Time Sherriff Deputies to assist
- Other individuals including former employee Lentsch and a retired deputy have also expressed interest in helping

Reinke questioned why a contract meeting he asked for between Al-Rifai, Wegner and himself was not conducted. Wegner stated the City would pay $60-$70 per hour with no control. Reinke asked why hire versus contract? Al-Rifai stated that the idea to hire versus contract will be less money, have ability to monitor, schedule hours and manage better. Ultimately cheaper and more efficient.

Reinke stated that this should have been discussed. Herzberg questioned the pay scale for a part-time deputy. Wegner stated that a formal proposal would be available in 2 weeks.

YOUTH SAFETY CAMP

Mergen reported that the Stearns County Sherriff's Department would like to use the airport property for a Youth Safety Camp on Thursday, June 23, 2022 from 7:00 a.m. – 4:00 p.m.

Motion was made by Herzberg to allow the Stearns County Sherriff's Department to use the airport property for a Youth Safety Camp on Thursday, June 23, 2022 from 7:00 a.m. – 4:00 p.m. Seconded by Thielen and unanimously carried (Reinke, yes; Brick, yes; Herzberg, yes; Thielen, yes; and Soine, yes).

CHAMBER OF COMMERCE MEMBERSHIP

The Council reviewed the emails and legal opinion regarding the City being a paid Paynesville Chamber of Commerce member as well as correspondence from the City's Auditor, Schlenner Wenner & Co. and the Office of State Auditor's guidance of public expenditures; donations and dues.

Al-Rifai can join independently or the City can give funds to support an event. Spooner interjected that other city's EDA's have joined according to Mr. Bertram and Paynesville's EDA could also; as they have more latitude, the City cannot. Reinke suggested the City pay for Al-Rifai's membership.

Motion was made by Herzberg to pay for Al-Rifai's Chamber Membership out of the EDAP Fund. Seconded by Soine and unanimously carried (Reinke, yes; Brick, yes; Herzberg, yes; Thielen, yes; and Soine, yes).

AMPI SEWER RATES

Al-Rifai explained the billing error that was uncovered in AMPI's sewer billing. This error has been going on for over 10 years and was only recently discovered. The sewer rates were not adjusted for the increases over the years leading to an under-billing of sewer charges to the company. This error only affected AMPI's sewer billing and not the water billing. It also did not affect any other commercial or residential customer. The reason for the error was due to a software conversion. AMPI had its own account and the rates were changed for every account, but AMPI's. The under-billing since 2011 equals $1.423 million dollars. Staff has approached AMPI to pay some of the outstanding amount.

Reinke confirmed that this was a coding error and was the only entity not on the report that is double checked. $247,000.00 was the 2021 amount that was underbilled. AMPI has proposed to pay the $247,000.00 this year. The City can go back 6 years to collect at an estimated $700,000.00 - $800,000.00. There was further discussion on how much the City would have to recoup and the amount of time to allow AMPI to pay it back. The Council further discussed possible litigation. Al-Rifai stated the measures have been put in place to make sure this doesn't happen again. In addition, appropriate action or discipline has been taken. Reinke noted that AMPI published they had $1.8 billion in sales and $19.2 million in profits for 2021.Thielen had researched this issue with the LMC. Thielen stated that the City has the right

to ask for it all to be paid. Al-Rifai suggested that going back to 2021 is the fairest. Herzberg interjected that AMPI has been a good partner on a lot of projects and agreed that going back only to 2021 may not be enough, but rather 2-3 years. Thielen noted that AMPI lies mostly within the Sioux Line Railroad right of way in which they have a 99 year lease.

The 6 year total would be $1.14 million and three years would total $570,000.00. 6 years is the statute of limitations on something like this. It was suggested to vote down the offer of $247,000.00 and create a committee to negotiate. Spooner suggested a less public forum.

> **Motion was made by Herzberg to not accept the offer of $247,000.00 and give a counter proposal to AMPI to be presented through an Ad Hoc Committee. Seconded by Soine and unanimously carried (Reinke, yes; Brick, yes; Herzberg, yes; Thielen, yes; and Soine, yes).**

Reinke suggested to form an Ad Hoc Committee to negotiate with AMPI to consist of the City Administrator, Public Works Director and 2 Council members.

> **Motion was made by Soine to form an Ad Hoc Committee to negotiate with AMPI to consist of the City Administrator, Public Works Director and 2 Council members. Seconded by Herzberg and unanimously carried (Reinke, yes; Brick, yes; Herzberg, yes; Thielen, yes; and Soine, yes).**

Reinke appointed Paul Thielen and Megan Brick to the Ad Hoc Committee.

TRAININGS

MRWA 38th Annual Water & Wastewater Technical Conference, LMC Safety & Loss Control Workshop and MCFOA Annual Conference

Ron Mergen is interested in attending the MRWA 38th Annual Water & Wastewater Technical Conference March 1, 2022 in St. Cloud, MN. The registration fee is 250.00 plus staff time and mileage.

Belinda Ludwig and Jennifer Welling are interested in attending the LMC Safety & Loss Control Workshop in St. Cloud, MN on April 19, 2022. The fee is $20.00 each plus staff time and mileage.

Tariq Al-Rifai, Belinda Ludwig, and Jennifer Welling are interested in attending the MCFOA Annual Conference March 22 – 25, 2022 in St. Cloud, MN. The fee is $275.00 plus mileage and staff time.

Herzberg suggested another staff member attend the MRWA Conference. The LMC training is a great price and Al-Rifai, Mergen, Wegner, and Reinke should attend. Brick was interested in attending the MCFOA Conference; however, it was stated that the conference is geared toward employees. Wegner thanked the Council for the offer; however, due to staffing he will need to decline at this time.

Thielen questioned needing an annual audit verses every 5 year audit as discussed at the LMC Conference.

Motion was made by Herzberg to authorize the attendance of Belinda Ludwig, Welling, Al-Rifai, Mergen, Wegner and Reinke to the LMC Safety & Loss Control Workshops. Seconded by Thielen and unanimously carried (Reinke, yes; Brick, yes; Herzberg, yes; Thielen, yes; and Soine, yes).

Motion was made by Herzberg to approve the attendance of Ron Mergen and highly recommend one additional employee to the MRWA 38th Annual Water & Wastewater Technical Conference March 1, 2022. Seconded by Thielen and unanimously carried (Reinke, yes; Brick, yes; Herzberg, yes; Thielen, yes; and Soine, yes).

Motion was made by Herzberg to approve the attendance of Tariq Al-Rifai, Belinda Ludwig, and Jennifer Welling to the MCFOA Annual Conference March 22 – 25, 2022 in St. Cloud, MN. Seconded by Brick and unanimously carried (Reinke, yes; Brick, yes; Herzberg, yes; Thielen, yes; and Soine, yes).

ORDINANCE NO. 33, 3RD SERIES – AMENDING CHAPTER 2 MAYOR & COUNCIL COMPENSATION

The City is required to pay the Mayor and Council members monthly rather than quarterly as in the past. Ordinance No. 33, 3rd Series amending Chapter 2 Mayor & Council Compensation to change such was presented. The Policies & Procedures Board has reviewed this and recommends approval. This ordinance has been posted for the necessary 10 day requirement.

Motion was made by Herzberg to approve Ordinance No. 33, 3rd Series. Seconded by Herzberg and unanimously carried (Reinke, yes; Brick, yes; Herzberg, yes; Thielen, yes; and Soine, yes).

ORDINANCE NO. 34, 3RD SERIES – AMENDING CHAPTER 10 ADDING FOOD TRUCKS

The proposed Ordinance No. 34, 3rd Series was presented. The Policies & Procedures Board has reviewed this and recommends approval. This ordinance would add food trucks to the City Code. If the Council wishes to proceed with the Ordinance amendment it will be posted for the necessary 10 days and brought back for formal approval along with an application and fee schedule. There was some general discussion on the ordinance related to insurance, distances, and exceptions. It was suggested to add in Section 10-172 A2 “or thirty (30) days whichever is less”. It was further suggested to put this on the Budget & Finance Board meeting agenda to discuss license fees.

Motion was made by Herzberg to amend Section 10-172 A2 “or thirty (30) days whichever is less” and bring it back to the March 14, 2022 meeting for formal approval. Seconded by Thielen and unanimously carried (Reinke, yes; Brick, yes; Herzberg, yes; Thielen, yes; and Soine, yes).

FIRE DEPARTMENT – SCBA'S

Andy Soine reported that on October 11, 2021 the City Council approved a quote from MacQueen for SCBA's in the amount of $118,875.84; however, the invoice the City received from MacQueen was for $122,819.84; a difference of $3,944.00.

Motion was made by Herzberg to authorize the purchase of additional thermo imaging cameras; to invoice the Paynesville Fire Relief Association for the difference of $3,944.00 and to accept the donation from the Paynesville Fire Relief Association of such. Seconded by Thielen and unanimously carried (Reinke, yes; Brick, yes; Herzberg, yes; Thielen, yes; and Soine, yes).

FIRE DEPARTMENT – FIRE TRUCK DAMAGE REPAIR

Andy Soine reported on the incident and how the fire trucks were damaged. Since the incident, changes have been made to prevent this from happening again that include:

- Wheel chalks – to be used at all times
- Never operate a truck inside any building to pump water
- All other trucks have air lines, except truck #11; therefore, an air line will be installed for this truck

The insurance estimates to fix Truck #11 and Truck #9 were presented. Truck #9 will be repaired by Heiman and Truck #11 will be repaired by Koronis Motors.

Motion was made by Thielen to repair fire trucks #9 and #11 by Heiman and Koronis Motors respectively. Seconded by Herzberg and unanimously carried (Reinke, yes; Brick, yes; Herzberg, yes; Thielen, yes; and Soine, yes).

FIRE DEPARTMENT – SUBSTANCE USE POLICY

It has been suggested that the Council be aware of the Paynesville Fire Department Amended Constitution that was approved on February, 10, 2020. Within that document there is a Fire & Rescue Substance Use Policy which was approved on March 23, 2020. It is also been suggested to make sure all new and experienced firefighters are up to date on their internal policies and are knowledgeable of such.

LODGING TAX – TOURISM BUREAU AGREEMENT WITH CHAMBER OF COMMERCE

Al-Rifai presented the Local Tourism Bureau Agreement between the City of Paynesville and the Paynesville Area Chamber of Commerce which makes it clear for the use of the funds collected through the lodging tax. 95% of the tax will be submitted to the Chamber while 5% will be retained for administration fees.

Motion was made by Herzberg to approve the Local Tourism Bureau Agreement between the City of Paynesville and the Paynesville Area Chamber of Commerce. Seconded by Soine and unanimously carried (Reinke, yes; Brick, yes; Herzberg, yes; Thielen, yes; and Soine, yes).

HIRING OF PART-TIME LIQUOR STORE CLERKS

Bill Ludwig reported that he and Al-Rifai interviewed 4 applicants on January 20, 2022. They would like to hire three of those applicants; Jenny Johnson, Daniel Adams and Shae Hennen at Grade 1/Step 1, $14.78 per hour per the Union Wage Scale. Al-Rifai has temporarily appointed them so that they could begin training.

Motion was made by Herzberg to hire Jenny Johnson, Daniel Adams and Shae Hennen at Grade 1/Step 1, $14.78 per hour per the Union Wage Scale. Seconded by Thielen and passed (Reinke, yes; Brick, abstained; Herzberg, yes; Thielen, yes; and Soine, yes).

COUNCIL RETREAT

Al-Rifai stated that most facilities need dates to confirm availability. The Green Roof Area Center would be free to use, lunch would need to be catered. The Paynesville Inn would require $50.00 for the use of their room. Al-Rifai has not reached out to Bug Bee Hive Resort yet. Reinke suggested to conduct the retreat at the Green Roof Area Center at the end of April. Jean Soine suggested the Historical Society would also be an option. There was some additional discussion on a retreat versus a Special City Council Working Session and the need to hold the Working Session within the City limits of Paynesville. Al-Rifai will work on a date, location, time and type of event.

PUBLIC WORKS – SURPLUS PROPERTY BIDS

The City received the following bids on the surplus property:

Refrigerator	$25.00	Brad Mehlhop
Exhaust Fan	$50.00	Nathan Martinson
Rolling Ladder	$50.00	Nathan Martinson

In July of 2021 the City also received bids for the following surplus items:

Chest Freezer	Belinda Ludwig	$50.01
Metal Car on Wheels	Jennifer Welling	$10.69
Exercise Ball	Wendi Kraemer	$10.00

Items sold on MN Bid were:

2 metal toolboxes & a 48” light bar	$125.00
Fuel tank on trailer and water tank	$475.00
4 Surrey bikes	$5,825.00

Motion was made by Herzberg to accept the surplus property bids. Seconded by Soine and unanimously carried (Reinke, yes; Brick, yes; Herzberg, yes; Thielen, yes; and Soine, yes).

COVID – 19

Al-Rifai reported that CentraCare’s COVID-19 numbers as of the weekend was at 16%. The State is at 8% as of 2-10-22 and Stearns County is at 9.7%. Reinke noted that the previous motion was made in direct relation to CentraCare’s numbers. Reinke asked if there has been

push back on the mask mandate. Al-Rifai said at first, we saw 80-90% compliancy; now its less and less with maybe only a 1/3 wearing them. Reinke asked if employees are wearing masks. Al-Rifai, said yes some. Reinke noted that he visited a department at City Hall and all 6 employees were not wearing a mask which is very disappointing. It was noted that larger Minnesota cities have removed the mask mandate as well as local churches.

> **Motion was made by Herzberg to rescind the mask policy, effective immediately. Seconded by Thielen and passed (Reinke, yes; Brick, abstained; Herzberg, yes; Thielen, yes; and Soine, yes).**

There was some discussion on in-person meetings and remote protocols and going to a hybrid model. Spooner stated that to attend remotely the person needs to be in a public place.

INFORMATIONAL

Mayor Reinke reviewed the following: West Central Sanitation January Garbage Rates, Xcel Energy Transmission Line Paynesville To Wakefield – Fact Sheet, CenterPoint Energy Rate Increase Public Hearing Notices, and January Police Department Report.

There being no further business, Mayor Reinke adjourned the meeting at 8:25 p.m.

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Tariq Al-Rifai, City Administrator