



The City Council of the City of St. Charles welcomes you to its Regular Meeting of Tuesday, September 22, 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. Reports of Boards and Committees a. Library Board-Dave Braun b. School Board-David Kramer	
7. Public Hearing-Utility Assessment	HOLD
8. Resolution #24-2015 Adopting Special Assessment of Public Utilities	APPROVE
9. Fort Culvert	APPROVE
10. NESHAP Standards/Rice Rule Compliance	DISCUSS
11. Resolution #25-2015 Accepting and Awarding Bids for Diesel Engine Retrofit	APPROVE
12. Fire Relief Contribution	APPROVE
13. Fire Department Volunteer Roster	APPROVE
14. Resolution #26-2015 Approving 2016 Preliminary Levy	APPROVE
15. Resolution #28-2015 Approving Interfund Loan Repayment	APPROVE
16. Resolution #27-2015 Part-time Officer to PERA	APPROVE

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.



MEMORANDUM for the CITY COUNCIL of St. Charles for
Tuesday, September 22, 2015

7. Public Hearing-Special Assessment-Utilities. A public hearing will be held with respect to outstanding utility balances.

8. Resolution #24-2015 Adopting Special Assessment of Public Utilities. The proposed resolution is included for consideration.

9. Fort Culvert Discussion. Please see the enclosed memo regarding the discussion.

10. NESHAP Standards/Rice Rule Compliance. Gary Price and Richard Heinemann from Upper Midwest Municipal Energy Group will phone conference with the Council to answer any follow up questions with respect to the NESHAP Standards/Rice Rules Compliance. In addition, a brief memo is included from Richard Heinemann that references an update from the EPA.

11. Resolution #25-2015 Accepting and Awarding Bids for Diesel Engine Retrofit. Tom Nigon from Energy Star Services, the city's electrical engineer, will be present to review the bids submitted for the proposed retrofit of the four diesel engines located at the generation plant. The resolution is included in the packet for consideration.

12. Fire Relief Contribution. Fire Chief Lyle Peterson will be present to discuss the Fire Relief's request to increase the annual contribution to the firemen from \$1,800 per service year to \$2,000. At their monthly meeting, the Fire Relief reviewed their financials and the memo is included in the packet that shows the current standing of the Relief pension. Only members who are vested 10 years receive a benefit, but must be either 50 years old or 20 years of service to cash in. The current total assets for the fire relief are approximately \$735,000. If the benefit amount is raised to \$2,000 per year,

which is retroactive from the start of service, the report demonstrates that the group still remains solvent. The last increase to pension was made October 11, 2011 with an increase from \$1,650 to \$1,800.

13. Fire Department Volunteer Roster. Fire Chief Lyle Peterson will be on hand to make the request to increase the roster from 28 active members to 30 active members in January of 2016.

14. Resolution #26-2015 Approving 2016 Preliminary Levy. The resolution to set the preliminary levy at 9.89 percent is included within the packet for consideration as discussed at the last meeting.

15. Resolution # 28-2015 Approving Interfund Repayment. As discussed at a previous Council meeting, it is the recommendation of the staff to pay back the General Fund in the amount of \$30,000 from the General Fund due to the reserves available.

16. Resolution #27-2015 Part-time Officer to PERA. This resolution must be submitted to PERA after a part-time officer exceeds the allowed dollar figure.

You're Invited to take part in a Regional Marketing Discussion!

Please pick the meeting most convenient for you:

Monday, October 5: 6:30-8:30 PM

Harmony Community Center
225 3rd Ave SW, Harmony

Tuesday, October 6: 6:30-8:30 PM

Lake City Community Ballroom
205 West Center Street, Lake City

Wednesday, October 7: 6:30-8:30 PM

Dodge Center Community Center
35 East Main Street, Dodge Center

Click to RSVP by October 1, 2015

(please indicate which meeting you wish to attend)

For questions about the project please contact:

Chris Giesen
Vice President
CEDA

507-867-3164

chris.giesen@cedausa.com

Dear Nick,

You are cordially invited to join us for a dialogue on marketing southeastern Minnesota as a region at one of three regional meetings held October 5-7, held in Harmony, Lake City, and Dodge Center.

You may have participated in the Southern Minnesota Initiative

Foundation's (SMIF) community growth initiative project at Treasure Island last fall which discussed many opportunities surrounding Destination Medical Center and Journey 2 Growth. Community and Economic Development Associates (CEDA) received one of the grants awarded by SMIF to bring together stakeholders in our region to share actionable ideas in order to develop a cohesive marketing strategy that can leverage the opportunities DMC and J2G will bring.

CEDA has had the privilege of working with communities such as yours and we see important opportunities on the horizon if we work together as a region. This project's goal is to facilitate a conversation between stakeholders on our region's best marketing practices and priorities...how do we best tell our story? We want to develop a better platform for reaching potential visitors to the region as well as attracting permanent residents and future employees.

We hope you will join us and add your voice to this discussion and thank you for your participation in this important project!

Please forward this invitation to those who you think would benefit from being involved. Thank you!

www.cedausa.com

City of St. Charles

Resolution #24-2015

**RESOLUTION ADOPTING SPECIAL
ASSESSMENT FOR CURRENT SERVICES**

WHEREAS, certain accounts for City electric, water, sewer and security light services and other services or charges remain past due; and

WHEREAS, the owners of said properties (29.060.1850); (29.000.1380); (29.060.0200); (29.080.0010); and (29.000.1030) have been duly billed and have failed to remit payment for electric, water and sewer and other services or charges; and

WHEREAS, said non-payment was duly brought before the City Council at its regular meeting held September 8, 2015; and

WHEREAS, the owner of the properties were advised of the unpaid bill, and have failed to make satisfactory arrangements to pay the same; and

WHEREAS, pursuant to St. Charles City Ordinance §50.06 (H) Collection with Taxes, and MN Section 429.101 the unpaid charges, plus interest at 6% per annum plus County Recording fee, for said services to be assessed against the property service;

NOW THEREFORE, it is resolved by the City Council of St. Charles, Minnesota that the special assessment roll as prepared by the City Clerk, for each account, is hereby adopted, and the clerk is directed to file a copy of the assessment roll with the Winona County Auditor's office for collection with current taxes for the following year(s).

Adopted the 22nd day of September 2015.

John Schaber, Mayor

Attest: _____
Nick Koverman, City Administrator

Address**Parcel #****Amount**

978 Bluff Avenue	29.080.0010	\$1,423.00
236 West 3rd St.	29.060.0200	\$165.00
318 West 5th St. #5	29.060.1850	\$715.02
500 East 14th St.	29.000.1380	\$165.00
401 East 13th St.	29.000.1030	\$55.00

Service

Utilities
Mowing
Utilities
Mowing
Mowing



Memorandum

To: City Council and Mayor
From: Nick Koverman, City Administrator
Date: September 15, 2015
Subject: Fort Culvert Proposal

According to Mayor Schaber, a meeting was called September 2, 2015 between Mayor Schaber, Clm. Kramer, Mr. Fort, Steve Pearson, and Neil Britton, engineer with WSN. As the group discussed the drainage issue and defined the sources and uses, the following recommendation was made for review:

- Remove the small culvert that diverts water from the west side of the road to the east side by the most southerly storage units.
- Grade the road to slope away from the storage units.
- Dig a drainage gutter along the road (north and south) to allow collection and deposit.
- Remove, replace, and install new culvert that will properly drain main runoff.
- Install a drain tile piping to handle weeping events.
- Shape an overflow drainage run over newly installed pipe for 500-year storm events.

Steve Pearson would provide a cost estimate for the work and would compare the use of either the city's existing concrete pipe that are 6 foot sections versus using HDPE pipe in one or two larger sections but require less time for installation.

At the time of packet, staff had still not received the estimate for work.

UMMEG MEMBERS:

I wanted to briefly update you on the status of EPA's review of the RICE rules in the wake of the recent court decisions. Last week, I participated in a conference call organized by APPA with EPA representatives on the line, including EPA's Midwest regional representative (Lisa Jackson). The purpose of the call was to gather information for EPA as they begin the process of revising the rules (both the 100 hour rule and the 50 hour rule) following the DC Circuit court decision and subsequent voluntary remand motion by EPA. EPA's representatives made it clear that their intent was to find ways of clarifying and narrowing the circumstances under which both the 100 hour exemption and the 50 hour exemption would be applicable.

During the call, EPA indicated it was open to the idea of clarifying the definition of dispatch for local reliability under the 50 hour exemption portion of the rule, which allows use of RICE units for certain, non-emergency purposes. This would allow un-retrofitted units conceivably to be used to prevent outages other than in blackout situations, as long as those units were not eligible for remuneration in the capacity markets. However, it would not enable RICE units to be used for emergency purposes under the 100 hour rule, as our units are currently being used. APPA's counsel is of the opinion that the 100 hour rule likely will be revised by EPA to simply eliminate the exception that allows unretrofitted units to be used when they are dispatched by balancing authorities to address Energy Emergency Alert Level 2 emergencies. In his view, the court has made anything related to ISO EEA level 2 dispatch into a market "quite sticky," so it is quite likely that EPA will simply not take EEA level 2 dispatch as a qualified reason to use unretrofitted emergency RICE units.

The bottom line is that, even though EPA is working to revise both 50 hour and 100 hour exemptions after the DC Circuit court decisions, it continues to be a good working assumption that unretrofitted units will not be eligible for capacity accreditation after May 1, 2016 and therefore, that it makes sense to continue on the path of retrofitting your units.



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**City of St. Charles
Resolution #25-2015**

**A RESOLUTION ACCEPTING QUOTES
AND AWARDING A CONTRACT
FOR THE RETROFIT OF FOUR DIESEL ENGINES TO COMPLY WITH RICE
NESHAP RULES 2015 CONTRACT**

WHEREAS, pursuant to request for quotes for the Electric Municipal Utility Capital Expenditure for the material, installation and testing for retrofitting the power plant diesel engines to comply with the reciprocating internal combustion engine (RICE) National Emission Standards for Hazardous Air Pollutants (NESHAP) rules, bids were received, opened, and evaluated, and the following were received complying with the request:

<u>Bidder</u>	<u>Base Bid</u>
Fairbanks Morse Engine	\$152,287
FMI – Farabee Mechanical Inc.	\$193,352
Ziegler Power Systems	\$206,910

WHEREAS, upon evaluation of the quotes with respect to the following criteria: qualifications (30 points); similar projects and equipment type (30 points); schedule (10 points); and fee (30 points); the total points were assigned as follows:

Vendor	Qualifications	Similar Projects	Schedule	Fee	Total
Fairbanks Morse Engine	30	20	10	30.0	90.0
Farabee Mechanical Inc.	30	25	10	23.6	88.6
Ziegler Power Systems	30	30	10	22.1	92.1

The bidder with the highest score from the bid evaluations is Ziegler Power Systems and Ziegler Power Systems is a responsible bidder that provided a bid that meets the required specifications.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ST. CHARLES, MINNESOTA THAT:

1. The Mayor and the City Administrator are authorized and directed to enter into a contract with Ziegler Power Systems in the amount of \$206,910.

Adopted by the Council of the City of St. Charles, Minnesota this 22nd day of September, 2015.

John Schaber, Mayor

Attest: _____
Nick Koverman, City Administrator

Table 1 - Data Submitted from Bid

Vendor	Fairbanks Morse	Farabee	Ziegler
Firm Bid Price	\$152,287	\$193,352	\$206,910
Responsible contr	Yes	Yes	Yes
CO reduction	70%	70%	70%
Equipment manuf	Johnson Matthey	Miratech	Gertz manuf
Material	Carbon steel	Carbon steel	Carbon steel
Performance guarantee	3 yrs/8,000 hrs	3 yrs/8,000 hrs	8,000 hrs
Asbestos abatement	Extra	None	None
Training	Yes	Yes	Yes
Experience list	Yes	Yes	Yes
Completion date	3/31/2016	3/31/2016	2/8/2016
Comments	Limited NESHAP work on CAT equipment	Installed original equipment	Most CAT work, 5-yr warranty on existing equipment

Table 2 - Bid Evaluation

Vendor	Qualifications	Similar Projects	Schedule	Fee	Total
Fairbanks Morse	30	20	10	30.0	90.0
Farabee Mechanical	30	25	10	23.6	88.6
Ziegler	30	30	10	22.1	92.1

Notes for the above table:

Maximum points for criteria:

Qualifications	30
Similar projects and equipment type	30
Schedule	10
Fee	30

Similar projects/equipment Ziegler - maximum points assigned because Ziegler is familiar with City of St. Charles power plant Caterpillar equipment and Ziegler is authorized service provider of Caterpillar equipment and has 5-year warranty on existing equipment

Similar projects/equipment Farabee Mechanical Inc. (FMI) - reduction of 5 points because of distance from St. Charles and no warranty on existing equipment. FMI installed original equipment at power plant and is familiar with equipment

Similar projects/equipment Fairbanks Morse - reduced 5 points because vendor isn't familiar with equipment and reduced an additional 5 points because majority of work completed by vendor is on Fairbanks Morse equipment.

Fee - maximum points to Fairbanks Morse for lowest bid. Points for other vendors is 30 maximum points multiplied by low bid divided by their bid. For example, fee points for Ziegler = $30 * \$152,287 / \$206,910 = 22.1$

CITY OF ST. CHARLES

Resolution #26-2015

**A Resolution Approving Preliminary 2015
Tax Levy Collectible in 2016**

WHEREAS, the City of St. Charles requires revenue to meet its expenses.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ST. CHARLES that the following sum of money be levied for the current year, collectible in 2016, upon the property in said City of St. Charles, for the following purposes:

FUND	<u>2015</u>
2011A Bond Fund	\$ 216,877
Advertising Fund	\$ 21,275
Capital Improvement Fund	\$ 290,000
Celebration/Public Safety Fund	\$ 6,500
Fire	\$ 64,600
General Fund	\$ 121,200
Library Fund	\$ 106,000
2015A EMS Bond Fund	\$ 76,736
Tax Abatement	<u>\$ 10,085</u>
Total Preliminary Levy	\$ 913,273

The City Administrator is hereby authorized to transmit a copy of this resolution to the Council Auditor of Winona County, Minnesota.

Adopted this 22nd day of September 2015 by the Council of the City of St. Charles, Minnesota.

John Schaber, Mayor

Attest: _____
Nick Koverman, City Administrator

CITY OF ST. CHARLES
RESOLUTION #28-2015

**A RESOLUTION TO REPAY AN INTER-FUND LOAN FOR THE
I90 DEVELOPMENT PROJECT**

WHEREAS, on August 9th, 2011, the City Council authorized an Interfund Loan between the Capital Improvement Fund and the General Fund in the amount of \$50,000.

WHEREAS, the Capital Improvement Fund is in the position to pay the remainder of the loan earlier than the stated terms in Resolution #15-2011.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of St. Charles, Minnesota, as follows:

1. Loan Repayment. The Capital Improvement Fund shall repay the full outstanding amount of \$30,000 to the General Fund, effective September 22nd, 2015.

Whereupon said resolution was passed and adopted by the City Council of the City of St. Charles, Minnesota, this 22nd Day of September 2015.

SIGNED:

WITNESSED:

John Schaber, Mayor

Nick Koverman, City Administrator

(CITY SEAL)

Resolution #27-2015

A Resolution Authorizing Qualified Part-Time Police Officers to Participate in the City's PERA Plan

WHEREAS, the policy of the State of Minnesota as declared in Minnesota Statutes 353.63 is to give special consideration to employees who perform hazardous work and devote their time and skills to protecting the property and personal safety of others; and

WHEREAS, Minnesota Statutes Section 353.64 permits governmental subdivisions to request coverage in the Public Employees Police and Fire plan for eligible employees of police or sheriff departments whose position duties meet the requirements stated therein and listed below.

BE IT RESOLVED that the City of St. Charles, Minnesota hereby declares that the position of part-time police officer, currently held by Matthew Loken, meets all of the following Police and Fire Plan membership requirements:

1. Said position requires a license by the Minnesota peace officer standards and training board under sections 626.84 to 626.863 and this employee is so licensed;
2. Said position's primary (over 50%) duty is to enforce the general criminal laws of the state;
3. Said position charges this employee with the prevention and detection of crime;
4. Said position gives this employee the full power of arrest, and
5. Said position is assigned to a designated police or sheriff's department.

BE IT FURTHER RESOLVED that this governing body hereby requests that the named employee be accepted as a member of the Public Employees Police and Fire Plan effective the date of this employee's initial Police and Fire Plan salary deduction by the governmental subdivision.

Passed and approved this 22nd day of September, 2015.

John Schaber, Mayor

Attest: _____
Nick Koverman, City Administrator

STATE OF MINNESOTA
COUNTY of Winona

I, Nick Koverman, City Administrator of the City of St. Charles, do hereby certify that this is a true and correct transcript of the resolution that was adopted at a meeting held on the 22nd day of September; the original of which is on file in this office. I further certify that ____ members voted in favor of this resolution and that ____ members were present and voting.