

**NEW YORK MILLS CITY COUNCIL
REGULAR MEETING
February 11, 2014
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 4:37 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, Schik, and Hoaby

Members Absent None

Staff Present City Clerk Darla Berry, Administrative Assistant Jenny Geiser, Police Chief James Van Schaick, Liquor Store Manager Kim Hoban, Public Works Director Roger Salo.

Guests Present NYM Dispatch Reporter Connie Vandermay, Jade Berube of Apex Engineering.

Call to Order The meeting was called to order at 4:37 p.m. A quorum was present.

Approval of Minutes A motion to approve the Minutes from the January 14, 2014, regular meeting was made by Schik and seconded by Roder. The motion carried without a dissenting vote.

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

- a. League of MN Cities Award Programs
- b. EOT County Ag Society Request
- c. Invitation to Attend March 13 2014 CAER Pipeline Safety Program

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

Department Reports

Liquor Store Report – Kim referred to her written report. She compared the earnings for January 2014 to those for January 2013, reflect a net decline due to similar revenues but higher expense. Year to date reflects earnings slightly above a break even point at just over \$1,000. Kim noted that first quarter is always a very slow time. Kim noted that she'd done a little research since the January meeting to explore alternative ways to provide additional food choices. Most of the comparable oven baked set ups would run in the same ballpark costs as the one presented last month, from about \$6500 to \$6753 for the start up costs. She discussed alternatives to an "oven baked" menu offering that would be more affordable, such as getting a commercial grade microwave, soup/crockpot set up, and the rotisserie style brats/hot dog servers. Some discussion ensued about those options what type of food managers license would be required, and also what modifications would be needed to convert part of the bar to a food service area under Department of Health requirements.

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

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Fire Department Report – A written report was in the packet for review. Clerk Berry noted that she and Mayor Gerber had attended the Fire Department annual meeting with the townships last week. At that meeting, the townships passed a motion to match the increase in the capital set aside to \$20,000 per year, which the City Council approved at the January meeting to begin in 2015. Also, Berry and Fire Chief Brasel have been working together on a grant for a south side fire hall and also for funds to help pay for the pumper-tanker which is on order.

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

Public Forum

At 5:00 p.m., Mayor Gerber asked whether anyone present wished to address the council. No one present spoke. The Public Forum was closed at 5:01 p.m.

Public Requests – none.

Department Reports - Continued

Police Report – Chief Van Schaick addressed the Council. Jim referred to his written report. He noted that he has just completed two weeks of DARE training. He mentioned a recent call that the County assisted with. Several department officers had recently completed some training on new E' type changes – E-ticketing, E-charging, etc. There were 166 calls for service, which is a bit overstated as Jim recently learned that the system logs all emergency calls that are for in-town events into the police system, even when it is Fire Department/EMS/Ambulances that respond and not the police department at all. At Deer Creek, we were close to our 40 hour commitment. He provided an update on the League of MN Cities Insurance Trust directives in their recent safety review. He noted that a non-slip mat has now been installed at the OT County Garage where the police vehicles are parked. Shoe spikes may not be used as there are some issues with those. Jim is working with the school about getting a wellness program going for his officers during hours that the school fitness center is not open. DARE classes will begin shortly.

A motion was made by Roder and seconded by Maki to approve the Police Report. The motion carried without any dissenting vote.

Utilities Report – Roger Salo addressed the Council. He referred to his written report. He noted that the frost was down 7 feet when they dug down to dethaw the service line at the credit union. The department is instructing residents and businesses to consider running their water to avoid freeze up of service lines. Salo reported that the 4-wheeler was purchased and has been used a few times. With respect to item 3, Roger explained the sewer lift station maintenance/service agreements. He recommended we contract with the N.D. Sewage Lift company, as they had the best deal. Also, regarding item 5, Roger asked that we approved the \$14,500 bid by Northwoods Electric for the new electronic controls for the water department. This is the matter Roger discussed during the January meeting. HE will be deferring the budgeted \$45,000 sand filter project in lieu of this matter, which is more pressing. We can use those funds and then budgeted the sand filter project the following year instead.

A motion was made by Hoaby and seconded by Roder to approve the service contract with N.D. Sewage Lift for a three year contract at \$725 per year. The motion carried without a dissenting vote.

A motion was made by Roder and seconded by Schik to approve the quote from Northwoods Electric of \$14,500 for the new electronic control system for the water department. The motion carried without a dissenting vote.

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Roger noted that item 6 provides some bids on a new tractor. He asked that this matter be tabled for now, as he is having concerns about having the City spend this much money. He was going to think this over some more. He talked it over with Neil and Dave, and they are thinking that maybe a front end loader may be useful instead of a tractor, and perhaps we could continue to do the needed maintenance and not buy a new tractor just yet. Front end loaders can be pricey also, he checked into costs at a used dealer from St. Charles, MN, and found that you can spend up to \$50,000 for one of these. Anyway, he'd like this matter deferred for a while. He did mention that he had found out that there is a National Joint Powers Alliance that is kind of a national group, and we can get quotes through that group on tractors and other equipment, and that may be a good thing to join. Council Member Schik noted that the quotes mentioned PTO speeds but not horsepower, and Schik questioned whether the tractors we had received the bids on would actually be a higher HP engine than the one we would be replacing. Schik noted that if that was the case, maybe we need to step down one level to match the bids to the horsepower we are replacing, since that was sufficient for our past needs. Roger noted that per item 7 Neil just returned from the pipeline corrosion school and it was very helpful. He said he would skip item 8, but did comment that Hammers is using a good deal of natural gas right now. Roger finally discussed his plans to retire during the first quarter of 2015. The council discussed briefly the timeframe for seeking a replacement. They asked Roger to put his firm plans in a letter of intention to resign/retire. He agreed to do so.

A motion was made by Hoaby and seconded by Maki to approve the Utility Report as presented. The motion carried without a dissenting vote.

Public Hearing – 2015 Street and Utility Reconstruction – at 5:30 p.m., Mayor Gerber announced that the regular meeting would be recessed so that the Public Hearing could proceed.

At 6:03 p.m., the Public Hearing was closed, and the regular City Council meeting resumed.

New Business – Council Approval of Facility Plan and Preliminary Engineering Report for the 2015 Street and Utility Reconstruction Project - The following resolution was presented for consideration:

**CITY OF NEW YORK MILLS,
MINNESOTA**

RESOLUTION NO. 02-11-2014

**RESOLUTION
ADOPTING THE FACILITY PLAN/PRELIMINARY ENGINEERING
REPORT
FOR THE 2015 STREET AND UTILITY RECONSTRUCTION
NEW YORK MILLS, MINNESOTA**

WHEREAS, pursuant to the Minutes of the City of New York Mills City Council Meeting dated January 14th, 2014 in which the City authorized Apex Engineering Group to complete a Facility Plan and Preliminary Engineering Report to review and assess various street and utility improvement areas for the proposed 2015 Street and Utility Reconstruction, New York Mills, Minnesota; and

WHEREAS, a public hearing was held on the 11th day of February 2014 to consider the making of improvements titled the 2015 Street and Utility Reconstruction; and

WHEREAS, the report provides information regarding whether the proposed project is necessary, cost effective and feasible.

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

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. The Council adopts the Facility Plan/Preliminary Engineering Report and directs staff to submit the appropriate information to the Minnesota Pollution Control Agency for review and the Public Facility Authority for funding.

Adopted by the City Council on this 11th day February 2014.

Mayor

ATTEST:

City Clerk

A motion was made by Hoaby and seconded by Roder to approve Resolution No. 02-11-2014 as presented. The motion carried without a dissenting vote.

Department Reports – Continued

EDA Report – Council Member/EDA Member Schik addressed the Council. He reported that the EDA met on January 21. The EDA voted to re-appoint Blaine Novak to a six year term, subject to the Council’s approval. Novak stepped in to fill the term of former Superintendent Todd Cameron, who moved to another community. That term ended at year end 2013. The EDA also discussed the possibility of hiring a consultant to do a Comprehensive Plan for the City in lieu of trying to have a local visioning group try to do this. In checking into that, it sounded like that process could cost from \$10,000 up to \$50-70,000 to have done. The group discussed further and decided to invite Chuck Johnson, Economic Development Director for the City of Perham, to come and speak to the EDA about the process. The group discussed recent City owned land sales, noting that there was no more land owned to sell now. The former site of Homestead Lumber at the corner of Main and Centennial was discussed. The lot is owned by BNSF but the City could purchase it. There was some thoughts that the City should get it appraised and approach BNSF with that information. Recent lot sales in town have been at prices far below the price BNSF gave us a few years ago. The EDA also discussed Country View and the Safe Routes to School grant application recently submitted by the City. The group discussed the idea of a south side fire station if a grant could be obtained. Also, area resident R. Ericksrud wants to get City gas to his property in Newton Township. The next meeting will be held on February 20.

A motion was made by Hoaby and seconded by Roder to approve the re-appointment of Blaine Novak to the EDA for a six year term, through December 31, 2020. The motion carried without a dissenting vote.

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

Zoning Report – Jason Schik noted that there had been a meeting in January but he had been unable to attend. Cheri had provided him with some information regarding that meeting. They heard an overview of the 2013 permits and the large project currently underway at Brunswick. Dave Neissen, a building official with the City of Perham, was a guest and talked to the group about the State building code. It was a good exchange and it gave those present a

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lot to think over. The Zoning group also heard about the EDA's ideas for a visionary group as this could involve zoning considerations also. Also some inquiries had been made about parking in the industrial park on streets, and that the heavy snow this winter has made the streets narrower.

A motion was made by Hoaby and seconded by Maki to approve the Zoning Report as presented. The motion carried without a dissenting vote.

Treasurer's Annual Summary – Berry noted that she didn't recall receiving a summary in prior years, but having received this one she decided to add it to the packet as well.

A motion was made by Hoaby and seconded by Roder to approve the Treasurer's Annual Summary. The motion carried without a dissenting vote.

Administration Report – Berry noted various items on her Administration Report. She asked that her vacation request for May be approved. She mentioned the capital projects reserve transfers were determined and made after consultation with Mayor Gerber, and she would go over them later on the Agenda. Berry then referred to the Natural Gas Market Update that she had put in the packet. She went over the information and noted that she receives this update daily. She explained the spiking gas prices lately, fueled by the severe temperatures being experienced all over the country this winter. She noted the table that shows the storage report showing trends in gas stockpiles. She also pointed to the table which provides a comparison of fuel costs for similar heat as measured by MMBtu, with propane and then fuel oil being much costlier than natural gas, while coal is lower cost. She noted that the City's costs for purchasing natural gas has been higher in recent months due to spot pricing for a good deal of our supply, this has caused our margin to drop. However, since the volume of sales is up this may offset the lower margin. Gas pricing for our customers is not be adjusted at this time.

A motion was made by Roder and seconded by Schik to approve the Administration Report as presented. The motion carried without a dissenting vote.

Old Business

2013 Related Transfers to Capital Projects Reserve Fund 412 – Berry referred the Council members to the handout. This table shows the "routine" depreciation transfers that had been anticipated and budgeted for. Then she referred to the actual transfers made after reviewing full year performance and ending cash balances. These "depreciation" related transfers were adjusted from the budget due to lower than projected cash in the sewer fund and higher cash in the gas fund. Basically the sewer transfers were reduced by \$10,000 and the gas transfers increased by \$10,000. Other transfers were identified and made from the general fund totaling \$30,000. There were some that were tied back to specific line items or departments where monies had been unspent and/or extra revenues had been generated, and those totaled \$16,000. The other \$14,000 was not specifically identified but were made based on the good performance overall of the general fund in 2013. The council had authorized at the January 2014 meeting for the clerk and mayor to go ahead and determine the exact transfer amounts.

Recommendations re: Nicholson Property form City Attorney Happel – Berry noted that Happel could not be present so he sent over some documents as included in the packet. The following resolution was presented for consideration:

CITY OF NEW YORK MILLS, MINNESOTA

RESOLUTION NO. 02-11-2014b

RESOLUTION DECLARING HAZARDOUS PROPERTY

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

WHEREAS, the City of New York Mills has upon multiple occasions over the course of several years been working towards bringing the property located at 227 South Main, aka the “Nicholson property”, into compliance with several City ordinances; and

WHEREAS, the owner of the “Nicholson property” has made some attempts to bring the property into compliance; however, those efforts have been insufficient to address all the noncompliance issues in a manner that has ensured continuing and ongoing compliance; and

WHEREAS, the City has expended considerable staff time and legal expenses in attempting to resolve this matter.

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 hereby declares that the buildings located on the Nicholson property, which are in various states of disrepair, are hereby declared to constitute hazardous property as defined in Minnesota Statutes §463.15, and therefore will proceed with the issuance of an Order to be addressed to Mr. Darrell Nicholson;

BE IT FURTHER RESOLVED THAT: the City Council of the City of New York Mills hereby authorizes City Clerk Berry to sign the Order and also directs and authorizes City Attorney Dennis Happel to proceed with the legal process by serving the Order on Mr. Nicholson and to commence the court action pursuant to Minnesota Statutes §463.17.

Adopted this 11th day of February, 2014, by the City Council of the City of New York Mills.

Julie L. Gerber, Mayor

Darla Berry, City Clerk

Roder asked about the claim that the property is historic. Some discussion ensued and it was noted that no documentation of historic status had ever been submitted, just repeated statements of its history. Such documentation, whenever received, could be considered at that time.

A motion was made by Hoaby and seconded by Maki to approve Resolution No. 02-11-2014b as presented. The motion carried without a dissenting vote.

2014 Appointments – Berry noted that the exhibit reflected those appointments made at the January meeting. She noted that earlier in the day, she had received word that the New York Mills Dispatch had become eligible to be an “official newspaper”, and so if the Council wished it could now designate it as the new “official newspaper” for the City of New York Mills. The listing in the packet noted this change, so action should be taken to affirm this.

A motion was made by Hoaby and seconded by Roder to approve the appointments as noted for 2014, and to include a change in the official newspaper to now designate the New York Mills Dispatch. The motion carried without a dissenting vote.

Police Committee Update – Berry noted that after the draft packets had gone out the Committee asked her to add this item to the agenda. After some questions came up about the role of the respective committees, they asked Berry to draft some “Committee Guidelines” for consideration by the Council. Berry drafted these committee guidelines

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just earlier today and those drafts are in the final packet. She noted that these have not been reviewed by anyone yet, but that she would ask City Attorney Dennis Happel to review them to ensure that no statutory powers of the Council as a whole are being delegated to committees, as we want to make sure that things are done in a manner that complies with State statutes. So, at this point they are for all to review and think about, and certainly modifications may be warranted and are welcomed. Adopting some kind of guidelines is a continuation of what we'd been working on when we undertook officially reviewing and approving all department head and staff job descriptions and conducting an annual review process.

Next Council Member Hoaby spoke. He noted that he felt there may be a lack of clarity on the mandate this year to reinstitute some call time scheduling by the police department. And to clarify, Hoaby noted that the department should be regularly covering 12 hours per week with call time, and that these 12 hours should be from the regular schedule as it had been done prior to this, and should not be replacing any county hours of coverage. He felt the council should make their expectations clear at this time. Roder commented that this also was the intent of the budget committee during the budget planning for calendar year 2014.

A motion was made by Hoaby and seconded by Roder to direct that the Police Call Time schedule should include 12 hours each week of call time in lieu of any regular scheduled coverage or on-duty time, and that those call hours should not be in place of any hours normally covered by the County. The motion carried without a dissenting vote.

Housing Study Grant Received/Consideration of Proposals – Berry noted that the \$10,000 grant towards the cost of a joint housing study for Perham and New York Mills was received. Two proposals were received, one from Community Partners Research, Inc., and the other from Maxfield Research, Inc. Berry noted that she and EDA President Larry Hodgson had met on Monday to go over the two proposals. Next, the two will travel to Perham for meeting with their staff on Thursday this week. At the current time, Hodgson and Berry favor the proposal by Community Partners Research, although it is the more costly proposal. Still, both are below the \$20,000 cost estimated in the grant applications. Hodgson and Berry would meet with Perham, and an agreement will need to be reached. Berry asked that the council approve the expenditure up to the more costly one for \$19,000. Also, she mentioned that the agreement with Perham to cost share at a rate of 40% to be paid by New York Mills and 60% by Perham should still hold. Berry noted that a decision on what City funds would then pay for our share of the cost should be decided. It was possible that the EDA funds of \$4,000 recently transferred to the Capital Projects Reserve Fund out of the 2013 budgeted dollars may be a source, or alternatively other sources could be used.

A motion was made by Hoaby and seconded by Roder to approve that the City of New York Mills together with the City of Perham enter into an agreement with either consultant so long as the net cost is shared at the previously agreed 40%-60% split, as decided with the City of Perham and our city representatives EDA President Hodgson and City Clerk Berry. This motion carried without a dissenting vote.

A motion was made by Hoaby and seconded by Schik that the \$4,000 from the EDA 2013 budget that was recently transferred to the Capital Projects Reserve Fund be allocated to pay the City's share for the housing study. The motion carried without a dissenting vote.

New Business

Cash Donation Received for Fire Department – Resolution No. 02-11-2014a – The following resolution was presented for consideration:

CITY OF NEW YORK MILLS, MINNESOTA

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

RESOLUTION NO. 02-11-2014a

**RESOLUTION ACKNOWLEDGING CASH DONATION TO NEW YORK MILLS FIRE DEPARTMENT
FROM OAKRIDGE HOMES OF BRAINERD, MINNESOTA**

WHEREAS, the City of New York Mills has received a donation from Oakridge Homes Sils, Inc., Brainerd, MN, for \$25.00 for the New York Mills Fire Department.

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 \$25.00 donation from Oakridge Homes Sils, Inc., of Brainerd, Minnesota.

BE IT FURTHER RESOLVED THAT: the City Council of the City of New York Mills expresses its thanks and appreciation for the \$25.00 donation made by Oakridge Homes Sils, Inc., of Brainerd, Minnesota, for use by the Fire Department.

Adopted this 11th day of February, 2014, by the City Council of the City of New York Mills.

Julie L. Gerber, Mayor

Darla Berry, City Clerk

A motion was made by Roder and seconded by Hoaby to approve Resolution No. 02-11-2014a as presented. The motion carried without a dissenting vote.

Question on Retirement Policy 20 – Berry explained that with Roger’s plans to retire early next year, he had asked for clarification on this Policy that allows that his accumulated sick pay can be used towards health insurance costs after retirement. Specifically it talks about the employee, but is somewhat vague as to whether it must be only his own coverage or whether it can be used to a family member who has also been on our policy on a continuous basis up through Roger’s retirement. After some discussion, there was a consensus that it could be used on coverage for an employee and/or his or her covered dependant(s) continuing coverage after retirement.

A motion was made by Hoaby and seconded by Roder to approve that clarifying language be added to Policy 20 as reached by consensus discussion to allow payments for continuing coverage of a dependant under a family plan. The motion carried without a dissenting vote.

Future Meeting Dates

The next Regular meetings will be held on Tuesday, March 11, 2014, and on Tuesday, April 8, 2014. Both meetings will commence at 4:30 p.m.

Payment of Claims

Mayor Gerber noted the claims were as included in the packet, and that two additional claims were presented. One is a payment to Creditor Services in the amount of \$110.49, while the other is a need to be able to pay for a water report that will be due to the DNR prior to the next regular meeting, with an anticipated fee of between \$200 and \$300 due at that time relating to the report.

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A motion was made by Maki and seconded by Roder to approve the payment of claims as presented as well as the additional two items. The motion carried without a dissenting vote.

Financial Reports – There was no discussion or questions concerning the financial reports.

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

Adjournment

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

The meeting was adjourned at 7:16 p.m.

Respectfully submitted by,

Darla Berry
City Clerk