MINUTES
REGULAR CITY COUNCIL MEETING

DECEMBER 11, 2017

Mayor Jeff Thompson called the meeting to order at 6:00 p.m. Council members present were Len Gilmore, Jean Soine, Neil Herzberg, and Alicia LaBeau. 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 Ludwig, Liquor Store Manager; Cheryl Eblen, Press; Nancy Hoiseth, Social Media Specialist; Paul Wegner, Police Chief; Belinda Ludwig, Finance Specialist; Mike Nehring, Jason Vanderpool, and Carrie Rolfhus.

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

Ron Mergen, Public Works Director reported on the following:

- The City has received a grant to seal wells, contact Mergen if you are interested
- Well #4 was sampled again and the water still smells like fuel
- 4th quarter water meters will be read next week
- Sewer rates are set by the 1st quarters usage
- Park reservations are being accepted
- Electrical billing report
- Airport hangar project

Paul Wegner, Police Chief reported on the following:

- Thanked the Council for the past approved trainings
- To date he has completed half of the supervision BCA trainings
- Officer applications being accepted until December 12, 2017 - conducted presentations regarding the position opening at St. Cloud and Alexandria Tech. and half of the applications received are a direct result from the presentations
- Shop With A Cop
- WJON – conducting ride a long; for service for life stories
- Internal strategic plan
- Wellness program

CONSENT AGENDA

Motion to approve the minutes from the following meeting: November 6, 2017 Planning Commission.

Motion to approve the following vouchers:

11/22/2017	Vouchers	95990-96054	$201,190.56
12/07/2017	Payroll Checks	96055-96059	$5,107.05
12/07/2017	Payroll Taxes	96060-96062	$968.72
12/07/2017	Payroll Direct Deposit		$25,065.55
12/07/2017	Payroll - Fed		$9,778.30
12/07/2017	Payroll - State		$1,897.88
12/07/2017	Payroll - TASC		$249.98
12/07/2017	Payroll - PERA		$7,986.99
12/07/2017	Payroll - SELECT		$298.08
12/07/2017	Payroll - Health Partners		$6,188.03
12/07/2017	Payroll - AFLAC		$139.41
12/07/2017	Payroll - Delta Dental		$265.68

Motion to approve the attendance of two Public Works Department employees to the MWOA Section Meeting on December 12, 2017.

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

EDAP LOAN – QUEEN BEE'S BAR & GRILL

Eckerly presented the following:

- Fourth Addendum To Amended Economic Development Loan Agreement

- Fourth Addendum To Promissory Note
- Fourth Addendum To & Ratification Of Personal Guarantees
- Extension Of Mortgage – By Corporation And Individual
- Extension Of Mortgage – By Corporation And Individual

The current EDAP Loan for Queen Bee's Bar & Grill will balloon on December 20, 2017. Doris Wendlandt has requested that her EDAP Loan be renewed. The City's security is the restaurant and 17 acres of the Wendlandt farm. The remaining amount of the loan is $73,116.63. The EDAP Board has reviewed this and recommends renewing the loan with the same collateral at 4.5% interest for 15 years, a 5 year balloon, with a payment of $559.34 per month due on the 20th of each month. This is a 50:50 EDAP Loan split with Paynesville Township. It was questioned if the loan was due upon the business being sold or handed down. Eckerly said yes.

Motion was made by Soine to approve the Fourth Addendum To Amended Economic Development Loan Agreement, Fourth Addendum To Promissory Note, Fourth Addendum To & Ratification Of Personal Guarantees, Extension Of Mortgage – By Corporation And Individual, and Extension Of Mortgage – By Corporation And Individual for Queen Bee's Bar and Grill with the same collateral at 4.5% interest for 15 years, a 5 year balloon, with a payment of $559.34 per month due on the 20th of each month with continued Paynesville Township participation. Seconded by Gilmore and unanimously carried.

CONDITIONAL USE PERMIT – MICHAEL NEHRING

A Conditional Use Permit Application submitted by Mike Nehring, owner was presented. The property in question is located at 137 Oak Park Ave., Paynesville, MN 56362. The property in question is zoned "R-1" – Single & Two Family Residential District and located in a shoreland overlay district. The parcel of land in question is identified as Tax Parcel No. 70.39211.0000, and is legally described as follows, to-wit: Lots 1 and 2, Block 1, Gilberts 5th Addition to Paynesville, and Lots 1and 2, Block 4, Oak Park Addition to Paynesville, all 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. The application for a Conditional Use Permit seeks a Conditional Use Permit to do grading and filling within the shoreland overlay district, which may be allowed pursuant to the provisions of Chapter 11, Section 11.60, Subd. 5(b), provided that the required conditions are met. Mr. Nehring wishes to remove the pole shed section that is currently attached to his detached single car garage and then add an 8' addition on to his existing single car garage. This existing structure as is, is non-conforming and does not meet the 30' front setback off of Oak Park Ave. nor the 50' set back from the high water mark. A variance is not needed because it's already non-conforming and he is re-building to a lesser size than what exists. All other zoning requirements will be met. The DNR was notified of the proposed Conditional Use Permit and no comments were received to date.

Three conditions are included as part of the process of constructing the replacement structure the property owner or his contractor shall ensure that:

- The smallest amount of bare ground shall be exposed for the shortest period of time feasible.
- Temporary ground cover, such as mulch, shall be used, and permanent ground cover, such as sod or seeding, shall be planted as soon as possible.
- All reasonably available methods of preventing erosion and trapping sediment shall be employed during construction.
- All fill around the structure shall be stabilized to accepted engineering standards as quickly as possible after the soil has been disturbed.

The Planning Commission has held a public hearing and recommends approval.

Motion was made by Gilmore to approve the Grant Of Conditional Use Permit for Michael Nehring. Seconded by Herzberg and unanimously carried.

CONDITIONAL USE PERMIT - WILLIAMSON PROPERTIES, LLC

A Conditional Use Permit Application submitted by Williamson Properties, LLC, Don Williamson was presented. Mr. Williamson wishes to use the rear of his lot (not within the Shoreland Overlay) at 246 Industrial Loop E in the Industrial Park for chipping wood. The property in question is located at 246 Industrial Loop E., Paynesville, MN 56362. The property in question is zoned "I-1" – Light Industrial District. The parcel of land in question is identified as Tax Parcel No.

70.39242.0013, and is legally described as follows, to-wit: Lot 13, Block 1, Pay-Del-Co, according to the recorded plat on file and of record in the Office of the County Recorder in and for Stearns County, Minnesota. Mr. Williamson seeks a Conditional Use Permit to allow the operation of a diesel powered wood chipper, which will not be enclosed within a structure, and which will chip wood, untreated lumber, to create wood chips and shavings to be used predominantly as animal bedding. City Code, Chapter 11, Section 11.50, entitled "I-1" – Light Industrial District, does not permit activities which use diesel or gasoline engines as a prime mover or operator, thereby producing noise or gasoline/diesel odor, or substantial outdoor noise without a conditional use permit. All other zoning requirements will be met.

Three conditions on the operation of the diesel powered wood chipper are:

1) Operations shall be limited to the daytime hours between 7:00 a.m. and 9:00 p.m.
2) Wood chips or shavings shall be contained as may be necessary to ensure that they do not blow or wash outside of the boundaries of the parcel or into the river abutting the property to the North.
3) The wood chipping equipment, when not in operation, shall always be safely and securely locked down so that the wood chipping equipment cannot be started or operated by an unintended user.

The Planning Commission has held a public hearing and recommends approval with the following changes to the Report & Recommendation & Grant of Conditional Use Permit:

- Clarify that the wood being chipped is untreated
- Clarify that the wood chipper is diesel powered

The above changes were made in the documents.

Motion was made by Soine to approve the Grant of Conditional Use Permit for Williamson Properties, LLC. Seconded by Herzberg and unanimously carried.

MN DEPUTY REGISTRARS ASSOCIATION - RESOLUTION

Eckerly reviewed the proposed Resolution 2017-43 Supporting The Maintenance Of Local License Bureaus. The resolution does not call out for a filing fee increase, but would allow for such in recommending fee adjustments. This is being initiated by the MN Deputy Registrars Association.

Ludwig reported on the following:

- MNLARS
- Special plates
- December tab renewals
- Duplicate tabs
- Online or through the mail tab renewals
- 60 day permits
- State still owing the City money
- Real ID

Motion was made by LaBeau to approve Resolution 2017-43 Supporting The Maintenance Of Local License Bureaus. Seconded by Gilmore and unanimously carried.

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

HOUSING INCENTIVE – DEFERRED PAYMENT AGREEMENT & MORTGAGE/LIEN - MILLER

The Deferred Payment Agreement & Mortgage/Lien for Elaine Miller was presented. Ms. Miller is the first recipient of the City's Housing Incentive Plan. The Housing Incentive is a $2,500.00 deferred loan which is for any person who owns and occupies a new home (on one of the applicable lots) and lives there for 6 years. Elaine Miller purchased a new townhome at 462 Meadowview Court.

Motion was made by Soine to approve the Deferred Payment Agreement & Mortgage/Lien For Elaine Miller. Seconded by Herzberg and unanimously carried.

ORDINANCE NO. 168, 2ND SERIES – TOWERS

Eckerly reviewed Ordinance No. 168, 2nd Series Adding Section 11.16 Entitled "Towers" and summary for such. This ordinance regulates self-standing towers and pole attached antennas.

The Planning Commission has reviewed this, held a public hearing, and recommends approval with the following changes in Subd. 2:

- Towers supporting amateur radio antennas and conforming to all applicable provisions of this Code shall be allowed ~~only in the rear~~ in any part of the yard area of residentially zoned parcels.
- Towers supporting antennas, TV antennas, and/or amateur radios antennas that existed prior to the adoption of this ordinance are hereby granted and can continue to exist.

This ordinance amendment has been publically posted for 10 days. Spooner noted that "grandfathering in" is already in Chapter 11 and standard for pre-existing nonconforming uses.

Motion was made by Gilmore To Approve Ordinance No. 168, 2nd Series Adding Section 11.16 Entitled "Towers" And Official Summary Of Ordinance No. 168, 2nd Series An Ordinance Of The City Of Paynesville, Minnesota, Amending City Code Chapter 11 Entitled "Land Use Regulations (Zoning)" By Adding Section 11.16 Entitled "Towers"; And By Adopting By Reference City Code Chapter 1 And Section 11.99, Which, Among Other Things, Contain Penalty Provisions, with the change of "in any part" of the yard area. Seconded by Herzberg and unanimously carried.

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

Thompson recessed the Regular City Council meeting at 6:33 p.m. and opened the Truth In Taxation Public Hearing.

TRUTH IN TAXATION PUBLIC HEARING

Eckerly presented the City's proposed 2018 budget that included the following:

- 2018 Certified Tax Levy of $668,121.00
- Local Government Aid (LGA) $735,389.00
- Other revenue $667,719.00
- Total expenditures $2,071,229.00
- Total revenues $2,071,229.00
- Proposed tax levy is a 4% increase
- General fund expenditures
- Salary & Benefit percentages compared to total budget
- General fund revenues
- LGA and allotments 2014-2018
- EDAP expenditures

Mergen presented the water and sewer budgets:

- Water fund expenditures
- Sewer fund expenditures

Ludwig presented the liquor budget:

- Liquor fund expenditures
- Liquor fund revenues

Rolfhus questioned the total increase. Eckerly said $25,767.00 or 4%. LaBeau stated that consistently the revenues exceed expenses by $200,000.00 a year and questioned why increase taxes with such an excess. Eckerly stated that the budget is a tool. There is always a number of projects throughout the year that are not in the budget. The City can do the projects when there is an excess. The reserves are used for a crisis or disaster. The City imposes a small increase each year rather than no increases and then a large increase. The number of months of expenses the City has in reserves was mentioned. The most has been 16 months, the average is 11 months and the state auditor suggests 3 months.

There was further discussion on levy increases vs. a tax increase. The City of Paynesville is the 11th lowest in taxes in Stearns County. Rolfhus was concerned about increasing reserves for "what if" projects, when they could be budgeted for. Budget for exact things, not extremes. Gilmore stated that we can build a community on consistent tax ley increases and not an up and down levy; it's too hard to budget for it as a business. The reserve figures also helps the City bond for projects at a better rate. Paynesville is financially healthy in the eyes of the bond bidders.

There being no further comments or questions, Thompson closed the Public Hearing at 7:13 p.m. and reopened the Regular City Council meeting.

ORDINANCE NO. 170, 2ND SERIES – RIGHT OF WAY

Ordinance No. 170, 2nd Series – Amending Chapter 7, Section 7.08 (Right of Way Ordinance) and summary of such was presented. The reason for the ordinance amendment is the wireless telecommunication towers, antennas, etc. This ordinance regulates where wireless devices can be placed within the City's right of way. The Public Works Committee has reviewed this and recommends approval. This ordinance has been publically posted for 10 days.

Motion to approve Ordinance No. 170, 2nd Series – Amending Chapter 7, Section 7.08 (Right of Way Ordinance) and Official Summary Of Ordinance No. 170, 2nd Series An Ordinance Of The City Of Paynesville, Minnesota, Amending City Code Chapter 7 Entitled "Streets & Sidewalks Generally" By Amending Section 7.08 Thereof, Previously Entitled "Street Openings Or Excavations" And By Adopting By Reference City Code Chapter 1 And Section 7.99, Which, Among Other Things, Contain Penalty Provisions.

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

MINNESOTA HIGHWAY 23 COALITION

Thompson reviewed letters and resolutions to increase the efforts to get additional four lane segments added to the Highway 23 corridor. The first letter and resolution supports the segment between Paynesville and Richmond and the second letter and resolution supports the segment between New London and Paynesville.

Motion was made by Gilmore to approve Paynesville Resolution No. 2017 – 38 Resolution In Support Of Funding For Minnesota State Highway 23, A Corridor Of Commerce. Seconded by Soine and unanimously carried.

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

Motion was made by Herzberg to approve City Of Paynesville Resolution No. 2017 – 39 Resolution In Support Of Funding For Minnesota State Highway 23, A Corridor Of Commerce. Seconded by LaBeau and unanimously carried.

(Please see Attachment #5 – the above-referenced Resolution which has been made a part of these minutes.)

2018 WATER & SEWER RATES

Resolution 2017-40 Regarding Chapter 3 of Ordinance No. 1, 2nd Series was presented.

Motion was made by Soine to approve Resolution 2017-40 Regarding Chapter 3 of Ordinance No. 1, 2nd Series. Seconded by Herzberg and unanimously carried.

(Please see Attachment #6 – the above-referenced Resolution which has been made a part of these minutes.)

2018 BUDGET

Resolution 2017-41 Adopting the 2018 City Budget was presented. With the corrections found in wages, Eckerly is now proposing a 4% levy increase or $25,767.00. 64% of the properties in the City would have a City tax reduction at 8%. 73% of the properties in the City would only pay a total of zero to $500.00 in City taxes at 8%.

Motion was made by Soine to approve Resolution 2017-41 Adopting the 2018 City Budget. Seconded by Herzberg and passed 4:1 (Thompson, yes; Gilmore, yes; Soine, yes; Herzberg, yes; and LaBeau, no).

(Please see Attachment #7 – the above-referenced Resolution which has been made a part of these minutes.)

2018 TAX LEVY

Resolution 2017-42 Adopting Final 2018 Tax Levy Collectible in 2018 was presented.

> **Motion was made by Soine to approve Resolution 2017-42 Adopting Final 2018 Tax Levy Collectible in 2018. Seconded by Herzberg and passed 4:1 (Thompson, yes; Gilmore, yes; Soine, yes; Herzberg, yes; and LaBeau, no).**
>
> **(Please see Attachment #8 – the above-referenced Resolution which has been made a part of these minutes.)**

SALE OF PROPERTY - WELLE

The City has negotiated the sale of Lot 18, Block 1, Heatherwood Plat 3 to Rosalyn C. Welle and specifically the Rosalyn C. Welle Trust. Resolution 2017-44 authorizing the sale of real property was presented.

> **Motion was made by LaBeau to approve Resolution 2017-44 authorizing the sale of real property. Seconded by Soine and unanimously carried.**
>
> **(Please see Attachment #9 – the above-referenced Resolution which has been made a part of these minutes.)**

SALE OF PROPERTY - LIESER

The City has negotiated the sale of Lot 7, Block 1, Heatherwood Plat 3 to Rosalyn Lieser. Resolution 2017-45 authorizing the sale of real property was presented.

> **Motion was made by Gilmore to approve Resolution 2017-45 authorizing the sale of real property. Seconded by LaBeau and unanimously carried.**
>
> **(Please see Attachment #10 – the above-referenced Resolution which has been made a part of these minutes.)**

DONATION OF PROPERTY – LAPLANT

A Donation Agreement for the property at 419 Minnie St.; Lot 2, Block 1, Minnie Villa which is currently owned by John LaPlant was presented. Mr. LaPlant is intending to donate this property to the City. The agreement outlines the manner to complete that. Spooner stated that this would be in place in case Mr. LaPlant can get the donation done by the end of the year.

> **Motion was made by Herzberg to approve the Donation Agreement between the City of Paynesville and John LaPlant. Seconded by Soine and unanimously carried.**

INFORMATIONAL

Thompson reviewed the following informational items: November Police Report, Electrical Billing Analysis Report, and Mediacom Rate Adjustments.

Thompson recessed the Regular City Council meeting at 6:23 p.m. and opened the Closed Session to discuss the City Administrator's annual performance evaluation.

Thompson closed the Closed Session and re-opened the Regular City Council meeting. The Council met in closed session regarding the City Administrator's annual performance evaluation and it was determined a "meets all standards" evaluation was given. The Mayor was to present and review the evaluation with Administrator Eckerly as soon as possible.

There being no further business, the meeting was adjourned.

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Renee Eckerly, City Administrator