

**MINUTES of the ST. CHARLES CITY COUNCIL
for Tuesday, April 26, 2011 at 7:00 p.m.
830 Whitewater Avenue
St. Charles, MN 55972**

MEMBERS PRESENT:

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

STAFF PRESENT:

Nick Koverman City Administrator
Cris Gastner, EDA
Kyle Karger, PW Supt.
Kristine Huinker, City Accountant

OTHERS IN ATTENDANCE: Pat Glynn, Daren Sikkink (WHKS), Nancy Heim, Mark Roubinek, Tom Wenté (Smith Schafer), and Craig Hilmer (St. Charles Press).

1). ESTABLISH QUORUM/CALL TO ORDER

Quorum was established with Mayor Bill Spitzer calling the meeting to order at 7:00 p.m.

2). PLEDGE OF ALLEGIANCE

3). APPROVAL of the AGENDA:

Motion to approve the agenda: John Schaber

Motion carried.

4). NOTICES AND COMMUNICATIONS. None

5). Review of Financials.

6). 2010 Audit Review. Tom Wenté of Smith Schafer provided a presentation highlighting the 2010 audit for the City of St. Charles. It was found that the City is in good standing with a reserve fund that has increased to 51 percent. He cautioned the Council that while the enterprise funds were covering their debt service, no gains were being made in a reserve cash balance to support any unplanned expenses. A full audit is available to the public and will be put online.

7). Resolution #08-2011 I-90 Plans and Specifications. Daren Sikkink from WHKS presented the plans and specifications to the City Council with respect to the construction of the I-90 commercial/industrial park. He highlighted road, water, sewer, and utilities. He answered any questions of the Council. He briefly discussed the location of a retention pond and noted that it would be discussed and determined by Council at a later point in the meeting. He added that the costs for the construction or renovation would be equal and that the pond built on the city owned lot would encompass 2 acres of land thereby reducing sellable acreage by the city. No further questions were taken. An initial motion was made to accept the plans and specifications. However, it was determined that prior to approving the plans and specifications that a determination needed to be made with respect to the location of the pond and whether it would be on the city land or land adjacent as owned by Nancy Heim and St. Charles Real Estate.

Motion to approve: John Schaber

Clm. Schaber rescinded his motion.

At this time Nancy Heim requested time to present information to the Council with respect to a potential land trade prior to a closed session for consideration. Administrator Koverman addressed the Council prior to allowing EDA Cris Gastner an opportunity to present the recommendation from the EDA with respect to the proposed land trade. The proposed trade would see Ms. Heim trade approximately 10.5 acres adjacent to the industrial site for a 3.4 acre lot on the northwest corner in addition to allowing an easement for a truck turnaround on Ms. Heim's property on the north end. Ms. Heim's property offered an existing pond that could be rehabilitated and thus allow the city not to use its potentially sellable acres to a developer. Mr. Gastner highlighted the various reasons behind the EDA's recommendation to not approve the land trade as: it was felt that the proposed 3.4 acre site was too valuable with its frontage along Hwy 74, the city had acquired the Mollert property with an intention and option of placing the pond on that land, and the city currently owned the land, and finally, the turn-around for semis will fit on the property we own. Nancy

Heim then followed Mr. Gastner and presented information demonstrating how one of the lots could potentially be a 1.5 acre buildable site in addition to sellable flat acreage of approximately 3 acres on the back side. She highlighted other benefits of the trade to both parties throughout the discussion. Clm. Dahl then questioned if she would decline selling any land to the city if they did not proceed with the swap. She expressed that she could not say yes or no but expressed that she is here for the betterment of the city. No further questions were asked. The Council considered the fact that the project engineer was available and discussed the potential of moving the closed meeting up in order to gain his insight or to have any questions answered immediately. A motion was made to close the meeting to discuss a potential land swap of 10.5 acres owned by Nancy Heim and St. Charles Real Estate and the 3.4 acres owned by the City of St. Charles.

Closed Meeting-Real Estate Strategy-A closed meeting was held with regard to the real property owned by St. Charles Real Estate and Nancy Heim of approximately 10.5 acres and the city owned 3.4 acres as part of the I-90 development. All Council and EDA Director Cris Gastner, WHKS Project Engineer Daren Sikkink, and Administrator Koverman were present.

A motion to close at 8:17 p.m.: John Schaber

No further discussion.

Motion declared carried.

A motion to open the closed meeting: 8:23

A motion to adjourn the closed session: 9:09 p.m.

A motion to reopen the regular meeting: 9:15 p.m.

A motion to hold a special meeting at 5:30 a.m. on Tuesday, May 2 to approve the resolution and to table Resolution #08-2011 Approving Plans and Specifications until that time was made.

Motioned by: John Schaber

No further discussion.

Motion declared carried.

11). Whitewater Coalition. St. Charles Supt. Mark Roubinek presented information to the Council with regards to the grant that St. Charles and Dover-Eyota School districts received with respect to drug and alcohol prevention initiatives. As part of the application process the city administrator and chief of police were asked to sign letters of support on behalf of the acting agencies. The first meeting of the group would be May 5 and Administrator Koverman asked if a Council representative would be interested in serving as an alternate in the event that either he or Chief Eckles could not attend. Clm. Braun volunteered to participate. Fourteen different entities are participating in the program. The Council thanked him for his time.

12). St. Charles Community Wellness Day-May 19. Supt. Roubinek then outlined a program that is running in the school district on May 19th as St. Charles Wellness Day. He asked that the City participate in the program and that he hoped to get the local newspaper on board. Mayor Spitzer explained that we could certainly do a proclamation for that day in St. Charles.

8). Ordinance #544 Amending Electric Rates. Admin. Koverman began the discussion by highlighting the information provided by the electrical engineer and the representative from Dairyland Power at the April 12th meeting. He expressed that while he had not received specific direction from the Council with regard to how they would choose to handle the proposed rate, he had taken the liberty to provide some sample implementations. One possible alternative provided by the engineer was looking at simply increasing the base rate, but Admin. Koverman recalled Council's concern that it unfairly charged people for usage and did not look at consumption. Another concern expressed was how rates affect the elderly and those residents on fixed incomes. He added that another potential piece that concerned him was how it might affect some of the businesses in town. While the city is forced to increase rates, being as mindful to the various groups as possible was taken into consideration. He also added that the projected increase that would see rates go to .1534/kwh was still less than competitors as each provider increased their rates 20-30 percent as well. Because the largest group of users is residential he looked at a past practice of a tiered system which would keep the current rate at .13 cents up to 500 kilowatts and then anything over that

threshold would be at the recommended rate of .1534. He expressed that of the 1438 residential customers, dependent on the month, over one third fell under the 500 kilowatt usage per month. In addition, in looking at single phase commercial customers the 500 kWh rate as a tier affected about half of the group. The idea was to try and continue to help businesses remain competitive, while unfortunately dealing with the rising cost of purchase power which is 60 percent of the annual budget. The Council agreed that unfortunately something needed to be done, but that the tiered approach may help to stimulate more conservation by residents. Admin. Koverman again reiterated that if the Council would like to investigate other options that he would certainly be more than happy to do so. With no more discussion a motion was made to approve Ordinance #544.

Motion to approve: Orv Dahl

No further discussion.

Motion declared carried.

9. Olson Wind Proposal. Admin. Koverman highlighted conversations that had been held between various parties involved with the project between Mr. Olson as well as independent groups. He outlined his recommendation that discussed potentially approving the exploratory services agreement once Juhl Wind had a chance to talk with Mr. Olson, but that that conversation between Juhl and Mr. Olson had not taken place. The Council also discussed with Mr. Olson's proposal that benchmarks needed to be established with the proposal. He did outline how a piece was added that a 10-day out clause was added at our request. Clm. Schaber expressed that he likes wind and sees the need to investigate alternatives, but added that while the City has been looking at wind for a while, Mr. Olson's plan was relatively new. Fellow Council members agreed. A motion to table for 2 weeks in order to allow time for Mr. Olson and Juhl Wind to talk and to present information at their May meeting would be made.

Motion to table: John Schaber

No further discussion

Motion declared carried.

10. Use of Sidewalk Ordinance. Admin. Koverman expressed that a past issue determined the need for a way for the City to regulate the use of the sidewalk space in the downtown area that was fair and equitable to all business owners. Admin. Koverman had attended a Chamber of Commerce meeting where he received support for the ordinance and it was deemed business friendly. The Council reviewed the ordinance and made one request for change that tables and chairs be removed from Section 2 (b). A motion was made to approve Ordinance #543 with those changes/deletions of tables and chairs.

Motion to approve: John Schaber

No further discussion.

Motion declared carried.

13. Health Benefit. Administrator Koverman highlighted a past practice that the City provides a .22 cent/hr. benefit for employees who do not take the health insurance plan. Admin. Koverman expressed that after consulting with several other area communities as well as the health insurance agent that many communities have decided that it is not a good use of the city health insurance dollars. It is the recommendation to discontinue this practice and use of those dollars. A motion was made to rescind the .22 cents/hr. for paying employees who do not take the health care insurance.

Motion to approve: Dave Braun

No further discussion.

Motion declared carried.

14). Saratoga Township Letter. Admin. Koverman highlighted the letter received from the Saratoga Township Board. He has been in contact with the City Attorney who provided various formulas approved by the League of Minnesota Cities and the Association of Townships. He has also been in contact with the fire chief and hopes to set up a meeting with township officials to discuss the contract and how they would be in breach of contract. The Council motioned to permit administration to send a letter to discuss the contract.

Motion to approve: John Schaber

No further discussion.

Motion declared carried.

15). SEMCAC Rent Request. Admin. Koverman presented a request from the SEMCAC board with respect to a best rate quote for the use of the center. Currently the group meets once a month for 2.5 hours and receive the \$15/hr. nonprofit rate. However, because of their budgets they are requesting a discounted rates and are hoping the Council would be able to provide this to them. It was agreed that the Council appreciated having them meet in St. Charles as they do a lot for the Winona and surrounding counties. It was agreed that a \$25 flat rate would be feasible. A motion was made to approve the \$25 per meeting rate.

Motion to approve: John Schaber

No further discussion.

Motion declared carried.

10). Resolution #05-2011 Gambling Fastpitch One-Day Liquor License. Admin. Koverman after receiving information regarding the organization's alleged status as a nonprofit and following up with the organizer determined that while they possessed a Federal Tax ID number, they did not have the full information for a nonprofit organization. He highlighted that since the law changed in 2009 in talking with other area communities that checking the status had not been a typical practice. He apologized for this oversight and explained that copies of organization's pieces would be required and the status will be verified with MN Secretary of State's website. A motion to rescind the Resolution #05-2011 was made.

Motion to rescind: Dave Braun

No further discussion.

Motion declared carried.

Unscheduled Appearances. Pat Glynn asked about the potholes in Sherwood Rd and the status of the discussion of the safety of the road being repaired. Admin. Koverman said he could answer those questions after the meeting if preferred. She agreed.

A motion to adjourn the meeting at 10:30 p.m.

Motion to approve: Wayne Getz

Motion declared carried.

William J. Spitzer, Mayor

Attest: _____
Nick Koverman, Administrator