MINUTES
CITY COUNCIL MEETING

AUGUST 8, 2022

Mayor Shawn Reinke called the City Council meeting to order at 6:00 p.m. Council members present were Jean Soine, Megan Brick, Neil Herzberg and Paul Thielen. Others present were Tariq Al-Rifai, City Administrator; Jennifer Welling; Administrative Assistant/Zoning Administrator; Ron Mergen, Public Works Director; Paul Wegner, Police Chief; Bill Ludwig, Liquor Store Manager; Kristin Leither, Social Media Specialist; Chuck DeWolf, Bolton & Menk, Inc.; Bill Spooner, Spooner & Glenz; Megan Blonigen, Jessica S., Tracy Johnson, Kelsey Nehring, Jeanne Olson, Carter Anderson, Brennan J., Lucas J. and two signatures that were illegible.

The Pledge of Allegiance was recited.

Council members gave verbal activity reports. Reinke added Hiring of Police Officers to Old Business item B.

Mergen gave a report and highlighted the following:

- Airport Fly In and Airshow is August 27, 2022
- Concerts In The Park have concluded for the year
- Leak detection will be conducted in the next two weeks
- Sidewalk inspections are being conducted
- There is now a donation box at the boat landing
- Attended the MN Wastewater Operator Association classes where the following was discussed:
    - Chlorides
    - Cyber security
    - Emergency preparedness
    - Meter technology
    - INT & PFAS sampling

Al-Rifai mentioned the following:

- Attended the Fire Budget & Contract, Park & Tree Board, Policies & Procedures Board, Police & Fire Board, and Budget & Finance Board meetings. Attended the Nite To Unite event, a meeting with the Friends of the Library, and an EDA strategy meeting.

PUBLIC OPEN FORUM

No one was in attendance to address the Council.

CONSENT AGENDA

Motion to approve the minutes from the following meetings: July 11, 2022 Regular City Council, April 28, 2022 Special Airport Board and May 24, 2022 Police & Fire Advisory Board.

Motion to approve the following vouchers:

7/28/2022	Payroll Direct Deposit		$ 51,915.70
7/28/2022	Payroll Taxes	105006-105010	$ 3,483.08
7/28/2022	Payroll - Fed		$ 12,332.26
7/28/2022	Payroll - State		$ 1,691.74
7/28/2022	Payroll - TASC		$ 64.60
7/28/2022	Payroll - PERA		$ 8,273.71
7/28/2022	Payroll - Further		$ 2,148.75
7/28/2022	Payroll - Health Partners		$ 5,097.37
7/28/2022	Payroll - AFLAC		$ 229.52
7/28/2022	Payroll - Met Life Dental		$ 167.60
7/28/2022	Payroll - Lincoln		$ 1,030.44
8/8/2022	Vouchers	105011-105092	$ 231,227.92
		Total	$ 317,662.69

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

GAMBLING – TRI-COUNTY RBB CHAPTER OF MN DEER HUNTERS ASSOC. – RAFFLE

The City received a MN Lawful Gambling LG220 Application For Exempt Permit from the Tri-County RBB Chapter of the MN Deer Hunters Association to conduct a raffle on September 9, 2022 at Queen Bees Bar & Grill, 121 James St. W, Paynesville, MN.

Motion was made by Soine to approve the MN Lawful Gambling LG220 Application For Exempt Permit from the Tri-County RBB Chapter of the MN Deer Hunters Association to conduct a raffle on September 9, 2022 at Queen Bees Bar & Grill, 121 James St. W, Paynesville, MN. Seconded by Herzberg and unanimously carried.

TRANSFER/COMBINING DEPARTMENT –SIDEWALK TO STREET CONSTRUCTION

In the budget process for 2023 Belinda Ludwig has been working with Mergen to combine some of his General Fund Departments. There was a separate department within the General Fund that had one line item transferring funds to the Fund 120 Street Capital Improvement Sidewalk Dept. which has a balance of $35,779.93. This line item has been put in the Street Dept. and will now be going to the Fund 120 Street Capital Improvement Street Construction Dept. and Mergen would like to transfer the balance from the Sidewalk Dept. to the Street Const Dept both within Fund 120 Street Capital Improvement.

Motion was made by Herzberg to approve the transfer of $35,779.93 from Fund 120 Sidewalk Dept. to Fund 120 Street Const Dept. Seconded by Soine and unanimously carried.

2022 BOND LEVY TRANSFER

G. O. Imp Bonds of 2014 Series A	45,000
G. O. Imp Bonds of 2016 Series A	114,016
G. O. Imp Bonds of 2017 Series A	39,179

G. O. Imp Bonds of 2019 Series B	100,822
	$299,017

This transfer is based on the Debt Management Study draft dated 2/8/2022 from Northland.

Motion was made by Soine to approve the 2022 Budgeted Bond Levy Transfer of $299,017. Seconded by Brick and unanimously carried.

TRANSFER FROM FUND 121 GENERAL CAPITAL IMPROVEMENT (BUILDING INSPECTOR) TO FUNDS 111 WATER EQUIPMENT REPLACEMENT AND 116 SEWER EQUIPMENT REPLACEMENT

Belinda Ludwig is requesting a transfer from Fund 121 General Capital Improvement (Building Inspector) to Funds 111 Water Equipment Replacement and 116 Sewer Equipment Replacement for half of the cost of the 2018 Chevy Silverado to be paid over a 10 year period starting in 2018:

Transfer $660.00 to Fund 111
Transfer $660.00 to Fund 116

Motion was made by Herzberg to transfer $1,320 for the 2018 Chevy Silverado from Fund 121 General Capital Improvement (Building Inspector) to Funds 111 Water Equipment Replacement and 116 Sewer Equipment Replacement for half of the cost of the 2018 Chevy Silverado ($13,200.00) to be paid over a 10 year period starting in 2018. Seconded by Thielen and unanimously carried.

TRANSFER FROM FUND 115 SEWER FUND TO FUND 116 SEWER EQUIPMENT REPLACEMENT FUND

The following is an annual transfer to transfer $80,746 from Fund 115 Sewer Fund to 116 Sewer Equipment Replacement Fund for the Stamer Property Debt Fund. This will be an annual transfer until 2030.

Motion was made by Brick to transfer $80,746 from Fund 115 Sewer Fund to 116 Sewer Equipment Replacement Fund for the Stamer Property Debt Fund. Seconded by Herzberg and unanimously carried.

TRANSFER FROM FUND 120 STREET CAPITAL IMPROVEMENT (STORM WATER) TO FUND 537 2019 IMPROVEMENT DEBT FUND

The following is an annual transfer to transfer $27,782 from Fund 120 Street Capital Improvement (Storm Water) to Fund 537 2019 Improvement Debt Fund for the storm water utilities on the 2019 Street Project. This will be an annual transfer until 2032.

Motion was made by Brick to transfer $27,782 from Fund 120 Street Capital Improvement (Storm Water) to Fund 537 2019 Improvement Debt Fund for the storm water utilities on the 2019 Street Project. Seconded by Thielen and unanimously carried.

2022 GENERAL FUND BUDGETED TRANSFERS

The following are the 2022 General Fund Budgeted Transfers:

Transfer $1,000 from General Fund to the General Fund Capital Improvement for Administration.
Transfer $9,000 from General Fund to the General Fund Capital Improvement for Municipal Building.
Transfer $1,000 from General Fund to the General Fund Capital Improvement for Motor Vehicle.
Transfer $7,500 from the General Fund to the Police Capital Improvement Fund.
Transfer $11,500 from the General Fund to the Fire Reserve Fund for small equipment depreciation
Transfer $10,000 from General Fund Fire to the Fire Reserve Fund for building depreciation.
Transfer $31,000 from General Fund Fire to the Fire Reserve Fund for large equipment depreciation.
Transfer $1,400 from General Fund to the General Fund Capital Improvement for Building Inspection.
Transfer $2,000 from General Fund to the Emergency Services Capital Improvement Fund.
Transfer $50,000 from General Fund Street & Alleys to the Street/Sidewalk Capital Improvement Fund for Street Construction.
Transfer $83,358 from General Fund Street & Alleys to the Street/Sidewalk Capital Improvement Fund for Street Equipment.
Transfer $35,000 from General Fund Municipal Parks to the Park Capital Improvement Fund.
Transfer $6,000 from General Fund Recreational Trail to the Lake Koronis Trail Fund.
Transfer $10,000 from General Fund Airport to the Airport Capital Improvement Fund.
Transfer $1,000 from General Fund Cable to the General Capital Improvement Fund for Cable.

The above transfers were included in the budget process and are part of the 2022 General Fund Budget.

Motion was made by Herzberg to approve the 2022 General Fund Budgeted Transfers. Seconded by Soine and unanimously carried.

2022 LIQUOR FUND BUDGETED TRANSFERS

The following is the 2022 Liquor Fund Budgeted Transfer:

Transfer $13,000 from the Liquor Fund to the Liquor Fund Capital Improvement Fund.

The above transfer was included in the budget process and is part of the approved 2022 Budget for the Liquor Fund.

Motion was made by Soine to approve the 2022 Liquor Fund Budgeted Transfer. Seconded by Herzberg and unanimously carried.

2022 WATER AND SEWER FUNDS BUDGETED TRANSFERS

The following are the 2022 Water and Sewer Funds Budgeted Transfers:

Transfer $90,000 from the Water Fund to the Water Capital Improvement Fund.

Transfer $90,000 from the Water Fund to the Water Equipment Replacement Fund.
Transfer $10,000 from the Water Fund to the 2014 Improvement Debt Fund.
Transfer $205,000 from the Water Fund to the Water Plant Rehab Debt Fund.
Transfer $8,000 from the Water Fund to the 2016 Improvement Debt Fund.
Transfer $30,000 from the Water Fund to the 2019 Improvement Debt Fund.
Transfer $120,000 from the Sewer Fund to the Sewer Capital Improvement Fund.
Transfer $140,000 from the Sewer Fund to the Sewer Equipment Replacement Fund.
Transfer $14,500 from the Sewer Fund to the 2014 Improvement Debt Fund.
Transfer $182,000 from the Sewer Fund to the WW Facility Plan Debt Fund.
Transfer $8,000 from the Sewer Fund to the 2016 Improvement Debt Fund.
Transfer $57,000 from the Sewer Fund to the 2019 Improvement Debt Fund.

The above transfers were all included in the budget process and are part of the approved 2022 Budgets for the Water and Sewer Funds.

Motion was made by Soine to approve the 2022 Water and Sewer Funds Budgeted Transfers. Seconded by Herzberg and unanimously carried.

EDAP LOAN EXTENSION – KORONIS LANES

Al-Rifai reviewed the EDAP Loan Extension documents for Koronis Lanes. The EDAP Board and EDAP Finance Sub-Committee has reviewed this and recommends approval in the amount of $16,000.00 over 10 years at 5.75%.

Motion was made by Herzberg to approve an extension of the current EDAP Loan in the amount of $19,703.50 and an Economic Development Loan Agreement in the amount of $16,000.00 for a new loan total of $35,703.50 at 5.75%, over 10 years; Security Agreement, Promissory Note, Mortgage between the City of Paynesville and Rick & Norma Block , Koronis Lanes and authorize the City Administrator and Mayor to sign the necessary documents. Seconded by Brick and unanimously carried.

HIRING OF POLICE OFFICERS

Reinke stated that the Chief of Police has talked to the existing Part-Time Police Officers and some are willing to go to Permanent Part-Time. The Policies & Procedures Board interviewed Dallen O'Brien and Eric Schultz for the Permanent Part-Time Police Officer Positions.

Motion was made by Thielen to hire Dallen O'Brien and Eric Schultz as Permanent Part-Time Police Officers at Grade 9/Step 1, and move the Temporary Part-Time Police Officers to Permanent Part-Time Police Officers at their current rate of pay. Seconded by Brick and unanimously carried.

INFORMATIONAL

Mayor Reinke reviewed the following: West Central Sanitation July Garbage Rates and Mediacom Program Changes & Rate Adjustments.

Reinke recessed the Regular City Council meeting at 6:23 p.m. Reinke opened the Public Hearing at 6:30 p.m. on the regulation on sales of legal edible cannabinoid products.

Reinke announced that the purpose of the public hearing was to discuss enacting an ordinance on THC gummies that the State has legalized. Should they be regulated in the City or not. Reinke presented proposed language which was similar to the City's tobacco ordinance.

Wegner expressed that he would like to see this banned in the City as it poses a public safety issue. This is something we don't want to encourage and/or place next to schools, kids or persons in recovery centers.

Brick questioned the number of calls to the school. 2-3 within the last year.

Herzberg preferred to ban this in the City.

Tracy Johnson stated that she is a resident in the City and was in the Recovery Center. This is not what is best for our community.

Mark Smith stated he has used THC and then an alcoholic; now sober. THC is not worth the damage it can cause.

Jeanie Olson reported that she moved here through the Recovery Center. If THC is sold here; Paynesville is not where she wants to be. The fees collected for licensing is not worth the problems it will create.

Brennan Jeffrey asked if there would be a special sales tax like for alcohol and tobacco. Reinke stated that the City can't create a special tax. The age limit was also questioned. 18 or older to sell; 21 or older to purchase.

Jessica S. expressed her concern with pressures from fentanyl and items tainted with such.

Thielen explained that most don't start with fentanyl or meth, but something else; addiction does not discriminate. Offering this temptation is not a good idea.

Johnson expressed her concern as a mother that the products look like candy.

Soine explained her son's addiction which ultimately lead to his death at the age of 17.

Jeffrey asked how this law could even pass. Reinke stated that it was included in an omnibus bill at the end of the session where they throw all the unapproved bills together. It was then passed without a public hearing.

Olson asked if the City has the right to ban it. Reinke stated it is unclear.

Herzberg thanked all who came to the meeting.

Reinke closed the Public Hearing at 7:00 p.m. and re-opened the Regular City Council meeting.

The Council discussed not posting yet, possible moratorium (to see what other cities do), ban (which is unclear if its allowed). A moratorium can only be done through Planning and Zoning. Reinke asked the Council if they wanted to move forward with regulation, a ban or a free for all.

> **Motion was made by Thielen to move forward with a ban/moratorium for one year City-wide. Seconded Herzberg and failed 2:3 (Herzberg, yes; Thielen, yes; Soine, no; Reinke, no; and Brick, no).**

Wegner stated a ban would give it a year to see what the State does.

There was further discussion on regulation verses banning the products; including safety concerns, legal challenges and addiction.

> **Motion was made by Soine to move forward with some type of regulation. Seconded by Brick and passed 3:2 (Soine, yes; Brick, yes; Reinke, yes; Thielen, no; and Herzberg, no).**

The Council discussed some proposed language including age limits, consumption, violations, detection, number of units to be sold and authorization for the Liquor Store to sell if licenses are limited.

It was suggested to check on penalties and administrative fines.

There being no further business, Mayor Reinke adjourned the Regular City Council meeting at 7:55 p.m.

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Tariq Al-Rifai, City Administrator