



**CITY OF GAYLORD  
REGULAR CITY COUNCIL MEETING**

Wednesday, March 4, 2015  
6:30 P.M., City Hall

**Members Present:** Mayor Boeder and Members DeVlaeminck, Landaas, Losure and Uecker  
**Members Absent:** Council Member Muchow  
**Staff Present:** Don Lannoye, Schauer Law Office; Kevin McCann, City Administrator; Ty Reimers, City Services; Tony Padilla, Chief of Police; Barb Kranz, Librarian; Tony Welch, Intern; Lori Waltz, Accountant/Clerk  
**Visitors Present:** Cindy Gerholz, Dennis Schultz, Calvin Quast, Toby Bremer, Mark Brandt, Delayne Pagel, RS Fiber Members; Joe Deis, Gaylord Hub; Pauline Marlinski, Library Board; George Eilertson, Northland Securities; Jim Hoffman, Josh Colonna, Kyle and Diana Karau and Jean Walter

**1. Call Meeting to Order**

Pursuant to due call and notice thereof, the meeting of the City Council was called to order by Mayor Boeder at 6:30 p.m.

**2. Pledge of Allegiance**

The Pledge of Allegiance was recited by Council and visitors present.

**3. Comments, Updates, Concerns**

3.A. Citizens

-Josh Colonna stated his concerns regarding Ordinance Number 317B – An Ordinance Amending Restrictions on Issuance of a Liquor License as contained in Section 113.31 of the Gaylord City Code. Colonna said that he has been in attendance at a couple of the Historic Preservation Committee meetings. Colonna stated that for a small downtown restaurant to survive, it most likely will need to have a liquor license. Colonna suggested that the Council remove the distance requirement stated in the ordinance and change it to the measurement from the front door of an establishment to a school or church.

Council stated that they would take his recommendation under advisement.

-Kyle Karau read his letter of concern over Quality of Life. Karau stated that he is concerned about the unshielded residential light located at 511 4<sup>th</sup> Street. Karau explained that he has discussed this issue with Chief Padilla and was told that the City does not own a light meter with which to measure lumens and therefore is unable to enforce the city light ordinance 92.24. Karau stated that he is requesting that the Council to conclude that this lighting is an annoyance to neighbors and that the lighting be removed or properly shielded, to stop all glare and keep the light on his property only. Karau explained that he has researched a couple of outdoor lights and has determined that these lights are at least 3,000 lumens.

Boeder stated that the Council would take their recommendation under advisement and further research this issue.

3.B. Council Members

Boeder reported that Council and Staff had attended a Strategic Planning Seminar last weekend. Boeder stated that he felt that the meeting went good, but more work is still needed.

**4. Consider 03-04-15 Agenda**

COUNCIL MEMBER LANDAAS MOVED, COUNCIL MEMBER LOSURE SECONDED, TO APPROVE THE MARCH 4, 2015 AGENDA AS AMENDED. WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED.

---

**5. \* Consent Agenda**

McCann stated that the Class D license requirement for the Superintendent of Streets job description should be removed.

Boeder suggested that the liquor ordinance changes could be reviewed at a future time if needed.

COUNCIL MEMBER LANDAAS MOVED, COUNCIL MEMBER LOSURE SECONDED, TO APPROVE THE CONSENT AGENDA. WHICH INCLUDED THE FOLLOWING ITEMS. WITH ALL MEMBERS VOTING IN FAVOR. THE MOTION CARRIED.

- 5.A. Minutes
  - 5.A.i. To approve the minutes of the February 4, 2015 Regular Meeting
  - 5.A.ii. To approve the minutes of the February 19, 2015 Police Department Tour and Workshop
  
- 5.B. Accounts Payable

To approve the accounts payable items in accordance with the list provided by the City staff and ratify the accounts payable items already approved by the City Administrator.
  
- 5.C. Resolutions and Ordinances
  - 5.C.i. Resolution 2015-06 – Supporting MVRRA Authority Rail Project
  - 5.C.ii. Ordinance Number 315 – An Ordinance Amending Winter Parking Restrictions (Waive second reading and move for adoption)
  - 5.C.iii. Ordinance Number 316 – An Ordinance Amending Penalties for Violation of Winter Parking Restrictions (Waive second reading and move for adoption)
  - 5.C.iv. Ordinance Number 317B – An Ordinance Amending Restrictions on Issuance of a Liquor License as Contained in Section 113.31 of the Gaylord City Code (Waive second reading and move for adoption)
  - 5.C.v. Resolution 2015-05 – Revising 2015 Fee Schedule
  
- 5.D. Reports of Officers, Boards, and Commissions
  - 5.D.i. AGGW Cable Commission – Minutes from January 28, 2015
  - 5.D.ii. EDA – Minutes from January 14, 2015
  
- 5.E. Other
  - 5.E.i. Accept HPC Resignation from Carl Wetzel
  - 5.E.ii. Approve HPC Appointment for Chuck Klimmek
  - 5.E.iii. Exempt Gambling Permit for the Gaylord Chamber Raffle on August 8, 2015
  - 5.E.iv. Memorandum of Understanding for Tax Assessment Services
  - 5.E.v. Engagement of David Drown Associates for RS Fiber Bond Issuance
  - 5.E.vi. Approve Revised Job Description: Secretary/Billing/Payroll Clerk
  - 5.E.vii. Approve Revised Job Description: Accountant/Clark
  - 5.E.viii. Approve Revised Job Description: City Administrator
  - 5.E.ix. Approve Revised Job Description: Water/Wastewater Superintendent
  - 5.E.x. Approve Revised Job Description: Superintendent of Streets
  - 5.E.xi. Approve Revised Job Description: Superintendent of Buildings and Grounds
  - 5.E.xii. Approve Revised Job Description: City Services Manager
  - 5.E.xiii. Approve Revised Job Description: Police Officer
  - 5.E.xiv. Approve Revised Job Description: Chief of Police
  - 5.E.xv. Approve Revised Job Description: GAAC Guest Relations Supervisor
  - 5.E.xvi. Approve Revised Job Description: GAAC General Manager
  - 5.E.xvii. Approve Revised Job Description: Library Assistant

---

**6. Public Hearings – 7:00 PM**

- 6.A. RS Fiber Project
  - 1. Call to Order
  - 2. Power Point Presentation of the RS Fiber Project

Schultz explained that the RS Fiber Cooperative is a community driven project that will build a fiber optic connection to every home and farm in the 650 square mile project footprint. Schultz explained that this project will benefit our community and economy by sustaining farms and existing businesses, lasting investment in the community and be attractive to new businesses. Schultz explained that the two phased approach brings high speed internet to rural areas faster. The first phase will be to build the cities first in 2015-2017 with rural areas served by high speed

wireless internet starting this year. The second phase will be to begin construction of fiber to the farm network in 2018.

Karau asked how the fiber will be brought to a home within the city limits.

Brummer stated that it possibly could be directional bored.

Schultz reviewed the sources of revenue and expenses of the project. The Network would be operated by the Hiawatha Broadband Communications (HBC). The HBC is based out of Winona, MN and was formed in 1997. HBC's business model focuses on service to the community and putting people before profit. Schultz explained that the project is estimated to begin in the spring of 2015 and build their networks in Gaylord and Winthrop and offer 25 meg air broadband internet to the rural residents and businesses and in 2019-2021 finish building out rural areas with fiber to the farm. Schultz stated that there will be an RS Fiber office in Gaylord and an office in Winthrop.

A question was asked about the farmers bearing the brunt of the construction cost of the fiber. Sweeney explained that the agricultural land is not on the hook for any cost of the first phase of the project.

A question was asked about the cost of the service to a household.

Schultz explained that the estimated cost for internet service would be about \$40 to \$50 per month, basic cable tv service would be about \$35 per month, basic phone service would be about \$20 per month plus additional fees and the air broadband would be \$50 per month for 25 meg.

Brummer explained that during the summer there will be a couple of open houses to provide information and signup opportunities for residents. Brummer also stated that RS Fiber will be hiring ten (10) local employees.

Schultz stated to go to [www.rsfiber.coop](http://www.rsfiber.coop) for more information.

3. Close Public Hearing

The Public Hearing was closed at 7:50 pm.

**7. Communications, Requests, and Petitions**

- 7.A. Senior Center March Newsletter
- 7.B. Laura Jane Musser Fund Comp Plan Grant Rejection Letter
- 7.C. SEDCO Per Capita Payment Request
- 7.D. Southwest Crisis Center Regional Safe Harbor Conference

**8. Department and Committee Reports and Action Items**

- 8.A. Library Department and Board – Barb Kranz, Librarian and Pauline Marlinski, Library Board  
Kranz reported that the Winter Reading Program finishes on March 18<sup>th</sup>, 2015, there were 35 adults, 9 teens and 62 children that participated. The Winter Speaker Series just ended, Story Time and After School Programs are going on now at the library. Kranz reported that the new software program has been launched and there have been a few glitches. Kranz introduced Cindy DeVries as a new library employee and stated that Bridget Stewart has handed in her resignation as of March 15<sup>th</sup>. Kranz reported that she is officially the new Librarian, as she is off her six (6) month probation with Sibley County. Kranz reported that she is currently researching the insurance for the library to make sure that there is sufficient coverage of the contents of the library.  
Marlinski reported that the Library Board is currently searching for a new board member as Juanito Ramos is resigning. Marlinski explained that there have been issues with the carpet tile in the entry area. The carpet is past the warranty period and Marlinski feels that the City needs to fix or replace this area. Marlinski also commented that since part of the street project this summer will be replacing the sidewalk in front of the library, she suggested that this would be an excellent time to replace the library steps. Marlinski explained that these steps were in need of repair when the building was remodeled.  
Landaas inquired if the City knew who had installed the carpet originally. McCann said yes that the City knew who installed the carpet and would do some research.  
Kranz reported that the Sibley County Auditor assured the Library that they will continue to take care of the Fiscal services for them.
- 8.B. City Services Department – Ty Reimers, City Services Manager
  - 8.B.i. Operations Update  
Reimers reported that there was only one emergency call out for a suspected water leak, but it was just a water hose leak. Kloeckl is attending a class for three days this week for continuing

education. Reimers reported that he has scanned in paperwork from the past twenty years and has been able to get rid of a lot of paperwork.

Reimers reported that there have been five callouts for the Street Department for snow removal. Two of the snowfalls were during the day and the night time snow removal was able to be done with only two people.

Reimers reported that the John Deere mower, that is used for the city sidewalks; had some new sections of the broom installed and a PTO shaft replaced. Reimers reported that the new lawn mower has been delivered and is in the Parks Building.

Reimers explained that the ice rink was re-iced three times since January. Reimers noted that due to the warmth of the weather, that the ice rink would be closed for the season.

8.B.ii. Consider Utility Service Group Communications Site Management Agreement

Reimers explained that the Utility Service Group Communications Site Management Agreement covers if anybody wants to put anything on the city water tower. Reimers explained that Utility Service would review and approve any requests and will also look for potential cell companies and protect the cities interests. Reimers explained that Utility Service will keep a percentage of the rate for their services and the City will get the rest. Reimers explained that the reason that this item is being discussed with Utility Service and the Council is because RS Fiber would like to place broadband equipment on the East water tower.

8.B.iii. Consider New City Services Truck

Reimers explained that the City has obtained two quotes for a new truck. The quotes are from Wolf Motors and Brau Motors, with Brau Motors being the low bid at \$26,380.

COUNCIL MEMBER LANDAAS MOVED, COUNCIL MEMBER LOSURE SECONDED, TO APPROVE THE PURCHASE OF A NEW TRUCK FROM BRAU MOTORS, AT A PRICE OF \$26,380. WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED. COUNCIL MEMBER DEVLAEMINCK ABSTAINED.

8.C. Fiber Update

8.C.i. Discussion Regarding Gaylord Single Issue for RS Fiber Project – Shannon Sweeney, David Drown Associates

Sweeney explained that the bond issuance structure that works best is to have one City step forward and be the lead issuer of the bonds for the RS Fiber Project. Sweeney stated that with one bond issuer it would also save on the costs of bond issuance. Sweeney said that the City of Winthrop voted on Monday night that they would be willing to be the lead issuer. Sweeney stated that Winthrop's bond rating is A+.

Eilertson stated that Gaylord's rating is only A Stable. Eilertson noted that it is welcome news to have Winthrop express their interest in being the lead issuer.

Council was in agreement to have the City of Winthrop be the lead issuer for the RS Fiber Project.

8.D. Administration Department – Kevin McCann, City Administrator

8.D.i. Comp Time Off

McCann reviewed his prepared memo with the Council. McCann explained that as part of the discussion to the changes to the overtime calculation, there was discussion that all extra hours should be paid out as overtime and not as an option for comp time. McCann explained that he asked the question about comp time on the LMC List serve. He received answers from nine cities around the state, these cities offer comp time off with the max accrual ranging from 20 hours to 80 hours. McCann reported that State law says that Cities are not required to provide the option of comp time in lieu of paid OT. McCann stated that he has talked with staff and they do not want to lose comp time.

Boeder stated that he would like to see comp time monitored more closely than in the past.

Council consensus is to leave the comp time as it is and review it again in the future.

8.D.ii. Part-Time Wages and Retro Pay

McCann reviewed his prepared memo with the Council. McCann noted that the council just recently approved a new pay scale and wages for full time employees. McCann reported that during this discussion the part time employee wages were not discussed. McCann reported that in the past, part time employees received the same COLA as full time employees. McCann noted

that the new scale included a minimum of a 2% increase as the baseline for the full time employees pay under the new pay scale. McCann also noted that the council just recently approved a new pay scale and wages for full time employees. In all this discussion deciding whether to have the pay retroactive to January 1<sup>st</sup> was not discussed. The budget numbers will remain the same as what was initially discussed. McCann stated that he recommends a 2% COLA for part time employees and making all pay retroactive to January 1<sup>st</sup>.

COUNCIL MEMBER DEVLAEINCK MOVED, COUNCIL MEMBER LOSURE SECONDED, TO APPROVE 2% COLA FOR PART TIME EMPLOYEES AND APPROVE RETRO PAY BACK TO JANUARY 1<sup>ST</sup>, 2015. WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED.

**9. Unfinished Business**

- 9.A. Discussion Regarding Financial Advisory Services RFPs – Tony Welch, Intern  
Tony Welch, intern; reviewed and summarized the proposals for financial advisor services since the last RFP was done in 1998. Welch stated that the City had received six financial advisor proposals. Welch reported that he had reviewed the proposals and would like to recommend continuing with Northland Securities as the City’s Financial Advisor. Their fees are in line with David Drown on an average bond issue.  
Boeder stated that he saw no reason to change. Landaas stated that he mainly went thru the RFP process as due diligence.

COUNCIL MEMBER DEVLAEINCK MOVED, COUNCIL MEMBER LOSURE SECONDED, TO APPROVE NORTHLAND SECURITIES AS THE CITY’S FINANCIAL ADVISOR. WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED.

**10. New Business**

- 10.A. Discussion Regarding Michael Foods Water Rates – Marc McCann and Shane Menefee, Michael Foods  
Menefee explained that he wanted to discuss with the Council the increased water rates. Menefee understands that the City is trying to meet the DNR water conservation mandates. Menefee is concerned by the fact that Michael Foods water invoice will be increased by approximately \$23,000 annually. Menefee explained that after the initial discussion with the City, they were expecting a charge of \$1.90/1,000 gallons, and were surprised when they received their bill for \$2.05/1,000 gallons.  
McCann explained that staff surveyed surrounding cities and some had uniform rates and some had increasing block rates. McCann stated that all of the cities surveyed had higher rates than Gaylord. McCann reported that Council had requested staff to calculate the cost per 1,000 gallons produced, and it was calculated to \$1.53 for 1,000 gallons for just annual expense. McCann explained that the City retained Abdo, Eick and Meyers to develop a five year financial plan for the city to help with long range budgeting. Through this process, they looked at current expense trends, current and proposed projects, and current fund balances to determine how much money is needed in the long run. They calculated that the water rates need to have a \$2 increase in 2015 or a \$1 increase annually for three years.

Council recommended that Lannoye and McCann work together and prepare a contract for Michael Foods, and decide a charge for 1,000 gallons of water somewhere between \$1.90 and \$2.05 and try to complete the contract preparation before April 2015.

- 10.B. Discussion Regarding Lighting Trespass – Kyle Karau  
Boeder removed this item from the agenda and placed it under Citizen Comments.

**11. Other**

- 11.A. None

**12. Upcoming Meetings and Events**

- 12.A. Monday, March 2<sup>nd</sup> – 5:15 – Library Meeting
- 12.B. Monday, March 9<sup>th</sup> – 5:30 – EDA Meeting
- 12.C. Wednesday, March 11<sup>th</sup> – 5:30 – P&Z Meeting
- 12.D. Wednesday, March 11<sup>th</sup> – 6:30 – HPC Meeting
- 12.E. Monday, March 16<sup>th</sup> – Joint Powers Meeting in Winthrop
- 12.F. Wednesday, March 18<sup>th</sup> – 6: 30 – Council Meeting
- 12.G. Monday, March 30<sup>th</sup> – 7:00 – Fire Department Meeting

**13. Adjournment of Regular Meeting**

There being no further business to come before the City Council. COUNCIL MEMBER LANDAAS MOVED, COUNCIL MEMBER UECKER SECONDED TO ADJOURN. WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED. The meeting was adjourned at 8:37 p.m.

---

Kevin McCann  
City Administrator

---

Don Boeder  
Mayor