MINUTES
REGULAR CITY COUNCIL MEETING

APRIL 11, 2016

Mayor Jeff Thompson called the meeting to order at 6:00 p.m. Council members present were Kay McDaniel, Donavan Mayer, 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.; JoLyn Lindquist, Social Media Specialist; Ellarry Prentice, Press; Matt Quade, Frank Carter, Shawn Hoppe, Rachel Hoppe, Joe Miller, Tyler Wendroth, and Lee Bjerk.

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

Ron Mergen, Public Works Director reported on the following:

- Park reservations are going well; 22 so far for the summer
- Splash Pad fundraiser will be held on April 28, 2016
- Spring Clean Up & HHW Collection is April 30, 2016
- Scavenger Days will also be held
- Compost Site opened April 9, 2016
- Airport hangars are full
- Rain barrel sale is going on
- Flushing hydrants on Wednesday and Thursday
- Water Festival is scheduled for May 13, 2016

CONSENT AGENDA

Motion to approve the following minutes: March 7, 2016 Planning Commission, February 18, 2016 Liquor Board, April 2, 2014 Cable Commission, March 10, 2016 Park & Tree Board, and March 10, 2016 Liquor Board.

Motion to approve the following vouchers:

03/31/2016	Payroll Checks	92237-92290	$31,466.02
03/31/2016	Payroll Taxes	92291-92292	$903.32
03/31/2016	Payroll Direct Deposit		$980.64
03/31/2016	Payroll - Fed		$7,972.83
03/31/2016	Payroll - State		$1,102.34
03/31/2016	Payroll - TASC		$538.43
03/31/2016	Payroll - PERA		$5,357.29
03/31/2016	Payroll - SELECT		$207.70
04/07/2016	Vouchers	92293-92362	$133,792.47
		TOTAL	**$182,321.04**

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

AMPI RECOGNITION – BOD LOADING

Ron Mergen and Mayor, Jeff Thompson presented AMPI with a certificate of recognition for complying with the City of Paynesville's Significant User's Wastewater Agreement.

VARIANCE REQUEST - AMPI

The City has received a Variance application from AMPI at 200 Railroad St. This is a 3-part Variance for height, setback and lot area coverage. This property is zoned I-2 Heavy Industrial. They wish to erect two silos with pads with the height of up to 65 feet. The height regulations for this property is 45'. In addition, they already have and will continue to exceed their 50% of lot coverage regulation with an approximate total coverage of 72%. Furthermore, they will be extending the footprint of their structure southerly an additional 15.3 feet on the west side and an additional 15 feet on the east side toward Railroad Street, not meeting the front setback of 25 feet; only being 6.4 feet from the property line. The stairwell also extends further into the setback than the actual building only being 2.2 feet from the property line. The Planning Commission has reviewed this and recommends approval.

Motion was made by Herzberg to set the AMPI Variance Public Hearing for Monday, May 9, 2016 at 6:30 p.m. Seconded by Soine and unanimously carried.

RESIGNATION OF PART-TIME LIQUOR STORE CLERK/CREATE ELIGIBILITY LIST FOR PART-TIME LIQUOR STORE CLERK

Kristin Andrews, Liquor Store Clerk, has submitted her resignation from the City of Paynesville effective immediately. Her last day was April 4, 2016.

Motion was made by Soine to accept the resignation from Kristin Andrews, Part-Time Liquor Store Clerk effective April 4, 2016. Seconded by Herzberg and unanimously carried.

Motion was made by Soine to authorize starting the process to create an eligibility list for the Part-Time Liquor Store Clerk position. Seconded by Mayer and unanimously carried.

GERONIMO SOLAR GARDEN

Lee Bjerk, Solar Garden Representative was in attendance to review the project and present the City with a Solar Garden Subscription Agreement. There will be a total of 29 Agreements; one for each Xcel Energy account the City has.

Thompson recessed the Regular City Council meeting at 6:30 p.m. and opened the Wendroth Variance Public Hearing.

VARIANCE REQUEST – WENDROTH PUBLIC HEARING

The City has received a Variance Application submitted by Tyler & Rebecca Wendroth, 355 Augusta Ave., Paynesville, MN. The Wendroth's wish to remove the existing detached (non-conforming – currently only 2 feet off the south property line) garage that is currently accessed off of Mill St. and replace it with a new 32x32 detached garage to be accessed from the alley. They are not able to meet the 30' setback off of the south property line/Mill St. right of way. The garage would be 9.5' off the south property line requiring a 20.5' setback variance. They can meet the height and lot coverage regulations. The property is zoned R1-Residential.

Wendroth stated that the existing garage is only 2 feet off the sidewalk. The access will now be off the alley rather than Mill St. The variance will only allow up to a 14 foot wide structure.

Mayer expressed his concern with the setback from Mill St. and has reviewed this with Wendroth. Wendroth is willing to stay 11.5 feet off of Mill St. Herzberg stated that it will be safer to enter and exit off the alley rather than Mill St. The lots in this older part of town are all 50 foot lots and neighbors in this neighborhood have similar scenarios.

There being no further comments or questions, Thompson closed the Variance Public Hearing and re-opened the Regular City Council Meeting at 6:37 p.m.

VARIANCE REQUEST – WENDROTH

Spooner stated that it is an unusual lot and a corner lot. Herzberg stated that the issue is safety.

Motion was made by Herzberg to approve the Wendroth Variance. Seconded by Soine and unanimously carried.

GERONIMO SOLAR GARDEN CONTINUED

There is no cost to the City to be in the garden; however, there is a cost savings in electricity. Eckerly asked how full the gardens are. Bjerk stated the garden the City is in is full.

Thompson recessed the Regular City Council meeting and opened the 2016 Street Project Final Assessment Public Hearing at 6:47 p.m.

2016 STREET IMPROVEMENT PROJECT FINAL ASSESSMENT PUBLIC HEARING

DeWolf reviewed the project including:

- Type of construction to be completed
- Locations
- Details of the reconstruct
- Width of the Minnie Street
- Trail on Lake Ave.
- Re-design of Lake Ave. and Minnie St. intersection
- Costs
- Assessment rates
- Expected life of a street – 40 years
- Assessments – 10 years at 4.05%; with 30 days no interest
- Schedule – begin in May and should be completed by September

Joe Miller expressed his concern with his curb matching what he has. DeWolf stated that prior to curb and gutter being poured they will meet with landowners to confirm the widths for their driveways.

There being no further comments or questions, Thompson closed the Final Assessment Public Hearing and re-opened the Regular City Council meeting at 6:58 p.m.

2016 STREET IMPROVEMENT PROJECT

Motion was made by Herzberg to approve Resolution 2016-09 Accepting Bid. Seconded by Soine and unanimously carried.

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

Motion was made by Mayer to approve Resolution 2016-10 Adopting Assessment. Seconded by Soine and unanimously carried.

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

GERONIMO SOLAR GARDEN CONTINUED

There are 29 contracts to approve and sign.

Motion was made by Mayer to approve the Solar Garden Subscription Agreement between the City of Paynesville and Paynesville Community Soar 1, LLC (PCS1) and authorize the Mayor and City Administrator to sign the documents. Seconded by Soine and unanimously carried.

EDAP LOAN – KORONIS LIVING, LLC – RACHEL & SHAWN HOPPE

Rachel & Shawn Hoppe have requested to be on the City Council agenda to discuss and answer any questions the Council may have regarding the EDAP Loan for Koronis Living, LLC in which they have applied for. The EDAP Loan was reviewed by the EDAP Finance Sub-Committee and EDAP Board and they recommended approval. The Council at their March 28, 2016 City Council meeting denied the EDAP Loan on a vote of 2:2.

Thompson confirmed that they are buying the business and not the building for $21,000.00. EDAP has recommended approval. The packet submitted has answered some of the outstanding questions and includes a business plan.

McDaniel stated that she has no issues with any of the individuals; however, is concerned with the amount of money they need to cover expenses and it appears risky. Mayer agreed with McDaniel's concern and is not comfortable with the proposed loan. Eckerly stated that the loan is to merge two businesses into one. Herzberg stated that EDAP has approved worse loans and $21,000.00 is not a lot of money to give. Mayer stated that this loan is not based on past loans, but rather what is given to us to review. Thompson stated that he was for it before, but now is not as sure as the City is taking a fair amount of risk.

Eckerly stated that the Hoppe's have spent $6,000.00 already and set aside $12,000.00. Herzberg stated that the advantage of the EDAP Loan over a Small Business Loan is it's for a small amount and less risk for the City.

Motion was made by Soine to approve the $21,000.00 EDAP Loan for Koronis Living, LLC. Seconded by Herzberg and passed 3:2 (Thompson, yes; Soine, yes; Herzberg, yes; McDaniel, no; and Mayer, no).

The closing is scheduled for Wednesday at 10:00 a.m.

BI-DIRECTIONAL TRACTOR BID

One bid was received from A & C Farm Service, Inc. in the amount of $94,900.00 for a bi-directional tractor. Money for the tractor will be taken from the water, sewer, airport, street, and park equipment replacement funds. The tractor is used year–round in all departments. The trade-in is $45,000.00. The Public Works Committee recommends approval. Eckerly suggested that funds from the Park CIP be removed as they don't have the money.

Motion was made by Soine to approve the bid from A & C Farm Service, Inc. in the amount of $94,900.00 for a bi-directional tractor with funds to be taken from the water, sewer, airport, and street replacement funds. Seconded by Herzberg and unanimously carried.

2017 STREET IMPROVEMENT PROJECT

At the March 28, 2016 City Council meeting the Council approved proceeding with a Preliminary Engineering Report for the project. Resolution 2016-11 Dispensing With The Requirement For Review Of The 2017 Street Improvement Project By The Planning Commission was presented for consideration.

Motion was made by Herzberg to approve Resolution 2016-11 Dispensing With The Requirement For Review Of The 2017 Street Improvement Project By The Planning Commission. Seconded by Soine and unanimously carried.

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

COMPOST SITE

Mergen reported that the Budget & Finance Committee reviewed this and made two recommendations due to the limited hour usage and amount of debris. The issue is power to the site estimated at $29,981.00 (Xcel) or $21,845.00 (private). Gates/fence are estimated at $3,800.00, $11,950.00 with cards.

Eckerly reported that the Budget & Finance Committee discussed the following:

- Install a camera system this year
- Install the gate system in 2017
- Costs would be spread between two budget years

Mayer suggested moving forward with the gate, card reader, electricity, and cameras in two phases.

Motion was made by Mayer to proceed with the project (gate & camera – Phase 1) as researched by the Budget & Finance Committee and to take the money from reserves. Seconded by Soine and unanimously carried.

Motion was made by Herzberg to approve a fee structure of:
City Residents = Free
Duplicate Cards = $5.00
Non-City Residents = $15.00
Commercial = $200.00
Effective January 1, 2017. Seconded by Soine and unanimously carried.

PURCHASE OF HOLIDAY LIGHTS

The Budget & Finance Committee recommends purchasing as many lights (bell – red, candle, and snowflakes) as possible with the $7,626.00 that is in the fund. It was suggested to take $5,074.00 from the Lake Ave. rent fund to also be used to purchase lights for a total of $12,700.00.

Motion was made by Soine to purchase as many lights (bell – red, candle, and snowflake) as possible with the $12,700.00 ($5,074.00 from the 605 CIP Fund) from Northern Lights Display, LLC. Seconded by Herzberg and unanimously carried.

BCA – JOINT POWERS AGREEMENT & SUBSCRIBER AGREEMENT FOR PROSECUTING ATTORNEY

The State of Minnesota Joint Powers Agreement Authorized Agency and Court Data Services Subscriber Amendment To CJDN Subscriber Agreement was presented. This is the same as what the Chief has previously brought forward, but not an "all" agreement. This agreement is to allow Spooner to have access to the BCA data base for prosecution information.

Motion was made by Soine to approve the State of Minnesota Joint Powers Agreement Authorized Agency and Court Data Services Subscriber Amendment To CJDN Subscriber Agreement. Seconded by Herzberg and unanimously carried.

VOC – WATER TREATMENT PLANT

The Paynesville Pilot Study Comments from the Department of Health were presented. Based on the study conducted the Department of Health is uncomfortable with proceeding with a design that is supposed to meet the City's goal of 0.0 parts per billion (ppb) of benzene. DeWolf stated that since the pilot study he has met with the Department of Health and they are now okay with the study.

Mergen stated that the Department of Health wants the City to realize it may not be zero contamination, 100% of the time, even with proven technology.

FORFEITED PROPERTIES – VEHICLE & RIDING LAWNMOWER

The following bids were received:

Riding Lawnmower

Bob Stoneburner	$252.00
Gerry Mehr	$100.00

1997 Ford F150 Pickup Truck

Dexter Kingsriter	$720.00
Mike Novak	$358.37

Motion was made by Mayer to approve the sealed bids in the amount of $252.00 from Bob Stoneburner and $720.00 from Dexter Kingsriter for the forfeited properties of a riding lawnmower and 1997 Ford F150 Pickup Truck respectively. Seconded by Soine and unanimously carried.

INFORMATIONAL

Thompson reviewed the following informational items: 2016 Tax Capacity Rates, Splash Pad Fundraiser – Thursday, April 28th; from 6:30 – 8:30 p.m. at the Paynesville American Legion – Tickets now on sale. Terracon – Xcel Towers II, Morgan Stanley Investment Report, and Starry Stonewort Meeting.

Thompson recessed the Regular City Council meeting at 7:52 p.m.

Thompson opened the Closed Session at 7:55 p.m.

Thompson closed the Closed Session and re-opened the Regular City Council meeting at 8:20 p.m. Thompson summarized the reason for the closed session.

Motion was made by Herzberg to sell the Hetherwood Plat 3 lots for $22,000.00 for lots 4-10 in the north cul-de-sac and $25,000.00 for Lot 13 south cul-de-sac. Seconded by Mayer and unanimously carried.

There being no further business, the meeting was adjourned at 8:21 p.m.

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Renee Eckerly, City Administrator