

**NEW YORK MILLS CITY COUNCIL
REGULAR MEETING
April 12, 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 4:30 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, Oakland and Hoaby

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, City Treasurer Al Berube, City Attorney Dennis Happel, Apex Engineers Jade Berube and Michael Weber

Call to Order The meeting was called to order at 4:38 p.m. A quorum was present.

Approval of Final Agenda **A motion to approve the final agenda was made by Roder and seconded by Hoaby. The motion carried without a dissenting vote.**

Approval of Minutes **A motion to approve minutes from the March 8, 2016 regular meeting was made by Hoaby seconded by Roder. The motion carried without a dissenting vote.**

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

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

Department Reports

Police Report – Chief James Gritz addressed the Council. Gritz touched on items included in his written report. He asked that his vacation request for May be approved. He noted that Officer Rud had conducted some training for the department. He noted that the DARE graduation will be held on May 4. The department had finally received the grant for new computers, but there were still some details to work out before we will have them in lace. He has not gotten a firm delivery date on the new squad that is on order. Staff has done a good job on office and garage clean up. The department is working with property owners that need some clean up done. Policing in Deer Creek is going well.

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

Liquor Store Report - Manager Joan Koep addressed the council. She provided financial performance measures in her written report. Although it was a net loss for the month, the once a year large expense for the City's workers compensation policy was paid in March. Without this expense, there would have been a small profit reported. Our new point of sale system has really helped with tracking inventory and cash over/under amounts. The bar inventory and transfers being part of the point of sale has been a plus.

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

Library Report – Julie Adams had a conflict and could not attend. Clerk Berry summarized the text of an email outlining her request that the City provided some funding for rehab of the Library's public restrooms. Adams asked for an SCDP program income grant of up to \$1000 to help with the costs of installing new toilets and sinks as the plumbing has become a real issue. Berry explained that there is a bit more than \$10,000 available for grants, and that there had been some discussion of saving these funds for the new roof that the City Hall building will need in a few years; however, she also commented that allowing some of these funds towards the Library project would be a good use also. Berry proposed that she draft a resolution very similar to ones used on past SCDP grants to the library (roof and new furnace) and then forward the information to Wynne Consulting for their review and approval. Berry commented that she felt it would be approved. If the Council does not object, Berry can draft the Resolution and the Council can approve that Mayor Gerber and Clerk Berry can sign it.

A motion was made by Hoaby and seconded by Roder to grant up to \$1,000 in SCDP program income from fund 203 towards the Library project, subject to the review and approval by Wynne Consulting, and for Mayor Gerber and Clerk Berry being authorized to sign a resolution to that effect. The motion carried without a dissenting vote.

Fire Department Report – Chief Brasel's report was in the packet. It included the March call listing and also paperwork showing that the department was awarded a grant of \$10,000 from BNSF towards its purchase of the pumper/tanker acquired in April of 2015. It will be used to repay in part the loan from the City for that purchase.

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

Park Board Report – Betsy Roder reported that the Park Board had met on Monday, April 11, 2016. There will be a sign made and erected at the Playground in Country View. The group is involved in getting the flower planters placed around town and is working with the Civic and Commerce on this endeavor. Some maintenance is planned for the roof of the shelter in Central Park that will be coordinated with the Public Works staff and the NYM Lions Club. Also, \$100 was approved to fund the flower planter arrangement in Central Park. There will be some field work on the fields in Lund Park. The Board also approved an expenditure for new trees to be planted in Smith Park, as many of the mature trees there are nearing the end of life and replacement needs to start. A box will be acquired for storing agri-lime in the Park, to avoid damage of the current piles seeping into the ground and damaging the root systems of nearby trees. The Barn project was discussed and an amount of \$5,000 from Park Board funds was approved for this project. The Park Board also designated that Public Works Director Kyle Mattson will oversee the Barn progress and approve the bills on its behalf.

A motion was made by Hoaby and seconded by Oakland to approve the Park Board Report. The motion carried without a dissenting vote.

EDA Report – Mayor Gerber provided the EDA report, noting that the group met on March 16th at 8:30 a.m. There was discussion of the loans to Sugar Creek Woodworking/Patrick Kilby. The group agreed that proceeds any equipment sales will be credit over the next few months, and any remaining balance is due on July 1. Should these events occur, the interest from the date of the meeting through July 1 will be forgiven. The building is being acquired by a new group, with Terry Stallman being the representative. They will seek to take over the loan currently in the name of Kilby and his businesses; however, new loan paperwork will be done as the terms will be different than those on the existing loan. There was discussion on a request concerning the lien that the EDA holds on equipment for its loan to Canvas Works. Another lender that is providing some expansion funds to the business requested that the City subordinate its position on the equipment to this lender. After some discussion, EDA advisor Al Berube recommended that the EDA merely release its UCC filing as it also has a second position on the building that would be sufficient collateral for it to hold. The EDA agreed to do as Berube suggested. Gerber reported the balance of the revolving loan fund was \$162,575.71 with \$139,303.20 being EDA funds and the balance of \$23,272.51 being the State MIF funds. There was some discussion concerning the Economic Development Contract with WCEDA, which will be expiring in late April 2016. That contract specified 12 months of service for a fee of \$7500. Mark Hanson gave a report to the EDA on his recent activities. He noted that he has been working with the owner of the old Community Action building. There may be two interested buyers, and the owner has asked the EDA if it could provide any incentives. The EDA concluded that it has no incentives to offer. Hanson updated the group on the progress of the County in getting a daycare operation established in its building. Hanson attended a meeting of the Five Wings Arts Council on some funding opportunities along with Betsy Roder of the Cultural Center. He noted that the County wide Destination Guide would be out soon. The group was told that the annexation for Dollar General is proceeding. The new EDA meeting was scheduled for Wednesday, April 20, at 8:30 a.m.

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

Zoning Report – Jeff Oakland reported on behalf of the Zoning Committee. He noted items the group discussed. He asked Cheri to explain some information that the group had received from the League of MN Cities. Cheri noted that the ISO rating for our insurance is based on our not having a ladder truck for the fire department, and so the number of buildings in town exceeding a certain height could lower our rating, however, we are well within the limit for a satisfactory rating. Cheri explained the definitional meaning of an expansion where no physical expansion is taking place but a density related expansion occurs. Items that Oakland also touched on and Cheri provided further commentary on included chimney requirements for outdoor wood stoves; impervious surface restrictions and definitions relating to various types of pavers; and spacing of wood or other slats on decks in determining impervious surface implications. There was also a brief discussion by the group of the Dollar General project.

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

[Public Forum](#)

At about 5:00 [p.m., Mayor Gerber asked whether anyone present wished to address the council.](#) There was no response.

Public Requests – One request was received and is included in the packet. A Mr. Ron Heinonen submitted a request concerning a residence located at 218 South Tousley. Mr. Heinonen was not present at the meeting. Berry noted that Mr. Heinonen spoke with her and initially stated that he would purchase

the property, fix it up, and then flip it or use as rental housing. He felt it would be better for the City if he did this instead of letting it go up for tax forfeiture, which will be happening soon if he doesn't purchase it. She explained that the property does not come back to the City if it goes to tax forfeiture. He contacted Berry a few days later with the property address and reported to her that it would not really be worthwhile to fix it up as it has lots of structural issues; instead, he indicated that he would raze it and then build a new house on the lot. His request asks that the City forgive utility fees and/or mowing so that it can be more affordable to rehab. The Council discussed this matter. One comment was that this would set a precedent and many other similar requests may follow if we granted this one. Another comment was that it is not this person's property and clearly not his bill or obligation and so why would we forgive something that he is not responsible for. Another comment was that the mowing charges represented actual work, time, and equipment costs that the City had incurred. Further discussion ensued as to the meter charges, and one member asked why the City did not remove the meters five years ago when the house first became vacant. An answer to that comment was that City staff doesn't know how long a property will remain vacant. Mattson noted that pulling a meter generally means that meter sits and deteriorates once it is no longer in use; it has to be thrown out and this is a cost. Pulling meters every time a building becomes vacant is not really a good practice. Oakland noted that the fees assessed for utilities were not fair as there was no use while the property was vacant.

A motion was made by Hoaby and seconded by Roder to leave the utilities and mowing certifications in place with no reductions. Voting aye were Gerber, Maki, Roder, and Hoaby. Voting naye was Oakland. The motion carried.

Public Works Report – Kyle Mattson addressed the Council. He noted that he would only discuss the high points from his written report. First, he noted that some patching has been completed on Miller Street. Doing this made it very apparent that the condition of the street is worsening steadily and something major will need to be done to rebuild this street. Mattson has been dealing with the contractors for the Barn project to ensure that the project has proper oversight. He is finalizing the cubic yard estimates for the sand sealing that is planned for this season. The department had a booth at the recent C&C tradeshow. The annual Gopher State One Call excavators meeting was held recently here in the NYM Ballroom. The spring pre-construction meeting was held with the City engineers, Contractor R. L. Larson and numerous of the sub-contractors, and City staff. The project is getting underway. Mattson moved on to his requests for approval of the items contained in his written report. He explained those requests as noted in his report and responded to questions.

A motion was made by Hoaby and seconded by Oakland to approve the Public Works report; the purchase of the broom attachment from Mid-Central Equipment in Henning; the quote and agreement with North Dakota Sewage Pump for lift station maintenance; to make an offer to Allan Holtberg for a Maintenance II position at step 3 pay of \$18.24/hour; and to spend up to \$31,500 to purchase one or both trucks as presented or an alternative truck. The motion carried without a dissenting vote.

Administration Report – Berry addressed the council. She referred to the step raises listed in her report. She mentioned some of the highlights, noting that an extension to May 16 was obtained from OSA for the final audit report, and that it would be presented to the Council at the May 10 meeting. She noted her vacation request and some workshops recently attended by Berry and her staff. Berry also provided an overview of recent Fire Department funding matters and the plan for funding the purchase of the new police squad. This includes a request to make some transfers that were not already approved in the 2016 budget. The report also noted Berry's plan to replace the office laser jet printers soon. She noted the budget includes \$1,000 for this type of purchase. Berry reported on some work she is doing to update some policies, insurance matters, and City records. Berry reviewed all ordinances to clean up the book

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and determine if there are unsigned ordinances to deal with. She will have an update on this at the May meeting. She asked that a couple of council members assist her in reviewing old ordinances. Council Member Hoaby volunteered to help if it could be done after hours.

A motion was made by Hoaby and seconded by Roder to approve the Administration report, the step raises, the vacation request, the expenditure of up to \$1,000 for new laser jet printers, and the transfers to fund the new police squad, as presented in the written report. The motion carried without a dissenting vote.

Old Business

Summary of March 8, 2016, Closed Session – Mayor Gerber noted that a Closed Session was held at the March meeting for the performance evaluations of two department heads. She noted that both Mattson and Koep are very valuable employees and are doing a great job for the City. There was a good exchange with both as to goals and plans and noted it is good to get together and discuss their areas of responsibility with them.

Nicholson Property Update- Happel reported that he had not heard from Peloquin as to this matter. An individual did contact Happel's office with an interest in acquiring the logs from the building.

Update on 2015/16 Utility/Street Rehabilitation Project – Jade Berube and Michael Weber of Apex Engineering addressed the Council. Mike handed out an agenda relating to the plans for work this spring. He talked over the work plan noting those areas being torn up in the next weeks. There is a need for the City to start the process to achieve the turnback of CSAH 94-Main Street. The Council discussed the possible payment request that would go with the request. Next the engineers presented the letter from general contract RL Larson requesting relief from the penalties and liquidated damages assess to date on the project, including \$12,000 for missing the 45 day milestone; \$43,500 for failure to substantially complete the work by the October 15 and November 1 deadlines; and \$18,000 of monetary deductions for bituminous failures.

A motion was made by Hoaby and seconded by Roder to draft a response letter to RL Larson noting a reduction by \$20,000 from the \$73,500 in penalties. The motion carried without a dissenting vote.

The engineers continued with a project update. They noted that the Council needs to take action on the proposed angle parking to be added on Gilman near the football field. They noted that there have been some reductions in costs on the project, and so it is coming in somewhat below budget now. The angle parking will add about \$18,000 in costs.

A motion was made by Maki and seconded by Hoaby to authorize the inclusion of angle parking on Gilman at a cost estimated at \$18,000. The motion carried without a dissenting vote.

Next, the engineers explained that the City parking lot behind City Hall was in need of additional improvements beyond those originally planned for this project. The lot is in poor condition overall, with the original project scope only addressing some of the draining issues. The engineers are recommending a more comprehensive reconstruction of the entire lot. At the present, they believe this could add another \$50,000 to the project costs; however, they asked that the Council authorize them to develop a more precise set of plans and estimated costs to bring back to the May meeting for approval at that time on this. After some discussion the Council agreed that the engineers should proceed as proposed and bring back a more complete estimate to the May meeting. The engineers did provide a handout showing what the various change orders along with the penalty assessments and likely turnback proceeds would mean for

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the overall project costs. Berry noted the presentation was very helpful. Council Member Hoaby thanked the engineers for the excellent way of presenting these matters to the Council. The Council was asked to consider Resolution No. 04-12-2016b:

**CITY OF NEW YORK MILLS,
MINNESOTA**

RESOLUTION NO. 04-12-2016b

**RESOLUTION WAIVING SEASONAL LOAD RESTRICTIONS ON CITY ROADWAYS TO
GENERAL CONTRACTOR R.L. LARSON EXCAVATING AND ITS SUB-CONTRACTORS**

WHEREAS, the City of New York Mills has contracted with RL Larson Excavating (Contractor) for various street and utility improvements throughout the City.

WHEREAS, earlier than typical spring conditions exist and are providing the Contractor the opportunity to commence construction activities, including hauling of equipment and materials, at an earlier than typical date.

WHEREAS, the Contractor has requested to start construction activities on or about April 12, 2016, prior to the removal of season load restrictions on the City streets.

WHEREAS, the City can benefit by commencing the work at such time.

WHEREAS, the City believes that locally most of the frost in roadways is substantially subsided, and the risk to damage of the City streets is minimal.

NOW, THEREFORE, BE IT RESOLVED that the City of New York Mills waives seasonal load restrictions for the Contractor and subcontractors in connection with any activities related to the ongoing street and utility project.

Adopted this 12th day of April, 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 Roder and seconded by Hoaby to approve Resolution No. 04-12-2016b as presented. The motion carried without a dissenting vote.

Update on DNR Grant Proposal – As a result of requests made at the March meeting, the grant writer had approached the School Board asking that the City’s request be addressed. As a result, the School District considered the adoption of a Memorandum of Understanding between the City and ISD 553 that would serve to satisfy the funding concerns of both parties. After the school board’s action, Mayor Gerber then determined the City would sign the resolution passed at the March 2016 Council Meeting that would allow the grant process to move forward. The grant application was submitted to the DNR by the

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end of March deadline. The City now should consider its willingness to enter into the MOU with the school district.

A motion was made by Hoaby and seconded by Roder to adopt the Memorandum of Understanding as proposed by ISD 553. The motion carried without a dissenting vote.

New Business

NYMills Municipal Utilities Policies dated June 14, 2011 – The council discussed the adopted policy. Council Member Oakland noted that he disagrees with the Policy, with charging people for a service when they are not using it. He noted that it seems the rest of the Council members agree with the policy. Discussion noted the impact on the budget and the need to charge rates that cover costs incurred. If one fee is eliminated something else has to be adjusted to replace the revenues, such as higher rates for all customers. Hoaby asked whether there should be some written notification given to affected utility customers. Staff noted that once someone is shut off they are told about the policy if they actually stop in the office; however, they would be aware that they are still receiving monthly bills and they can then seek out the information if they were not aware of it. Staff generally explains it to those customers that actually make contact with City staff during the shut off process. Public Works Director Mattson noted that an annual mailing he makes as part of our public awareness program could include a summary of the utility billing policy. This will be incorporated going forward. Discussion ensued of the minimum charges made for meters and maintenance when utilities are shut off. Mattson noted that removing meters is not cost effective as once they are removed they basically deteriorate and must be thrown out; this is a big expense to incur. Leaving meters connected helps keep them sealed from the elements so that deterioration does not occur. Oakland opined it was a waste of time to discuss it any further.

Donation from NYM Lions to Legried Community Pool – The following resolution was presented for consideration:

CITY OF NEW YORK MILLS, MINNESOTA

RESOLUTION NO. 04-12-2016

RESOLUTION ACKNOWLEDGING CASH DONATION TO THE CITY OF NEW YORK MILLS FOR LEGRIED COMMUNITY POOL FROM THE NEW YORK MILLS LIONS CLUB

WHEREAS, the City of New York Mills has received a cash donation of \$2,500 for upgrades and maintenance of the Legried Community Pool.

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 on behalf of the Legried Community Pool acknowledges and accepts the cash donation of \$2,500 from the New York Mills Lions Club.

Adopted this 12th day of April, 2016, by the City Council of the City of New York Mills.

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Julie L. Gerber, Mayor

Darla Berry, City Clerk

A motion was made by Hoaby and seconded by Maki to approve Resolution No. 4-12-2016 as presented. The motion carried without a dissenting vote.

Donation from Robert Sonnenberg to the New York Mills Park Board for the Barn – The following resolution was presented for consideration:

**CITY OF NEW YORK MILLS,
MINNESOTA**

RESOLUTION NO. 04-12-2016a

**RESOLUTION ACKNOWLEDGING CASH DONATION TO THE CITY OF NEW YORK
MILLS PARK BOARD FROM ROBERT SONNENBERG**

WHEREAS, the City of New York Mills has received a cash donation of \$5,000 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 \$5,000 from Robert Sonnenberg for the Park Board for “the Barn” shelter project at the Sculpture Park.

Adopted this 12th day of April, 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 Hoaby and seconded by Roder to approve Resolution No. 4-12-2016a as presented. The motion carried without a dissenting vote.

Park Board Sign for Playground – Berry noted that the Park Board was planning to erect a sign at the new playground, but that there was never a formal process to name the playground and two casual names were both being used by various community members. The Council should assign an official name so that the sign can be made up. The following resolution was presented for consideration:

**CITY OF NEW YORK MILLS,
MINNESOTA**

RESOLUTION NO. 04-12-2016c

RESOLUTION TO ADOPT OFFICIAL PLAYGROUND NAME

WHEREAS, the City of New York Mills, as a joint effort with the Park Board and the EDA, decided to set aside the Country View residential lot known as Block 3, Lot 6, for use as a neighborhood playground; and

WHEREAS, the Park Board, the New York Mills Lions, and other community members and volunteers worked together to raise donations and volunteers to make the new playground a reality; and

WHEREAS, after two or more years of effort, the first Phase of the new playground was completed during the summer of 2014; and

WHEREAS, there became a practice during this time frame of referring to the new playground both as the Country View Playground and as the Northside Playground; and

WHEREAS, the Park Board now plans to have a new sign erected this summer and the naming inconsistency was identified; and

NOW, THEREFORE, BE IT RESOLVED that the City of New York Mills by action of the City Council hereby establishes the official name of the subject playground as the Country View Playground.

Adopted this 12th day of April, 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 Hoaby and seconded by Oakland to establish the official name of the playground as the Country View Playground and to approve Resolution No. 4-12-2016a with the name so indicated therein. The motion carried without a dissenting vote.

(Note, the resolution as presented in the original packet reflected the name as: “the Country View Playground -OR- as the Northside Playground (choose one).” That language was removed and replaced in the above presentation).

Ballroom Projector Proposal – Berry referred to the write up included on page 32 of the packet. Some discussion ensued about the possibility of having a donation from Brunswick and also seeking a donation from the New York Mills Lions. It was agreed that the project should proceed and that Berry should explore both funding options later. Some consensus was that a \$500 donation from Brunswick could give them free use for a specified time frame, perhaps one year, which could be a lower pricing option for them than if they just pay the daily \$75/\$25 consecutive days fees. Berry should negotiate this matter directly with staff of Brunswick.

A motion was made by Hoaby and seconded by Maki authorizing the \$2,200 expenditure to proceed with the projector project in the City Hall Ballroom. The motion carried without a dissenting vote.

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Revision of City's Policy on Petty Cash Funds – Berry noted that there had been some staffing changes since the current policy was adopted; also, the petty cash fund amount in the Liquor Store had been changed. Maki suggested listing the titles/positions rather than the names of the individuals. That change will be made.

A motion was made by Hoaby and seconded by Roder to adopt the revised Policy as presented except that the specific employee names will be removed in favor of the official titles of those positions will be inserted in place of those names. The motion carried without a dissenting vote.

Future Meeting Dates –The regular meetings are scheduled for Tuesday, May 10, 2016, at 4:30 p.m. and Tuesday, June 14, 2016, at 4:30 p.m.

Payment of Claims -- Mayor Gerber noted that the bills are as in the packet, with two additional bills being presented for payment. One is a payment to R.L. Larson in the amount of \$177,694.72, and the other is a refund of a hall deposit in the amount of \$150.

A motion was made by Hoaby and seconded by Maki to approve the payment of bills along with the two additional ones as noted. The motion carried without a dissenting vote.

Financial Reports

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

The meeting was adjourned at 7:23 p.m.

Respectfully submitted by,

Darla Berry
City Clerk