

**NEW YORK MILLS CITY COUNCIL  
REGULAR MEETING  
April 14, 2015  
5:00 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 5:00 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 Cheri Kopveiler, Fire Chief Ryan Brasel, Police Chief James Gritz, Liquor Store Manager Joan Koep, Liquor Store Assistant Manager Angie Brasel

**Guests Present** NYM Dispatch Reporter Connie Vandermay, City Treasurer Al Berube, Mark Hanson, Jade Berube, Kim Hoban

**Call to Order** The meeting was called to order at 5:00 p.m. A quorum was present.

**Approval of Minutes** A motion to approve the Minutes from the March 10, 2015 regular meeting and the February 17, 2015 and March 19, 2015 Special Meetings was made by Hoaby and seconded by Roder. The motion carried without a dissenting vote.

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

- a. April 2, 2015, Letter from Cultural Center – **Handout**
- b. April 2, 2015, Letter from APEX to MPCA- **Handout**

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

**Department Reports**

**EDA Report-** EDA President Larry Hodgson reported that the EDA met on March 24 at 8:30 a.m. at the Library. There was a quorum present. The group considered a \$75,000 loan request from Bill Warner to fund his purchase of the Sugar Creek Woodworking building. Some discussion ensued about the EDA approving a loan for something that is clearly not a “gap” funding loan. The group agreed that some equity contribution should be required. They thanked Warner for his presentation and deferred action until later in the meeting. Hodgson noted that at the meeting all active loans were current but ½ of a annual payment due on one loan was in arrears with payment expected in the next 60 days. The Revolving Loan Fund balance totaled \$131,608.61 with \$109,836.10 in local funds and \$21,772.51 in the MIF loan pool. At this meeting, Cal Anderson from the Elders’ Home had addressed the EDA to provide an overview of the proposal for the City to own the building. A motion was made by Amy Sobieski and seconded by Josh Hoaby that the EDA make this recommendation to the council to proceed with this matter. The motion carried without a dissenting vote. Economic Developer Mark Hanson provided the EDA with an overview of the status of the Otter Tail County Tourism group. He noted that a soft launch of the new website would be made on April 15. Hanson informed the group that he is working with a client that is interested in the Creamery Building as a site to expand their manufacturing business. He explained that if this client decides to move forward he would be bringing them to the

EDA to obtain some EDA funding. The contract renewal with WCEDA was discussed. The initial year the fee was \$5,000. Hanson asked for \$10,000 with this renewal. The group agreed to split this and pay \$7,500 for the next 12 months. The Canvas Works loan has a balloon payment due. The borrower has asked that the EDA extend the loan for another 5 years with the same terms. The group agreed to extend this loan as requested. The Warner loan was again discussed. A loan of \$65,000 was agreed to with the building to secure the loan with a first position held by the EDA. Terms were 3.25% interest with payments based on a 15 year amortization with a balloon payment due in 5 years. The next EDA meeting was scheduled for Tuesday, April 21, at 8:30 a.m. The meeting was adjourned at 10:03 a.m.

**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** – Consultant Mark Hanson addressed the Council. He noted that he would like to present a final report, however, at this time due to the changes in the Point of Sale System and management it would be better to do so at a later date. He suggested that he would come back in six months and will take a look at things then and do a final report. He stated that he would do this at no additional charge. This will be in September or October. Clerk Berry then referred to the liquor store financials, with a written report in this regard included in the packet. Berry reported on the highlights of the analysis. Next, Liquor Store Manager Koep addressed the Council. She first took a moment to thank all those involved in helping with this transition, including the liquor store committee, staff in the Clerk’s office, Mike Pederson, Josh Hoaby, and Angie Brasel for all the extra help they’ve provided. She commented on how this transition has been so much more work than had been anticipated, with checking that all data has been entered correctly and that the checks and balances are working as designed. There has been a huge learning curve but the payoff will be the great data we can access. Joan reported that she is continuing to work on Liquor Store Policies and Procedures, along with opening and closing procedures, and also an emergency evacuation plan. She would like to have a built-in liquor cabinet installed where the old doorway was between on and off sale. There is more training of all staff now to ensure that inventory management is understood by all staff. Angie Brasel also addressed the Council. She commented on looking ahead to the Lund Mania event, noting how very hectic it will be. She suggested the hiring of contract servers for that event. This was discussed and Angie was thanked for looking ahead in this manner. It was suggested to Joan that she should get several bids on the liquor store cabinet she mentioned.

**A motion was made by Oakland and seconded by Roder to approve the new hires and staff changes, to get quotes on the liquor cabinet, and the approve the Liquor Store report. The motion carried without a dissenting vote.**

**Fire Department Report** – Chief Brasel addressed the Council. His report was included in the packet. He noted there was not much for calls. The old pumper is being advertised for sale. A donation was received from the Relief Association, as noted in the following resolution:

## **CITY OF NEW YORK MILLS, MINNESOTA**

### **RESOLUTION NO. 04-14-2015c**

#### **RESOLUTION ACKNOWLEDGING CASH DONATION TO NEW YORK MILLS FIRE DEPARTMENT FROM THE NEW YORK MILLS RELIEF ASSOCIATION**

**WHEREAS**, the City of New York Mills has received a cash donation from the New York Mills Relief Association for use by the New York Mills Fire Department towards the equipment to be installed for the new pumper-tanker. The donation is for \$4,101.90 cash.

**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 \$4,101.90 cash from the New York Mills Relief Association to be used by the Fire Department towards the equipment to be installed on the new pumper-tanker.

Adopted this 14th day of April 2015, by the City Council of the City of New York Mills.

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Julie Gerber, Mayor

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Darla Berry, City Clerk

**A motion was made by Hoaby and seconded by Maki to approve Resolution No. 04-14-2015c. The motion carried without a dissenting vote.**

**A motion was made by Hoaby and seconded by Oakland to approve sale of the old pumper upon approval by Fire Chief Ryan Brasel and Budget Committee members Roder and Gerber, and to approve the Fire Department report. The motion carried without a dissenting vote.**

**Zoning Report** – Cheri Kopveiler noted that there had been no recent Zoning meeting. She reported that Bill Warner had obtained a zoning permit for a new building/warehouse, and also permits were issued for two fencing projects.

**Public Forum**

At 5:40 p.m., Mayor Gerber asked whether anyone present wished to address the council. No one present responded, and the Public Forum was closed.

**Police Report** – James Gritz addressed the Council. He noted that the new part time officer is working out good. Officer Stromme has been less available as he started a new job elsewhere. He noted that we may need to hire another part time officer. He stated that he would meet with the Police Committee about this.

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

**Utilities Report** – Mattson’s report was included in the packet. He was away at a training event and thus not at the meeting. Berry noted that there were two items for discussion. The first is the proposed revised Utility Rate Schedule to implement conservation water and sewer rates. Berry noted that the DNR and State of Minnesota are requiring adoption now as we have funding applications pending for the 2015 Utility Street Rehabilitation Project. Second, Berry noted the need to adopt a Resolution to enable the City to impose lawn watering restrictions, another requirement of the DNR and State of Minnesota.

**A motion was made by Hoaby and seconded by Roder to adopt the new utility rate schedule as shown in the packet. The motion carried without a dissenting vote.**

The lawn watering restriction resolution was presented for consideration:

**CITY OF NEW YORK MILLS,  
MINNESOTA**

**RESOLUTION NO. 04-14-2015**

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**RESOLUTION ESTABLISHING LAWN WATERING RESTRICTIONS**

**WHEREAS**, the City of New York Mills Municipal Water Supply may reach critical levels due to summer peak usage, and

**WHEREAS**, a possibility of water shortage is made more critical by hot, dry weather conditions, and

**WHEREAS**, lack of adequate water pressure could cause serious fire protection problems, and

**WHEREAS**, it has been determined that a watering ban must be implemented in order to assure the safety and well being of citizens of the city.

**NOW, THEREFORE, BE IT RESOLVED** that the Mayor and Council of the City of New York Mills hereby establish restrictions for all city residents, township residents, commercial, and industry that use municipal water as follows, *when deemed necessary by the City of New York Mills or its designated staff*:

1. Residents with an odd number address shall water lawns or wash vehicles when necessary only on odd-numbered calendar days, and those with even number addresses shall water lawns or wash vehicles only on even-numbered days.
2. On those days, properties shall not water between the hours of 10:00 a.m. and 6:00 p.m.
3. An exception shall be granted for recently established lawns. Those lawns may be watered daily for up to one month after installation, but only during the hours listed above.
4. Municipal water customers who have been notified of the said restrictions, and who violate the watering ban, shall be fined \$50.00 on the first day and \$25.00 each additional day.
5. The violation ticket will be issued immediately.

Adopted by the Mayor and City Council for the City of New York Mills, on this day of April 14, 2015.

Attest:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Public Works Director

Some discussion ensued, and some language changes were suggested. The resolution as presented in these minutes reflects the changes discussed in italicized, bold text, added to the language that precedes it.

**A motion was made by Roder and seconded by Maki to approve Resolution No. 04-14-2015 with the addition of language that would specify that such restrictions would be implemented when deemed necessary by the City or its designated staff. The motion carried without a dissenting vote.**

There were some items in Kyle's report that need approval or review. Some matters in the report which Mattson wished feedback on were referred to the Public Works Committee, and it was agreed they would meet with Kyle in the next week to discuss those items.

**A motion was made by Hoaby and seconded by Oakland to proceed with the new SCADA upgrades, to approve the step raises, and to approve of the purchase of a trace wire locator without regard to the price differences of the three quotes and to instead base it on Mattson's choice as being the item he is most comfortable with, and to improve the utility report as presented. The motion carried without a dissenting vote.**

**Administration Report** – Berry addressed the council. She noted several items which needed approval. Discussion ensued about the city credit card matter, the upgrades needed at the Senior Center, and the various transfers needed for the Fire Department pumper-tanker purchase.

**A motion was made by Hoaby and seconded by Roder to approve the step raise listed in item #1, for the City to cover the \$631 expenses for an upgrade needed for the Senior Center Fire Suppression system for the kitchen hood listed in item #5, to table item #6 in order to get more information about that improvement, to make the transfers as detailed in item #12 relating to the Fire Department's acquisition of the new pumper-tanker, and to approve the Administration report as presented. The motion carried without a dissenting vote.**

#### **Old Business**

**Apex Engineering – Update on 2015 Utility Street Rehabilitation Project** – Jade Berube addressed the Council. He noted that all the needed applications have been submitted to the various State agencies, include the MPCA, the Department of Health, and the Public Facilities Authority, in order to secure the required permits and State funding for the project. The design is 99% complete, with the only part remaining that of the downtown area lighting improvements. Berube referenced design drawings that he passed around for Council review. He noted that the project now would include some drainage improvements on Miller Street to help with those drainage issues, but would not deal with any of the roadway issues. Also, the plans for colored concrete on Main Street have been dropped. Berube noted that the start date would likely be in August, and that phasing would be allowed which could push part or most of the project into 2016. The water main repair needs to be done in 2015. There is a 45-day window for completing the downtown area improvements. Each contractor will submit their desired time frames for phasing in their bid. APEX now believes that bids may come in below estimates based on other project bids this season as most are coming in favorably. The following Resolution approving the plans and specifications and authorizing that the project be put out for bids was presented for consideration:

#### **RESOLUTION NO. 04-14-2015b**

#### **A Resolution Approving Plans and Specifications and Ordering Advertisement for Bids for the 2015 Utility & Street Rehabilitation Project**

**WHEREAS**, the City Council ordered APEX Engineers to prepare plans and specifications for the proposed 2015 utility and street rehabilitation project and has presented such plans and specifications to the council for approval;

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

1. Such plans and specifications are hereby approved.
2. APEX Engineers shall prepare and cause to be inserted in the official newspaper and in other publications an advertisement for bids upon the making of such improvements under such approved plans and specifications. The advertisement shall be published for 1 week, shall specify the work to be done, shall state that bids will be received by the City of New York Mills until 10:00 a.m. on Wednesday, May 20, 2015, at which time they will

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be publicly opened in the City Council Chambers by the City staff and engineers, and will then be tabulated, and the responsibility of the bidders will be considered by the City Council at a special meeting, with the date to be announced later. The City reserves the right to hold all bids and announce the winning bidder for up to 60 days beyond the bid opening date. Any bidder whose responsibility is questioned during consideration of the bid will be given an opportunity to address the City Council on the issue of responsibility. No bids will be considered unless sealed and filed with the City Clerk, City of New York Mills.

\_\_\_\_\_  
Mayor, Julie Gerber

\_\_\_\_\_  
City Clerk, Darla Berry

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**A motion was made by Hoaby and seconded by Maki to approve Resolution No. 04-14-2015b as presented. The motion carried without a dissenting vote.**

**Update on Engineering Agreement** – An agreement was reached in principal and that document was included in the packet. It would need to be finalized and signed by both parties. City Attorney Happel advised Clerk Berry that he was satisfied with this agreement and the City should proceed with it.

**A motion was made by Hoaby and seconded by Maki to approve the engineering agreement with Apex as presented in the packet. The motion carried without a dissenting vote.**

**Update on Nicholson Matter** – There is not really an update. Depositions had been scheduled but were delayed due to Nicholson’s ill health.

**Update/Status of Department Head Evaluations** – Council Member Hoaby reported that he has completed the evaluation forms and needs to meet with each department head to get them signed and returned to the files. These are on Brasel, Gritz, and Berry. Mayor Gerber will be handling the more recent review conducted with Mattson.

**New Business -**

**Certification of Delinquent Utilities** – The following resolution was presented for consideration:

**CITY OF NEW YORK MILLS,  
MINNESOTA**

**RESOLUTION NO. 04-14-2015a**

**RESOLUTION TO CERTIFY UNPAID UTILITY BILL TO THE COUNTY AUDITOR  
FOR INCLUSION ON THE TAX ROLLS**

**WHEREAS**, the City of New York Mills has several past due utility accounts on residential and commercial properties;

**WHEREAS**, the City has attempted resolution of these accounts with the property owner but they remain unpaid;

**WHEREAS**, the City is authorized to collect these unpaid utility fees in accordance with City Ordinance #117, Section 1.05, Subdivision 8 and City Ordinance 106, section 106.01, and pursuant to Minnesota Statutes 443.015, 444.075, Subd. 3, 366.012, 415.01, 429.101, and 463.15 through 463.26.

**WHEREAS**, the City wishes to protect its interests in collection of these delinquent amounts in the event that any of these properties are sold or otherwise transferred to new owners, and desires to ensure that obligations of the current owners are certified to the property taxes to secure the City’s right to collect these charges in the event that any ownership transfers occur.

**FURTHERMORE**, it is now deemed necessary to certify the unpaid amounts due and payable to the Otter Tail County Auditor to be collected with the 2015 real estate taxes payable in 2016, or from the sales proceeds in the event of any property sales, for these subject debts as follows:

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- 1) PARCEL 73000080014000, 13 Lawrence St. W., Owner(s): Joseph Weappa & Christina Olson  
Water \$41.45, Sewer \$172.58 and Gas \$92.62, or total due of \$306.65
- 2) PARCEL 73000990235000, 218 Tousley Ave. S., Owner(s) Thumann Construction LLC  
Water \$41.45, Sewer \$172.58 and Gas \$51.52, or total due of \$265.55
- 3) PARCEL 73000990479000, 110 Merry Lane., Owner(s) JPMorgan Chase Bank, NA  
Water \$41.45, Sewer \$172.58, Gas \$51.52, or total due of \$265.55
- 4) PARCEL 40000070048001, 560 Camelot Rd., Owner(s) Christian & Lynda Thompson  
Water \$0, Sewer \$0, Gas \$77.26, or total due of \$77.26
- 5) PARCEL 73000990305000, 100 Broadway Ave. N., Owner(s) EH Pooled 313 LP  
Water \$41.45, Sewer \$172.58, Gas \$51.52, or total due of \$265.55
- 6) PARCEL 73000990263000, 104 Frazee Ave., Owner(s) Edward Ojala  
Water \$41.45, Sewer \$172.58, Gas \$51.52, or total due of \$265.55
- 7) PARCEL 73000990462000, 115 Wendy Woods Lane., Owner(s) John Heinonen  
Water \$41.45, Sewer \$172.58, Gas \$0 or total due of \$214.03
- 8) PARCEL 73000990370000, 419 Centennial 84 Dr. E., Owner(s) Milo & Dianne Johnson  
Water \$41.45, Sewer \$172.58, Gas \$0, or total due of \$214.03
- 9) PARCEL 73000080010000, 406 Co. Rd. 56., Owner(s) David Nelson  
Water \$0, Sewer \$375.38, Gas \$0, or total due of \$375.38

**Totals to be certified: Water \$290.15, Sewer \$1583.44, Gas \$375.96, or total due of \$2,249.55**

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF NEW YORK MILLS, MINNESOTA THAT** the above named property owners will be sent a final billing and certification notice, in the format as shown in Exhibit A attached hereto, providing a final deadline for payment in full of the outstanding amounts due prior to certification to the Otter Tail County Auditor. Any of the above listed utility amounts which remain unpaid as of 3:00 p.m. on Wednesday, April 29, 2015, will be submitted to the Otter Tail County Auditor's office for certification as provided herein.

Adopted by the New York Mills City Council this 14th Day of April, 2015.

\_\_\_\_\_  
Julie Gerber, Mayor

\_\_\_\_\_  
Darla Berry, City Clerk

**EXHIBIT A**

**NOTICE OF PENDING  
PROPERTY OWNER ASSESSMENTS**

Parcel # \_\_\_\_\_ Physical Address: \_\_\_\_\_

Owner: Mr. or Ms. Last Name  
Your mailing address  
New York Mills, MN 56567

**YOU ARE HEREBY NOTIFIED** of a pending assessment on your property due to the delinquency in payment of the following fees owed to the city:

Water \$ \_\_\_\_\_, Sewer \$ \_\_\_\_\_, Gas \$ \_\_\_\_\_.

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TOTAL \$ \_\_\_\_\_.

The city is authorized to collect these unpaid fees in accordance with City Ord. # 117, Sect. 1.05, Subd. 8 and MN Statutes 443.015, 444.075 Subd. 3, 366.012, and 415.01.

You will have until 3:00 P.M. on Wednesday, April 29, 2015, to pay the above total amount and avoid having this special assessment certified to the Otter Tail County Auditor to be collected with your 2015 real estate tax payable in 2016 or upon sale or transfer or ownership of the property. If certification becomes necessary, an additional Administrative Fee of \$10.00 will be added.

If you have any questions concerning this assessment, please feel free to contact me at 385-2213.

Darla Berry  
City Clerk  
April 14, 2015

**A motion was made by Hoaby and seconded by Oakland to approve Resolution No. 04-14-2015a as presented. The motion carried without a dissenting vote.**

**Forensic Audit of Mills Liquors – Findings** – Mayor Gerber noted that the forensic audit was now complete. She asked Clerk Berry for her comments. Berry noted that the findings were as noted in the packet. The audit basically confirmed the things we already knew and did not delve very deep into the records as that would be more time consuming and expensive than it would be worth given the lack of controls and procedures meaning that there would be little or no accountability that could be proven. They basically confirmed that liquor store reports as provided to the City Clerk were then used as a basis for the data that was posted to general ledger and thus reflecting in the City's financial statements. Few if any problems were found on this side of things. Berry noted that the full City audit was underway and additional efforts were made on the liquor store and other aspects of city finances as well. There seemed to be considerable effort at determining if liquor store problems were indicative of larger financial problems in the City. There were a lot of problems in getting accurate liquor store reports and figures. Price testing was a problem and errors were found in the prices in the point of sale system compared with invoices on hand. Reports were not available to show clearly the inventory situation at year end. The regular City audit will likely still report negative findings due to the liquor store issues, but will also note progress made by the City after year end 2014 to address the issues found. Berry commented on the recently abandoned point of sale system and how it was very unreliable, with frequent crashes, poor support desk assistance, and various report discrepancies she uncovered over time. These problems were not researched and fixed as they became more evident as we were about to switch to the new Point of Sale System and did not warrant the additional time and expense to resolve. Roder then opined that the software problem seemed to be the same old theme and perhaps was the basis of most of the problems. Berry again noted that the forensic audit report provided an overview of problems found beyond just the software issues.

**Park Board Report** – Mayor Gerber asked Roder, who had commented on a recent Park Board meeting, if she cared to make a report. Roder passed out a copy of the minutes from the Park Board Meeting, and mentioned some of the items in it. She mentioned that the Park Board wants to pursue having the flower planters placed around town this year and was going to check into this. Clerk Berry commented that she and Kopveiler had signed up to be on the C&C's Beautification Committee this year as they also wanted to see the planters put into use again. Berry asked Roder to keep this in mind and see if we could coordinate this between the C&C and the Park Board.

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

**Future Meeting Dates** –The regular meetings are scheduled for 4:30 p.m. on Tuesday, May 12, 2015 and 4:30 p.m. on Tuesday, June 9, 2015.

Approved Minutes

May 12, 2015

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**Payment of Claims** -- Mayor Gerber noted the bills as presented in the packet.

**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 or questions concerning the 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 Oakland and seconded by Roder to adjourn. The motion carried without a dissenting vote.**

The meeting was adjourned at 6:58 p.m.

Respectfully submitted by,

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Darla Berry  
City Clerk