

NEW YORK MILLS CITY COUNCIL
REGULAR MEETING
August 11, 2015
4:30 p.m.

CALL TO ORDER AND DETERMINATION OF A QUORUM

The regular meeting of the New York Mills City Council was called to order at 4:34 p.m. in the Council Chambers of the City Hall Building at 28 Centennial 84 Dr., New York Mills, Minnesota, all members of the Council having been notified of the meeting and the business to be transacted.

Members Present Gerber, Maki, Roder, Hoaby, and Oakland

Members Absent None

Staff Present City Clerk Darla Berry, Administrative Assistant Jenny Geiser, Administrative Assistant Cheri Kopveiler, Public Works Director Kyle Mattson, Police Chief James Gritz, Liquor Store Manager Joan Koep

Guests Present NYM Dispatch Reporter Connie Vandermay, Jade Berube of Apex, City Treasurer Al Berube, Matt Radniecki, Larry Hodgson, Bob Sonnenberg

Call to Order The meeting was called to order at 4:34 p.m. A quorum was present.

Approval of Minutes A motion to approve minutes from the July 14, 2015 regular meeting and July 22, 2015 emergency meeting was made by Roder and seconded by Hoaby, with a change on page 5 of the regular meeting minutes, second paragraph, with the name "Roger" to be changed to "Roder". The motion carried without a dissenting vote.

Updates/Consent Agenda – Mayor Gerber noted the updates and consent agenda items:

- a. June 01, 2015 Letter re: Letter from State Demographer-2014 Population Estimate- **Handout**
- b. July 24, 2015 Letter re:Letter from Otter Tail County Highway Department Regarding Equipment for Sale - **Handout**
- c. August 3, 2015 Letter re: Letter from the Minnesota Department of Education – Certification of Minimum Local Support Requirement for 2016- **Handout**
- d. August 10, 2015, Memo from DEED re: Greater MN Job Expansion Program- **Handouts**
- e. August 4, 2015, Letter from PFA – PFA Loans Awarded - **Handouts**

A motion was made by Hoaby and seconded by Oakland to approve the consent agenda. The motion carried without a dissenting vote.

Department Reports

Park Board Update – Park Board President Matt Radniecki addressed the council. Matt started by expressing his thanks to all the City staff in Public Works that have been doing a great job keeping things looking good. The Park Board has been helping with spreading wood chips and pea rock at some of the City parks and playgrounds. Most of the credit is to Kris Koll, who was very involved with this effort. The group now wants to get a shelter built at the Sculpture Park. Bob Sonnenburg has volunteered to help lead this effort. The plans for the shelter call for a two story barn type style. The group currently has about \$32,000 on hand, and will be doing further fundraising. It will be 24' X 36', and two stories, with an open wall facing east on the lower story. The structure will be located at the west end of the Park. Any needed parking will be gravel, not paved. The total budget will be \$70,000, and the structure will be

built in phases. Eventually they may want gas and restroom facilities added. The building will be donated to the City for maintenance, insurance, etc.

Mayor Gerber thanked Matt for this update on the Park Board's activities and plans.

Liquor Store Report – Liquor Store Manager Joan Koep addressed the Council. She noted that July was a very successful month. Net earnings for July, if you adjusted for the July expenses that were posted to June, totaled about \$19,905, with June results as adjusted at approximately \$9,000 of net income. This has cut the year to date loss down to about (\$15,000). Koep reported that she has been holding regular staff meetings, training events, and also some reorganization efforts. Customers have been enjoying the recently added “Toy House” vending machine game. Koep noted that she has enjoyed her first six months as the Manager and is pleased that her hard work is finally showing up in the financial performance. Koep handing out a listing of her petty cash expenditures for several months. She noted that in the upcoming months she has set some goals to improve her reporting to the Council.

A motion was made by Hoaby and seconded by Maki to approve the Liquor Store report. The motion carried without a dissenting vote.

EDA Report – EDA President Larry Hodgson addressed the Council. He went through the items listed in the draft EDA minutes from the meeting held on July 21. There was an update from Al Berube about the possible sale of all the remaining Fieldstone Condos with the high likelihood of no proceeds to cover EDA's position. He spoke of the guest Ryan Pesch with the University of Minnesota Extension service and his presentation about the Business Retention and Expansion program. The costs of the program were estimated at \$9500, with WCI paying for about \$7500 of this. It was agreed that Hanson should meet with Berry and Hodgson to discuss an article for the paper about this program and the need for participants. There was an update on the Otter Tail County tourism website – Find Your Inner Otter. Hanson reported that a local business person has a plan to establish some lodging cabins for seasonal visitors. The group noted that there will be no reopening of the Laundromat, which is to be razed due to the fire damage it sustained. The EDA meeting adjourned at 9:46 a.m. and the next meeting was scheduled for August 18.

Roder asked Hodgson if Hanson is reporting on his weekly visits/hours spent in town. Hodgson stated that the EDA is now getting periodic reporting from Hanson on his activities. Hodgson then directed the attention to Mayor Gerber, and stated that she could now open the envelope he had given her earlier and it aloud for the group. The letter basically was Hodgson's comments as to his years as mayor and as EDA president and his desire now to resign from the EDA effective immediately, and he asked that the council take action on this matter.

A motion was made by Maki and seconded by Oakland to approve the EDA Department report and to accept Hodgson's resignation from the EDA. The motion carried without a dissenting vote.

Mayor Gerber thanked Hodgson for his years of service to the City of New York Mills.

Fire Department Report – Chief Brasel was absent. Mayor Gerber referred the Council to the Fire Department report which was included in the packet.

A motion was made by Roder and seconded by Oakland to approve the Fire Department report. The motion carried without a dissenting vote.

Public Forum – 5:00 p.m.

At 5:00 p.m., Mayor Gerber asked whether anyone present wished to address the council. There was no response, and the Public Forum was closed.

Public Request - None

Police Report – James Gritz addressed the Council. He referred to his report. He noted that the new part timers were doing well, with Saewart ready to take solo shifts now, but training shifts would continue for a while with Peka.

A motion was made by Oakland and seconded by Roder to approve the Police Report. The motion carried without any dissent.

Public Works Report – Kyle Mattson addressed the Council. He referred to the multiple activities conducted as noted in his report. He noted that Midco Diving would be here soon for 1 to 2 days to inspect the water tower. We had few responses to the ads for the full time position, and most applicants did not hold the desired licensures. Berry and Mattson had agreed to extend the deadline and to solicit applicants for a position at the entry level Maintenance Worker I position as well as at the higher level Maintenance Worker II position. The Ad was modified to cover the starting pay and range for both positions to give us flexibility to hire at the lower level if the desired experience and licensures are not evident in the applicants. The deadline was extended to early September. Some discussion ensued as to D. Delaney's inquiry about his pay level. Berry advised the Council as to her findings when reviewing the pay and raises awarded per Payroll records going back to 2004. Pay adjustments beyond COLAs and steps were awarded both in 2006 and 2007. Information to this effect was shared with D. Delaney. He hadn't approached Mattson recently anymore about the request. Berry noted that Delaney has historically been paid well above the pay scale for his position(s) with the City due to his length of service, or also known as longevity pay. The pay scale has been adjusted a few times but he remains slightly above the top level. Berry noted that per State Pay Equity guidelines, if we make any pay adjustments based on longevity we would need to adopt a longevity pay policy that is specific as to the parameters and would apply equally to all staff. The alternative approach, should the Council wish to adjust D. Delaney's pay, would be to craft a job description for a Maintenance Worker III, grade it, and work it in to our pay equity scale based on the point system. Berry and Mattson had met with the Public Works Committee and several additional duties that are strictly part of Delaney's job were discussed that are not listed in the general Maintenance Worker II job description. So, there would likely be a basis for higher pay for the new position if these duties (primarily as Zoning Administrator and back-up City Hall/Building Maintenance worker). The Council discussed this, and one council member was opposed to giving someone more pay merely because of years of serve, that didn't seem right, they should be compensated for the work they do and not the years. Another council member felt that it was not appropriate to just go out and create a new job description as a means to give a person more money beyond their current pay scale. There was little further discussion and so the matter was tabled. Mattson reported that a new pump was installed at the water treatment plant and it was now working well.

A motion was made by Maki and seconded by Roder to approve the Public Works report. The motion carried without a dissenting vote.

Administration Report – Berry addressed the Council. She noted several upcoming Step Raises that would need approval (along with current performance evaluations). Berry noted that the packet included a rough estimate of the cost to replace the City Hall building roof, something that likely should be done within the next two to four years. Berry then spoke about her recommendation to adopt a revised job description for Mike Pederson's position, increasing both the pay equity points and pay scale from that of the Maintenance Worker I position to that of the Maintenance Worker II position. She indicated that if approved this pay increase would take effect beginning on Monday, September 28, 2015, so basically during the 4th quarter of 2015. Council Member Roder commented that she appreciated how well put together the information in this regard was. She found it very helpful to have it laid out so clearly and to see the methodology used for using the State's Job Match information in grading the job for pay equity purposes. She thanked Clerk Berry for doing such a good job on it. Next there was some discussion about a plan to upgrade lighting in the City Hall building, first in the liquor store and later in the other areas of the building. The change to LED lighting will save a good deal of costs on the electric bills. Some discussion ensued about obtaining rebates from Otter Tail Power. Berry noted that she would ask Mike to check into that.

A motion was made by Maki and seconded by Roder to approve the step raises, the new job description, pay equity points, and pay increase for M. Pederson to be effective on Monday, September 28, 2015, and the balance of the Administration report as presented. The motion carried without a dissenting vote.

The City of New York Mills is an equal opportunity provider and employer.

Old Business

Apex- 2015 U/S Project Update - Jade Berube addressed the Council. Berube noted that we held a pre-construction meeting last week, and the project will begin this week on Main in the downtown area. From there, work will proceed north to Gilman, the downtown alleys, and then on to Tousley. Work in each area will proceed through to near completion and access will be maintained throughout construction to the extent feasible. The contract will likely have two crews in town and may bring in a third crew at some point. The work scheduled for Miller, Nowell, Cornwall, and Park will be worked in around those areas mentioned as weather, equipment, and labor considerations allow. The contractor is intending to do the bulk of the project yet this fall, and so if that does occur the assessment hearings will be done this fall and certified to the 2016 tax rolls. There will be weekly contractor meetings in the City offices every Tuesday at 1:30 p.m. Construction notices will be delivered to affected properties as the project progresses. APEX engineer Jon Pratt is developing an email list that anyone can sign up for. He will be issuing construction updates via email periodically. Anyone that wishes can contact Pratt or the City offices to be added to the email listing.

2015 U/S Project- Financing Update – Berry explained that while we received low cost loan funding from PFA for the project, the paperwork is not yet ready and so we'll need to have a special meeting in about a week to approve the PFA loan paperwork. Also, the paperwork for the companion municipal bond for the costs that are ineligible for PFA funds is also not ready at this time. Berry is working with David Drown to determine the best structure for that issuance. A special meeting will be held on August 19, 2015, at 5:00 p.m. to deal with the financing for the 2015 project.

Gas Volume Contracted Increase Paperwork – Berry referred the council to the paperwork included in the packet. She noted that the changes would become effective November 1, 2015, as stated near the beginning of the Agreement, although the footer of the document shows a different date. That other date is merely the date the contract language was approved by Viking for all their customers, so merely the latest revision date. The information is merely presented for the Council's information as follow up to earlier discussions to enter into this arrangement.

Annexation – Included in the packet is a document obtained from the City of Perham concerning their approach and methods for annexation. It was distributed to the Council for information. It is something that we could do and use this document as a model to craft a similar document pertaining to New York Mills.

New Business

Small Cities Assistance Funds – Berry explained that legislation passed earlier this year established some funding assistance to small cities (under 5,000 population) for maintenance of streets and highways. New York Mills will receive \$20,091 in 2015 payable with first half and second half LGA. We have already received the first half of these funds. There is no guarantee that this program will be continued for 2016 and beyond.

Cultural Center Update – Included in the packet was a letter from Cultural Center Executive Director Betsy Roder as to the activities being provided to the community and requested the 2nd and 3rd quarter contributions (\$2,000) from the City. Roder also included a copy of an article she authored that appeared in a recent edition of the League of Minnesota Cities publication Minnesota Cities.

SCDP Grant Request for Parkview Apartments – Included in the packet is a memorandum from the Otter Tail County HRA concerning a proposal for a change in ownership of the Parkview Apartments complex. The buyers have agreed to meet the SCDP guidelines for low income tenants and thus qualify to assume the balance of the SCDP grant made to this project for rehabilitation a few years ago. Berry noted that unlike the two SCDP grant programs the City administered under the directives of Wynne Consulting, this third SCDP which was administered by the County HRA has generated no program income funds as it allows assumption by qualified buyers when a property sells. In this case, since it is a multi family rental, the parameters for assumption are not automatic and thus the City must agree, while any sale of a single family home with an SCDP grant is done without any consultation with the City. The outstanding

The City of New York Mills is an equal opportunity provider and employer.

obligation on this rental property is \$21,762.30. If this City did not approve of this assumption proposal, then those funds would come back as program income that could be reused for a similar project in the City. Berry noted that it would be unlikely that we'd have a different project come up where such program income funds could be reused, and thus she recommended that we agree to the assumption as is the recommendation of the OT County HRA.

A motion was made by Roder and seconded by Maki to approve of the assumption by the buyers of Parkview Apartments of the outstanding SCDP grant funds given their agreement to the income requirements of the program. The motion carried without a dissenting vote.

Future Meeting Dates – The regular meetings are scheduled for Tuesday, September 8, 2015, and Tuesday October 13, 2015, at 4:30 p.m. There was also a special meeting scheduled earlier that will be held on Wednesday, August 19, 2015, at 5:00 p.m.

Payment of Claims - Mayor Gerber noted the claims as listed in the packet, with no additional bills presented.

A motion was made by Roder and seconded by Oakland to approve the payment of bills. The motion carried without a dissenting vote.

Financial Reports – There was no discussion of the financial reports.

A motion was made by Maki and seconded by Oakland to approve the financial reports. The motion carried without a dissenting vote.

CLOSED SESSION – Department Head Performance Evaluation

At 6:35 p.m., Mayor Gerber noted that the meeting would be closed while the Council conducted a six-month performance review of Liquor Store Manager Joan Koep. The meeting is being closed pursuant to Minnesota Statutes §13D.05, subds. 1(d) & 3(a).

The open session of the meeting resumed at 7:23 p.m.

Adjournment

A motion was made by Oakland and seconded by Hoaby to adjourn. The motion carried without a dissenting vote.

The meeting was adjourned at p.m.

Respectfully submitted by,

Darla Berry
City Clerk