

**MINUTES of the ST. CHARLES CITY COUNCIL
for Tuesday, March 22, 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

Kyle Karger, PW Supt.
Kristine Huinker, City Accountant

OTHERS IN ATTENDANCE: Pat Glynn, Daren Sikkink and Rick Engstrom (WHKS), Nancy Heim, Mike Bubany, Cris Gastner (EDA), Bill Debruyckere, Chris Hood (City Attorney), Wayne Idso, Ivan Idso, Suzanne Idso, Scott Oberg, Marti Ellinghuysen, Mark Linderbaum, Dan Pearson, Jay Jasperson, Kevin Kelliher (DEED), Jim Allen, Greg Gall, Dan White, 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). Public Improvement Hearing/Resolution #08-2011 Ordering Public Improvement. A motion to open the public hearing at 7:06 p.m. was made.

Motion to open public hearing: John Schaber

No further discussion

Motion declared carried.

Daren Sikkink of WHKS presented information related to the construction of the I-90 project, which included the 36-acre parcel. He discussed all the improvements as outlined in the public notice and the method of the financing that would be expanded on by Mike Bubany, the City's financial advisor. The total project assessment was \$1,953,159. Mike Bubany next discussed the financial implications. He began by stating that the impacts he was going to discuss only outlined the I-90 project and did not take into account any other water/sewer projects increases. Mr. Bubany highlighted the process to receive the tax exempt General Obligation bonds and the revenues received by the City from the DEED grant for \$570,000 with TIF proceeds being used to purchase the initial 30.9 acres of land, and how the future tax increment dollars from the downtown TIF district would be used to offset any major tax impact. Mr. Bubany showed that the total project would cost on a \$100,000 value \$9/year. Clm. Schaber added that over several years that while our tax rate would be in the mid 30's where we target, it would eventually drop. This also did not take into account any land sales that would also help to make the payment. The scenario Mr. Bubany provided was only if tax dollars were used to pay this debt. Kevin Kelliher of the Department of Employment and Economic Development spoke next. He cited several factors that potential site selectors looks for and how St. Charles offered those aspects. Mr. Kelliher deemed that by DEED standards this project "has legs" and will bring jobs to Winona County and the State of Minnesota. He expressed that this opportunity created the possibility of jobs for kids in the community and a reason to have them return home in the future.

Jay Jasperson of 137 Pearson Drive expressed that he was excited about the project he did have concerns for existing businesses. He hopes that the Council focuses on industrial and manufacturing as opposed to hotel or restaurants. Otherwise, he requested a right of first refusal. Greg Gall of 830 W 6th as an EDA member and president of the Chamber of Commerce expressed that he understood the concern raised by Mr. Jasperson, but because of the opportunity stated that the City would be foolish not to take advantage.

He expressed he was in favor of the project. He could not see how bringing people to town can negatively impact businesses, but rather increase business. Nancy Heim at 1147 Whitewater Avenue was in favor of the project that would potentially bring more families, more jobs, and more taxes to help stabilize water, sewer, and electric. Dan White at 730 Whitewater Avenue expressed that his greatest fear was how to transport people to that area, but was in full support of the project. Jim Allen at 15 Whispering Hills discussed the positive attributes St. Charles has and that this project would continue to add to that list. The mayor called three times for any more comments. A motion was made to close the public hearing:

Motion to close public hearing: Wayne Getz

No further discussion.

Motion declared carried.

A motion to open the Council meeting: John Schaber

No further discussion.

Motion declared carried.

Cm. Dahl began by stating that he had been playing devil's advocate and was leary about the timing because of the economy. After hearing all of the positive feedback and the minimal impacts he has concluded that the project would be a good thing. Cm. Schaber expressed that as someone who drives 30 minutes a day one way, he wishes he had the opportunity to work in town. If industry or manufacturing were there this may be possible. He also liked the fact that the impact was minimal if not even one lot is sold. Balancing that with being able to help the downtown through setting up a fund was also a promising aspect. He finished by stating if we do nothing we have lost a great opportunity. Cm. Getz echoed sentiments made by Mr. Allen and added that if we do nothing, nothing will happen. Cm. Braun expressed concerns with regard to potential school levy, water, sewer, electrical rates and the tough times for fixed income residents. However, he expressed he does not want to see the town die and the prospect of higher paying jobs through industry was promising. Mayor Spitzer concluded that it was an unfortunate event that has driven the City down this road and to stabilize our local economy for future years this step is a necessary one. He expressed that it is not the intention to put anyone out of business, but adds that he sees people reinvesting in the downtown and that this project would help to ensure that their investment was not wasted as it would hopefully bring more people to town. He added that a lot of eyes have looked at this project and tried to find problems with it over the last two years. It is a risk, but again his fear is that if St. Charles does not position itself for the future we have less of chance to succeed. With no further discussion, the mayor called for a motion. A motion was made to approve Resolution #08-2011.

Motion to approve: Wayne Getz

Seconded by: John Schaber

The Mayor called for a roll call vote:

John Schaber: Aye

Wayne Getz: Aye

Dave Braun: Aye

Orv Dahl: Aye

Bill Spitzer: Aye

Motion declared carried.

Mike Bubany then addressed the Council further to offer that the City could see additional savings with the fact of refinancing old debt as discussed at previous meeting. Because the City would look to bond a lot of the savings of the filing costs would be saved. Potentially, Mr. Bubany expressed that the total refinance could save close to \$85,000 over the life of the refinanced bond. If this project was completed on its own the savings may only amount to about \$30,000.

7). Resolution #06-2011 Old Valley Road Quote. After opening up the discussion Cm. Schaber expressed that after reviewing the attorney's comments the contract should be awarded to Winona Excavating. A motion to award the contract to Winona Excavating in the amount of \$70,655.70 was made.

Motion to approve: John Schaber

A brief discussion was held with regard to potentially closing the road for safety reasons.

Motion declared carried.

Cm. Schaber then motioned to refer the concern to public safety for consideration.

Motion to approve:

No further discussion.

Motion declared carried.

8). Liability insurance waiver form. The annual form for tort liability was presented to Council for consideration. A motion was made to approve the form as presented.

Motion to approve: John Schaber

No further discussion.

Motion declared carried.

9). Hazard Mitigation Plan. Admin. Koverman presented the memo and the hazard plan as revised that he planned to submit for the Winona County Hazard Mitigation plan as discussed at the last meeting.

Motion to approve: Wayne Getz

No further discussion.

Motion declared carried.

10). Resolution #07-2011 Bluffland Whitetail Association. The annual gambling permit was reviewed.

Motion to approve: Dave Braun

No further discussion.

Motion declared carried.

11). Ambulance Mutual Aid-Flooding. Ambulance director Jeff Hardtke was present to request that in case of mass evacuations with respect to flooding that a St. Charles crew be allowed to participate as a mutual aid effort. He indicated that St. Charles would still be provided 24 hour coverage but that with a second unit it affords the region the option for emergency response. All costs may be reimbursable through FEMA or a mutual aid contract. A motion was made to approve the ambulance to serve in a mutual aid effort if the need arises in the event of flooding activity.

Motion to approve: Dave Braun

No further discussion.

Motion declared carried.

12). Janitorial position. A recommendation to hire Dan Nicklay for the 10 hour part-time janitor position with a first step starting wage was heard by council.

Motion to approve: Wayne Getz

No further discussion.

Motion declared carried.

13). 2010 Census Data. The 2010 census data was reviewed that showed St. Charles has grown nearly 11 percent to be 3,735 residents. The greatest areas of growth were within the minority populations.

14). Chris Hood-Flaherty & Hood. Chris Hood was present to introduce himself and take any questions.

Unscheduled Appearances. Dan White thanked the Council for their support of the upcoming April 9 fundraiser.

A motion to adjourn the meeting at 8:26 p.m.

Motion to approve: John Schaber

Motion declared carried.

William J. Spitzer, Mayor

Attest: _____
Nick Koverman, Administrator

