

**NEW YORK MILLS CITY COUNCIL
REGULAR MEETING
October 14, 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 4:36 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, and Hoaby

Members Absent None

Staff Present City Clerk Darla Berry, Administrative Assistant Jenny Geiser, Administrative Assistant Cheri Kopveiler, Liquor Store Manager Kim Hoban, Public Works Director Roger Salo and Kyle Mattson, Fire Chief Ryan Brasel, Police Chief James Gritz

Guests Present NYM Dispatch Reporter Connie Vandermay, City Treasurer Al Berube, Apex Engineer Jade Berube, Jessica Gibble, Patrick Hollister of Partnership4Health, Lynne Kasma, Lorene Braukmann, Patrick Kilby

Call to Order The meeting was called to order at 4:36 p.m. A quorum was present.

Approval of Minutes A motion to approve the Minutes from the September 9, 2014, regular meeting was made by Roder and seconded by Maki. The motion carried without a dissenting vote.

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

- a. September 11, 2014, West Central Initiative Letter- **Handout**
- b. October 2014 NYMills Community Carnival Letter – **Handout**
- c. October 13 2014 Announcement – West Central Initiative – **Handout**

Mayor Gerber noted that the communication from West Central Initiative was news to us locally that Nancy Straw has resigned.

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

Department Reports

Police Report – James Gritz addressed the Council. He noted that he had completed the 6 month performance evaluations for two of his newer officers as required for step raises coming up in the next month or so. Another officer who would be due for a step raise hasn't worked a shift yet since James was appointed as Chief, so that raise will be deferred. The department operations are going smooth. James will be rotating with the two full time officers so that they can occasionally work a daytime shift while James will pick up a few night shifts. This will be good for all of them to experience what the work is typically like during those opposite than normal shifts. This will give each of them contact with different officers with the county and other businesses and residents than during their normal shifts. As far as the DARE program at the school, either Perham or the County will do this again for us, and Elliot Stoll will have some involvement to ascertain his interest and desire to step into the DARE position before we expend the funds to send him to the two week training required.

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

Liquor Store Report - Kim Hoban addressed the Council. Kim referred to her written report. The report noted that transfers out of \$13,500 caused a loss for the month. Berry noted that transfers actually were \$27,000, with \$13,500 each in on and off sale. Before transfers the month showed only a slight profit. Year to date profits are about \$20,000, which is down by about \$7,000 from the previous year. Kim noted that deli sales were about \$340. Part time employee Trinda will be on leave for a while. Kim asked the Council to approve the recent hire of Angie Brasel. Kim discussed an upgrade needed by year end to the total register system from the ARS 5 to the ARS 6. This will cost between \$2,000 and \$3,000, but it needs to be done. Kim noted that inventory is extremely high, and she is not sure why. She hopes to start going through it to figure out the reasons and get it under control.

A motion was made by Hoaby and seconded by Roder to approve the hiring of Angie Brasel and to 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 that calls were up and they were generally busier in September than they had been in August. A grant application was submitted to Otto Bremer Foundation for funding for a south side fire hall. There still has been no news from BNSF on the grant request to help pay for the new pumper/tanker that is on order. Delivery of that truck will now be delayed to January due to another order that is ahead of ours. Brasel asked that the Council approve the hire of Ted Tulibaski.

A motion was made by Roder and seconded by Maki to approve the hiring of Ted Tulibaski and to approve the Fire Department Report. The motion carried without any dissent.

EDA Report – Mayor and EDA Member Gerber reported that the group had met on September 23, with a balance in the revolving loan fund on that date of \$112,586.44 reported. The Country View listing was awarded to Albers Realty after Real Estate Results declined to extend their listing. There is a nice ad for Country View going into the Fall Home Magazine. The group discussed the process for seeking covenant changes and how such requests should be handled. They also discussed the results of the recent Housing Study. Mark Hanson reported to the group that the City of Menasha received a national award for their Business Retention and Expansion efforts over the past several years. Also, Mark noted that training to establish such a program locally was being offered by West Central Initiative Foundation later in November. It is a three day training event and the costs will be covered by WCI. Mark Hanson may sign up to participate, and others from this community that could participate are being sought. Council Member Hoaby commented that he may be interested in attending the three day training. The next meeting will be held at 8:30 a.m. on October 21.

A motion was made by Maki and seconded by Hoaby to approve the EDA Report. The motion carried without any dissent.

Utilities Report – Roger Salo and Kyle Mattson addressed the Council. Roger reported that the mowing of the ditches per item 2 is done for the year. There will be a MNOPS gas system inspection done later this month; this will be a good training event for Kyle. Irrigating has continued and we received approval from the State to keep irrigating past the normal limits. JR Wastewater Services will be here for a while to clean out the sewer mains and regular fall maintenance is underway.

Mattson reported that he is going to work on the gas modules on line and will also be attending a water school.

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

Zoning Report – Cheri Kopveiler addressed the Council as no members of the Zoning Committee were present. There had been 10 permits issued, including 2 garages, a lean to at Lunds, signs, fences, egress window, and a driveway addition. The group has continued to work on revising the Ordinance. Time is being spent on looking at the provisions relating to signage. There has been an issue with a storage shed that a homeowner placed in Country View. Temporary structures were discussed.

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

Administration Report – Berry addressed the Council. She went through her report noting a few of the items. Regarding the request letter from the University of Minnesota, Berry proposed having Mark Hanson participate in her place given the timing is not good for her to participate. It was agreed that she could approach Hanson about this. Berry asked if anyone had any questions for her. None were posed.

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

Public Forum – 5:00 p.m.

At 5:00 p.m., Mayor Gerber asked whether anyone present wished to address the council. There were no responses.

Public Requests – None.

Old Business

Nicholson Property Update – Berry reported that City Attorney Happel was unable to attend tonight’s meeting. He asked Berry to update the Council. The matter will be going to trial based on the hazards the City has cited. Happel has meet with opposing legal counsel and they are discussing the points of law and the merits of the case with regard to State statutes. They are asserting a claim that there is no requirement in Statute that a house must be “livable” and that the City cannot enforce that requirement. Area resident Jessica Gible noted that the house is again boarded up and that vandalism occurred recently. There have been some police reports filed on the vandalism. Berry noted that going to trial will be an expense to the City, and that there has already been some significant legal expense incurred. Council Member Roder asked that Clerk Berry come up with an estimate of the legal costs to date and through trial, the costs to move or tear down the structure, and have some numbers in mind that would support the City purchasing the property versus going through a trial. Berry agreed to put that together by the November council meeting.

SCDP Resolution for Roof Repairs – Resolution No. 10-14-2014b was presented for consideration:

RESOLUTION NO. 10-14-2014b

**A Resolution for Approval of Use of Program Income from SCDP Fund 203
For Roofing Repairs at City Hall and Fire Hall, New York Mills, Minnesota**

WHEREAS, the City requested and received bids for needed repairs for the roofs of both City Hall and the Fire Hall;
and

WHEREAS, the City Clerk did contact Wynne Consulting on September 10, 2014, and provide a description of the work need and a copy of the bid including photos of needed repairs; and

WHEREAS, Wynne Consulting did by telephone on September 16, 2014, respond that the needed work did fall within the scope of fundable projects for the funds included in the SCDP Fund 203;

WHEREAS, the bid for this project totaled \$6,058, and the SCDP Fund 203 cash balance totaled \$11,326.84, as of August 31, 2014.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF NEW YORK MILLS, MINNESOTA, that the program income money in Fund 203 be used for the cost of the repairs need for the City Hall and the Fire Hall Roofs in the amount of \$6,058.

Adopted by the City Council this 14th day of October, 2014.

City Clerk, Darla Berry

Mayor, Julie Gerber

A motion was made by Roder and seconded by Maki to approve Resolution No. 10-14-2014b. The motion carried without a dissenting vote.

Annual Performance Review Process/Schedule

Berry noted that with annual reviews of Department heads scheduled for a special meeting on October 28, there were some changes made to the evaluation form. Some changes were suggested and these are incorporated. Berry will make copies and distribute them to the council members and the department heads prior to the special meeting date.

A motion was made by Maki and seconded by Roder to approve the revised Performance Evaluation form. The motion carried without a dissenting vote.

Climate Control Bid on City Hall HVAC Upgrades - Handouts

This bid was presented for consideration at the September meeting, but the matter was tabled pending the hiring of K. Mattson for his input. After evaluation of the bid and upgrades needed, Mattson recommended that the City accept the proposal. Climate Control was contacted and the company agreed to keep the bid amount unchanged although prices have gone up; Mattson would assist with the upgrades in exchange. Berry noted that these upgrades also would be eligible for SCDP program income funds towards the expense. She agreed to contact Wynne Consulting to get their concurrence on this, and will draft a Resolution to this effect for the November meeting.

A motion was made by Hoaby and seconded by Roder to accept the HVAC bid from Climate Control and to seek Wynne Consulting's approval to use SCDP funds towards these improvements. The motion carried without a dissenting vote.

New Business

Apex Engineering Update – Apex Engineer Jade Berube addressed the Council. He referenced the Public Hearing held the previous week, noting the he felt it had went pretty well. He did not bring any additional handouts for this meeting. Clerk Berry had emailed around some assessment data from past projects. These would be useful to the Council, should it decide to proceed, once the project has been bid in terms of determining whether to modify the Special Assessment Policy or reduce the assessments directly, or make any other type of adjustments. He commented that the Council should now decide if it wants to proceed with the project, and Resolution No. 10-14-2014 was presented for consideration:

RESOLUTION NO. 10-14-2014

A Resolution Ordering Improvement and Preparation of Plans
The City of New York Mills is an equal opportunity provider and employer.

WHEREAS, the City Council, at its regular meeting held on September 9, 2014, passed a motion by Council Member Hoaby with a second by Council Member Roder to authorize the City Engineers, Apex Engineering Group, to proceed with a preliminary engineering report (PER) for Miller Street and for Park Street, to authorize a design survey for the primary project, and to schedule a hearing on the primary project to be held on Thursday, October 9, 2014, at 6:30 p.m. Voting Aye in favor of this motion were Mayor Gerber, and Council Members Maki, Roder, Schik, and Hoaby, as a unanimous decision. The 2015 Street, Utility, and Storm Sewer improvements are planned for the following areas:

- Main Avenue (from Centennial 84 Drive to Gilman Street)
- Tousley Avenue (from Centennial 84 Drive to Gilman Street)
- Cornwell Avenue (from Centennial 84 Drive to Park Street)
- Nowell Street (from Walker Avenue to Main Avenue)
- Downtown alleyways (including alleys located on Blocks 4, 5, & 6 of the Original Plat of the City of New York Mills)
- Gilman (from Walker Avenue to 100 feet east of Smith Avenue)
- Park Street (water main repairs near Smith Avenue)
- Miller Street section

by reconstructing sanitary sewer, water main, storm sewer, streets, and sidewalks and to assess the benefited property for all or a portion of the cost of the improvement, pursuant to Minnesota Statutes, Chapter 429. The October 9, 2014, Hearing will be for the above excluding the Miller Street and Park Street items, which do not yet have a PER to allow for a hearing on those areas. Further, as Park Street involves water main repairs, this area is unlikely to include any special assessments.

WHEREAS, ten days' mailed notice and two weeks' published notice of the hearing was given, and the hearing was held on the 9th day of October, 2014, at which all persons desiring to be heard were given an opportunity to be heard thereon.

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

1. Such improvement is necessary, cost-effective, and feasible as detailed in the Preliminary Engineering Report.
2. Such improvement is hereby ordered as proposed in the council resolution adopted on the 9th day of September, 2014.
3. Apex Engineering Group is hereby designated as the engineer for this improvement. The engineer shall prepare plans and specifications for the making of such improvement.
4. The city council declares its official intent to reimburse itself for the costs of the improvement from the proceeds of tax exempt bonds, and other bonds/grant funds applied for through the Public Facilities Authority.
5. Adopted by motion and general consensus by the City Council this 14th day of October, 2014.

City Clerk, Darla Berry

Mayor, Julie Gerber

Date

Date

A motion was made by Roder and seconded by Hoaby to approve Resolution No. 10-14-2014. The motion carried without a dissenting vote.

Berube now turned the discussion to the Miller Street improvements. He reported that Salo, Mattson, and Berry had met with Berube and Jon Pratt and discussed the proposed project. While initially the project was to extend from Broadway to Walker, the group concurred that the drainage issues really don't extend across that entire distance. The improvements are really only needed from Broadway to the area where the Car Wash is located. We should scale back this project to make improvements only along the stretch with the drainage problems. There is some cast iron water mains in the area of the old hotel that will need to be replaced. Mainly the project will involve installation of storm sewer and a storm sewer lift station to move the water over to where other storm sewer infrastructure with drainage capacity already exists, at Gilman and Broadway. There are two options for this, with one being extending the system all the way east to Broadway and then south along Broadway to where the storm sewers are located near the intersection with Gilman. The second option is to make use of the utility right of way that is located to the east of the Stepping Stones property line, connecting with both Miller Street and Gilman Street. Then, with the Gilman rehabilitation already planned, it would work well to take the new storm sewer over to the Broadway and Gilman intersection in the Gilman roadbed. Some issues with the project are the current width of the street right of way. In the western portion, there is a 40' right of way, but coming towards the east this narrows down to a mere 32' right of way. This is inadequate and the City will need to seek some utility / road easement from the property owner at the east end of the street along the southern side of the roadbed. The new street will be dropped down to allow water to drain from the adjacent properties and move into the storm sewer system. There will be curbing added, with 6" high curbs similar to what is now at the Casey's location. With the parking situation at the Stepping Stones facility, there may need to be a drive over type of curb along that stretch. The new street will have a 36' width, curb to curb. Each driving lane could be 12' wide, and this would still allow a 5' bike/walking lane on both sides also. The other option would be to install actual sidewalk on the south side the entire length of the street or project area, or this could be added in the future instead if funding could be sought through the Safe Routes to School program.

At this point guest Patrick Hollister of the PartnerShip4Health addressed the Council. He explained the funding that could be sought and utilized under this Safe Routes to School program, explaining that the committee currently is working on developing that plan for the community to establish a more pedestrian/bicycle friendly environment. Hollister provided an overview of the funding sources and compared and contrasted the Federal funds versus State funds that can be accessed. This ties into the question of whether bicycle / walking lanes should be installed initially and then seek this funding assistance in the future to install a sidewalk. Mayor Gerber thanked Hollister for his comments.

Berube resumed his presentation on the Miller Street project. The estimated cost of the project is \$695,000, with \$193,000 assessable and \$502,000 being the City's share. Only the street surface improvements would be assessable with this project as we do not assess for storm sewer infrastructure. Berube noted that if the Council wishes to proceed the next step would be to call for a Public Hearing. After some discussion the Council declared that it will hold a Public Hearing on the Miller Street Improvements at 6:30 p.m. on Monday, November 10, 2014, in conjunction with its regular council meeting. Apex and Clerk Berry will work together to ensure that notices of this hearing are mailed to affected property owners and the publication requirements are met on this hearing. Berube thanked the council, concluding his presentation.

City Council Declaration of Vacant Seat – As had been expected, Council Member Jason Schik has moved out of the City limits and therefore has had to resign his council seat. For consideration, the council was presented with Resolution No. 10-14-2014c:

CITY OF NEW YORK MILLS, MINNESOTA

RESOLUTION NO. 10-14-2014c

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DECLARATION OF VACANCY ON CITY COUNCIL

WHEREAS, at the regular September 2014 Council Member Jason Schik advised the Council that he would be relocating his residence and would no longer be living within the City limits of New York Mills after the closing on the sale of his home; and

WHEREAS, Council Member Jason Schik did in fact close on the sale of his home as anticipated in late September of 2014 and as such no longer resides in the City of New York Mills; and

WHEREAS, the Council Seat which was held by Council Member Schik has a term which expires on December 31, 2016.

NOW THEREFORE BE IT RESOLVED that the City of New York Mills hereby declares that the Council seat held by Jason Schik is now vacant.

FURTHERMORE, inasmuch as this pending vacancy on the council was known earlier in 2014 and it was recognized that the remaining term of this vacant council seat would be more than two years, the City Clerk did include this position in the 2014 elections process and it was listed as a vacancy for the 2014 filing period so that it could be included on the ballot for the November 4, 2014, general election, no further action is needed by the Council at this time.

This Resolution was declared duly passed and adopted and was signed by the Mayor and attested to by the City Clerk this 14th day of October, 2014.

Attest:

Julie Gerber, Mayor

Darla Berry, City Clerk

A motion was made by Maki and seconded by Hoaby to approve Resolution No. 10-14-2014c. The motion carried without a dissenting vote, noting that Council Member Roder was briefly absent from the proceedings during this matter and so did not cast a vote.

TIF Reporting and Decertification of TIF District 1-6 – Handouts – Resolution No. 10-14-2014a and No. 10-14-2014e

Clerk Berry noted that David Drown Associates had completed the annual TIF reports to the State of Minnesota for the calendar year of 2013. In their letter to the City, they recommended certain actions by the City. First, given that there had been some funding of TIF bond payments made by the City that were not from tax increments, the City should have a resolution on file that it had authorized such interfund loans for which it would seek reimbursement as TIF revenues become available. Resolution No. 10-14-2014e was presented for consideration:

**RESOLUTION NO. 10-14-2014e
AUTHORIZING INTERFUND LOAN RELATING TO
TAX INCREMENT FINANCING DISTRICT 1-9**

WHEREAS:

A. Minnesota Statutes, Sections 469.178 subd. 7 requires all internal loans intended to be repaid by tax increments to be authorized by action of the governing body, under the provisions of; and

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- B. Housing development of the County View subdivision within TIF District No. 1-9 has not met expectations, and non-TIF revenues have been needed to fund scheduled payments on the G.O. TIF Refunding Bonds, Series 2012A; and
- C. The City estimates that as much as \$450,000 of non-TIF revenues may ultimately be needed to fund shortfalls; and
- D. The City intends to reimburse non-TIF revenues from future TIF collections.

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

1. Authorization of Interfund Loan. The City intends to reimburse the general fund for up to \$450,000 of revenues used for payments on G.O. TIF Refunding Bonds, Series 2012A over a term not exceeding the statutory life of the TIF District. Interest on the internal funding will not be charged.

Adopted by the City Council this 14th day of October, 2014.

City Clerk, Darla Berry

Mayor, Julie Gerber

Additionally, the report noted that the City would need to complete the decertification of District 1-6 by year end 2014 as all TIF obligations have been met during 2014. In that regard, Resolution No. 10-14-2014a was presented for consideration:

**CITY OF NEW YORK MILLS,
MINNESOTA**

RESOLUTION NO. 10-14-2014a

**RESOLUTION APPROVING THE DECERTIFICATION OF
TAX INCREMENT FINANCING DISTRICT NO. 1-6
OF THE CITY OF NEW YORK MILLS**

WHEREAS, on April 13, 1999, the City of New York Mills (the "City") created its Tax Increment Financing District No. 1-6 (the "District") within its Municipal Development District No. 1 (the "Project"); and

WHEREAS, as of December 31, 2014, the final payment was made per the Developer Agreement to Mills Clinic, and there are no other obligations remaining through the required decertification date of 12/31/2025; and

WHEREAS, the City desires by this resolution to cause the decertification of the District after which all property taxes generated within the District will be distributed in the same manner as all other property taxes.

NOW THEREFORE, BE IT RESOLVED by the City Council that the City's staff shall take such action as is necessary to cause the County Auditor of Otter Tail County to decertify the District as a tax increment district and to no longer remit tax increment from the District to the City effective December 31, 2014.

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DATED: October 14, 2014

Julie Gerber, Mayor

ATTEST:

Darla Berry, City Clerk

A motion was made by Hoaby and seconded by Maki to approve Resolution No. 10-14-2014e and Resolution No. 10-14-2014a. The motion carried without a dissenting vote. Again for this vote, Council Member Roder did not cast a vote as she was briefly absent from the meeting during this matter.

Acceptance of Donated Funds – Resolution No. 10-14-2014d was presented for consideration:

**CITY OF NEW YORK MILLS,
MINNESOTA**

RESOLUTION NO. 10-14-2014d

**RESOLUTION ACKNOWLEDGING CASH MEMORIAL DONATION TO THE CITY OF NEW YORK
MILLS FIRE DEPARTMENT FROM RICHARD AND SHARON ERICKSRUD**

WHEREAS, the City of New York Mills has received a \$25 donation from Richard and Sharon Ericksrud for the fire department in memory of Phyllis Rothinger.

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 memorial donation of \$25 from Richard and Sharon Ericksrud.

Adopted this 14th day of October, 2014, by the City Council of the City of New York Mills.

Julie L. Gerber, Mayor

Darla J. Berry, City Clerk

A motion was made by Hoaby and seconded by Maki to approve Resolution 10-14-2014d. The motion carried without a dissenting vote, again with Roder absent during this item and thus not casting a vote.

At 6:20 p.m., Mayor Gerber announced a brief recess until the start of the Public Hearing scheduled for 6:30 p.m.

Public Hearing at 6:30 p.m.

City Clerk-Administrator Position - After the Public Hearing on this matter, the Council agreed by general consensus to table this matter.

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Future Meeting Dates –The regular meetings are scheduled at 4:30 p.m. for Monday, November 10, 2014, and Tuesday, December 9, 2014. There will be a Public Hearing at 6:30 p.m. on the proposed Miller Street Improvement Project on Monday, November 10, 2014. The annual Truth In Taxation Public Meeting will be held at 6:01 p.m. on Tuesday, December 9, 2014.

Payment of Claims -- Mayor Gerber noted that the claims are as included in the packet, with no additional bills presented.

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

Financial Reports

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

Adjournment

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

The meeting was adjourned at 7:52 p.m.

Respectfully submitted by,

Darla Berry
City Clerk