MINUTES
CITY COUNCIL MEETING

MARCH 23, 2020

Mayor Jeff Thompson called the meeting to order at 6:00 p.m. Council members present were Shawn Reinke, Neil Herzberg, Len Gilmore, and Alicia LaBeau. Others present were Belinda Ludwig, Treasurer/Acting City Administrator; Jennifer Welling, Administrative Assistant/Zoning Administrator; Ron Mergen, Public Works Director/Acting City Administrator; Bill Spooner, City Attorney with Spooner & Glenz; Chuck DeWolf, Bolton & Menk, Inc.; Kristen Leither, Social Media Specialist; Tom Fread, Emergency Services Director; Paul Wegner, Police Chief; Bill Ludwig, Liquor Store Manager; Brad Mehlhop, Building Official; Andy Soine, Fire Chief; Jessica Green, Northland Securities; and Liza Donabauer, DDA.

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

Bill Ludwig, Liquor Store Manger reported on the following:

- Last week sales were $58,000.00
- Sales up 17%
- Profits up 15.8%
- Currently open normal business hours, with no intention of closing
- No March Wine Club
- Continuing new system training
- Been to the State Capital twice
- Continue serving on MMBA Board for a couple more months
- Taking COVID-19 precautions in the store with the number of customers at one time
- Between 1-2 p.m. there were 55 customers
- Sunday customer traffic remains the same

Andy Soine, Fire Chief reported on the following:

Calls For January And February

- Medicals/Assists – 6
- Car Accidents – 5
- Fires Calls– 4
- Alarms – 2
- Canceled In Route – 2
- Mutual Aid Given – 1
- Total Calls – 21

Update On New Hires

- The department had 3 firefighters finishing their firefight 1&2 on March 21st – trainings have now been postponed
- The department has hired Jessica Stransky, she received her pager and key at the March 2nd meeting

Last 3 Months Training

- The department trained on ropes, the side by side, a walk through at AMPI, blood borne pathogens and hazardous materials

Soine mentioned that department meetings and trainings are suspended until further notice. There may be future on-line trainings. If officer meetings are conducted social distancing will be implemented.

Motion to approve the following meeting minutes: March 9, 2020 Regular City Council, March 5, 2020 Special City Council, March 9, 2020 Public Works Board, February 24, 2020 Regular City Council, January 7, 2020 Liquor Board, February 25, 2020 Policies & Procedures Board, April 4, 2019 Environmental Board, October 21, 2019 Joint Planning Board, February 1, 2017 Ad Hoc City Hall Front Counter Reconfiguration Committee, June 4, 2018 Joint Planning Board, July 27, 2018 Joint Planning Board, December 5, 2018 Property Negotiations Team, January 3, 2019 Administrative Fine Hearing Board, November 5, 2019 Special Budget & Finance Board, and October 3, 2019 Park & Tree Board.

Motion to approve the following vouchers:

3/9/2020	Payroll Checks	100774-100783	$8,977.05
3/9/2020	Payroll Direct Deposit		$33,342.81
3/9/2020	Payroll Taxes	100784-100786	$1,777.87
3/9/2020	Payroll - Fed		$10,215.29
3/9/2020	Payroll - State		$1,466.08
3/9/2020	Payroll - TASC		$253.84
3/9/2020	Payroll - PERA		$6,991.56
3/9/2020	Payroll - SELECT		$1,389.48
3/9/2020	Payroll - Health Partners		$4,378.87
3/9/2020	Payroll - AFLAC		$199.55
3/9/2020	Payroll - Delta Dental		$180.04
3/17/2020	Vouchers	100787-100854	$343,309.73
		Total	$412,482.17

Motion to approve the attendance of Ron Mergen to the MRWA Water Operation & Maintenance Training Session on April 15, 2020.

Motion to approve the attendance of Tom Fread to the Emergency Manager meetings on April 21, July 21, and October 20, 2020 and to host the July 21, 2020 meeting.

Motion to approve the resignation of Robert Wander from the Paynesville Fire Department effective April 4, 2020.

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

YARMON FORD – DRIVE-IN MOVIE NIGHT

This item was pulled from the agenda.

FIRE DEPARTMENT RELIEF ASSOCIATION – CITY CONTRIBUTION

Brad Mehlhop was in attendance to formally request the City's annual contribution of $5,000.00 to the Paynesville Fire Department Relief Association.

Motion was made by Gilmore to approve the annual contribution of $5,000.00 to the Paynesville Fire Department Relief Association. Seconded by Reinke and unanimously carried.

FIRE DEPARTMENT – PURCHASE OF EXTRACTOR/WASHER

Soine reported that the Fire Department needs a new extractor/washer to clean the firefighting gear. The department has obtained two quotes:

BDS Laundry	$9,923.00
Alex Air Apparatus	$4,529.00

The Department has applied for two grants and did not receive them. The money for such is taken from the Relief Association and then the equipment is donated to the City. The higher bid will wash three sets a one time and is being recommended by other departments as well. The existing unit was purchased in 2015. There is an increasing risk of cancer in firefighters and there is a need for this equipment. This did not go the Budget & Finance for a recommendation.

Motion was made by Gilmore to purchase a Rigid Mount Washer from BDS Laundry in the amount of $9,923.00. Seconded by LaBeau and unanimously carried.

FIRE DEPARTMENT – ADDING A SECOND LIEUTENANT POSITION

The Policies & Procedures Board has reviewed this and the following is an excerpt of minutes from the March 11, 2020 Policies & Procedures Board meeting:

The Fire Chief is requesting to add a Second Lieutenant Position. The annual salary would be an additional $300.00. This position would give younger members a chance to lead and build a stronger core of leaders for the future.

Motion was made by Gilmore to add a Second Lieutenant position to the Fire Department and recommend such to the City Council. Seconded by Reinke and unanimously carried. Seconded by Reinke and unanimously carried.

Soine commented that this has been talked about for a number of years.

Motion was made by Reinke to add a Second Lieutenant position to the Paynesville Fire Department. Seconded by LaBeau and unanimously carried.

FIRE DEPARTMENT – AMENDED CONSTITUTION

Mehlhop presented the Fire Department's Amended Constitution. The Policies & Procedures Board has reviewed this and the following is an excerpt of minutes from the March 11, 2020 Policies & Procedures Board meeting:

Members reviewed the proposed constitution which was also reviewed at the previous meeting. There was discussion on how to fill a vacancy in an officer's elected position.

Some officers are elected, not appointed. Also discussed was the Second Lieutenants position having less than 10 years for experience to give a younger firefighter an opportunity to build their leadership skills.

Motion was made by Reinke to approve the Amended Constitution with the addition of article 5; in an office vacancy, a special election shall be held at the next regularly scheduled meeting to fill the position until the next regular election and the Second Lieutenant position shall be filled by a firefighter with 10 years or less experience. Seconded Gilmore and unanimously carried.

It was suggested that the Fire Department's Wellness Program be added as an appendix.

Motion was made by LaBeau to approve the Paynesville Fire Department's Amended Constitution. Seconded by Reinke and unanimously carried.

LIQUOR STORE – CREDIT CARD PROCESSING COMPANY

Ludwig explained the need to switch credit card providers from Heartland to Direct Acceptance Group. In the past 18 months Heartland has merged with another company to process transactions. Since that time the Liquor Store has endured dropped transactions, dropped terminals, dropped service and lost an area customer service representative. The store spent $800.00 last year on terminals and have returned each at least once because of not properly working. The store's software company RITE has teamed up with Direct Acceptance Group which offers a lifetime guarantee on all equipment. Their rates are also cheaper saving the store $164.77 a month or $1,977.25 yearly. If approved the store would do the switch at the same time as the switch of software with RITE.

Motion was made by Reinke to switch the Liquor Store credit card provider to Direct Acceptance Group. Seconded by Herzberg and unanimously carried.

CITY OF PAYNESVILLE PARADE FLOAT

In the past the Council has participated in the annual Town & Country Days Parade at no fee. Please review the attached parade float registration for June 18, 2020.

Motion was made by Gilmore to participate in the 2020 Town & Country Days parade. Seconded by Reinke and unanimously carried.

COMMERCIAL SOLAR FARM WITHIN THE CITY LIMITS

The City has received a request from ReneSolar for a potential 7-8 acre solar farm on the Ferche property adjacent to Lake Ave. Staff is seeking input from the Council as to if this is something the Council wants within the City limits of Paynesville and in this proposed location. Cindy Larson O'Neil, ReneSolar wanted the Council to know the following:

- They are interested in putting the farm anywhere on the site that is permissible by the City
- They would be willing to screen the farm, if necessary
- Mr. Ferche is interested in the farm on his property
- The land would be a lease, under the terms of Xcel Energy; 25 years plus two additional 5-year extension options

- Platting could be done if necessary
- Re-Zoning could be done if necessary
- They are allowed to build the pilings within a wetland, but not the roads to the farm or the concrete pads
- Her question is: Will the City of Paynesville permit a solar farm on the Ferche property?

Bill Spooner has drafted an Interim Ordinance Establishing a Moratorium on Commercial Solar & Wind Energy Systems to allow for time for the City to determine where, if any, of these should be allowed in the City limits of Paynesville and to draft an ordinance regulating commercial solar and wind systems, if necessary. Unlike typical ordinance amendments, moratoriums are exempt from any advance public notice; therefore, this ordinance could be approved if the Council so desires. The City's current solar and wind energy ordinances and the Future Land Use Map from the 2003 Comprehensive Plan were presented.

It was suggested to check on property tax implications for such development. Spooner stated that the moratorium would allow the Planning Board to conduct a study and draft an ordinance for such. It was further suggested to have ReneSolar help with the process.

Motion was made by Reinke to approve Ordinance No. 10, 3rd Series Interim Ordinance Establishing A Moratorium On Commercial Solar And Wind Energy Systems. Seconded by LaBeau and unanimously carried.

2020 CRACK SEALING PROJECT

Mergen presented two quotes for crack sealing. The Public Works Board has reviewed this and the following is an excerpt of minutes from the March 9, 2020 Public Works Board meeting:

The 2020 crack sealing project quotes were reviewed:

Midwest Asphalt	$1.40 per lbs.
Kamco	$1.43 per lbs.

Total quantity needed is 7,500 pounds for a total estimated cost of $10,500.00. The benefits of crack sealing are:

- Preventing water from penetrating the subsurface
- Freezing and expanding causing alligatoring of the roadway

It was also discussed that Midwest Asphalt has completed the crack sealing for the last two years.

Motion was made by Herzberg to approve the quote from Midwest Asphalt at $1.40 per pound and recommend such to the City Council. Seconded by Peschong and unanimously carried.

Motion was made by Herzberg to approve the quote from Midwest Asphalt at $1.40 per pound. Seconded by Reinke and unanimously carried.

2020 SEALCOAT PROJECT

Mergen presented a memo from Bolton & Menk, Inc. regarding the 2020 Sealcoat Project schedule. A sealcoat project will help extend the life of the streets. The total estimated cost of the project is $200,000.00. A map indicating the proposed streets to be seal coated were presented.

The Public Works Board has reviewed this and the following is an excerpt of minutes from the March 9, 2020 Public Works Board meeting:

The project was reviewed noting the downtown area and streets previously seal coated in 2011 and previous. The cost estimate was:

Fog seal (CSS-1)	$ 26,455.00
Seal coat oil (CRS- 2)	$ 74,912.50
Aggregate (FA-2 Granite)	$ 51,000.00
Pavement striping	$ 25,000.00
Engineering & contingencies	$ 22,632.00
TOTAL ESTIMATED COST	$200,000.00

Motion was made by Peschong to approve the plans and specifications and advertise for bids and recommend such to the City Council. Seconded by Vaske and unanimously carried.

Motion was made by Herzberg to approve the Sealcoat Plans and Specifications and authorize advertisement for bids. Seconded by Reinke and unanimously carried.

AIRPORT T-HANGAR PROJECT

DeWolf gave a verbal report on the project. Payment Estimate No. 2 in the amount of $215,960.93; payable to Voss Plumbing & Heating of Paynesville for work completed through March 16, 2020 was presented.

Motion was made by Reinke to approve Payment Estimate No. 2 in the amount of $215,960.93; payable to Voss Plumbing & Heating of Paynesville. Seconded by Gilmore and unanimously carried.

2020 IRRIGATION SYSTEM EXPANSION PROJECT – TAXABLE GENERAL OBLIGATION SEWER REVENUE BONDS, SERIES 2020A

Jessica Green, Northland Securities was in attendance to present the documents for the Series 2020A Bonds for the 2020 Irrigation System Expansion Project. The closing is scheduled for April 9, 2020. The closing with the farmer will be sometime before May 20, 2020.

The Final Bank Term Sheet and Resolution 2020-06 Providing For The Issuance And Sale Of $716,000 Taxable General Obligation Sewer Revenue Bonds, Series 2020a And Pledging Net Revenues For The Security And Payment Thereof were also presented for consideration.

Motion was made by Reinke to approve Resolution 2020-06 Providing For The Issuance And Sale Of $716,000 Taxable General Obligation Sewer Revenue Bonds, Series 2020a And Pledging Net Revenues For The Security And Payment Thereof and the Final Bank Term Sheet. Seconded by LaBeau and unanimously carried.

ORDINANCE AMENDMENT – DISPOSAL OF EXCESS PROPERTY

Belinda Ludwig presented a proposed ordinance amendment in Chapter 2 of the City Code regarding the Disposal Of Excess Property. The Policies & Procedures Board has reviewed this and the following is an excerpt of minutes from the March 11, 2020 Policies & Procedures Board meeting:

> Members reviewed the current ordinance, the LMC information on surplus property and Spooner's draft ordinance. It was suggested to include parts from LMC sample and change the receipts of sale to reflect the department in which the item originated from.
>
> Motion was made by Gilmore to change the surplus property ordinance to reflect the LMC proposal and change the receipts of sale to reflect the Department in which the item originated from and recommend such to the City Council. Seconded by Gilmore and unanimously carried.

This is being presented as informational only at this time. The amendment will be posted for 10 days and brought back to Council for formal approval.

CORONAVIRUS (COVID-19)

City Emergency Action Plan – Tom Fread

Gilmore expressed that these are unprecedented times and the emergency management position is only part time and paid less than the police officer position.

Motion was made by Gilmore to make Tom Fread full time Emergency Management Director at the rate he is paid as a full time Police Officer until the emergency declaration expires. Seconded by Reinke.

There was general discussion if there was enough work to justify it being full time. Fread said yes, as the whole Emergency Operations Plan needs an overhaul. There was some concern with it affecting Fread's medical leave. Wegner said it should not affect it, but it could affect the K-9 training which is scheduled for March 30, 2020. It was expressed that Fread was hired as part time emergency management at less money and he was aware of such. Fread agreed. Gilmore stated that the issues right now are so volatile. Herzberg mentioned that the budget is tight and it needs to be watched. Thompson stated that it is hard to dump the unknowns on Fread with out compensating for such. LaBeau reiterated that Fread was hired for the job at 90:10 split. Fread was asked how much time is spent on EMS versus police. Fread was not able to answer.

Motion unanimously failed.

Motion was made by Reinke to approve a temporary pay increase for Thomas Fread through the emergency declaration to the rate of pay as his police officer pay. Seconded by Gilmore.

It was stated that this would be the same as the Interim City Administrator positions and to get a letter from the Unions approving such.

The motion passed 3:2 (Thompson, yes; Gilmore, yes; Reinke, yes; Herzberg, no; and LaBeau, no).

City Employees

The police department is limiting their exposure by limiting access to the building, unless its an emergency and responding to medicals only if it is a life/death situation. The public works department is no longer entering homes to change/read meters. The liquor store is checking into curb-side pickup. One staff member is out for medical reasons. Store hours may be adjusted during the pandemic.

Motion was made by Herzberg to authorize the Liquor Store Manager to manage and adjust the store hours as necessary. Seconded by Gilmore and unanimously carried.

The City Hall is seeing an increase in customers and person to person contact. There are already 150 DMV locations closed. The customers now are from all over the state. Litchfield and Willmar are also telling persons to come to Paynesville. Transaction times range from 2 minutes to 30 minutes depending on the customers need. Last week the high was 8 persons in the lobby at one time, this week its over 10 persons at one time. If City Hall remains open it continues to encourage people to come and exposure increases.

Motion was made by Reinke to close the DMV (Driver's License, Motor Vehicle & DNR) during the emergency declaration or until directed by the City Council. Staff can continue with drop off transactions. Seconded by LaBeau and passed 4:1 (Thompson, yes; Gilmore, yes; Reinke, yes; LaBeau, yes; and Herzberg, no).

Belinda Ludwig will notify the State tomorrow. Bill Ludwig stated that the liquor store could use any extra help. Reinke stated that the disease can be passed for 14 days before coming sick; and yes, there will be a loss in revenue, but we need to save lives. Court has been cancelled through the end of April and courthouses are closed.

Motion was made by Reinke to leave City Hall open for now and give Mergen and Ludwig the authority to close City Hall, act accordingly, and make personnel department appointments as necessary. Seconded by Gilmore and unanimously failed.

Mergen asked how much noticed has to be given to close City Hall.

Motion was made by LaBeau to close City Hall on Tuesday, March 24, 2020 at noon with person to person business to be conducted by appointment only. Seconded by Rinke and unanimously carried.

Motion was made by Reinke to allow any City employee to cross train in any department that is in need, permitted by necessary certifications, with the approval by the department head and City Administrator(s). Seconded by LaBeau and unanimously carried.

Staff will confirm with the Union on this matter.

Employees Pay
Belinda presented the League of MN Cities and AFSCME comments. Thompson suggested adopting the Federal guidelines, effective immediately.

> **Motion was made by Reinke to allow employees up to 2 weeks paid sick leave for COVID-19 and employees can borrow up to an additional 40 hours that can be paid back that are not eligible for FLMA; to be revisited as necessary depending on the Federal guidelines. Seconded by Gilmore.**

It was clarified that the two weeks would not affect an employee's PTO. Staff is to check into funds being reimbursed from the Federal government for this.

> **The motion was amended to include the amount of time will be prorated for part time employees for the 2 weeks and unanimously carried.**

The City will give any employee up to 2 weeks paid sick leave for COVID-19 and up to an additional 40 hours of borrowed PTO to be paid back, effective today.

Park Rentals
Spooner suggested notifying the renters that the parks may not be open for their event. Mergen stated that the bathrooms will be open.

CITY ADMINISTRATOR POSITION – SELECTION OF FINALISTS

Liza Donabauer, DDA was in attendance to guide the Council in selecting and approving the finalists for the City Administrator interviews. Donabauer presented three options for the Council to consider:

1. Continue as planned with the hiring process
2. Put a temporary hold on the hiring process for 2-6 weeks
3. Start the process over in a few months

There was discussion on:

- If the City's wants someone who is willing to leave their City during this time of uncertainty
- If the City wants input from staff and the public
- There are a few good candidates
- Limitations on meet & greet, tours, etc.
- If the City is willing to pay for mileage and/or hotel accommodations for the two-day event

> **Motion was made by Reinke to continue on with Option #1 as planned, but be flexible along the way and move out the interview date out to accomplish this if necessary. Seconded by Thompson and unanimously carried.**

Donabauer stated there were 23 applicants with 11 making it to the semi finalist stage. There are now 10 finalists and narrow it down to 4-6. Each Council member gave their top three:

Reinke – 10, 1, 3	Herzberg – 2, 3, 6	LaBeau – 9, 2, 4
Thompson – 3, 6, 7	Gilmore – 2, 7, 10	

Motion was made by Herzberg to proceed with Option #1, with 5 candidates, those being 2, 3, 6, 7, and 10. Seconded by LaBeau and unanimously carried.

The following is the proposed next steps:

April 21, 2020:

10:30 am – 11:40 am	Tours
11:45 am – 12:45 pm	Lunch
1:00 pm – 3:00 pm	EDAP
3:00 pm – 5:00 pm	Meet & Greet
5:00 pm – 6:00 pm	Community Meeting

April 22, 2020:

Council will interview the five finalists; approximately 45 minutes each.

Motion was made by LaBeau to approve to pay for one hotel night for each candidate. Seconded by Reinke and unanimously carried.

CORONAVIRUS (COVID-19) CONTINUED

Renters

The governor has stated no evictions and there really is not much the City can do regarding this.

Utility Billing – late fees/shut-off notice

Bills are due May 1, 2020 with late fees being sent May 2, 2020.

EDAP Loan Payments – freezing/delaying payments/interest

Gilmore suggested freezing any loan payments with no interest accrued upon request. Spooner suggested doing it for all loans and not needing to request it. Currently of the ten loans three businesses are shut down. Spooner suggested no interest accrued, any payments made would be applied to principal, and the time would be added to the end of the loan.

Motion was made by Reinke to extend the water/sewer bills due date to June 1, 2020 with no late fees. Late fees to be assessed on June 2, 2020 and no water/sewer shut offs during the declared emergency. Seconded by Gilmore and unanimously carried.

Motion was made by Reinke to suspend all EDAP Loans payments for 90 days with any payments made going towards principal and payments will be extended to the end of the loan if not made. Seconded by LaBeau and unanimously carried.

City Board Meetings – continue meeting or not

The Council determined to continue to meet as is and only meet if needed and to use the teleconference option and social distancing regulations.

Motion was made by Reinke to allow all City Board meetings to continue as necessary with the teleconference option and social distancing regulations unless otherwise cancelled by the Board Chairperson. Seconded by LaBeau and unanimously carried.

Motion was made by Reinke to approve Resolution 2020-09 Providing For Meetings By Telephone Or Other Electronic Means. Seconded by LaBeau and unanimously carried.

City Events – Spring Clean Up/HHW Collection, etc. – hold or not and will other entities be available

Mergen stated that to date the Clean Up is still going to be held on April 25, 2020. The Water Festival will depend on the school.

Council Meetings
The Council consented to meet for the next two Mondays (March 30 and April 6) at 11:45 a.m. to get an Emergency Management and COVID-19 update.

SPECIAL CITY COUNCIL WORKING SESSION

It has been suggested to set a Special City Council Working Session. The following are suggested dates:

Tuesday, April 14, 2020	6:00 p.m.
Thursday, April 23, 2020	6:00 p.m.
Thursday, April 30, 2020	6:00 p.m.
Thursday, May 7, 2020	6:00 p.m.
Tuesday, May 12, 2020	6:00 p.m.
Thursday, May 14, 2020	6:00 p.m.

Agenda item to date is the Mediacom Franchise Agreement. It was suggested to hold a Special City Council meeting in June, 2020.

BOARD OF APPEAL & EQUALIZATION MEETING

The notice received from Stearns County regarding the Board of Appeal & Equalization meetings was reviewed. The question remains does the City of Paynesville wish to hold the Board of Appeal & Equalization and to answer the following questions:

1. Has the building been closed where the Local Board of Appeal meeting was set to be held?
2. Do you plan to have the meeting?
3. Will you have a quorum and trained member at the meeting?
4. If you'd like to cancel the meeting and move it to an open book for this year and possibly next year (without legislative change), how would you like to spread the message to your constituents?
5. Who from your township/city would be the best contact regarding this matter?

Motion was made by Herzberg to hold the Local Board of Appeal and Equalization as planned on April 16, 2020 at 6:00 p.m. Seconded by LaBeau and unanimously carried.

HIRING OF FULL TIME POLICE OFFICER

Wegner reported that the Policies & Procedures Board conducted 4 second round interviews for the open police officer positions. The background checks are completed and recommend hiring Alton Hegg (#1) and Dallen O'Brien (#2) in that order. Hegg to start March 30, 2020. The department could be fully staffed by August, 2020.

Motion was made by Reinke to hire Alton Hegg (#1) and Dallen O'Brien (#2) for the Full Time Police Officer Positions at Grade 9/Step 1. Seconded by Gilmore and unanimously carried.

INFORMATIONAL

Thompson reviewed the following informational items: West Central Sanitation, Kudos To Kristin Leither, April & May Meeting Schedules, Liquor Store Report, Fire Department Report, Federal Communications Commission – Keep Americans Connected Pledge, Mediacom Initiatives To Combat Spread Of Coronavirus, February Police Department Reports, Great River Regional Library Report, and Sauk River Watershed District Contact Information.

Thompson recessed the Regular City Council meeting at 9:20 p.m. Thompson opened the Closed Session at 9:23 p.m. to conduct a performance evaluation of the Police Chief under MN Statute 13D.05 Subd. 3(a). Thompson closed the Closed Session at 11:11p.m. and re-opened the Regular City Council meeting.

Thompson stated the Closed Session was supposed to be a performance evaluation of the Police Chief, but instead was a lively discussion on expectations and other policies to look into.

There being no further business, Thompson adjourned the meeting at 11:12 p.m.

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Ron Mergen, Acting Administrator