MINUTES
CITY COUNCIL MEETING

DECEMBER 13, 2021

Mayor Shawn Reinke called the City Council meeting to order at 6:00 p.m. Council members present were Megan Brick, Paul Thielen, Jean Soine, and Neil Herzberg. Others present were Tariq Al-Rifai, City Administrator; Jennifer Welling, Administrative Assistant/Zoning Administrator; Kristin Leither, Social Media Specialist; Chuck DeWolf, Bolton & Menk, Inc.; Ron Mergen, Public Works Director; Paul Wegner, Police Chief; Bill Ludwig, Liquor Store Manager; Bill Spooner, Spooner & Glenz; and Belinda Ludwig, City Treasurer.

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

Mergen gave a department report and highlighted the following:

- Library roof will be worked on this week
- Roto Chopper has chipped the brush at the compost site
- Christmas tree drop off is available through January 12, 2022 at the Fire Hall
- Reminded residents to remove snow from their sidewalks
- Park shelter reservations are being accepted for the Gazebo and Veterans Park Shelter
- Airport hangars are full with a waiting list of 3 pilots
- Friends of the Airport are planning a 2022 airshow

Al-Rifai mentioned the following:

- Attended the Budget & Finance, Public Works, and Policies & Procedures Board meeting
- Attended a Zoom meeting with state representatives regarding a bill for a new infrastructure
- Attended a Zoom meeting regarding Safe Routes To School

Reinke announced that if Council members wanted to switch boards to contact him.

PUBLIC OPEN FORUM

No one was in attendance to address the Council.

CONSENT AGENDA

Motion to approve the minutes from the following meetings: December 1, 2021 Special City Council Working Session, November 8, 2021 Regular City Council, November 22, 2021 Regular City Council, and November 2, 2021 Budget & Finance Board.

Motion to approve the following vouchers:

12/2/2021	Payroll Checks	103835-103839	$ 4,977.25
12/2/2021	Payroll Direct Deposit		$ 28,018.25
12/2/2021	Payroll Taxes	103840-103843	$ 2,091.44
12/2/2021	Payroll - Fed		$ 8,947.36
12/2/2021	Payroll - State		$ 1,741.13

12/2/2021	Payroll - TASC		$ 126.29
12/2/2021	Payroll - PERA		$ 7,885.74
12/2/2021	Payroll - Further		$ 1,263.31
12/2/2021	Payroll - Health Partners		$ 4,963.24
12/2/2021	Payroll - AFLAC		$ 245.06
12/2/2021	Payroll - Delta Dental		$ 189.11
12/13/2021	Vouchers	103844-103922	$ 144,460.94
		Total	$ 204,909.12

Motion to approve the 2022 Cigarette Licenses for Casey's Retail Company (stores 1652 and 3387), Depot No. V, LLC (Teal's Market-Paynesville), Paynesville Farmers Union Coop Oil Company (Cenex-Paynesville), City of Paynesville (Paynesville Municipal Off-Sale Liquor), DG Retail, LLC (Dollar General Store 15509), and Kwik Trip Inc. (Kwik Trip #598).

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

GAMBLING PERMIT – LIONS CLUB OF PAYNESVILLE - BINGO

The Minnesota Lawful Gambling LG220 Application For Exempt Permit for the Lions Club of Paynesville to conduct bingo at Queen Bee's Bar & Grill, Inc. on February 27, 2022 was presented. This is a special event for the Fire Department.

Motion was made by Herzberg to approve the Minnesota Lawful Gambling LG220 Application For Exempt Permit for the Lions Club of Paynesville to conduct bingo at Queen Bee's Bar & Grill, Inc. on February 27, 2022. Seconded by Brick and unanimously carried.

AERATION POND BLOWER REHAB

Mergen presented two quotes to rehab the blower at the aeration pond:

Lewis Motor Repair	$4,866.40
Continental Blower	$7,303.00

In 2012 the blowers were installed with vibration sensors. It has been determined that the bearings are now going out on these, but not the sensors. The Public Works Board has reviewed this and recommends approval.

Motion was made by Soine to approve the quote from Lewis Motor Repair in the amount of $4,866.40 for the rehab of the aeration pond blower. Seconded by Thielen and unanimously carried.

WATER PLANT FILTER MEDIA

Mergen presented the quote from Kurita in the amount of $169,990.00 to refurbish the Tonka water filter with funds to come from the Water Equipment Reserves. The filter was installed in 2014 and has a normal life expectance of 15-20 years. The lifespan was shortened due to the contamination. The parts are proprietary; therefore, only one quote was obtained. The plant will

be down for about one week and during the project the City will add chemicals to treat the water. This has been done before and is not unusual.

Reinke asked how long could we wait before doing the project. Mergen stated that this has to be done before next summer. The Public Works Board reviewed this and recommends approval.

Motion was made by Soine to approve the quote from Kurita in the amount of $169,990.00 to refurbish the Tonka water filter with funds to come from the Water Equipment Reserves. Seconded by Herzberg and unanimously carried.

FIRE DEPARTMENT PURCHASE OF WILDLAND GEAR

Belinda Ludwig presented the invoice from Alex Air Apparatus, Inc. in the amount of $5,134.49 for Wildland gear of which $2,500.00 will be paid for from the CenterPoint Energy grant the department received. The remainder of the amount is being paid from the Fire Capital Improvement Fund.

Motion was made by Soine to approve the purchase of the Wildland gear from Alex Air Apparatus, Inc. in the amount of $5,134.49 with $2,500.00 from the CenterPoint Energy grant and the remainder to be paid out of the Fire Capital Improvement Fund. Seconded by Herzberg and unanimously carried.

POLICE LELS UNION CONTRACT

Al-Rifai presented the Memorandum of Agreement between the City of Paynesville and Law Enforcement Labor Services (LELS) representing the Paynesville Police Officers for the term of January 1, 2022 through December 31, 2024. Changes to the document were noted throughout the document including a 4 week paid sabbatical.

Motion was made by Soine to approve the Memorandum of Agreement between the City of Paynesville and Law Enforcement Labor Services (LELS) representing the Paynesville Police Officers for the term of January 1, 2022 through December 31, 2024. Seconded by Herzberg and unanimously carried.

DEPARTMENT HEAD BENEFITS

This was pulled from the November 22, 2021 Council meeting so that the Policies & Procedure Board could review this. Since the Liquor Store Manager, Police Chief & Public Works Director do not fall under a union contact they are requesting to receive the same benefits as outlined in their respective employee Union Contract; plus, the following:

- An annual increase of $500.00 in matching funds in Deferred Comp
- Ability to talk to the Labor Negotiations Board about benefits

The Policies & Procedures Board has reviewed this and recommends approval.

Motion was made by Herzberg to approve the $500.00 increase in deferred comp match, receive the same benefits as their employees within their department for the exception the Chief of Police who will not receive a sabbatical and give the

department heads the ability to talk to the Policies & Procedures Board regarding benefits. Seconded by Thielen and passed (Brick abstained).

NON UNION ELIGIBLE OR NON UNION EMPLOYEE BENEFITS

This was pulled from the November 22, 2021 Council meeting so that the Policies & Procedure Board could review this. The newly adopted AFSCME contract currently covers all full-time employees and eligible part-time employees; however, there are several employees that fall outside of this group. Department heads request the Council to approve the wage increases and applicable benefits within the AFSCME contract for those staff members who are ineligible to be part of the union or are nonmembers of the union. Employees eligible for this include members of the liquor store and public works. The Police officers would fall under the LELS contract. The Policies & Procedures Board has reviewed this and recommends approval.

Motion was made by Thielen to approve the wage increases and applicable benefits within the respective employee's department union contract for staff members who are ineligible to be part of the union and nonmembers of the union. Seconded by Soine and passed (Brick abstained).

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

TRUTH IN TAXATION PUBLIC HEARING

Belinda Ludwig gave a presentation outlining the following:

- Budget of $2,643,347
- Proposed increase of $143,054.00 or 16.8%
- Salary & Benefits
- General Fund Expenditures
- General Fund Revenues
- EDAP

Mergen reviewed the following:

- Water Fund & Water Expenditures
- Sewer Fund & Sewer Expenditures

Bill Ludwig highlighted the following:

- Liquor Fund Expenditures
- Liquor Fund Revenues

Mayor Reinke stated that all efforts have been utilized to reduce the budget. Al-Rifai agreed. Belinda Ludwig stated that the biggest change to the budget includes:

- Work comp due to the unrest in the police world
- Increase in property and liability insurance

Department Heads were asked what they have done to cut costs. Mergen explained that the budget is bare bones. He is seeing an increase in maintenance and repairs (10% increase across

the board on all parts). Searching for grants is huge. The purchase of 111 Pomeroy Ave. will save the City 3-4 million dollars.

Wegner stated the new union contract has a sizable pay increase in pay and benefits, but in the long term will save the City money. It will bring in more officers and provide stability. One full-time officer position was reduced to part-time, K-9 program was disbanded, and there will be a new Stearns County dictation fee coming down the pipe.

Bill Ludwig stated salaries are his biggest expense; however, he has doubled the business in 10 years. Work comp insurance and inventory have both increased. He is pursuing to secure a lease at a fair price. Bill Ludwig has had to get creative with staffing, but the biggest challenge is the market.

Belinda Ludwig stated that the Motor Vehicle Department can generate an additional $20,000.00 by providing written tests here one day a week.

Mayor Reinke re-iterated that this is what it takes to run the City without cutting services. Herzberg noted that cutting additional monies from the CIP is only hurting the City down the road. Inflation is an issue and is happening everywhere across the board.

Thielen explained that the City is required to provide police, fire, water and sewer. A 16% increase for our residents is not acceptable; we are going in the wrong direction. We need to work harder to get to 10% or below. We have residents that are on a fixed income. The school referendum did not pass as residents said enough is enough; we need to work toward and look out for less fat.

Soine agreed that 16% is high; however, that does not mean individual taxes are going up 16%. Some people's taxes are actually going down. Herzberg noted that social security did see a cost of living increase. Soine stated that it is time to bite the bullet.

There being no further comments or questions, Mayor Reinke closed the Truth In Taxation Public Hearing at 6:57 p.m. and re-opened the Regular City Council meeting.

2022 LEVY

Brick explained that we have already cut corners; like with the Police Department, it's time we get fully staffed again.

Reinke commented that core issues for the City are also important like the Library, Area Center, and Historical Society, but we don't always see a direct impact from them. He also disliked the increase, but asked unless you are willing to send someone home where are you going to cut?

Soine suggested going in with an unbalanced budget. Herzberg stated or we can keep spending the reserves. Belinda reminded the Council that by decreasing the reserves will decrease the City's bond rating. Thielen suggested putting the breaks on CIP projects. Soine interjected that street projects have already been pushed back. Belinda Ludwig noted that the 2019 Street project was bonded for and the City has yet to increase enough to cover the bond payment annually. Herzberg reminded the Council to look at the numbers rather than the percentages and that we can't forget about the increased tax base.

2022 BUDGET

Resolution 2021-22 Adopting the 2022 City Budget was presented.

> **Motion was made by Soine to approve Resolution 2021-22 Adopting the 2022 City Budget. Seconded by Herzberg and passed 4:1 (Reinke, yes; Soine, yes; Herzberg, yes; Brick, yes; and Thielen, no).**

2022 LEVY

Resolution 2021-23 Adopting Final 2022 Tax Levy Collectible in 2022 was presented.

> **Motion was made by Soine to approve Resolution 2021-23 Adopting Final 2022 Tax Levy Collectible in 2022. Seconded by Brick and passed 4:1 (Reinke, yes; Soine, yes; Herzberg, yes; Brick, yes; and Thielen, no).**

DEED - MINNESOTA INVESTMENT FUND (MIF) PROGRAM – AVON PLASTICS

The EDAP Board reviewed the MIF Program and application and recommended the City administer the loan with the City receiving 40% of the funds (for administration fees) to be put back into the City's EDAP Revolving Loan Fund. The DEED Loan is in the amount of $120,000.00 of which $60,000.00 is a grant with Avon increasing employees by 10 at $6,000.00 each. The City would get to keep 40% of the $120,000.00 to put back in its revolving loan fund. The next step in the process is to approve Resolution 2021-26 Setting Public Hearing On A Proposed Business Subsidy for Monday, January 10, 2022 at 6:30 p.m.

> **Motion was made by Herzberg to approve Resolution 2021-26 Setting Public Hearing On A Proposed Business Subsidy. Seconded by Thielen and unanimously carried.**

ORDINANCE NO. 31, 3RD SERIES – ELIMINATING LICENSING OF ANIMALS (DOGS & CATS)

Ordinance No. 31, 3rd Series eliminating licensing, license issuance, term and renewal, fees, and tag required for the licensing of dogs and cats was presented. The Policies & Procedures Board recommends eliminating Chapter 6, Sections 6-27, 6-28, 6-29 and 6-30. Excerpt of minutes from the November 10, 2021 Policies & Procedures Board meeting:

> PET LICENSES
> Members discussed the current structure and procedure for processing pet licenses. They also discussed the challenges in enforcing this ordinance as over the years the number of residents obtaining pet licenses has steadily declined. The purpose of the license is to ensure pet owners keep up with the necessary pet vaccinations as well as be able to track and identify missing pets. However, due to state requirements, pet owners keep up-to-date with necessary vaccinations so City monitoring is no longer necessary.
>
> Reinke also stated that the fees from pet licensing is not a revenue generator for the City as the cost of the pet licensing software program and administrative costs are

higher than total amount generated. If the City were to continue with this program, there would need to be strict guidelines developed along with enforcement of these guidelines to ensure all pet owners in the City pay for the necessary licenses.

Motion was made by Reinke to eliminate the pet licensing program and refund the residents that have purchased the 2022 license and recommend such to the City Council. Seconded by Al-Rifai and unanimously carried.

This ordinance has been posted for the necessary 10-day requirement. If the ordinance passes, staff would like the Council to consider refunding those residents that have already paid for their 2022 pet license.

Motion was made by Herzberg to approve Ordinance No. 31, 3rd Series – Eliminating Licensing of Animals. Seconded by Thielen and unanimously carried.

Motion was made by Thielen to refund all residents who have paid for their 2022 pet license. Seconded by Soine and unanimously carried.

ORDINANCE NO. 30, 3RD SERIES – ALCOHOL CONSUMPTION IN PUBLIC PLACES

The Policies & Procedures Board has reviewed, made changes and approved the proposed ordinance. This ordinance would allow for consumption of alcohol in the fire hall by the fire department members. Excerpt of minutes from the November 10, 2021 Policies & Procedures Board meeting:

ALCOHOLIC BEVERAGES – CONSUMPTION IN PUBLIC PLACES ORDINANCE

Members discussed revising the City's current Alcohol Consumption Ordinance to allow for alcohol to be consumed by firefighters in the Fire Hall. The current ordinance prohibits consumption of alcohol in all public places. Mehlhop was there to answer any questions members had about the proposed change. Reinke clarified that the proposed change would only allow for off-duty firefighters to consume alcohol and not members of the public, in addition to following current regulations for those firefighters on-call or on-duty. Al-Rifai added that there must not be any money exchanged or paid for alcohol at the Fire Hall as this would require a liquor license.

Motion was made by Reinke to change the Alcoholic Beverages – Consumption in Public Places Ordinance to allow for the consumption of alcohol in the Fire Hall by members of the Fire Department and recommend such to the City Council. Seconded by Thielen and unanimously carried.

This ordinance has been posted for the necessary 10-day requirement.

Motion was made by Soine to approve Ordinance No. 30, 3rd Series – Alcohol Consumption in Public Places. Seconded by Thielen and unanimously carried.

There was some discussion regarding a resolution to accompany this ordinance.

TRAIL – GLACIAL LAKES CONNECTION

DeWolf presented the layout of the Trail Plan, letter of support and Resolution 2021-24 Supporting Transportation Alternatives Solicitation Application Glacial Lakes Trail Extension. A letter of support and resolution approved by Paynesville Township was also presented. Stearns County would be the fiscal agent for the project. There was some general discussion on the trail location and the Safe Routes To School. Herzberg noted that Paynesville Township would have to pay for half of the expenses as well as the maintenance.

Motion was made by Thielen to approve the trail extension into the Trail Plan. Seconded by Soine and unanimously carried.

Motion was made by Herzberg to approve the letter of support and Resolution 2021-24 Supporting Transportation Alternatives Solicitation Application Glacial Lakes Trail Extension. Seconded by Thielen and unanimously carried.

2022 WATER & SEWER RATES

Resolution 2021-21 Regarding Chapter 34 setting the 2022 water and sewer rates was presented.

Motion was made by Soine to approve Resolution 2021-21 Regarding Chapter 34. Seconded by Thielen and unanimously carried.

AMERICAN RESCUE PLAN ACT OF 2021

Belinda Ludwig presented Resolution 2021-25 American Rescue Plan Act of 2021.

Motion was made by Soine to approve Resolution 2021-25 American Rescue Plan Act of 2021. Seconded by Brick and unanimously carried.

COVID

Mayor Reinke explained that we are seeing a COVID surge. The Council did pass a motion to give full-time employees 80 hours of COVID pay to use when either exposed to or diagnosed with COVID (this amount is pro-rated for part-time employees). At lease one employee has used up their 80 hours. It has been suggested to create a PTO Bank to help all employees. Employees could donate to the bank for medical emergencies. Another option is to offer an additional 40 hours of paid leave for those who have been vaccinated and are out of COVID leave due to a positive COVID test or in quarantine due to an exposure. This would be an incentive and not a penalty.

Motion was made by Thielen to approve an extension of COVID pay for up to an additional 40 hours for full-time employees and pro-rated for part-time employees for vaccinated (those who have received their first and second round of vaccination (no booster required)) or for a religious exempt employee; in addition, a creation of a PTO Bank. Seconded by Soine and passed (Reinke, yes; Thielen, yes; Soine, yes; Herzberg, yes; and Brick abstained).

HIRING OF POLICE OFFICER

Wegner reported that since June, the police department has been down a full-time officer and has been trying to hire a part-time officer to fill the void. To date the department has not received enough interest in the part-time position to continue with the process. The department is anticipating another full-time position being open shortly after the first of the year. Based on this anticipated opening, the department would like to post for a full-time position and start collecting applications prior to the expected vacancy. This would assist in replacing the position sooner.

In light of this, the department will remove the posting for the part-time officer. We will revisit filling the part-time position later in 2022 and assess the need for a 5th full-time officer in 2023.

The police department hiring process would follow this tentative timeline:

- Internal Posting - Completed no later than December 16, 2021.
- Accept applications until position is filled.
- Cut off for 1st Round of application will be January 14, 2022.
- Round 1 of Interviews - Week of January 17, 2022 - Interview Panel to consist of Chief Wegner, City Administrator Tariq, Officer Haakonson, and one neighboring Chief.
- Round 2 of Interviews- 1st Week of February 2022 - Interview Panel to consist of Chief Wegner and Policies and Procedures Board. Background to be started immediately on top candidate.
- Background Investigation - Tentatively set for the beginning of February.
- Psychological and Physical Exam - Following a successful background investigation.
- Recommendation to Council - February 28 or March 14, 2022

Currently there are 52 agencies hiring; not including Minneapolis and St. Paul with over 300 position openings.

Motion was made by Soine to approve starting the hiring process for a full-time Police Officer with the above tentative hiring process and to allow the police department and administration to continue with the process until a recommendation may be made to Council. Seconded by Herzberg and unanimously carried.

INFORMATIONAL

Mayor Reinke reviewed the following: 2022 Elected Leaders Institute Foundational & Advanced Program – Any Council members interested in attending will need to notify City staff so that you can be registered and hotel accommodations made; Xtream (Mediacom) Rate Increase, Council members looking to switch Board assignments for 2022 please contact Mayor Reinke ASAP, City Attorney Proposed Rate Increase and October & November Police Department Reports.

There being no further business, Reinke adjourned the meeting at 7:36 p.m.

Tariq Al-Rifai, City Administrator