

**NEW YORK MILLS CITY COUNCIL
REGULAR MEETING
March 10, 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 4:32 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 Administrative Assistant Jenny Geiser, Administrative Assistant Cheri Kopveiler, Public Works Director Kyle Mattson, Police Chief James Gritz, Liquor Store Manager Joan Koep, Fire Chief Ryan Brasel, Dave Delaney

Guests Present NYM Dispatch Reporter Connie Vandermay, EDA President Larry Hodgson, Kristina Nash, Jessica Gibble, Cal Anderson, Dave Fraki

Call to Order The meeting was called to order at 4:32 p.m. A quorum was present.

Updates/Consent Agenda – Mayor Gerber noted the updates and consent agenda items. Mayor Gerber said the options presented are good options to look at. Roder noted that Berry should look into City credit card options. Maki stated a lot of schools use PFM for their credit card company.

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

Department Reports

EDA Report – EDA president Larry Hodgson addressed the council. The EDA met on February 17th. The revolving loan fund balance was \$126,469.27, with \$104,696.96 being the local funds and \$21,772.51 as the MIF part. The group discussed a proposal from WCEDA to increase the support fee at renewal from \$5,000 to \$10,000. Hodgson went over the reasoning and stated Hanson would be in New York Mills 2 hours per week instead of one hour. The group will discuss it more at the next meeting. Economic Developer Mark Hanson attended the meeting and updated the EDA on current matters. He has been working with a business owner who is looking to buy a vacant building and put a business in it. There is also a silent manufacturing company looking for space. Hanson talked about the business retention program. There will need to be 5-6 volunteers to head up the program and 20 volunteers to do interviews with businesses. It will take about two months to set up a group. Hanson is also working on Maptour, a website with 360 degree panoramic video.

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

Liquor Store Report – Manager Joan Koep addressed the council. Interviews for Assistant Liquor Store Manager have been scheduled. Koep is close to finishing entering product into the new POS system. The liquor store committee will have passwords for the new system. Monthly reporting will be done going forward, Koep will have a financial

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update next month. Monthly inventory will be done in the liquor store. On-sale will be set up with its own inventory so there shouldn't have to be transfers from off-sale.

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

Fire Department Report – Chief Brasel addressed the Council. The pumper truck should be ready for delivery next month. There will be a shortfall of approximately \$23,000. The department proposed the City cover these shortfalls in 2015 which will be paid back in 2016. In the event the truck is completed and ready for delivery before the next council meeting Chief Brasel asked the council to approve a check issued to Heiman Inc. for the amount of \$192,123.00. The Fire Department Relief Association is 110% funded this year, it is usually around 90%. The fire department will be purchasing a new heart monitor.

A motion was made by Hoaby and seconded by Maki to approve the Fire Department Report, and the City paying the \$23,000 shortfall and being paid back in 2016 and to cut a check to Heiman for the new truck if it is done before the next council meeting. The motion carried without a dissenting vote.

Zoning Report – Jeff Oakland addressed the council. There will be a public hearing later in the meeting.

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

Public Forum – Mayor Gerber asked whether anyone present wished to address the Council. Jessica Gible asked for an update on the Nicholson Property. Dave Niesen's report stated the building is uninhabitable. There will be a court date scheduled in April. Dave Fraki asked when the street project will start. Mattson stated the project hasn't been bid out yet, so July is probably the earliest it would start. Fraki also asked about having a new service replacement. The project will include a new line to the curb stop and the homeowner is responsible for the rest.

Public Requests

Elders Home – Request for City Purchase of Building to obtain additional funding - **Handout**

Attorney for the Elders Home Kent Mattson joined the meeting via speaker phone. Mattson talked about the ECPN program which allows for more revenue to come into the nursing home for the same level of care. Mattson talked about the payment mechanism. The facility coordinates with local units of government to pay funds in the reimbursement mechanism. The early adopters of the program already had local government coordination in place. When the state reimburses nursing homes through the ECPN program there are extra funds. For every one dollar paid by local government, there is a one dollar match from federal funds. Mattson addressed what motivation a local government would have to enter into an agreement with the Elders Home. He gave the example of Parkers Prairie nursing home. It is a private operator and the city agreed to make the ECPN payment. The City already owned the nursing home. Some nursing homes pay the City in lieu of taxes. Mattson stated Cities would always get the money in advance. If the operator doesn't get paid, the ECPN payment doesn't get paid and they would only receive the regular payment. The extra payment amount would allow nursing homes to pay competitive wages.

EDA president Larry Hodgson asked how much money yearly the program would generate. Mattson stated it depends on the facility and levels of participation. Cal Anderson estimates it would generate \$350,000 per year in extra revenue for the Elders Home. Anderson said about 75% of the extra funding would be used to increase wages and 25% would be used for non labor costs, such as supplies. Hodgson asked if there are restrictions on what ECPN monies can be used for. Mattson said there are no restrictions, just additional revenue.

Mattson discussed the eligibility part of the ECPN program. Publicly owned and operated facilities can participate in ECPN. They would then have taxing authority to cover costs. Mattson talked about the Parkers Prairie nursing home.

It is privately operated but the facility is owned by a public entity so they can qualify for ECPN program. This is the type of arrangement the Elder's Home is looking for.

A quit claim deed would be given to the City. The City would then lease the facility to the Elder's Home as an operating lease. The Elders Home would be responsible for repair, utilities, etc. The City would hold the title for them to be eligible for the ECPN program. If the City or Elder's Home decide they want to terminate the arrangement, the quit claim deed would go from the City back to the Elder's Home. The deed could be held in a trust and at any time the deed can go back to the nursing home. If the Elder's Home can't financially make it, the deed would go back to the Elder's Home.

Hoaby asked if property taxes would be paid by the Elder's Home. The Elders Home is property tax exempt, but do pay assessments. The Elder's Home would continue to pay the mortgage, which is currently at \$300,000. Kyle Mattson asked who is liable if something happens to the building such as roof collapse, fire, etc. The City would not be liable if something happens to the building.

Roder asked about the Otter Tail County Proposal. Anderson said it started with two nursing homes in Fergus Falls going to the county to ask them to take ownership of their buildings so they could participate in the ECPN program. The County decided all nursing homes in the county should also have the opportunity to come to the meeting. It is in the very preliminary stages. Mattson and Anderson feel having the City involved is a better option because our leaders will be more vested in helping the nursing stay successful.

Anderson stated the Elder's Home needs to have an application to the State of Minnesota by June 30, 2015. If the council is inclined, his attorney would be happy to discuss legal issues with City Attorney Happel. Anderson said the State seems to be okay with this approach. He doesn't know about the Federal Government. Anderson shared an email from Marilyn Kaufenberg with the Nursing Facility Rates and Policy Department at the State of Minnesota stating if the City buys the building, the Elder's Home would be able to qualify for ECPN.

Gerber approved Ken Mattson to talk to Dennis Happel and the issue will be put on the April agenda.

Public Hearing at 5:40 p.m.

A zoning variance was approved for Kristna and Charles Nash at 206 Tousley Ave. S. to replace a garage on the existing foundation.

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

Police Report – James Gritz addressed the Council. He noted the squad car is in. Code 4 will be outfitting it and is hoping it will be ready in a week. He has gotten good feedback from his officers about switching from nights/days or days/nights sometimes. He has hired a new part-time employee, Bobby Berndt from Eagle Bend, who will be ready to start as soon as his final background check is done. Part time officer Stromme will be less available than before as he started a different job. Gritz is requesting approval of the purchase of a body camera. The body camera is \$900 and is very user friendly. There is money left over from the funds set aside for tasers.

A motion was made by Roder and seconded by Hoaby to approve the Police Report, including the purchase of a body cam and the new part time hire, pending psych evaluation results. The motion carried without any dissent.

Utilities Report – Kyle Mattson addressed the Council. Mattson and Delaney went to Rural Water training. Mattson is working on an OSHA safety grant. He is also working on an equipment inventory list. Mattson feels we should have a long term capital improvement project list. Apex is willing to help us with the Class D wastewater license. Mattson is also talking to other operators to see if they would be willing to let us use their license. They would need to spend about 1 hour per week in New York Mills. Mattson can test for the wastewater license in October. Mattson reported the county approved the City putting flashing lights on the 4 way stop on Centennial 84 Dr. and Walker Ave. as long as

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all four signs have lights. Mattson will purchase the lights and get reimbursed. Mattson went to a planning meeting for the Eagle Pride Wellness Area at the school. The Public Works department will help install the new scoreboard at Smith Park. Household Hazardous Waste Pickup day is September 11, 2015.

A motion was made by Hoaby and seconded by Oakland to approve the Utility report, and ability to pay Mattson for the stop sign lights if the bill comes before the next council meeting. The motion carried without a dissenting vote.

Administration Report –Berry was absent, the report was in the packet.

A motion was made by Roder and seconded by Hoaby to approve the step raises as noted, and the purchase of the new copy machine as requested, and the resignation of part-time bartender Rhonda Frazee-Matejka, as well as the administration report as presented. The motion carried without a dissenting vote.

Old Business

APEX Engineering for 2015 Project - Resolution No. 03-10-2015 and No. 03-10-2015a

A motion was made by Roder and seconded by Oakland to approve Resolution No. 03-10-2015. The motion carried without a dissenting vote.

A motion was made by Hoaby and seconded by Maki to approve Resolution No. 03-10-2015a. The motion carried without a dissenting vote.

Update/Status of Department Head Evaluations – Hoaby stated he would have them finished and handed in by Monday.

New Business- Citizen Complaints

Oakland stated he has had several people complain to him about Amish horses dumping on roads and not being cleaned up. He stated some other cities make them put bags on the horses. Oakland is wondering if we have an ordinance regarding this. Gerber will approach one family she knows and talk to them about the issue.

Future Meeting Dates – A special meeting will be held at 4:45 p.m. on Thursday, March 19, 2015. The next regular meetings will be held at 5:00 p.m. on Tuesday, April 14, 2015, and at 4:30 p.m. on Tuesday, May 12, 2015.

Payment of Claims - Mayor Gerber noted the bills in the Packet.

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

Financial Reports – Handouts

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

CLOSED SESSION – Department Head Performance Evaluation

Mayor Gerber noted that the meeting will be closed for a department head performance evaluation for Kyle Mattson. During the evaluation, the meeting will be closed to the public pursuant to Minn. Stat. §13D.05,

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subds. 1(d) & 3(a). At the Council's next open meeting, the Council will summarize its conclusions regarding the evaluation.

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Regular Meeting Re-opened at 7:18 p.m.

Adjournment

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

The meeting was adjourned at 7:18 p.m.

Respectfully submitted by,

Jenny Geiser
Administrative Assistant