



The City Council of the City of St. Charles welcomes you to its
Regular Meeting of Tuesday, December 28, 2021 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. Resolution #58-2021 Approving Final Levy Collectible 2022	APPROVE
7. Resolution #59-2021 Establishing 2022 Budget	APPROVE
8. Resolution #60-2021 Approving Labor Contract with LELS	APPROVE
9. Approving 2022 Base Pay Structure (BPS)	APPROVE
10. Ordinance #636 Amending Electric Rates (1 st Reading)	APPROVE
11. Cash Receipting Policy	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



**MEMORANDUM for the CITY COUNCIL of St. Charles for
Tuesday, December 28, 2021**

- 6. Resolution #58-2021 Approving Final Levy Collectible 2022.** Please see enclosed resolution for consideration.
- 7. Resolution #59-2021 Establishing 2022 Budget.** Please see the enclosed resolution for consideration.
- 8. Resolution #60-2021 Approving Labor Contract with LELS.** Please see enclosed resolution for consideration.
- 9. Approving 2022 Base Pay Structure.** The 2022 BPS will be presented Tuesday night.
- 10. Ordinance #636 Amending Electric Rates (1st Reading).** Please see the enclosed ordinance for consideration.
- 11. Cash Receipting Policy.** Please see the enclosed policy for consideration. City accountant Melissa Krusmark has drafted the policy, which was then sent to Jason Boynton, Principal Auditor for Smith Schaefer, for review. Through discussion, Mr. Boynton would approve the policy as written.

CITY OF ST. CHARLES

Resolution #58-2021

**A Resolution Approving Final 2021
Tax Levy Collectible in 2022**

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 2022, upon the property in said City of St. Charles, for the following purposes:

FUND	<u>2022</u>
2019A Bond Fund	\$ 70,470
2018A Bond Fund	\$ 79,695
Advertising Fund	\$ 20,360
Capital Improvement Fund	\$ 163,788
Celebration/Public Safety Fund	\$ 7,000
Fire	\$ 71,971
General Fund	\$ 451,296
Library Fund	\$ 139,660
2021A GO Fund	\$ 500,095
2021B GO Refunding	<u>\$ 81,806</u>
Total Final Levy	\$1,586,141

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

Adopted this 28th day of December 2021 by the Council of the City of St. Charles, Minnesota.

John Schaber, Mayor

Attest: _____
Nick Koverman, City Administrator

City of St. Charles
Final Levy Summaries

Fund	Fund #	2015	2016	2017	2018	2019	2020	2021	2022
General	10	103,507	121,200	172,837	251,639	312,537	323,767	366,307	451,296
Tax Abatement		10,085	10,085	10,085	10,085	3,960	21,840		
CIP	25	290,000	275,600	280,600	255,000	245,000	240,000	396,965	163,788
Fire	21	67,600	64,600	66,036	69,036	66,171	68,181	71,753	71,971
Advertising	20	20,275	21,275	21,275	21,275	21,275	20,360	20,360	20,360
Celebration	24	6,500	6,500	6,500	6,500	7,000	7,000	7,000	7,000
Bonded Debt 2011A		219,965	216,877	217,565	197,565	203,538	-	-	
Bonded Debt 2015A	55	-	76,736	94,891	94,891	96,411	73,816	99,655	
Bonded Debt 2018A	58	-	-	-	-	22,858	78,600	81,585	79,695
GO Refunding 2019A	61						209,019	82,235	70,470
GO Debt 2021A	62								500,095
GO Refunding 2021B	63								81,806
Emergency Mgmt		10,500	-	-	-	-			
Library	26	102,638	106,000	101,640	110,652	114,565	129,798	128,686	139,660
Levy reduction options									
Total Levy		831,070	898,873	971,429	1,016,643	1,093,315	1,172,381	1,254,546	1,586,141
Levy Dollar increase		200	67,803	72,556	45,214	76,672	79,066	82,165	331,595
Levy % increase		0.02%	8.16%	8.07%	4.65%	7.54%	7.23%	7.01%	26.43%

City of St. Charles
2022

<u>Governmental Funds</u>	<u>REVENUE</u>	<u>EXPENSE</u>	<u>DIFFERENCE</u>
10 GENERAL	1,902,340.00	(1,902,340.00)	-
20 ADVERTISING	21,860.00	(21,860.00)	-
21 FIRE	162,085.00	(162,085.00)	-
24 CELEBRATION	20,700.00	(20,500.00)	200.00
25 CIP	166,237.00	(166,237.00)	-
26 LIBRARY	196,940.00	(196,940.00)	-
34 EDA	62,764.00	(51,273.00)	11,491.00
41 TIF 7 - NRB	25,000.00	(13,000.00)	12,000.00
42 TIF 8 - ACTIVE TOOL	14,000.00	(200.00)	13,800.00
47 TIF 6 - MFC	20,000.00	(16,400.00)	3,600.00
55 2015A EMS BOND	-	-	-
58 2018A STREET BOND	79,695.00	(75,500.00)	4,195.00
61 2019A G.O Ref Bonds	110,470.00	(106,545.00)	3,925.00
62 2021A G.O. Bonds	551,047.00	(135,600.00)	415,447.00
63 2021B G.O. Ref Bonds	126,806.00	(24,986.00)	101,820.00
	<u>3,459,944.00</u>	<u>(2,893,466.00)</u>	<u>566,478.00</u>
<u>Enterprise Funds</u>	<u>REVENUE</u>	<u>EXPENSE</u>	<u>DIFFERENCE</u>
22 AMBULANCE	176,000.00	(312,785.00)	(136,785.00)
23 GARBAGE & COMPOST FEES	296,200.00	(294,600.00)	1,600.00
70 ELECTRIC	3,250,000.00	(2,798,800.00)	451,200.00
71 WATER	591,290.00	(574,772.00)	16,518.00
72 SEWER	812,900.00	(799,476.00)	13,424.00
73 STORM WATER MGMT	160,577.00	(108,200.00)	52,377.00
	<u>5,286,967.00</u>	<u>(4,888,633.00)</u>	<u>398,334.00</u>
TOTALS			
	<u>8,746,911.00</u>	<u>(7,782,099.00)</u>	<u>964,812.00</u>

CITY OF ST. CHARLES
Capital Improvement Schedule

2022 Department	Description	Amount	Fund
Parks	Trail extention/bridge		moved from 2021 push to 2023
	Whitewater Stream	\$ 50,000	DNR Grant Received \$400,000
Pool	Pool water feature	\$ 15,000	25 Capital Improvement Fund push to 2023
Street	Seal Coating	\$ 20,000	25 Capital Improvement Fund
	John Deere 670 road grader		25 Capital Improvement Fund Push out to 2024
	Plow Truck Lease (4/6)	\$ 36,137	25 Capital Improvement Fund
	Salt Shed		25 Capital Improvement Fund
Police	Police lease payment	\$ 55,000	25 Capital Improvement Fund This actually should come
Sidewalks	Annual Improvements	\$ 10,000	25 Capital Improvement Fund \$ 186,137

**City of St. Charles
Resolution #59-2021**

**A RESOLUTION ESTABLISHING THE 2022 BUDGET
OF THE CITY OF ST. CHARLES, MINNESOTA**

WHEREAS, the proposed budget has been duly noticed and publicly examined by the City Council; and,

WHEREAS, the required truth-in-taxation hearing has been duly noticed and heard;

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

The Council of the City of St. Charles hereby resolves that the 2022 Budget of the City of St. Charles is established at \$7,782,099.00 is hereby approved.

The City Administrator is hereby directed to have on file and available for public inspection the executed "form" copy of the 2022 Budget.

Adopted this 28th day of December 2021 by the Council of the City of St. Charles, Minnesota.

John Schaber, Mayor

Attest: _____
Nick Koverman, City Administrator

**CITY OF ST. CHARLES, MINNESOTA
RESOLUTION #60-2022**

**APPROVING LABOR AGREEMENT BETWEEN THE CITY OF CITY OF ST. CHARLES
AND LAW ENFORCEMENT LABOR SERVICES, INC.**

WHEREAS, Law Enforcement Labor Services, Inc. is the exclusive representative for certain City of St. Charles employees;

WHEREAS, the current labor agreement between the City and Law Enforcement Labor Services, Inc. expired on December 31, 2021;

WHEREAS, the City of St. Charles and Law Enforcement Labor Services, Inc. met and negotiated over the terms of the new labor agreement between the parties, and;

WHEREAS, the parties reached a tentative agreement of the terms of the new labor agreement, and;

WHEREAS, the Public Employment Relations Act requires that the City of St. Charles execute a labor agreement and implement it in the form of a resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:

1. The Labor Agreement between City of St. Charles and Law Enforcement Labor Services, Inc. for January 1, 2022 through December 31, 2024 is approved.
2. The Mayor and City Administrator shall execute the agreement.
3. The City of St. Charles shall implement the agreement.

PASSED by the City Council of the City of St. Charles on this 28th day of December, 2021.

ATTEST

Nick Koverman, City Administrator

John Schaber, Mayor

City of St. Charles
Ordinance #636

**AN ORDINANCE AMENDING ELECTRICAL
RATES AND REPEALING ORDINANCE #562**

THE CITY OF ST. CHARLES DOES ORDAIN (deleted material is stricken and enclosed in brackets; new material is underlined; subsections which are not being amended are omitted):

THE COUNCIL OF THE CITY OF ST. CHARLES DOES ORDAIN:

Electric utility rates shall be amended as follows:

	FROM	TO	
Residential			
Fixed Charge	(\$10.00)	<u>\$20.00</u>	month
Energy First 500 kWh	(\$0.118)	<u>\$0.115</u>	/kWh
Excess of 500 kWh	(\$0.138)	<u>\$0.135</u>	/kWh
Single Phase Commercial			
Fixed Charge	(\$12.00)	<u>\$25.00</u>	month
Energy Charge			
First 500 kWh	(\$0.115)	<u>\$0.115</u>	/kWh
Excess	(\$0.13)	<u>\$0.115</u>	/kWh
Three Phase Commercial			
Fixed Charge	(\$40.00)	<u>\$91.50</u>	month
Energy Charge			
First 500 kWh	(\$0.115)	<u>\$0.115</u>	/kWh
Excess	(\$0.135)	<u>\$0.115</u>	/kWh
Large Power			
Fixed Charge	(\$45.00)	<u>\$91.50</u>	month
Demand	(\$9.00)	<u>\$12.19</u>	kw-mo.
Energy	(\$0.079)	<u>\$0.079</u>	/kWh
Large Industrial			
Fixed Charge	(\$80.00)	<u>\$91.50</u>	month
Demand	(\$9.00)	<u>\$12.19</u>	kw-mo.
kVAr	<u>\$0.25</u>	<u>\$0.25</u>	kVAr
Energy	(\$0.079)	<u>\$0.079</u>	/kWh
Security Lighting			
Fixed Charge	(\$7.00)	<u>\$14.00</u>	month

These rates will go into effect 30 days after publication or February 17, 2022 whichever is later.
Passed and adopted by the Council of the City of St. Charles, Minnesota this 11th day of January, 2022.

John Schaber, Mayor

Attest: _____
Nick Koverman, City Administrator

First Reading:

Date: _____

Ayes: _____

Nays: _____

Absent: _____

Abstain: _____

Second Reading:

Date: _____

Ayes: _____

Nays: _____

Absent: _____

Abstain: _____

Published:

Date: _____

City of St. Charles
Cash Receipts Process

In March 2021, the City underwent a software upgrade and switched from using Banyon to Civic Systems-Caselle. Caselle is a fully integrated system with a live POS module, Utility Management, and General Ledger. City staff can view customer account information, current balances, and apply payment at time of receipt.

From Mail/front desk payments:

1. Mail comes to the front counter and is separated/opened if applicable by the administrative assistant, deputy clerk, or accountant, depending on who is present on that particular day.
2. All payments that come in through mail, drop box, or walk-in customer traffic are entered into Cash Receipting in Caselle. Each transaction is assigned a unique receipt number based on User and Workspace location. Dual receipt copies are printed at that time, one for the customer and one for end of day reconciliation. The software initiates the cash drawer to open upon completion of the receipt, change is made if needed and cash/checks are stored in the cash drawer until the end of the business day.
3. At the close of each business day, the cash drawer is counted and balanced to the Deposit List, Payment Register, and Receipt Register. A cash summary is prepared by the deputy clerk or administrative assistant (attached). There is a starting cash drawer of \$200. Once balances have been verified, the Update Payments routine is run. This process updates all the daily utility payments to the customer's accounts in Utility Management. A Transaction Register is run to verify the amount applied to the Utility Management module equals what was received for the day. The final step for closing the business day is to Update General Ledger, this process updates all corresponding General Ledger accounts for the daily cash receipts, utility and other charges alike.

Due to COVID, use of the cash drawer was discontinued from March 2020-May 2021. The standard of practice during this time was no change was given out. Either exact change/credit card was used or in the event of a utility receipt, the change was credited to the customer's account for the month going forward. In June 2021, City staff resumed providing change back to customers.

4. The City started using Payment Service Network (PSN) in 2017. This allows utility bills, tickets, fine, etc. to be paid with credit cards. The City has a card reader for payments made by credit card in City Hall these payments are also sent to PSN for deposit.

Utility payments made by credit card are entered through the credit card terminal. These payments automatically download and are updated in Caselle daily, no additional receipt is done in Caselle.

Credit card payments for other charges to the public (building permits, ambulance payments, ect.) that run through the terminal do not automatically download to Caselle through the update payment function. A receipt is generated in Caselle for these transactions at the same time the card is run through the terminal and ended with payment receipt type of PSN-Credit.

ACH Payments:

1. ACH payments are received by the City from the State, County, and some insurance companies (for ambulance payments). The accountant receives emails from the state when deposits are made. These are printed off, entered into Caselle through Cash Receipting and then filed in the bank reconciliation binder. Vouchers from the state are printed off and manually entered by the accountant and kept in the bank reconciliation three ring binders. If an email notification is received, this is also printed and kept in the binder. If the ACH pertains to insurance/ambulance payments, Expert T Billing (ambulance billing agency) sends an email or fax explaining these payments. This is entered manually and the printouts are kept in the bank reconciliation three ring binder.
2. ACH payments are also received from EHeat, a state energy assistance program. The deputy clerk/administrative assistant have access into the EHeat system. The accountant receives notification of these payments through the State of Minnesota Department of Finance system. Vouchers are printed off and entered into Caselle Cash Receipting as Energy Assistance and are placed into a liability account. The deputy clerk applies the correct amount to the customers account through Utility Maintenance which draws it out of the Energy Assistance Liability.

Bank Reconciliations:

1. On a monthly basis, bank reconciliation is prepared by the accountant. Cash reconciliation work papers are prepared and printed into the bank reconciliations 3 ring binder (example attached). All supporting deposit registers/check registers are kept in this binder as well. A cash summary report is printed monthly for council and the City Administrator, as well as financial statements.

General Operations

1. Prior to the incorporation of the Caselle Cash Receipting program and a monitored cash register, the cash drawer was accessible in a desk drawer that allowed for any staff member to access. As it may occur from time to time, certain staff members who do not have direct access to the cash drawer, may request assistance from a secondary staff member who has access, to provide change, similar to if they were a customer. As it also is a rare occurrence that staff members who have access to the drawer make a similar request of making change, given the proposed policy of balancing the drawer daily, along with safeguards of additional cameras and staffing available, it would not be unreasonable to allow such staff members to request that another staff member process the request.