

Approved Minutes
October 11, 2016

NEW YORK MILLS CITY COUNCIL
REGULAR MEETING
September 13, 2016
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 4:31 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, Pool Manager Heidi Van Dyke, Public Works Director Kyle Mattson, Liquor Store Manager Joan Koep

Guests Present NYM Dispatch Reporter Connie Vandermay and her daughter, City Treasurer Al Berube, City Attorney Dennis Happel, Apex Engineers Jade Berube and Mike Weber, Jessica Gibble, Latham Hetland

Call to Order The meeting was called to order at 4:31 p.m. A quorum was present.

Additions, Changes or Deletions to Agenda and Approval of Final Agenda

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

Approval of Minutes A motion to approve minutes from the August 11, 2016, regular meeting and August 30, 2016, Special joint meeting and joint Public Hearing was made by Roder and seconded by Oakland. The motion carried without a dissenting vote.

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

- a. September 7, 2016 LMCIT Email and Invoices
- b. August 15, 2016, Letter from West Central Initiative
- c. Summer 2016 WCI's Quarterly Report *Focus on the Region*
- d. August 15, 2016 – OT County Notice of Equipment for Sale

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

Department Reports

Pool Report – Heidi Van Dyke addressed the Council. Her written summary of the 2016 pool season was included in the packet. She went over the revenues from swim lessons, admissions, and other items and compared them all to the 2015 pool results. She noted some new items for 2016 and also discussed some improvements she has in mind for 2017. She went over staffing, indicating those lifeguards she expects will and won't return next season. She advised the Council that she does plan to continue as the Manager next season if the Council wants her back. She wrapped up

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noting that it was a great year for the pool and she and her staff received many compliments on the swim lessons. The council thanked her for her report.

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

Liquor Store Report - Joan Koep included a report in the packet, which she referred to as she addressed the Council. She noted that the September results were in and the facility is doing okay. The month was good but we report being in the hole after taking out \$27,000 in transfers for a bond payment. After that payment we are in a negative position year to date, but are ahead of the results from this date last year. She reported that she is near to hiring another part time employee. There are plans to start holding pool and dart board tournaments. She will follow up with Games Unlimited to get some better pool cues than those on hand. There had been a sign on N. Walker near the corner listing a limited time parking space for the off sale store that is no longer in place. Berry suggested that it had been removed for new street lighting and was not replaced; she will check into this with Kyle Mattson.

A motion was made by Roder and seconded by Hoaby to approve the Liquor Store Report. The motion carried without any dissent.

Fire Department Report – Chief Brasel’s report was in the packet.

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

Police Report – James Gritz was absent, but he had submitted a written report which was included in the packet.

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

EDA Report

Julie Gerber reported that the last EDA meeting was held on August 24. The EDA discussed the Sugar Creek Woodworking matter. The online auction of the equipment was underway, with an ending date coming up on August 29th; at the time of the EDA meeting bids totaling about \$14,000 were already reported. EDA President Novak noted that as a public entity the EDA felt a public auction was the best way to dispose of the equipment rather than through private sales, as this gave all interested parties an opportunity to get items they wanted by open bidding. Novak reported that he made unsuccessful attempts to get in touch with Terry Stallman to discuss various items. A rent bill of \$1200 was received and a check prepared; however, the EDA decided not to pay that rent bill at this time and instead to enter into negotiations with the building owners concerning the rent bill, clean up expenses, utility bills, etc. The EDA then authorized President Novak to conduct those negotiations with the owners of Hometown Synergy LLC. The revolving loan fund balance totaled \$167,390.80, with \$143,818.29 as EDA share and \$23,572.52 as State of MN MIF funds. A member reported that local resident Kris Koll still intends to proceed with the purchase of a Country View lot for building a spec home for resale; however, no actual activity or paperwork has occurred to date on such a purchase. The EDA discussed an ad in the Fall Home Magazine. A guest at the meeting spoke up and opined that the EDA should not be sending its funds over to a Perham publication. He instead suggested that the EDA do something directly to promote the New York Mills Community in a publication it would put out, and he suggested it should model the publication that the City of Menahga has put out. EDA Consultant Mark Hanson then shared that he was familiar with the Menahga publication, which is actually a private venture not that of the City at all. He offered to bring more information and contact the group that did that publication at a future meeting. It was agreed that this could instead be directed at the C&C group. Hanson presented a draft of EDA Revolving Loan Fund guidelines. More work will be done on these and brought back to a future meeting. The contract with WCEDA for Hanson’s services was signed during the meeting. Hanson provided an update on the daycare project, noting that some funding for a Headstart

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program was being looked in to. He reported that plans are moving forward on the workforce housing project planned for the former Community Action building, with plans to start construction during October. Novak reported that Terry Stallman asked that the EDA discuss the City's billing policy for utilities which makes property owners responsible for utility billings. It was discussed that this is actually an Ordinance, not just a utility billing policy, for which only the City Council has authority to address. Cheri shared that staff had queried other cities on the League's listserve. 24 responses were received with all 24 cities reporting policies/practices the same as that of New York Mills. The only City that staff is aware of that does not make the property owner responsible for its renters billings is the City of Perham. The next EDA meeting date was set for September 21.

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

Administration Report –Berry addressed the council next as Mattson was absent. Berry noted that there are a few step raises to be approved. She commented on the budget, and that the committee had worked hard and accomplished a good deal. In fact the debt levy can remain flat as it has for several years now. Further, debt servicing projections were reviewed and modified and there was room to adjust things in a way that created some capacity to take on debt for the Miller Street project without increasing the debt servicing levy as long as we structure those bonds appropriately. Berry also shared information about the meeting that she and Mayor Gerber had with Fire Chief Brasel and Relief Association Treasurer Matt Geiser. At some point a proposal will be presented for Council consideration and approval before anything is changed in the level of annual pension earned by our volunteer firefighters.

A motion was made by Hoaby and seconded by Roder to approve the pay step increases and the Administration report as presented. The motion carried without a dissenting vote.

Public Works Report – Kyle Mattson arrived at the meeting and addressed the Council. They had no questions concerning the items in his report. There was no discussion and no action needed.

A motion was made by Hoaby and seconded by Oakland to approve the Public Works 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 so the Public Forum was concluded.

Public Requests - NONE

Old Business - The engineering updates were deferred until later as the engineers will be arriving late.

Update on Nicholson Property – Dennis Happel addressed the City Council. He noted that the paperwork has been signed by the owners and now the City can sign them. The second half taxes are not yet paid and so the City will need to pay those. Now the City needs to decide how it will proceed on handling the property. Discussion ensued. Clerk Berry was instructed to draft letters to the adjacent property owners to determine the level of interest. Bids could be obtained or just interest indicated. Interested parties must be current on the City utilities and/or other items owed to the City. There will need to be a commitment or certainty that a party ultimately being granted ownership of the property will in fact remove the hazardous building and all hazardous materials located on the lot. A demolition permit addresses the pertinent information needed. The letter will advise adjacent property owners to merely stop by the City offices and talk with Clerk Berry as to what the process will be and the City's expectations if they were interested in acquiring the property.

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New Business

Preliminary 2017 Levy & Budget – Berry addressed the Council. She went over the levy and budget information, which was included on dropbox as a separate document. She began by explaining that the proposal being considered for setting the preliminary levy reflects a 5% increase over the 2016 levy, and was being recommended by herself and the budget committee. Berry then turned to the budget itself, focusing primarily on the general fund as it is dependant on the operating portion of the levy. Berry noted that the levy itself actually represents only about ¼ of the total funding for the general fund. With the overall proposed levy increase of 5%, the debt levy will be flat but the operating levy will show an increase of just over 8%. She commented that an 8% increase in this operating levy provides an overall increase to the general fund of about 2%, thus not creating much capacity for increases in general fund expenditures. Berry noted that the budget committee had discussed the need to look for ways to increase the other 75% of revenues supporting the general fund. She mentioned one example to look at in the future would be the franchise taxes on electric utilities, which could be raised from the current \$1 per month first meter only to something higher to generate more franchise tax revenues. Berry briefly covered the budgets in the remaining funds, and quickly wrapped up her comments as the engineers had arrived. She asked if there were questions, and none were forthcoming.

A motion was made by Hoaby and seconded by Maki to approve the preliminary 2017 levy of \$446,145, a 5% increase over 2016, and to approve the preliminary 2017 budget. The motion carried without a dissenting vote.

August 23, 2016 Letter from Minnesota Department of Health - Berry explained that this matter is for the council's information as this testing process is repeated each year with different properties. Mattson added comments that the annual process may be eliminated soon as we have had no serious issues. The testing is done on private water lines and any problems would be up to the property owner to fix. We choose properties from a list that the State sends us as to which ones to test. There is nothing further needed at this point.

Barn Donation – Upon receipt of a donation for the Barn, Resolution No. 09-13-2016b was presented for consideration:

CITY OF NEW YORK MILLS, MINNESOTA

RESOLUTION NO. 09-13-2016b

RESOLUTION ACKNOWLEDGING CASH DONATION TO THE CITY OF NEW YORK MILLS PARK BOARD FROM WARNER GARAGE DOOR, INC.

WHEREAS, the City of New York Mills has received a cash donation of \$250 from Warner Garage Door, Inc., for the Park Board for a new shelter to be constructed in the Sculpture Park, known as “The Barn”.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF NEW YORK MILLS, MINNESOTA THAT: the City Council of the City of New York Mills acknowledges and accepts the cash donation of \$250 from for the Park Board for “the Barn” shelter project at the Sculpture Park received from Warner Garage Door, Inc.

Adopted this 13th day of September, 2016, by the City Council of the City of New York Mills.

Julie L. Gerber, Mayor

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Darla Berry, City Clerk

A motion was made by Roder and seconded by Hoaby to approve Resolution No. 09-13-2016b as presented. The motion carried without a dissenting vote.

Lund Park Donations – Upon receipt of two donations for Lund Park, the Resolution No. 09-13-2016c was presented for consideration:

CITY OF NEW YORK MILLS, MINNESOTA

RESOLUTION NO. 09-13-2016c RESOLUTION ACKNOWLEDGING CASH DONATIONS TO THE CITY OF NEW YORK MILLS FOR LUND PARK SOFTBALL FIELD IMPROVEMENTS FROM THE NEW YORK MILLS LIONS CLUB and NEW YORK MILLS LIONS CONCESSIONS

WHEREAS, the City of New York Mills has received cash donations totaling \$12,000 from two accounts of the New York Mills Lions Club for improvements being made at the Lund Park Softball fields. The funds totaling \$12,000 were received from the New York Mills Concessions in the amount of \$10,000; and from the New York Mills Lions Club in the amount of \$2,000.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF NEW YORK MILLS, MINNESOTA THAT: the City Council of the City of New York Mills acknowledges and accepts the cash donations totaling of \$12,000 from the New York Mills Lions Club.

Adopted this 13th day of September, 2016, by the City Council of the City of New York Mills.

Julie L. Gerber, Mayor

Darla Berry, City Clerk

A motion was made by Oakland and seconded by Hoaby to approve Resolution No. 09-13-2016c as presented. The motion carried without a dissenting vote.

Old Business - Continued

Update on 2015/16 Utility Street Rehabilitation Project

Engineer Mike Weber addressed the Council. He noted that the project is mostly complete, with a few small items from the punch list remaining. Also, the final paving on the areas paved this year was not yet done. We received word that it will likely be done this fall rather than next spring. The City Council now needs to hold the Special Assessment hearing on the project. The following resolution was presented for consideration:

RESOLUTION NO. 09-13-2016a

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A Resolution for Hearing on Proposed Assessments for the 2015 Street and Utility Rehabilitation Project for Portions of Nowell Street, Cornwell Avenue, Gilman Street, Main Avenue, Tousley Avenue, and the Downtown Alleys

WHEREAS, the City Council has ordered improvements to the road surface, curbs, gutters, sidewalks, and underground water and sewer lines along the project area streets as follows:

- Nowell Street: Walker Avenue to Main Avenue
- Cornwell Avenue: Park Street to Centennial 84 Drive (CSAH 84)
- Gilman Street: Walker Avenue to 150-east of Smith Avenue
- Main Avenue: Gilman Street to Centennial 84 Drive (CSAH 84)
- Tousley Avenue: Gilman Street to Centennial 84 Drive (CSAH 84)
- Downtown Alley (north of Centennial 84 Drive): Walker Avenue to Broadway Avenue (CSAH 67)

WHEREAS, the City Council is required to hold a public hearing regarding the proposed assessments resulting from said improvements,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF NEW YORK MILLS, MINNESOTA:

1. A hearing shall be held on October 18, 2016, in the City Hall Council Chambers at 6:00 p.m. to pass upon such proposed assessment and at such time and place all persons owning property affected by such improvement will be given an opportunity to be heard with reference to such assessment.
2. The City Clerk is hereby directed to cause a notice of the hearing on the proposed assessment to be published once in the official newspaper at least two weeks prior to the hearing, and she shall state in the notice the total cost of the improvement. She shall also cause mailed notice to be given to the owner of each parcel described in the assessment roll not less than two weeks prior to the hearing.
3. The owner of any property so assessed may, at any time prior to certification of the assessment to the County Auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the City of New York Mills, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of the assessment. The owner may at any time thereafter, pay to the City of New York Mills the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before November 15 or interest will be charged through December 31 of the succeeding year, at the rate of 3.0 percent per annum. Assessments shall be payable in equal semi-annual installments extending over a period of twenty (20) years.
4. Adopted by the City Council this 13th Day of September, 2016.

City Clerk, Darla Berry

Mayor, Julie L. Gerber

A motion was made by Hoaby and seconded by Roder to approve Resolution No. 09-13-2016a as presented and setting the date and time for the hearing to be Tuesday, October 18, 2016, at 6:00 p.m. The motion carried without a dissenting vote.

Discussion ensued about the nearly completed project. Hoaby asked whether the Council should consider any reduction in the assessments for the relatively large lots along Cornwell Avenue. Berry shared knowledge as to street projects which offered no concessions on large lots. She pulled out the assessment rolls and found examples of lots of

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200', 215', and 250' where no reductions were made. Discussion then was shared on how corner lots are assessed. Corner lots are assessed for the front side at the full assessment amount, but the side lot is assessed at 50% of the regular assessment for a length of no more than 150'. Discussion ensued. Various options were discussed, including making no decision at this time and waiting for public feedback up to making reductions for lots in excess of some specific length.

A motion was made by Hoaby and seconded by Roder for the 2015 Utility Street Rehabilitation Project that for residential lots with frontage in excess of 250', the frontage of greater than 250', up to 150' of such frontage, shall be treated like a side lot with a 50% reduction in assessments. Also, no assessments will be made on sidewalks as with past practices. The motion carried without a dissenting vote.

Berry asked Engineers Berube and Weber as to when in the process the City Council would need to decide on the assessment terms. They indicated that needs to be decided at this time. Berry recommended assessment terms of 20 years with a 3% interest rate. She explained that generally the City looks to its funding costs for the project in determining the terms, and she noted that 150 to 200 basis points over the funding costs is generally acceptable. She indicated that the funding costs of this project would fall somewhere between 1.25% and 1.50%, and thus she recommends an interest rate of 3% for the assessments.

A motion was made by Hoaby and seconded by Maki to set the special assessment terms at 3% for 20 years. The motion carried without a dissenting vote.

Proposed 2017 Miller Street Project

The engineers passed around a Preliminary Engineering Report – Revised September 2016 – for the Miller Street project. They briefly went over the appendix diagrams showing utilities being removed and replaced or installed. They noted that with regard to the storm water lift station, they used the mid-range option for having two submersible pumps as the alternative on which costs estimates were developed for this project. Appendices showed two basic designs, one with a sidewalk on the south side with full curbs, the other with on-street pedestrian lanes on both sides and using the “drive-over” type of curbs. They noted that for purposes of determining the City share versus assessed share of street costs, they decreased the assessment share from 75% and upped the City share to 45%, with the justification that this street requires a great deal of soil replacement which drives up the cost to a much higher level than a typical street reconstruct would need. Thus they opined this was a more fair way to split the City share versus assessed share due to these higher costs. The next step for Miller Street is to hold a Public Hearing after which the Council would then consider the comments received in deciding which street redesign to pursue or even to develop a hybrid solution.

At this point Resolution No. 09-13-2016 was presented for consideration:

**RESOLUTION NO. 09-13-2016
RESOLUTION ADOPTING THE PRELIMINARY ENGINEERING
REPORT
FOR THE MILLER STREET – STREET AND STORMWATER IMPROVEMENTS
NEW YORK MILLS, MINNESOTA**

WHEREAS, pursuant to Resolution No. 08-11-2016 adopted on August 11, 2016, a report has been prepared by Apex Engineering Group with reference to the proposed street, stormwater, and drainage improvements to Miller Street between CSAH 67 and Walker Avenue, and this report was received by the council on September 13, 2016.

WHEREAS, the report provides information regarding whether the proposed project is necessary, cost effective and feasible; whether it should best be made as proposed or in connection with some other improvement; the estimated cost

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of the improvement as recommended; and a description of the methodology used to calculate individual assessments for affected parcels.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of New York Mills, Minnesota:

1. The Council will consider the improvement of such streets in accordance with the report and the assessment of abutting property for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Chapter 429.
2. A public shall be held on such proposed improvement on the 11th day of October, 2016, in the council chambers of the city hall at 6:00 p.m. and the clerk shall give mailed and published notice of such hearing and improvement as required by law.

Adopted by the City Council on this 13th day September 2016.

Julie L. Gerber, Mayor

ATTEST:

Darla Berry, City Clerk

A motion was made by Hoaby and seconded by Maki to approve Resolution No. 09-13-2016 as presented accepting the Preliminary Engineering Report and calling for a Public Hearing on the Miller Street Project to be held on Tuesday, October 11, 2016, at 6:00 p.m. The motion carried without a dissenting vote.

Future Meeting Dates –The regular meetings are scheduled for Tuesday, October 11, 2016, at 5:00 p.m., and for Tuesday, November 15, 2016, at 4:30 p.m.

Payment of Claims -- Mayor Gerber noted the bills are as in the packet with no additional items noted.

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

Financial Reports – There was no discussion.

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

Adjournment

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

The meeting was adjourned at 6:57 p.m.

Respectfully submitted by,



Darla Berry
City Clerk

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