



The City Council of the City of St. Charles welcomes you to its  
 Regular Meeting of Tuesday, November 24, 2015 at 6:00 p.m.  
 at 830 Whitewater Avenue, City Council Chambers, St. Charles, Minnesota.

ITEM	ACTION REQUESTED
1. Call to Order	
2. Pledge of Allegiance	
3. Approval of the Agenda	
4. Notices and Communications –	
5. Review of Financials	
6. SEMN Together Presentation	DISCUSS
7. Fort Culvert Agreement	APPROVE
8. Gathje Trail Segment	APPROVE
9. 2016 Budget Discussion	APPROVE
10. 2016 CEDA Contract	APPROVE
11. DESCASD Board Term	APPROVE
12. Building Maintenance/Custodian Recommendation	APPROVE
13. CLOSED SESSION—Real Estate Strategy under Minn. Stat. § 13D.05, subd. 3 (c)	

**UNSCHEDULED PUBLIC APPEARANCES:** Members of the audience may address any item not on the agenda. State Statute prohibits the City Council from discussing an item that is not on the agenda, but the City Council does listen to your concerns and has staff follow up on any questions you raise.

**ADJOURNMENT**

\*Attachment. Questions? Contact Nick Koverman at St. Charles City Hall at 932-3020 or by email at [nkoverman@stcharlesmn.org](mailto:nkoverman@stcharlesmn.org).



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**MEMORANDUM for the CITY COUNCIL of St. Charles for**  
**Tuesday, November 24, 2015**

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**6. SEMN Together Presentation.** Bill Spitzer will be present to provide a brief presentation on the upcoming December 3 SE MN Together public meeting and update on the region's activity surrounding ongoing discussion and DMC.

**7. Fort Culvert Agreement.** The proposed agreement has been delivered to the Forts for review and an update will be provided Tuesday at Council. Mr. Hood will be available via phone conference should any additional questions be necessary.

**8. Gathje Trail Segment.** A letter has been drafted for approval that summarizes the agreement reached for the new trail segment, which will be presented for consideration.

**9. 2016 Budget Discussion.** City Accountant Kristine Engstrand has included a memo that highlights the past discussions and Council's consensus on items as they will appear in the final 2016 budget. If Council is in agreement, the Truth and Taxation presentation will be finalized for the December 8<sup>th</sup> Council meeting and resolutions prepared for the County.

**10. 2016 CEDA Contract.** The Economic Development Authority reviewed the 2016 CEDA contract for renewal that has been included in the 2016 EDA levy. The contract reflects a 2.5 percent increase. The EDA recommends approval of the contract.

**11. DESCASD Board Term.** The Sanitary District has requested that the City Council make the appointment for the next 2 year term currently held by Councilman Getz by January 2016. It is included for consideration and discussion.

**12. Building Maintenance/Custodian Recommendation.** A recommendation will be brought forward Tuesday night with respect to filling the open position of building maintenance/custodian.

**13. CLOSED SESSION—**Real Estate Strategy under Minn. Stat. § 13D.05, subd. 3 (c)

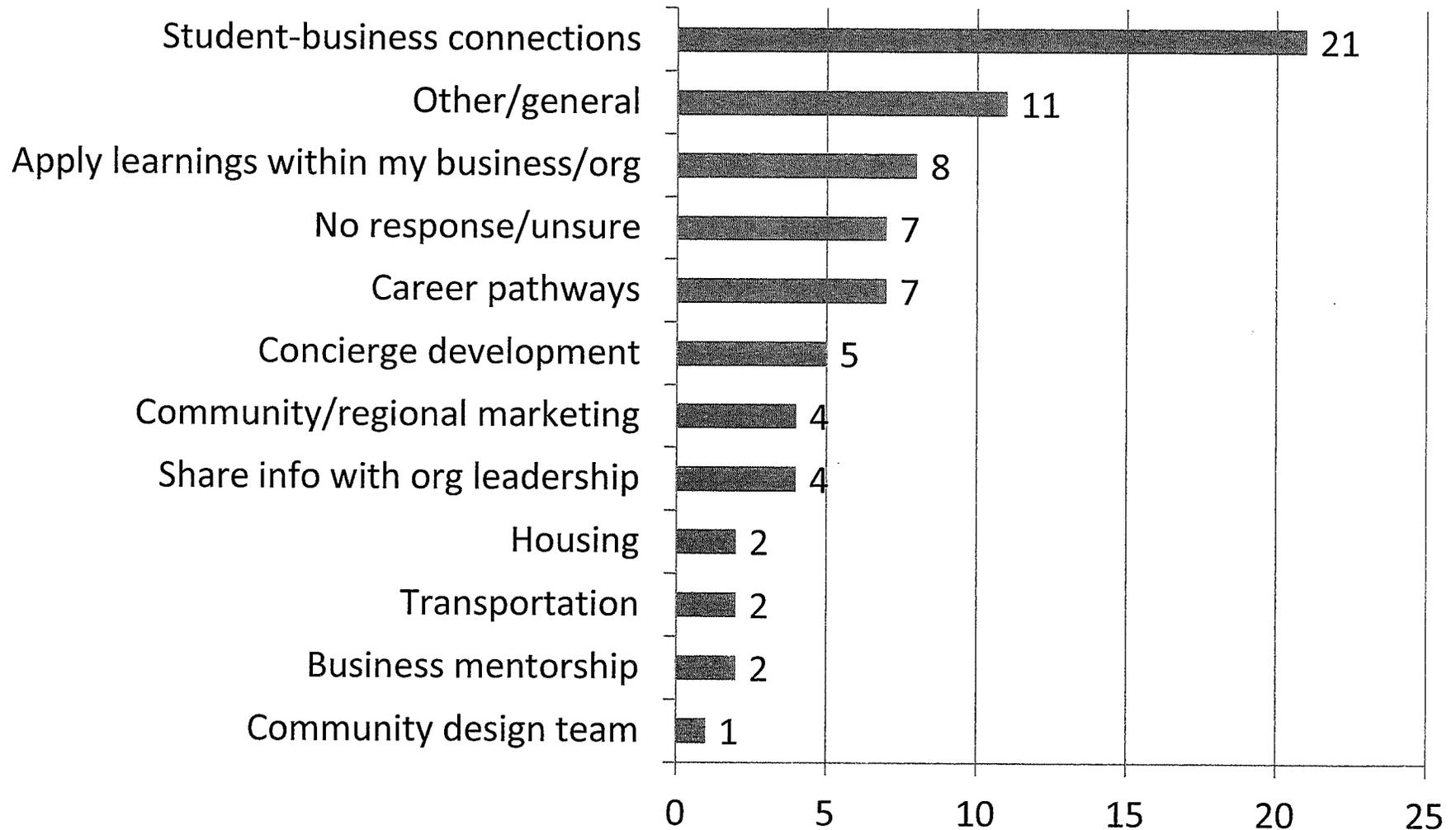
SE MN Together  
Albert Lea Community Conversation  
Evaluation Results

November 16, 2015

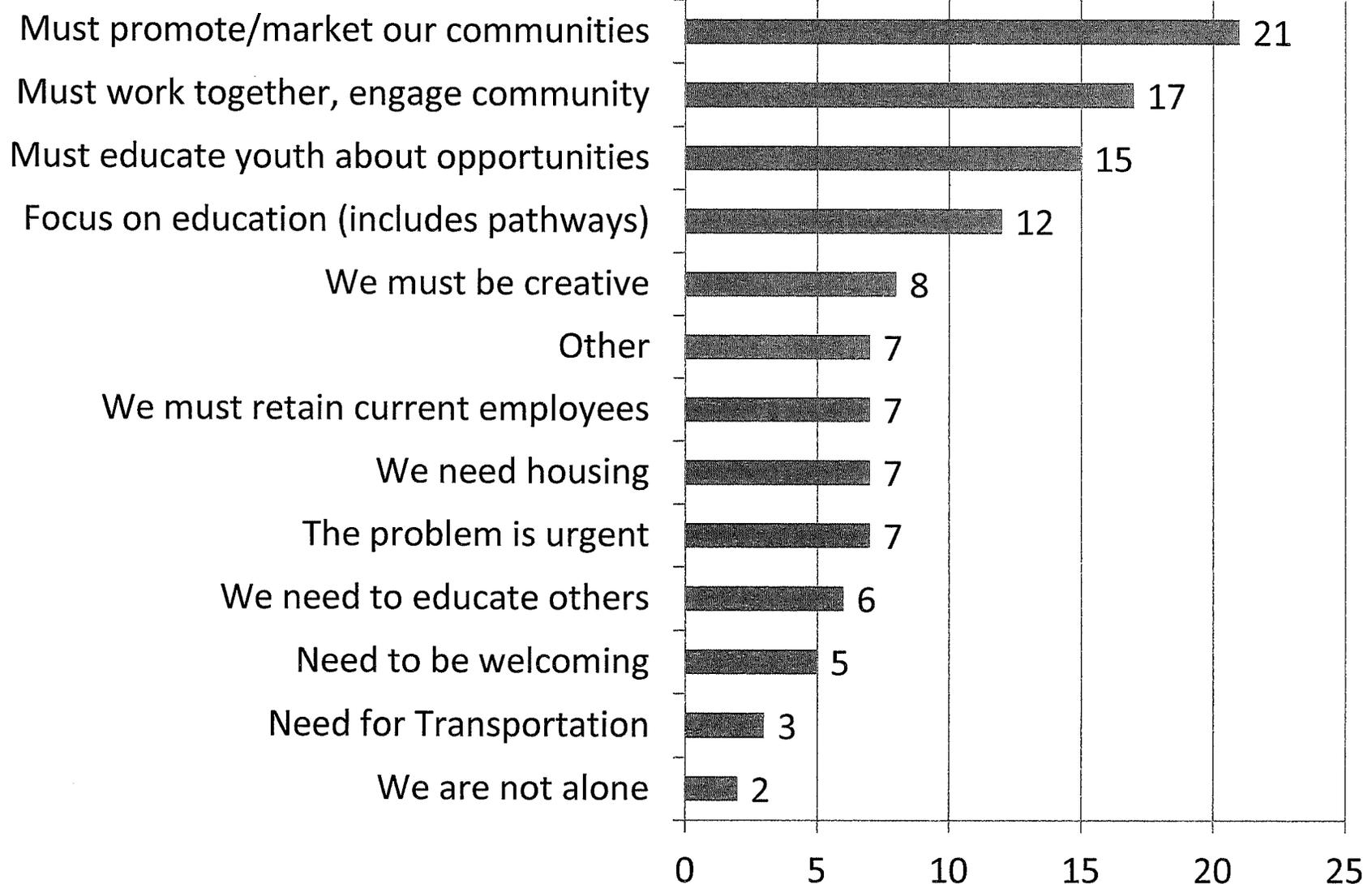
# Attendance Stats

- 100 attendees
- 74 evaluations completed
- Broad range of industry sectors represented  
(do we want to look at this more closely to see if we need to target anyone else for the fourth meeting?)

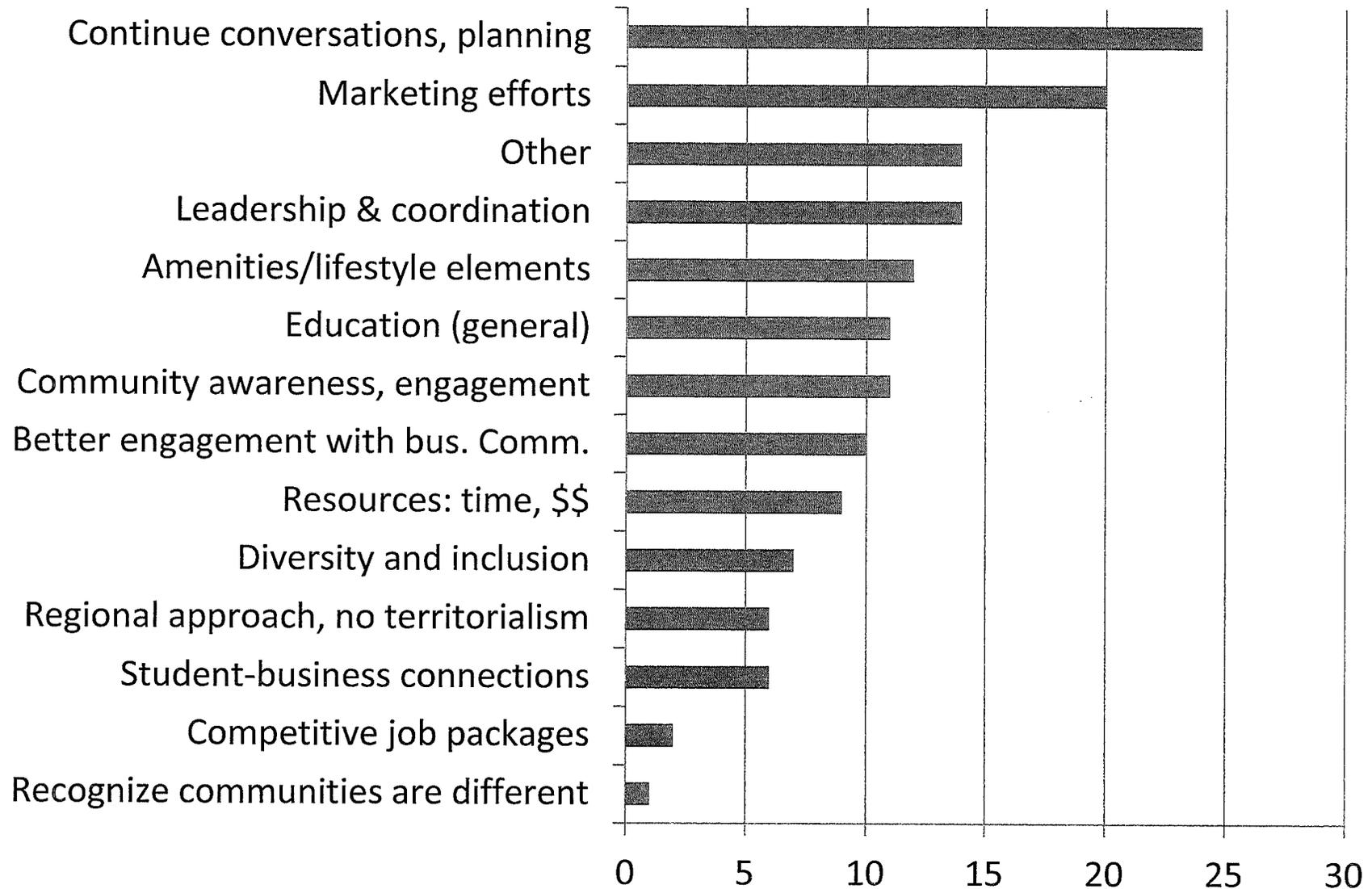
# One Action People Will Take



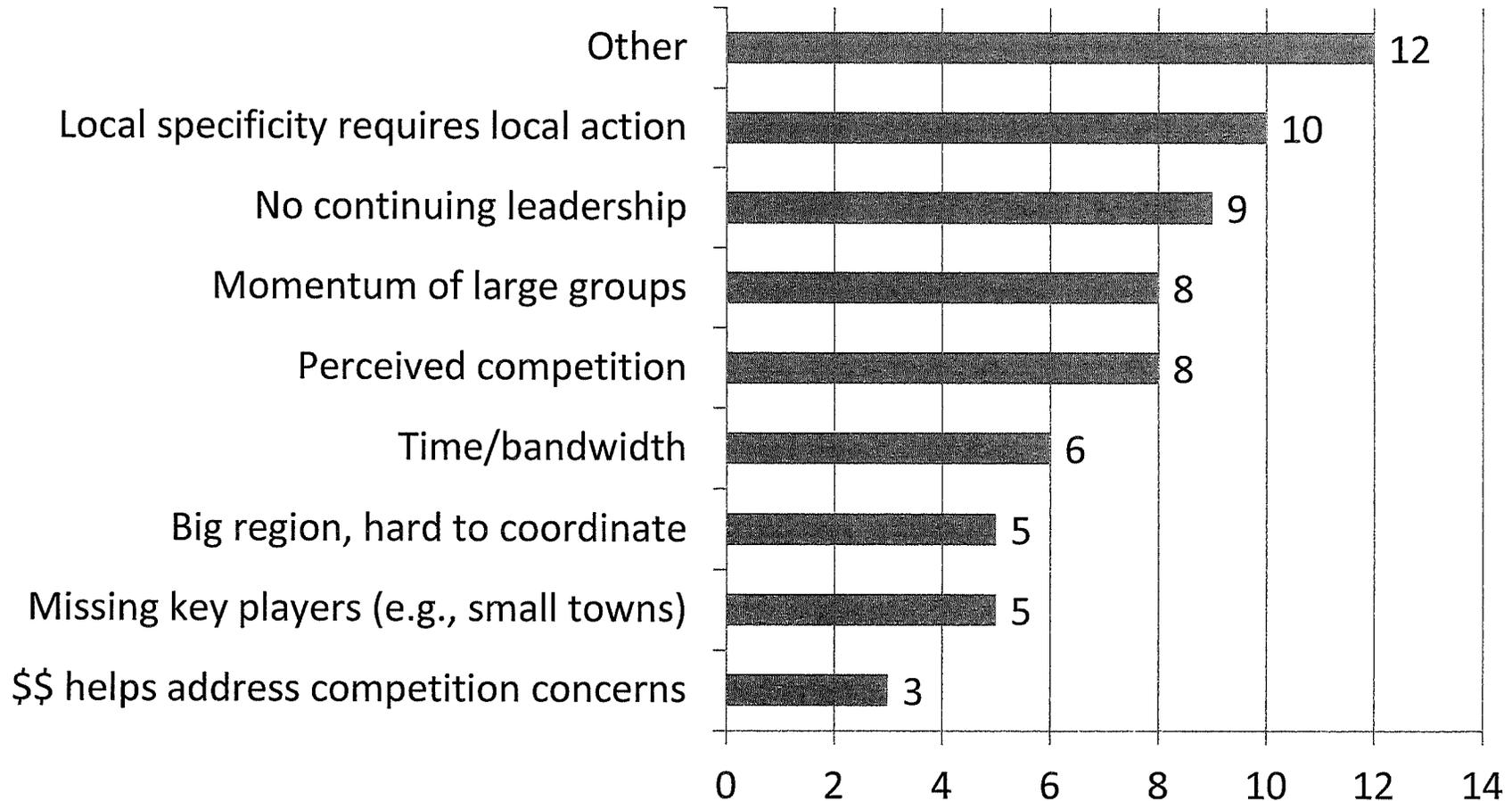
# Key Messages or Actions People will Take Back to Their Communities



# Top Three Elements Needed



# Concerns about taking a regional approach to workforce development or other economic growth issues?



# How helpful is it to frame the conversation about workforce development from a regional perspective?

- 1 = not at all helpful
- 3 = neutral
- 5 = extremely helpful
- Average score: 4.6
- Minimum: 3, Maximum: 5

# How interested are you in continuing regional conversations about other topics in the future?

- 1 = not at all interested
- 3 = neutral
- 5 = extremely interested
- Average: 4.4
- Minimum: 2, Maximum: 5

# Recommendations

- Compare evaluation results from Owatonna and Albert Lea meetings
- Compare action planning projects from Owatonna and Albert Lea meetings
- Send action planning lists from both meetings to all participants (with contact list of participants)
- Send targeted email to similar action planning teams – way to continue and expand conversation
- Emphasize importance of regional focus for 4<sup>th</sup> meeting (and further funding)?

# Remaining Questions

- What to do with Round 1 and Round 2 reporting sheets? Do we want to document them in some way? How will we use them?
- What to do with all “idea” cards that were not used for the primary sort? How will we use the information?
- Do you want to see the raw data?
- Who was missing from the first two meetings – need to target participation for fourth?

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**INTEROFFICE MEMORANDUM**

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**TO:** MAYOR AND COUNCIL MEMBERS  
**FROM:** KRISTINE ENGSTRAND  
**SUBJECT:** 2016 BUDGETS  
**DATE:** 11/20/2015  
**CC:** NICK KOVERMAN

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Attached is the 2016 budget for your final review. Per council request, the final levy has been adjusted to reflect an increase only for the 2015 EMS Bond (8.16%). In order to accomplish this, the CIP levy amount has been reduced to the 2014 levy amount (\$275,600). In addition, reserves will be used to cover the shortages in the General Fund (\$6,994) and in the CIP Fund (\$26,782).

An updated CIP project list for 2016 is also attached. The mower purchase has been moved to the Parkland Dedication Fund due to the donation received.

I have copied and updated information from previous memos regarding the 2016 budget for your review:

***In regards to revenues:***

10 General Fund – LGA had a small increase of \$3,220. The General Fund levy increased \$17,693, mostly in part to remedy the Street Dept. line item glitch in Banyon. Transfers from other funds increased \$30,000 due to excess Tif increment being returned and Garbage Fund administrative transfer. Franchise Fees increased \$4,000 based on historical trend.

20 Advertising Fund – levy increased \$1,000 due to a decrease in donations expected for 2016.

21 Fire Fund – levy decreased \$3,000 due to a donation given from Fire Relief for fireworks.

26 Library Fund – Selco fees are increasing 10%; the total levy increased \$3,362.

60 2011A Bond Fund – the bond payment for 2016 decreased \$3,088.

55 2015A EMS Bond – the required levy for the bond is \$121,736; after contributions from Ambulance, Fire, and Electric Departments, the levy amount will be \$76,736.

***In regards to Expenditures:***

I have attached a line by line itemized list of the major changes in the expenditures for 2016. In addition, I have expanded on some key items for next year:

- Dept 120 Elections: amounts were included in this year's to cover the 2016 election.
- 10-22-220-2-0-319: Winona County coding fees will be \$1,500 for our new system.

- 21-2-210-2-0-175: Fire aid was increased due to the State of Minnesota's contribution increasing. This is a pass-through account used for paying St. Charles Fire Relief the monies that the State transfers to the City.
- 26-11-130-2-0-345: Utilities at the library have increased significantly over the last 3 years.
- 26-11-130-2-0-319: Selco fees are increasing 10% in 2016.
- The 2011A Bond payment (Fund 60) decreased.
- Based on union contract negotiation, salaries increase for employees was set at 2.25% for 2016.

**22 AMBULANCE FUND:**

- 22-40-4615: Ambulance revenues are projected to increase following a \$50 base rate increase for 2016.
- 22-60-6636: Fundraising revenues were adjusted to reflect the actual dollars historically received from the ambulance calendar fundraiser.
- Expenditures for the Ambulance Fund budget increased \$20,000 for 2016; \$15,000 of which is due to the required transfer for the EMS Bond payment.
- 22-22-200-2-0-330: Fundraising cost was increased to \$5,000 in order to reflect actual costs of the calendars.

**23 WASTE MANAGEMENT FUND:**

- 23-60-7640 & 23-11-130-2-0-362: Rates are projected to increase 3.0% in 2016; confirmation from Advanced Disposal will be given closer to the end of the year.
- NOTE: Reserves will be used to cover the shortage in the budget summary for the transfer to the general fund to cover accrued administrative costs.

**70 ELECTRIC FUND (Rates will be held steady for 2016):**

- 70-70-7610: No increase is planned for 2016.
- 70-33-600-2-0-375/376: Purchased power and transmission costs were adjusted to reflect historical costs.
- 70-33-600-2-0-910: Fund transfers were increased \$15,000 for payment toward the EMS Bond.
- 70-33-600-3-1-629: Generation repairs were increased \$215,000 due to the cost of catalytic conversions on 4 engines.

- 70-33-600-3-1-735: Underhead conductors were reduced \$10,000 to allow room for the catalytic conversions.
- 70-33-600-3-1-760: Tools & Equipment costs were reduced \$15,000 to allow room for the catalytic conversions.
- 70-33-600-3-1-965: Meters was decreased \$10,000 due to finish meter upgrades in 2016.
- 70-33-600-3-1-997: Generation fuel expense was reduced \$20,000 due to the establishment of a reserve fund to cover costs in the event of an emergency as well as historical usage.
- NOTE: Reserves will be used to cover the shortage in the budget summary due to the catalytic conversions.

**71 WATER FUND:**

- 71-80-7620: No increase is planned for 2016. After a review by David Drown Associates, it was determined an increase was not needed for 2016.
- 71-33-610-3-1-630: The fairground water main loop is planned to cost \$35,000.
- 71-33-610-3-1-955: Water meters expenditure was decreased \$55,000 due to the completion of remote meter installation.

**72 SEWER FUND:**

- 72-90-7630: The increase in rates from the D-E Sanitary District is minimal for 2016. Therefore, there is no increase planned for the sewer rate.
- 72-33-620-2-0-380: Dover-Eyota Sanitary District is planning an increase in its rates to St. Charles.

**73 STORM WATER FUND:**

- 73-95-7680: Storm Water Revenues are expected to increase .75, due to a review of future projects by David Drown Associates.

# Contract for Professional Services

This contract is made and entered into by Community and Economic Development Associates, a Minnesota nonprofit corporation exempt from income tax as an organization operated for charitable purposes within the meaning of Internal Revenue Code section 501(c)(3), hereafter "CEDA", and the Economic Development Authority of the City of St. Charles, an agency or affiliate of a political subdivision of the State of Minnesota, hereafter "the Authority", to define the terms by which CEDA shall provide technical and management expertise services to the Authority.

**I. Agreement scope and purpose.** The Authority hereby retains CEDA to perform to its benefit the services described in paragraph II, to the end of the Authority more effectively accomplishing:

- \* Prevention and/or combat of community and neighborhood deterioration and revitalization of deteriorated neighborhoods;
- \* Attraction and/or retention of businesses that would not, but for the assistance provided, choose to locate/remain in the area;
- \* The securing of businesses who will be required to provide jobs for unemployed and underemployed residents of the community; and
- \* The expansion of business opportunities for minority entrepreneurs and other entrepreneurs that are viable business opportunities to enhance the well being of the community and/or for businesses who are unable to obtain financing from conventional sources

**II. Services to be provided by CEDA.** CEDA agrees to provide technical and management expertise in the form of staff and materials to the Authority. Staff's services, and associated materials, will be provided in order to facilitate and support the accomplishment of the Authority's undertakings to the ends described in the preceding paragraph. CEDA's staff and materials shall be made available toward efforts in the following specific arenas of the Authority's needs and operations:

- \* Accessing of grantor funding for the Authority's economic development programming
- \* Providing loan packaging services for the Authority's business assistance programs
- \* Administering local, regional and state revolving loan funds, if appropriate
- \* Drafting the Authority's Economic Development Annual Work Plan(s)
- \* Planning, facilitating, and/or directly conducting the Authority's community and business development projects, including as necessary, staffing those projects as directed by the Authority in consultation with CEDA. These efforts shall include (but are not limited to), the following:
  - \* seeking city and county involvement
  - \* developing relationships and partnerships to enhance the Authority's goals
  - \* preparing economic development guidelines
  - \* promoting the use of local assets to support and promote value-added processes and unique based businesses
- \* Assisting with local surveys related to business and industry, community, and land and buildings
- \* Assisting with the Authority's economic development marketing efforts and coordination through website development and maintenance
- \* Coordinating and hosting forums in which the Authority's economic development programming are open for the public's review

### **III. Obligations of the Authority.**

- A. The Authority shall reimburse CEDA for staff time provided at the rate of \$33,272 not to exceed annually. This is based on an average of forty eight hours per month.
- B. Materials, conferences, meetings and the like shall be paid for on a unit basis agreed to by the Authority in writing prior to the provision of the materials.

C. The Authority shall be responsible to provide payment to CEDA within 30 days of the submission of each invoice provided by CEDA.

**IV. Obligations of CEDA.**

A. CEDA is performing services as an independent contractor. Accordingly, the provision of staff by CEDA to provide technical and management expertise to the Authority under this Agreement neither creates a release of CEDA staff to employment at the Authority nor makes such staff subject to supervision by the Authority.

B. CEDA has no authority or right, express or implied, to assume or create any obligation or responsibility on behalf of the Authority or to bind the Authority in any manner. CEDA will not represent the contrary, either expressly or implicitly, to anyone.

C. CEDA is solely responsible for payroll tax responsibilities related to each of its staff persons whose time is provided under this Agreement and shall acquire and maintain necessary insurance related to their efforts under this Agreement, including carrying workers' compensation insurance coverage at all times. CEDA shall supply the Authority with certification of such coverage.

D. CEDA shall be responsible to invoice the Authority for staff time and materials provided under this Agreement on a periodic basis, no less frequently than quarterly.

**V. Period/Termination.** The term of this Agreement is one year, commencing January 1, 2016. The Agreement may be terminated earlier in its term upon 30 days' written notice by CEDA to the Authority or by the Authority to CEDA. Upon termination, the Authority shall be liable to pay CEDA for services performed at \$33,272 per year and materials provided under this Agreement prior to and through the effective date of termination, unless otherwise specifically agreed by the parties in writing.

**VI. Construction of Agreement.** This Agreement is to be performed and construed under Minnesota law, and supersedes any and all prior agreements and contains the entire agreement of the parties.

**CITY OF ST. CHARLES**

By \_\_\_\_\_

Its \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

Date \_\_\_\_\_

**COMMUNITY AND ECONOMIC DEVELOPMENT ASSOCIATES**

By \_\_\_\_\_

Its \_\_\_\_\_

Date \_\_\_\_\_

# Dover, Eyota, St. Charles Area Sanitary District

P.O. Box 396  
St. Charles, Minnesota 55972  
Phone (507) 932-4171

November 5, 2015

City of St. Charles  
Nick Koverman  
830 Whitewater Ave.  
St. Charles, MN 55972

Dear Mr. Koverman:

On January 1, 2016 the term of office which Wayne Getz is serving on the Board of Directors of the Dover Eyota St. Charles Area Sanitary District will expire.

The City of St. Charles will need to appoint a person for a two year term.

Please sign, affix seal and return two copies of the Certification of Selection before our regular District meeting on January 19, 2016.

Sincerely,



Cathy Kennedy

enclosures