

**MINUTES of the ST. CHARLES CITY COUNCIL
For Tuesday, October 14, 2014 held at 6:00 p.m. at
830 Whitewater Avenue
St. Charles, Minnesota**

MEMBERS PRESENT:

Councilmen:
John Schaber
Orv Dahl
Wayne Getz
Bill Spitzer
Dave Braun

STAFF PRESENT:

Kristine Huinker (Finance), Kyle Karger (PW Supt.), Ken Frank (Chief of Police) and Nick Koverman (City Administrator).

OTHERS IN ATTENDANCE: Dan White, and David Kramer, and Leigh Campbell (Press).

1. ESTABLISH QUORUM/CALL TO ORDER

Quorum was established with Mayor Bill Spitzer calling the meeting to order at 6:00 p.m.

2. PLEDGE OF ALLEGIANCE

3. APPROVAL of the AGENDA: Add: 17. Council Date-November

Motion to approve the agenda: **John Schaber**

No Discussion.

Motion carried.

4. MEETING MINUTES:

-September 9, 2014

Motion to approve: **Dave Braun**

Motion carried.

-September 23, 2014

Motion to approve: **Orv Dahl**

No discussion.

Motion carried.

-September 29, 2014

Motion to approve: **John Schaber**

No discussion.

Motion carried.

5. APPROVAL of the SEPTEMBER PAYABLES: Admin. Koverman also presented the Final Pay Request for the 4th Street Project in the amount of \$226,328.41 with a \$5,000.00 allotment to be withheld.

Motion to approve payables: **Wayne Getz**

6. Notices and Communications. None.

7. Reports of Boards and Committees: Various reports were given. Police Chief Ken Frank highlighted a public meeting for a Level III sex offender that coming Thursday. Information on the meeting was posted in the official newspaper and Chief Frank relayed he had been working with the Department of Corrections.

8. Ordinance #570 Vacation of Drainage Easement (Whitewater Industrial 2nd). Admin. Koverman briefly highlighted the reason for the vacation of the drainage easement and explained that the owner was part of the process because it was requested as part of the title opinion process. A motion to approve the 2nd reading was made. Motion to approve: **Dave Braun**
No further discussion.
Motion carried.

9. Memorandum of Understanding. Admin. Koverman highlighted the partnership and the Invasive Species Group that the Council had elected to take part in through Admin. Koverman. As part of the partnership, the Winona County Soil and Water Conservation District drafted a Memorandum of Understanding that defines the partnership and provides for an opportunity to access grant funds. Clm. Schaber expressed that he felt there are continually increasing reports of bugs and natural threats to our area. A motion was made to approve the Memorandum of Understanding.
Motion to approve: **John Schaber**
No further discussion.
Motion carried.

10. Ziegler Engine Warranty Extension. Admin. Koverman reviewed a memo that highlighted the history of the city's power plant and the maintenance involved with the four Caterpillar Ziegler diesel engines. It was explained that initially after completion of the power plant, the engine was repaired for \$250,000. In 2011 Admin. Koverman discussed that when the Council reviewed the option of purchasing a fifth unit for the power plant the cost of the unit had increased to \$750,000. The current warranty of 10 year was expiring November 12 and after researching extended warranty options through Ziegler, Supt. Karger was able to secure a 5-year option because of the continued maintenance performed by Cat/Ziegler. The 5-year warranty was \$19,775 or \$79,100 in total. The requested item was planned for 2015, but due to the warranty expiration staff has brought the item to the Council. Clm. Braun expressed that he thought the extended warranty made sense. Fellow Councilmen agreed. Clm. Getz added that in the future when the 5-year warranties are no longer available, he suggested contacting the League of Minnesota Cities Insurance Trust to see if that would be an option. Mayor Spitzer asked if it was a current option and he replied that it would not be cost effective until after the manufacturer's warranties are no longer applicable.
Motion to approve: **Wayne Getz**
No further discussion.
Motion carried.

11. 2015 Preliminary Enterprise Budget. City Accountant Kristine Huinker presented the preliminary enterprise fund budgets. She highlighted various pieces from the budgets, but explained that Mike Bubany was reviewing rates and will make a proposal as part of the November meeting. While the annual 3 percent (water) and 6 percent (sewer) is planned, Huinker stated that due to various bonds coming off line, she thought a reduction might be possible. Clm. Braun also questioned the reason behind the sanitary district rate increases. A brief discussion was held with respect to the maintenance and various costs through MPCA permitting, etc. that may affect rates. It was also stated that in addition the city also has various infrastructure improvements that require improvements. With the electric department budget, costs had been reduced after data showed budgets trending downward. Because of the cost based contract from Dairyland Power and the 2015 planned projects, Dairyland's price will continue to rise, but at this time no increase is being recommended in rates. Huinker reviewed Capital Improvement Budgets. She highlighted the water budget and then began presenting information along with Cassie Smith that provided Council with an option to complete the remote water reading/electric reading program. The dollars necessary to complete the water portion of the project was estimated at \$130,000. Due to the projected savings from the water tower cleaning project of approximately \$70,000, the request for \$50,000 of the 2014 Capital Improvement Plan was requested with \$80,000. As part of the research of the meters pulled and tested, it was estimated that 28 percent of the water was not being accounted for. After calculating the water losses as well as the labor savings by not reading meters, it could save the city roughly \$30,000 annually. Mayor Spitzer also called to everyone's attention the potential injury claims from not having to walk the routes in the winter time. The Councilmen agreed that because of the savings seen earlier in the year and the ability to budget for completion in 2015, the project was a good idea. It was also asked to bid the final quantity in order to receive better bidding. A motion was made to approve the remaining water tower budget, not to exceed \$50,000 in order to have \$20,000 in emergency excess for the water tower project, for the water meter replacement program.
Motion to approve: **Dave Braun**

No further discussion.
Motion carried.

12. Resolution #37-2014 Authorizing PERA Part-time. Admin. Koverman highlighted the reasoning for the part-time PERA resolution. A motion was made to approve the resolution as presented.

Motion to approve: **John Schaber**

No further discussion.

Motion carried.

13. Resolution #38-2014 Local Board Powers Reinstated. Admin. Koverman highlighted that the resolution was required following the attendance/training of the Councilmen for the local Board of Appeals. A motion was made to approve the resolution.

Motion to approve: **Orv Dahl**

No further discussion.

Motion carried.

14. Resolution #39-2014 Authorizing Membership in UMMEG. Admin. Koverman highlighted pieces from the memo provided that discussed the move of UMMPA (Upper Midwest Municipal Power Agency) to consolidate under Wisconsin law versus Iowa law. He highlighted the efficiencies gained in the move. A contract also accompanied the resolution for consideration. Hearing no further questions a motion was made to approve the resolution as presented as well as the contract with the Upper Midwest Municipal Energy Group.

Motion to approve: **John Schaber**

No further discussion.

Motion carried.

15. Ordinance #571 Amending Mayor and Council Salaries. The second reading of amending the mayor and council salaries was completed and a motion was made to approve the reading.

Motion to approve: **John Schaber**

No further discussion.

Motion carried.

16. Commercial Rehab Request#07-14. Admin. Koverman reviewed the memo on the commercial rehab request. No questions were asked and a motion was made to approve the request that would require \$19,558 from the Rochester Sales Tax Funds for three projects. It was also discussed how the program has helped to spur over \$630,000 of private investment.

Motion to approve: **Wayne Getz**

No further discussion.

Motion carried.

17. Council Dates. Mayor Spitzer reviewed the dates for the November 11th meeting which is Veteran's Day and the requested date for the regular meeting will be Wednesday, November 12.

Motion to approve: **John Schaber**

NO further discussion.

Motion carried.

UNSCHEDULED PUBLIC APPEARANCES:

Motion to adjourn at 7:03 p.m.

Motion to approve: **Wayne Getz**

Motion declared carried.

William J. Spitzer, Mayor

Attest: _____
Nick Koverman, City Administrator