

**MINUTES of the ST. CHARLES CITY COUNCIL  
for Tuesday, August 23, 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  
Kristine Huinker, City Accountant

**OTHERS IN ATTENDANCE:** Toby Brummer (HBC), Dan White and Mike Bubany (David Drown & Associates).

**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: 12). Resolution #31-2011 Issuance Sale of \$2,666,000 Electric Revenue 13). BTYR August 31 Designation  
Motion to approve the agenda: John Schaber  
Motion carried.**

**4). NOTICES AND COMMUNICATIONS. None.**

**5). Review of Financials.**

**12). Resolution #31-2011 Issuance and Sale of \$2,666,000 in electric revenue bonds.** Mike Bubany was present to discuss the refinancing of the electric revenue bonds and the proposed rates. Mr. Bubany explained that only two bids were received, but that the rate was lower than anticipated which meant greater savings for the city. Two bids were received with the lowest most responsible bidder being Northland which submitted a rate of 2.795, which was well below the projected 3.18 percent. The projected gross savings was an estimated \$247,000 over the life of the bond which will remain the same as the initial bond. Mr. Bubany explained the terms and covenants that apply with the bond. He also cautioned the Council to say while the rates received were favorable one of the reasons that only two bids were received was due to the fact that based on the size of the utility budget and infrastructure, the reserve that is currently carried is less than what he would recommend. He urged Council to begin trying to increase the reserve balance as has been the practice of the Council and the General Fund reserve balance. With no further questions a motion was made to approve Resolution #31-2011.

**Motion to approve: Wayne Getz**

**Seconded by: Orv Dahl**

**No further discussion.**

**Motion declared carried.**

**8). HBC Antenna Lease Agreement.** Toby Brummer was present to again address Council with respect to the proposed lease agreement. Admin. Koverman said that after working with Dan Pecarina, the vice president of technology that some of the questions and concerns of the proposed agreement were worked out. Admin. Koverman highlighted changes and expressed that he had spoken with the city attorney about the changes and that they were agreeable. The city's liability and indemnification, which was the primary concern of counsel, was taken care of within the agreement. A brief discussion on the ability to utilize the Wi-Fi service in the future for various applications whether school district or law enforcement or other potential uses would certainly be agreeable by HBC according to Mr. Brummer. The general agreement of \$350.00/month for an initial term of 5 years with a 2 percent increase annually would be agreeable. Clm.

Schaber expressed that because it would be a good thing for the community and the potential uses that it would allow for not only the school district but the other aspects of government that he would propose accepting the agreement with any minor changes to be made.

**Motion to approve: John Schaber**

**No further discussion.**

**Motion declared carried.**

**6). Ordinance #547 Ninth Street Vacation.** Mayor Spitzer briefly described the reasoning of the 2<sup>nd</sup> reading of the proposed vacation. A motion was made to accept the 2<sup>nd</sup> reading of Ordinance #547 with no changes to the language

**Motion to approve: John Schaber**

**No further discussion.**

**Motion declared carried.**

**7. Ordinance #546 Variance Amendment.** Mayor Spitzer briefly reviewed the reasoning for the language amendment to the variance ordinance. A motion was made to approve the 2<sup>nd</sup> reading of the variance amendment.

**Motion to approve: Wayne Getz**

**No further discussion.**

**Motion declared carried.**

A motion was made to approve the summary of the ordinance for publication.

**Motion to approve: Orv Dahl**

**No further discussion.**

**Motion declared carried.**

**9). 2012 Budget Discussion.** A budget discussion was held with City Accountant Kristine Huinker explaining the detail spreadsheets and worksheets that show the areas of spending and past history of the accountants by line. Following the discussion of the Council of the past meeting, the proposed levy increase will be a maximum of 7.95 percent, which will be a preliminary levy amount certified to the County on Sept. 13. In addition, Admin. Koverman presented the preliminary EDA levy amount, which decreased from 2011 due to the decreased total taxable market value. Mr. Bubany also explained for the Council the change made to the Market Homestead Value Credit and how the state of Minnesota has shifted the burden onto the resident by not paying for 25 percent of the homeowner's property tax. While it would have increased the portion residents are responsible for, they also passed a provision that county assessors will implement that will reduce the value of properties to offset that tax impact. He explained that homeowner's property taxes should remain relatively unchanged, but that their value of their property will be reduced in order to meet that same tax amount. However, businesses will not see any reduction in their value in will such pay that additional shift in dollars. The Council thanked Mr. Bubany for his time. Admin. Koverman reminded Council that a preliminary certified amount will be approved by resolution at the next Council meeting.

**10. Proposed EDA Resolution.** No further discussion was held on this item as it was handled in the previous discussion.

**11. BESP Release of Contract for Private Development.** The Council, for reasoning explained in the packet, concurred that the release be signed for reasons that the development was complete and there were no outstanding obligations. A motion was made to approve the release.

**Motion to approve: John Schaber**

**No further discussion.**

**Motion declared carried.**

**13. BTYR August 31 Designation.** Admin. Koverman informed the Council that the Beyond the Yellow Ribbon program would be officially designated by the governor Wednesday, August 31 in Rochester at 3 p.m. and that they have requested that someone from the City accept the designation. Mayor Spitzer expressed that he would be present to accept and Clm. Schaber expressed that he may be available as well.

*Unscheduled Appearances.* Dan White addressed the Council and expressed his sincere appreciation to the ambulance and police departments for their quick response during a recent incident. He applauded the Council for past decisions and urged them to continue.

**A motion to adjourn the meeting at 7:59 p.m.**

**Motion to approve: John Schaber**

**Motion declared carried.**

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**William J. Spitzer, Mayor**

Attest: \_\_\_\_\_  
**Nick Koverman, Administrator**