MINUTES
REGULAR CITY COUNCIL MEETING

MARCH 26, 2018

Mayor Jeff Thompson called the meeting to order at 6:00 p.m. Council members present were Alicia LaBeau, Len Gilmore, Jean Soine, and Neil Herzberg. Others present were Renee Eckerly, City Administrator; Jennifer Welling, Administrative Assistant/Zoning Specialist; Ron Mergen, Public Works Director; Bill Spooner, City Attorney; Chuck DeWolf, Bolton & Menk, Inc.; Bill Madigan, Julie Madigan, Mae Maurer-Rogers, Colleen Moyer, Katlin Bennett, Tim Smith, and Cheryl Eblen, Press (6:23 p.m.).

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

CONSENT AGENDA

Motion to approve the minutes from the following meetings: February 26, 2018 Regular City Council, February 12, 2018 Public Works Committee, February 5, 2018 Planning Commission, November 21, 2017 EDAP Board, and July 19, 2017 Special EDAP Board.

Motion to approve the following vouchers:

03/15/2018	Payroll Checks	96561-96563	$3,179.95
03/15/2018	Payroll Taxes	96564-96566	$971.82
03/15/2018	Payroll Direct Deposit		$22,157.16
03/15/2018	Payroll - Fed		$6,491.00
03/15/2018	Payroll - State		$1,203.22
03/15/2018	Payroll - TASC		$269.21
03/15/2018	Payroll - PERA		$6,052.70
03/15/2018	Payroll - SELECT		$298.08
03/15/2018	Payroll - Health Partners		$5,490.27
03/15/2018	Payroll - AFLAC		$139.41
03/15/2018	Payroll - Delta Dental		$225.43
03/15/2018	Payroll - Lincoln		$614.78
03/20/2018	Void Check	96060	-$690.40
03/20/2018	Void Check	96098	-$690.40
03/20/2018	Reprint Check - Pacific Life	96567	$1,380.80
03/21/2018	Vouchers	96568-96619	$135,641.43
03/26/2018	Vouchers Update	96620-96622	14,943.20
		Grand Total	$197,677.66

Motion to approve the refuse licenses for West Central Sanitation, Inc., Tom Kramer Inc., JME Companies Service, Inc., and Bueckers Recycling Service Inc.; 3.2 on-sale beer licenses for Koronis Lanes and Paynesville Baseball Association; 3.2 off-sale beer license for Shopko Hometown Store #567.

Motion to approve the attendance of Brad Mehlhop to the 2018 Spring Seminar On Residential Buildings on April 12, 2018.

Motion to start the hiring process for Lifeguards.

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

2018 SEWER JETTING

Mergen reviewed the two quotes for a 5 year contract from:

Johnson Jet-Line	Cleaning $.73 cents per foot, minimum of 11,000 feet/year $8,030.00
	Cleaning & Televising $1.25 per ft. minimum of 11,000 feet $13,750.00
	Mobilization $300.00
Visa-Sewer	Cleaning $.88 cents per foot minimum of 11,000 feet/year $9,680.00
	Cleaning & Televising $1.34 per foot minimum of 11,000 feet $14,740.00
	Mobilization $1,200.00

Excerpt of minutes from the Public Works Committee:

Sewer Jetting: two quotes were reviewed for sewer jetting, cleaning and/ or televising. The proposals are for a five year contract. A map was reviewed as the community is divided up into five areas where one section is cleaned each year, along with any known trouble locations.

Johnson Jet-Line	Cleaning $.73 cents per foot, minimum of 11,000 feet/year $8,030.00
	Cleaning & Televising $1.25 per ft. minimum of 11,000 feet $13,750.00
	Mobilization $300.00

Also noted, for being under contract there will be no additional charges for emergency calls.

Visa-Sewer	Cleaning $.88 cents per foot minimum of 11,000 feet year $9,680.00
	Cleaning & Televising $1.34 per foot minimum of 11,000 feet $14,740.00
	Mobilization $1,200.00

Motion was made by Peschong to approve a 5 year contract with Johnson Jet-Line as proposed and recommend such to the City Council. Seconded by Quade and unanimously carried.

Motion was made by Soine to approve a 5 year contract with Johnson Jet-Line as proposed. Seconded by Herzberg and unanimously carried.

2018 CRACK SEALING PROJECT

Mergen reviewed the two quotes for 6,000 lbs. of material:

Kamco	$1.49 per lbs. of material
	New cracks routed ¾ x 1”
	Blow all cracks with compressed air
	Fill all cracks to a 2.5” overband
Midwest Asphalt	$1.45 per lbs. of material
	New cracks routed ¾ x 1”
	Blow all cracks with compressed air
	Fill all cracks to a 2.5” overband

Excerpt of minutes from the Public Works Committee meeting: Crack Sealing: two quote were reviewed for crack sealing of 6,000 lbs. of material:

Kamco	$1.49 per lbs. of material
	New cracks routed ¾ x 1"
	Blow all cracks with compressed air
	Fill all cracks to a 2.5" overband
Midwest Asphalt	$1.45 per lbs. of material
	New cracks routed ¾ x 1"
	Blow all cracks with compressed air
	Fill all cracks to a 2.5" overband

The streets to be covered will be the 2016 project streets which were overlaid and the 2018 sealcoat project. Both companies have worked for the City in the past and both have done good work.

Motion was made by Quade to approve the quote from Midwest Asphalt in the amount of $1.45 per pound of material 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 in the amount of $1.45 per pound for approximately 6,000 lbs. of material. Seconded by LaBeau and unanimously carried.

CONDITIONAL USE PERMIT – SERENITY PATH

The City received a Conditional Use Permit application from Serenity Path. They own the lot on 212 Business 23 W which is zoned C1 – Central Business District. The parcel of land in question is identified as Tax Parcel No. 70.39063.0000, and is legally described as follows, to-wit:

Lot 15 and the West 25 feet of Lot 16, Block 8, Haines Addition, according to the plat and survey thereof on file and of record in the Office of the County Recorder in and for Stearns County, Minnesota.

They wish to move in a home and place it on the lot. The home has been pre-inspected by Brad Mehlhop, Building Official and will be allowed to be moved into town; however, a building permit will need to be pulled once here for the foundation and other corrections. The home would meet all zoning regulations. In addition they must have a designated area for off street parking for at minimum 3 cars.

The Conditional Use Permit seeks permission to locate a single family home for the operation of a female living facility in a sober environment (similar to their other home on Railroad Street) under the provisions of City Code Chapter 11, Section 11.40, Subd. 4(F), which provides in relevant part that single & two family dwellings are a conditional use allowed in the Central Business District, provided that they are compatible with adjacent uses and meet all the requirements of City Code Chapter 11, Section 11.10.

The application, Report & Recommendation, and Grant/Deny of Conditional Use Permit were presented. The Planning Commission has reviewed this, held a public hearing and recommends approval.

Attorney Spooner made comments regarding the Conditional Use Permit per his email dated January 29, 2018 suggesting the Planning Commission discuss with the applicant that they comply with Section 11.10 of the zoning ordinance, address the number of occupants, and off-street parking for the occupants.

Due to the cancellation of the March 5, 2018 Planning Commission meeting, Serenity Path has given the City Council a 2 day extension to act on the Conditional Use Permit. Otherwise the City would have to deny the request as the City would not meet the 60 day rule and Serenity Path would need to reapply.

Eckerly stated that the Planning Commission public hearing heard comments for and against the location of the sober home. Spooner noted that the Council can place additional conditions on the permit like the number of residents, parking, etc. The number of residents were discussed. The number of cars were not an issue as most residents don't have a license and/or a car.

Motion was made by Soine to grant the Serenity Path Conditional Use Permit with off street parking and up to 9 residents. Seconded by Herzberg.

Motion was made by Soine to amend the motion to grant the Serenity Path Conditional Use Permit with no restrictions on the number of residents; owner will provide sufficient off street parking. Seconded by LaBeau and passed (Thompson, yes; Soine, yes; LaBeau, yes; Herzberg, yes; and Gilmore, abstained).

RE-ZONE - CP RAIL/PAYNESVILLE FARMERS UNION CO-OP

The City has received a Re-Zone application from CP Rail/Paynesville Farmer's Union Co-op. CP Rail is the owner of the land and it is leased to Paynesville Farmer's Union. They wish to re-zone the property from I1 - Light Industrial to I2 - Heavy Industrial so that the use of the property (fertilizer storage) is an allowable use in I2. The property in question is described in the lease between Paynesville Farmers Union Cooperative Oil Company and CP Rail, which lease is identified as Lease Agreement No. 2273303 as follows:

> The Easterly 15 feet of the Northerly 90 feet of Station Lot 20 and all of Station Lots 18, 16, 14, 12, 10 and 8, containing 89,628 square feet, more or less, all being in the NW ¼ NE ¼, Section 16, Township 122 North, Range 32 West, Stearns County, Minnesota.

That description was modified by an amendment to Lease No. 2273303 dated November 17, 2017, which contains a drawing intended to amend the description of this parcel to include all of the lands depicted on Exhibit A-1.

The application, Report & Recommendation, and Resolution 2018-03 Regarding Re-Zoning Request were presented. The Planning Commission has reviewed this, held a public hearing, and recommends approval.

Motion was made by Gilmore to approve Resolution 2018-03 Regarding Re-Zoning Request for CP Rail/Paynesville Farmers Union Co-op. Seconded by LaBeau and unanimously carried.

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

VARIANCE REQUEST – AVON PLASTICS

The City has received a 2-part Variance application from Avon Plastics, 210 Ampe Dr. to allow the expansion of an existing loading dock, which will not meet the front setback requirement of the zoning ordinance under City Code, Chapter 11, Section 11.50, Subd. 5A, and the improvements to the property already exceed the lot coverage maximum of 50% provided by City Code, Chapter 11, Section 11.50, Subd. 5D, and this addition will cause the property to further exceed that lot coverage maximum.

Avon Plastics, Inc., is the owner of the property in question located at 210 Ampe Drive, Paynesville, MN 56362. The property is identified as containing two (2) parcels, parcel number one being Tax Parcel No. 70.39242.0060, and parcel two being Tax Parcel No. 70.39242.0042, which parcels are legally described as follows:

Parcel 1: That part of Lot 2, Block 4, Pay-Del-Co, Stearns County, Minnesota, that lies Westerly of the following described line: Commencing at the Northeast corner of said Lot 2; thence West along the North line of said Lot 2 a distance of 58.88 feet to the actual point of beginning of the line to be described; thence South deflecting left 100°10'43", a distance of 301.91 feet to the South line of said Lot 2 and said line there terminating.

Parcel 2: Lot 3, Block 4, Pay-Del-Co, Stearns County, Minnesota.

Avon Plastics, Inc., is also the owner of two (2) other parcels of land, Tax Parcel No. 70.39242.0040, having a legal description as follows:

Lot 1, Block 4, Pay-Del-Co, Stearns County, Minnesota; and Tax Parcel No. 70.39242.0041, having a legal description as follows:

That part of Lot 2, Block 4, Pay-Del-Co, Stearns County, Minnesota, that lies Westerly of the following described line: Commencing at the Northeast corner of said Lot 2; thence West along the North line of said Lot 2 a distance of 58.88 feet to the actual point of beginning of the line to be described; thence South, deflecting left 100°10'43", a distance of 301.91 feet to the South line of Lot 2, and of said line there terminating.

The existing configuration of the loading dock located on Parcels 1 and 2 described above, has a portion of trucks using that loading dock blocking the street known as Ampe Drive, and Avon Plastics, Inc., wishes to re-configure the loading dock area to allow more semis access to the loading dock area without blocking the public road. The proposed re-configuration would extend the loading dock to the road right-of-way, thereby requiring a Variance of 25 feet from the 25 foot front setback requirement of City Code, Chapter 11, Section 11.50, Subd. 5A, so as to allow a zero front setback from the road right-of-way. City Code, Chapter 11, Section 11.50, Subd. 5D, provides that the maximum lot coverage shall not exceed 50% in an "I-1" – Light Industrial District, and the addition of this loading dock structure would make the lot coverage on the parcels identified above come to a total of 73.8%.

Avon Plastics, Inc., is the owner of a number of parcels of property which are all contiguous to one another in the Pay-Del-Co Addition, which include Parcels 70.39242.0040, 70.39242.0041, 70.39242.0060 and 70.39242.0042. A number of these lots have structures that cross lot lines if these lots were combined to a single lot then the lot coverage percentage for the lot would be 30.12%. Avon Plastics, Inc., is willing to combine these lots to a single tax parcel, but wishes to delay doing so until after second half taxes for the year 2018 are due on October 15, 2018, and is willing to enter into an agreement for the combination of these lots.

The application, Report & Recommendation and a draft copy of the letter to be signed by Avon Plastics by April 23, 2018 to combine the lots were presented. The Planning Commission has reviewed this and recommends approval.

Motion was made by LaBeau to set the Avon Plastics Variance Public Hearing for Monday, April 23, 2018 at 6:30 p.m. Seconded by Soine and unanimously carried.

CHICKENS

Eckerly reported that this was brought up in a Planning Commission meeting that the City should allow chickens. The Planning Commission held a public hearing on this subject on March 19, 2018. The Commission heard comments for and against allowing chickens in the City limits. The result was there are just as many residents that want chickens as there are that don't want chickens. The Commission made no decision; however, referred it to the Council to determine if the City should spend time and money on drafting an ordinance and what City committee/board/commission should it be referred to as allowing chicken does not fall under Chapter 11 or 12 Planning and Zoning, but rather Chapter 10 Public Protection, Crimes & Offenses. The Planning Commission would assist with the placement of coops, setbacks, structures, etc.

Herzberg stated that the ordinance should be left as is; farm animals belong on the farm. Wegner stated that if the ordinance would allow chickens the police department would not enforce the ordinance. Herzberg further explained that there are plenty of ordinances not being enforced and is not in favor of allowing chickens. Eggs are cheap at Kwik Trip and chickens eat corn which goes right through them inviting mice, rats, and other rodents. Also a risk of disease like the bird flu that happened a few years ago. Larger cities have separate animal control departments that can enforce, regulate and license animals; Paynesville doesn't.

LaBeau expressed that back yard chickens were not affected by the bird flu. Very few residents would get chickens. We have an ordinance for no chickens and it's not enforced. Four families have chickens now and there is no enforcement.

Herzberg further expressed that animals create poop, poop draws flies, and flies draw maggots.

Motion was made by Herzberg to leave the ordinance as it reads and not to proceed any further on this. Seconded by Gilmore and passed (Thompson, yes; Soine, no; Herzberg, yes; Gilmore, yes; and LaBeau, no).

WIRE/AUTOMATED BANK PAYMENTS

Eckerly presented Resolution 2018-05 Resolution Allowing Wire/Automated Bank Payments. The auditors would like the City to formally pass a resolution giving authorization to the City Administrator and Finance Specialist to make wire/automated bank payments as needed.

Motion was made by Soine to approve Resolution 2018-05 Allowing Wire/Automated Bank Payments. Seconded LaBeau and unanimously carried.

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

SUPPORTING LOCAL DECISION-MAKING AUTHORITY

Thompson reviewed Resolution 2018-06 Supporting Local Decision-Making Authority.

Motion was made by LaBeau to approve Resolution 2018-06 Supporting Local Decision-Making Authority. Seconded by Gilmore and unanimously carried.

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

EDAP REVOLVING LOAN – KORONIS LANES - RICK BLOCK

Eckerly reported that Rick Block, Koronis Lanes is interested in purchasing 6 new bowling alley lanes (valued at 70,000.00 - $80,000.00) from the Wilmar Bowling alley. These lanes are new because they were purchased and then the Wilmar lanes closed. Mr. Block is requesting a loan of $30,000.00 for 10 years at 5% interest. He would be combining his current loan of $2,197.17, the cost of the new lanes $26,380.00, and $1,422.83 would be used for additional costs to the installation. Block is requesting the loan payment to remain only from October - March. The payment amounts would be $628.55 per month. EDAP met and sent the request to the EDAP Finance Sub-Committee which met last Friday. The EDAP Board did not have a quorum this morning to take action. Collateral would be the bowling equipment and a 2nd mortgage on the building. There is enough equity in the building to cover the $30,000.00. This loan would not include Paynesville Township.

Motion was made by Herzberg to approve an EDAP revolving loan to Rick and Norma Block, Koronis Lanes for $30,000.00 for 10 years at 5% interest rate with collateral of bowling equipment and 2nd on building mortgage and authorize the Mayor and City Administrator to sign the necessary documents. Seconded by Soine and unanimously carried.

EDAP LOAN - SKINZ PROTECTIVE GEAR #5

Eckerly reported that Tammy Hawksworth, Skinz Protective Gear contacted the City because they have sold the building on 124 James St E and would like a mortgage satisfaction so that they can close on Friday, March 30, 2018. The Hawksworth's requested to continue to make payments on the loan which was for C&C equipment that is in Arizona and would allow the City to put their remodeled structure on Minnie Street on the loan as additional collateral.

The EDAP Board passed a motion to continue to allow the Hawksworth's to make payments. Eckerly sent the loan files to Bill Spooner, City Attorney for review and he found that part of the consideration for this loan was that there be retention of jobs and an additional three new jobs. On all of the loans a condition of default is no longer doing business in the City or Township. They do continue to do some business at one location.

Eckerly intended to present the new information to the EDAP Board this morning, but they did not have a quorum. This loan does include Paynesville Township.

Spooner commented that before the City swaps collateral there has to be collateral to swap otherwise it's a bad trade. The Council discussed what may be needed to determine if this mortgage should or should not be released.

> **Motion was made by LaBeau to consider an appraisal to determine if there is enough equity in the building and more information is needed to make a decision and determination. Seconded by Soine and unanimously carried.**

DOGS & CATS AT LARGE

Wegner reported that the Council directed the Public Safety Committee to look at animals at large. The Committee discussed dogs and cats at large at their December meeting. After much discussion the Committee made the following motion and recommendation to the City Council:

> Motion was made by Wegner that cats at large will continue to be picked up, but the expense will be charged to the finder/caller and recommend such to the City Council. Seconded by Thompson and unanimously carried.

There was a lengthy discussion on residents not paying ($70.00) to pick up an at large cat, they are trying to do the right thing; why should they be penalized. The animal would more than likely be dropped off somewhere or killed. Wegner is trying to discourage the live trapping of cats. It was asked how many cats have been picked up, Wegner did not know. There was additional discussion on not having the ability to have chickens in town, but cats can run all over without any control. Spooner suggested checking with other cities on what they do. Spooner will look into this and bring it back. This item was tabled.

SELLING OF PROPERTY – ARNOLD

The closing date on the property (Lot 15, Block 1, Heatherwood Plat 3) being sold to Arthur & Theresa Arnold is April 3, 2018. Resolution 2018-04 approving the sale of property and authorizing the Mayor and City Administrator to sign the closing documents was presented.

Motion was made by Gilmore to approve Resolution 2018-04 approving the sale of property and authorizing the Mayor and City Administrator to sign the closing documents. Seconded by LaBeau and unanimously carried.

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

INFORMATIONAL

Thompson reviewed the following informational items: April & May Meeting Schedules, February Police Reports, and March West Central Garbage Rates.

There being no further business, the meeting was adjourned at 7:18 p.m.

Renee Eckerly, City Administrator