



The City Council of the City of St. Charles welcomes you to its
 Regular Meeting of Tuesday, September 24, 2019 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. Dangerous Dog Update	INFORMATION
7. Resolution #33-2019 Preliminary 2020 Levy	APPROVE
8. Resolution #34-2019 EDA Levy	APPROVE
9. Caterpillar Generator Extended Warranty Contract	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, September 24, 2019

6. Dangerous Dog Update. Police Chief Ken Frank will provide an update on recent events at 978 Bluff Avenue. Mike Flaherty of Flaherty & Hood will also be present to outline next steps.

7. Resolution #33-2019 Preliminary 2020 Levy. Enclosed is the proposed preliminary levy for 2020 that reflects a 7.23 percent increase. However, after additional information from the County Auditor Treasurer, the estimated growth of the tax capacity less TIF for St. Charles in 2020 is \$2,838,850 which would represent a \$320,460 increase. Despite the proposed 7.23 percent increase to the levy, the city's estimated tax rate would decrease about 2.06 percent and the net result of a property valued at \$200,000 would also result in a decrease of \$41.25.

8. Resolution #34-2019 EDA Levy. Included for consideration is proposed EDA Levy. Based on the taxable market value increase of St. Charles the EDA levy would be \$48,859.

9. Caterpillar Generator Extended Warranty Contract. See the enclosed Request for Council Action.

CITY OF ST. CHARLES

Resolution #33-2019

**A Resolution Approving Preliminary 2019
Tax Levy Collectible in 2020**

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 2020, upon the property in said City of St. Charles, for the following purposes:

FUND	<u>2019</u>
2019A Bond Fund	\$ 189,019
2018A Bond Fund	\$ 78,600
Advertising Fund	\$ 20,360
Capital Improvement Fund	\$ 240,000
Celebration/Public Safety Fund	\$ 7,000
Fire	\$ 68,181
General Fund	\$ 323,767
Library Fund	\$ 129,798
2015A EMS Bond Fund	\$ 93,816
Tax Abatement	<u>\$ 21,840</u>
Total Preliminary Levy	\$ 1,172,381

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

Adopted this 24th day of September 2019 by the Council of the City of St. Charles, Minnesota.

John Schaber, Mayor

Attest: _____
Nick Koverman, City Administrator

City of St. Charles
 2020 Budget - Levy Impact Per Taxpayer @7.23%
 Based on \$200,000 home

City

Tax rate= total levy request
 city's tax base (net of TIF)

2019 43.36% 2020 (est) 41.30% Increase -2.06%

Property taxes=	market value (county assessor)	Example:	Value of home	200,000
	* class rate (state of MN)		Class rate	0.01
	tax base (tax capacity)		tax base	2000
	* tax rate (city)		Increase	-2.06%
	certified amount - city's portion			<u><u>(\$41.25)</u></u>
	+ school district			
	+ county			
	+ Other			
	<u><u> </u></u> Total property tax bill			

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Total tax base</u>	\$ 2,043,779	\$ 2,081,201	\$ 2,128,619	\$ 2,206,859	\$ 2,302,266	\$ 2,641,324	\$ 2,968,988
<u>Less: TIF (estimated)</u>	\$ (38,874)	\$ (36,754)	\$ (51,444)	\$ (68,262)	\$ (82,730)	\$ (122,934)	\$ (130,138)
	<u>\$ 2,004,905</u>	<u>\$ 2,044,447</u>	<u>\$ 2,077,175</u>	<u>\$ 2,138,597</u>	<u>\$ 2,219,536</u>	<u>\$ 2,518,390</u>	<u>\$ 2,838,850</u>
	<u>\$ 2,004,905</u>	<u>\$ 39,542</u>	<u>\$ 32,728</u>	<u>\$ 61,422</u>	<u>\$ 80,939</u>	<u>\$ 298,854</u>	<u>\$ 320,460</u>

**CITY OF ST. CHARLES
WINONA COUNTY, MINNESOTA**

**RESOLUTION #34-2019
RESOLUTION APPROVING LEVY REQUEST SUBMITTED BY THE
ST. CHARLES ECONOMIC DEVELOPMENT AUTHORITY
FOR TAXES PAYABLE 2020**

WHEREAS, the St. Charles Economic Development Authority (“EDA”) has prepared and presented a budget to the City Council of St. Charles, Minnesota and an estimate for tax revenues needed for EDA programs and operations for the 2020 calendar year; and,

WHEREAS, pursuant to Minnesota Statutes Section 469.107 a City may authorize a levy for economic development purposes in an amount that does not exceed 0.01813% of its taxable market value; and

WHEREAS, a levy request by an EDA requires the governing body (City Council) to approve certification of said levy request to the County Auditor by September 30th for the following year’s taxes; and

WHEREAS, said levy request is to be treated as a special taxing district in accordance with Minnesota Statutes Section 275.066 and appear as a separate line item on the 2020 property tax statements; and

WHEREAS, the levy request contemplated in this Resolution is to be considered a stand alone request and is not to be automatically renewed for future years’ taxes.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of St. Charles, Winona County, Minnesota that the levy request for taxes payable 2020 for all taxable property within the corporate boundaries of the City of St. Charles, Winona County, Minnesota in the amount of \$48,895 submitted by the St. Charles EDA and City Council of St. Charles is hereby approved for certification to the Winona County Auditor.

Passed and approved _____.

John Schaber, Mayor

ATTEST:

Nick Koverman, City Administrator

CERTIFICATION

I, Nick Koverman, duly appointed City Administrator of the City of St. Charles, do hereby certify that the above resolution is a true and correct copy of Resolution 34-2019 entitled “RESOLUTION APPROVING LEVY REQUEST SUBMITTED BY THE ST. CHARLES ECONOMIC DEVELOPMENT AUTHORITY FOR TAXES PAYABLE 2020 passed and approved by the St. Charles City Council, Minnesota, on the 24th day of September, 2019.

City Administrator, City of St. Charles

**Request for City Council Action**

Date: September 19, 2019

Requested Council Date: September 24, 2019

Originating Department: Electric

Council Action Requested: Caterpillar Warranty Extension Contract

Background Information: The four 2-megawatt unit Caterpillar engine warranty is up for a 5-year renewal. Caterpillar has maintained and warranted the engines since their being put into service in 2004. As a historical reference, the warranty was utilized shortly after the initial installation. The warranty covered the rebuild of the engine, saving \$250,000. When first purchased in 2004 the per unit price was only \$357,000. Estimated replacement of a unit is over \$1 million. Director Karger has reviewed the extended warranty coverage and recommends continued use of the warranty maintenance service contract. The previous contract amount was approximately \$19,500 per engine. The new contract service agreement is \$24,500 per engine. The addition of the Platinum Plus adds \$2,360 per engine from the base coverage protection, but through evaluation of the additional coverages which includes radiators, staff believe this to be a wise investment. The total cost of the new 5-year coverage package would be \$98,000. The funds will be expended from the electric department maintenance budget line. While it will exceed the 2019 budgeted line item, it is anticipated that the final 2019 budget will still remain under the overall budgeted amount for 2019.





Extended Coverage Quote Confirmation

Quote Number : 1568321980403

Customer Quote

Extended Coverage Quote Provider : Caterpillar

Quote Date : 09/12/2019

Price Expiration Date : 10/12/2019

Quote Status : Draft-NOT ACCEPTED

Customer Information :

ST CHARLES LIGHT & WATER

830 WHITEWATER AVE

SAINT CHARLES

MINNESOTA

55972-1129

UNITED STATES

Dealer Information :

ZIEGLER

901 W 94TH ST

MINNEAPOLIS

MINNESOTA

55420-4299

UNITED STATES

952-887-4525

kyle.bergquist@zieglercat.com

Kyle Bergquist

Product Information :

Model : 3516B

Serial# : FDN01433

Type : Published

Emissions Control Indicator : NONE

Original Delivery Date : 11/12/2004

Product Status : No Delayed Coverage Start

Current Usage : 442 Hours

Coverage	P/L	Duration	Usage	Deductible	Amount
ADV GENSET PLATINUM	PARTS AND LABOR	60 Months	2500 Hours	0.00	22,140.00
ADV GENSET PLATINUM PLUS	PARTS AND LABOR	60 Months	2500 Hours	0.00	24,500.00

Other:

Administration Fee

Late Fee

Tax

Total Customer Amount

0.00

Currency

USD

Additional Comments :