

**MINUTES of the ST. CHARLES CITY COUNCIL
For Thursday, August 14, 2014 held at 5:00 p.m. at
830 Whitewater Avenue
St. Charles, Minnesota**

MEMBERS PRESENT:

Councilmen:

John Schaber

Orv Dahl

Wayne Getz

Bill Spitzer

Dave Braun (absent)

STAFF PRESENT:

Chris Hood (City Attorney), Kyle Karger (Public Works Director), Ken Frank (Police Chief), Lyle Peterson (Fire Chief), Jeff Hardtke (Ambulance Director) and Nick Koverman (City Administrator).

OTHERS IN ATTENDANCE: Bob Van Doran, Mike Bubany (David Drown & Associates), and Craig Hilmer (Press).

1. ESTABLISH QUORUM/CALL TO ORDER

Quorum was established with Mayor Bill Spitzer calling the meeting to order at 5:00 p.m.

2. PLEDGE OF ALLEGIANCE

3. APPROVAL of the AGENDA: Deletion: 11). Winona County Recycling.

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

No Discussion.

Motion carried.

4. MEETING MINUTES:

-July 8, 2014

Motion to approve: **Orv Dahl**

Motion carried.

-July 22, 2014

Motion to approve: **Orv Dahl**

No discussion.

Motion carried.

5. APPROVAL of the AUGUST PAYABLES

Motion to approve payables: **Wayne Getz**

6. Notices and Communications.

7. Reports of Boards and Committees: Various reports were given.

8.Fort Culvert Project. Admin. Koverman shared that in working with MNDOT, he had received a letter that based on the information provided to date, a 48 inch culvert replacement would not be approved by MNDOT. Koverman had several discussions with Mark Schoenfelder, the Regional District Planner at MNDOT and based on the data received that showed the amount of water increasing from 18 cfs to 80 cfs, Mr. Schoenfelder would not approve the increased size without further water shed data. He provided in his letter a listing of items he would hope to see in order to make a full determination. A cost estimates from Steve Pearson was received for \$23,440 and Koverman highlighted the portions of the project that it would include. It was also relayed that communications had been ongoing with Neil Britton of WSN, but that it was relayed in order to continue investigation another proposal would

need to be reviewed. Mr. Koverman had not received anything as of yet to review with Council. He asked Mr. Engstrom to provide his best guestimate as to the 15 inch culvert and ditch grading that was recommended by WSN. Koverman provided an exhibit that showed what Mr. Britton had relayed in their conversation with he and the city engineer. According to Mr. Engstrom he estimated the project cost at approximately \$11,500. Mr. Engstrom relayed though that he was not in full agreement with the recommendation as he did not understand the need to move the water from the west side of the cartway over to eastside to discharge into the larger culvert which would then be moved back to the west side of the road. He could agree with Mr. Britton's recommendation with respect to creating a gutter to direct the water down the cartway on the west side of the road which would then be deposited into the MNDOT ditch.

Admin. Koverman then relayed on behalf of Clm. Braun that Mr. Braun had a discussion with Mr. Fort and that he was requesting that the item be postponed until after the first of the year. Clm. Braun's position was that if this is what Mr. Fort desired that the Council would honor that position, but he suggested providing something to Mr. Fort to sign basically stating that it was his decision to postpone any resolution if any that the Council would be willing to offer and holding the city harmless. Admin. Koverman suggested that if this was the direction of the Council to postpone the project that a letter be sent with any proposed resolution along with a temporary construction easement agreement seeing as how much of the project was on private property as well as a letter also offering Mr. Fort his option to postpone requesting a signature as a waiver. Mayor Spitzer then questioned the liability as he stated that this issue was brought to the Council's attention also by other private residents who rent space at Mr. Fort's storage unit. He asked City Attorney Chris Hood for comment. Mr. Hood expressed that because the issue is on private property the City is stuck in that it cannot move forward. If someone was to make a claim the League would more than likely review the claim and defend the City in that the issue is clearly on private property. He also reinforced another option expressed by Admin. Koverman that the Council could elect to do nothing and find that the issue was caused by weather and factors created by the owner. Rick Engstrom of WHKS reread the statement by WSN Engineer Neil Britton that it was not the Chattanooga Innovation Park pond that caused the issue and that the rate from the park was in fact reduced. Clm. Schaber expressed that he didn't see the City forcing the issue if Mr. Fort's choie was not to see it move forward. Mayor Spitzer stated though that it was Mr. Fort who continued to state how he felt the City was negligent and wasteful yet he knew that tax dollars had been spent to get the council to this stage and did not want to see it wasted. He asked if providing Mr. Fort 10 days to reply was reasonable if a letter or resolution was sent. Council agreed. Clm. Getz then added that if a long-term solution could not be agreed upon that he felt that the damage that was done to the existing culvert should be repaired. Clm. Dahl stated that he thought the City had done everything that it could, but that it was in Mr. Fort's control. A motion was made to instruct staff to draft Mr. Fort a letter with the proposed resolution of Pearson Backhoe and Excavation installing the 36-inch CMP culvert at the proper levels with the emergency overflows and items as presented along with a temporary construction easement and providing 10 days to respond along with the friendly amendment to repair the damaged culvert if no long term solution was agreed to.

Motion to approve: **John Schaber**

No further discussion.

Motion carried.

9.Drainage Easement License Agreement. Admin. Koverman reviewed a memo that highlighted a concern from a resident over the construction of a chainlink fence within a backyard that he had received an email regarding in late June. The resident questioned the use of a "public easement" and why the resident who put up the fence did not need a variance. After researching the easement, Admin. Koverman had learned that a 5 foot drainage easement from 1957 existed in the backyards of the properties of East Lane. The fence had been constructed prior to the city's knowledge. In reviewing the fence Supt. Kyle Karger noted several other structures and trees also located in the drainage easement. In 2013, Supt. Karger specifically moved overhead utilities underground because of the continued difficulty in accessing the easement for emergencies. City Code language was either vague or non-existent with respect to defining a public easement or the discretion allowed to the utilities superintendent. The issue was addressed with legal counsel and the options afforded to the council were to demand the removal of the fence, vacate the drainage that as discussed was found to be unknown as to the reason, or to provide a license agreement that the homeowner would sign stipulating that as a condition of use of the easement that if the need arose, the structure could be removed at the owner's expense. Mr. Hood expressed that he has used these type of agreements in other communities and found them to be effective. Supt. Karger reiterated that he the fence did not affect his utilities and were on the property owner's property. After considering their options, Clm. Getz motioned to allow the fence to remain, but to require the license agreement.

Motion to approve: **Wayne Getz**

No further discussion.
Motion carried.

15. 2015 Preliminary Budget Proposal. City Accountant Kristine Huinker presented the initial proposal for consideration by the Council for the 2015 budget. While several factors were still unknown, worse case scenarios were included and given that factor, a 2.65 percent levy increase was slated with a positive reserve cushion of just over \$31,000 being offered. Admin. Koverman noted however that in order to achieve this type of levy proposal Council needed to realize that within the Capital Improvement Budget that only \$290,000 was being slated for spending in 2015 while over \$413,000 was included for consideration. Koverman relayed that he wanted the Council to give consideration to the items, but that staff would return with recommendations on how to reduce the project costs. However, he expressed that in reviewing the Capital Improvement Plan, delaying projects and timelines has bunched these projects into shorter time frames. He added that if there were items that the council hoped would be considered that those items should be brought forward as well. He relayed that he hoped to also have updated health insurance information. No further discussion was held.

10. Water Tower Cleaning & Painting. Admin. Koverman highlighted information provided in his memo that discussed the Capital Improvement Plan for 2014 and 2016 for both interior and exterior painting of the million gallon water tank. After receiving initial project estimates for interior painting, the cost was approximately \$200,000 which was above the initial estimates of \$120,000. WHKS and Supt. Karger began exploring alternative options and during a water school, Supt. Karger located a company that specialized in painting/repair. Others contractors were contacted and visual inspections were held. Estimates were received from two companies for a combined project of interior/exterior spot repairs. Additionally quotes were received for changing the logo as well as equipping both city water tanks with agitation systems that would prevent freezing water tanks. Supt. Karger expressed that during a May inspection, three feet of frozen water was found. Many of these same issues of freezing water towers was discussed throughout the state as it related to communities water supplies. In addition, ice is a main problem related to damaged interior tanks. Estimates were reviewed from Water Tower Clean and Coat, Inc. (\$31,900) and Central Tank Coatings (\$37,200) with a separate estimate for Tank Agitation Systems for \$16,000. Mayor Spitzer stated that given the costs of the projects with what was anticipated, it shows a savings of over \$200,000. Supt. Karger explained that the tank will still be taken out of service for several weeks and city wells will run in order to maintain pressure, but that this process will only need to happen once as opposed to twice. Clm. Getz stated that he thought it was time for a logo change and it combined with the marketing information that the city had received as an earlier study with respect to branding. Clm. Dahl liked how it was significantly under budget even with a logo repainting. All agreed. The Council briefly discussed the color concept options and eventually agreed on a solution. A motion was made to award the project to Water Tower Clean and Coat, Inc. with the addition of the agitation systems for both water towers.

Motion to approve: **Wayne Getz**

No further discussion.

Motion carried.

12. EMS Building Proposal. Fire Chief Lyle Peterson and Ambulance Director Jeff Hardtke presented the most recent information to the Council with respect to the recommendation by the building committee. After reviewing the plans with the CRW Architects and trying to determine expected savings by utilizing the existing structure, it was gleamed that too many unknown factors could present themselves in the form of foundational issues, walls, etc. which in the end may cause for the structure to be removed in the end. Chief Peterson discussed the two options of reusing the structure and starting new and summarized that the committee recommended utilizing a new plan design that did not reuse the existing structure. The plan allowed for more flexibility while keeping the fire trucks rolling onto Highway 14. In addition, the slope of the property provided concern for the architect that while he felt they could be overcome knew that mitigation steps would need to be taken. Additionally, Chief Peterson explained that overall it will be a more efficient use of the space. Clm. Schaber and Dahl supported the statements and the committee's findings. The Council had a brief discussion and all were in agreement that the new plan provided a more long-term vision and utilized the property to its fullest extent.

13. Resolution #-230-2014 Calling for Election on G.O. Bonds. Mike Bubany was present to discuss the financial options/resources available to the City. He reviewed the proposed options of the resources which could impact the annual property tax of a \$125,000 in a range from \$38-\$33 per year. Mr. Bubany reviewed the upfront cash options from the city and possibly county as well as ongoing resources that could be utilized. He then discussed the recent

meeting with the Winona County Board of Commissioners. The initial proposal of \$1,000,000 in a low interest loan as well as an upfront \$100,000 payment was requested. County Board officials expressed their lack of knowledge with respect to the project and that such a request would be coming. Mr. Bubany stated that the City would be open to a discussion of any amount and perhaps even to simply increasing the upfront participation cost. Mr. Bubany showed that if an additional \$100,000 was part of the project (\$200,000 total), it would essentially reduce the amount by the same dollars to the St. Charles taxpayer. In addition to the EMS project, the police department was also discussed as being part of the levy for an additional \$200,000 for renovations to city hall and the addition of a garage. The total project cost with issuance expenses and contingency funds was estimated at \$2,400,000. The Council worked through various scenarios and finalized a number of \$2,300,000 for a bond referendum question that would be approved within the provided resolution. A motion was made to approve Resolution #30-2014 Calling for Election on G.O. Bonds in the amount of \$2,300,000.

Motion to approve: **John Schaber**

Seconded by: **Wayne Getz**

No further discussion.

Motion carried.

14. Rehabilitation Program Fund Request. A request was reviewed from the EDA to utilize \$50,000 of the Rochester Sales Tax dollars for the rehabilitation loan program. To date almost the initial \$100,000 has been earmarked for various private improvement projects which has netted almost \$500,000 in private investment and improvements. It was discussed how the program was viewed as a success. A motion to approve the additional funds was made.

Motion to approve: **John Schaber**

No further discussion.

Motion carried.

16. Resolution #29-2014 Qualifying Officer to Participate in PERA. Admin. Koverman expressed that once an officer earns over \$425 in a pay period then the officer would qualify for PERA. A motion was made to approve the resolution.

Motion to approve: **Orv Dahl**

No further discussion.

Motion carried.

UNSCHEDULED PUBLIC APPEARANCES:

None.

Motion to adjourn at 6:32 p.m.

Motion to approve: **Wayne Getz**

Motion declared carried.

John P. Schaber, Mayor Pro Tem

Attest: _____
Nick Koverman, City Administrator