

**MINUTES of the ST. CHARLES CITY COUNCIL
for Tuesday, November 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
Kristine Huinker, City Accountant
Kyle Karger, PW Supt

OTHERS IN ATTENDANCE: Monica Hill (St. Charles Press), Brian Todd (Post-Bulletin), Daren Sikkink (WHKS).

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: Wayne Getz

Motion carried.

4). NOTICES AND COMMUNICATIONS. None.

5). Review of Financials.

6). I-90 Project Update. Daren Sikkink of WHKS Engineering was present to give the Council an update on the I-90 project. He outlined all of the process that were completed and showed all of the improvements that were in addition to the planned project in order to enhance the land. Mr. Sikkink discussed how the area was completed with the earth moving, utilities and rock excavation. He added that rock quantities were more than anticipated, but that WHKS was working with ELCOR to conclude final quantities. The remaining pieces in the spring would be the second lift of bituminous as well as finishing the booster station and bike path. He is currently working on finishing the plat drawings for the project and will include the names of the streets on the plat. Admin. Koverman expressed that a few concerns of drainage had been heard and asked Mr. Sikkink to address those issues. The pond area that is currently being used has been in existence for some time, he explained, at the size of the pipe was not altered and remains a 12 inch pipe which will not increase the rate of the flow. Improvements were made to the pond because of the project, but the only thing that would increase would be the time that it would drain, but not the amount of flow. From the cartway, Elcor has worked with the neighboring property owner to improve any areas of concern that may have been created because of the use of the road. The Council did not have any additional questions. It was also noted that due to the City's electric department the overall project saved approximately \$100,000 in bonded expense because utilities and services that were installed were completed through existing budgets. In addition, city crews helped in much of the finishing work to enhance the project to the final state. Council members commended everyone involved in the project citing that it looked good.

7). Elcor Construction Pay Request. Daren Sikkink from WHKS presented a third pay request from Elcor Construction on the I-90 project in the amount of \$476,621.60. Again, he reiterated that WHKS and Elcor were working together to determine final quantities on rock excavation and that should hopefully be resolved soon. A motion was made to approve the pay request to Elcor Construction for 4476,621.60.

Motion to approve: John Schaber

No further discussion.

Motion declared carried.

12). Agreement for Assessment. Daren Sikkink presented the agreement for assessment with respect to the petition received by Dan Pearson to finish the blacktop and curbing of a section of the Whitewater Industrial Park. During the previous Council meeting, the Council heard a request from the EDA whereby Mr. Pearson requested to have his property assessed and that the EDA was working with an existing business to help his potential expansion with the finishing of the street. A revolving loan had been granted by the EDA to pay for a portion of the project and the assessment would be set up to be repaid at the time of sale of the lot or after 5 years at 1.5 percent interest. Construction and engineering costs were being assessed. Mr. Sikkink explained that the estimate of quantities that were received by the developer from Elcor were low and once the project was performed and that with the final quantities the final cost of the project with engineering fees included was \$85,521.92. This amount was above the original estimate, but again the project required additional material. A motion was made to approve the agreement for assessment in the amount of \$85,521.92.

Motion to approve: John Schaber

No further discussion.

Motion declared carried.

8). 2012 Budget/Levy/CIP. Admin. Koverman presented the information requested with respect to Council focusing on retaining an approximate 39 percent tax rate and cut roughly \$70,000 from the levied amount. Admin. Koverman reviewed the last option proposed for a \$90,000 cut and then presented a second option that Council requested for \$70,000. In addition, various optional pieces were reviewed as potential items to substitute. After some consideration it was recommended to look at the existing savings of \$3,900 from garbage service, \$1,700 from the fire department tools budget and \$4,400 by moving the Wednesday library hours more in line with the additional hours. The additional items would look at increasing the transfer from the electric fund by \$20,000, elimination of the \$30,000 ball field lights and reducing the trails budget by \$10,000. The additional \$10,000 from the general fund reserve was removed. A question of the fishing docks was also discussed as a potential option. The Council turned their discussion to the digger derrick for the electric department. Supt. Karger presented information that outlined the initial 15-year replacement plan and how it had been moved to 20 years and was currently 21 years old. While it does have low miles, the unit is responsible for all of the lifting of the transformers and setting of poles. The Council questioned the need of the unit and Supt. Karger explained its capacity and vital role in emergency operations. Council then questioned the feasibility of replacing only the boom mechanism, motor, and related pieces. Supt. Karger expressed that he would bring back information to the Council. With that piece, the Council left the options open for which direction they may choose. No further discussion was held.

9). Ordinance #550 Amending Utility Rates 2nd Reading. The Council again reviewed the ordinance that will allow the City to bill monthly utilities. Everyone felt comfortable with the language and with no further discussion a motion was made to approve the 2nd Reading of ordinance #550.

Motion to approve: John Schaber

No further discussion.

Motion declared carried.

10). Ordinance #548 Amending Water Rates 1st Reading. The Council reviewed the rates and the ordinance and a motion to approve the 1st reading was made.

Motion to approve: Dave Braun

No further discussion.

Motion declared carried.

11). Ordinance #549 Amending Sewer Rates 1st Reading. The Council reviewed the rates and the ordinance and a motion to approve the 1st reading was made.

Motion to approve: Wayne Getz

No further discussion.

Motion declared carried.

13). Winter Parking Exemptions. Two winter parking exemption requests were reviewed. These are annual requests because of the lack of parking on private property. A motion to approve the exemptions was made.

Motion to approve: Wayne Getz

No further discussion.

Motion declared carried.

14). DESCASD Representative. Clm. Getz' 2-year term on the DESCASD board was set to expire and they were requesting a representative by appointed. The Council had a brief discussion looking for a member when the motion was made to reappoint Clm. Getz to the sanitary district to fulfill the 2 year term.

Motion to approve: John Schaber

No further discussion.

Motion declared carried.

15. DESCASD Contract. Mayor Spitzer discussed the contract and how very few changes were made since the Council reviewed the contract that was submitted to the Sanitary District. He explained that numbers were put in to the contract for a starting point of discussion. He anticipated that the numbers may fluctuate, but that to make a true determination that constant monitoring would need to be undertaken by the district. The numbers input were from 2010. Following clarifications, a motion to approve the contract was made.

Motion to approve: Orv Dahl

No further discussion.

Motion declared carried.

16. UMMPA/Dairyland Contract. Admin. Koverman highlighted a memo that was submitted by the UMMPA attorney providing a brief outline of the contract that was agreed upon and will be later distributed for final approval by all Councils. The rates will be set for a rolling two years so that communities may budget appropriately. In addition, renewable energy credits (RECS) will be reduced thereby saving communities money. It was explained that the reasoning for this change in contract rates was due to the fact that it was realized that market rates were more cost effective than the initial contracts cost of service. Because the demand of power is being reduced due to the increase in energy sources including alternatives, the price has dropped thereby making it affordable to purchase on the open market. Dairyland and UMMPA began discussing how it could be made more equitable for UMMPA and its members and the result is the new contract that was presented. Admin. Koverman also expressed that other opportunities for long term sustainable alternative energy solutions are still being explored through UMMPA and Dairyland. Those items will be presented as they come forward.

Unscheduled Appearances. None.

A motion to adjourn the meeting at 8:08 p.m.

Motion to approve: John Schaber

Motion declared carried.

William J. Spitzer, Mayor

Attest: _____
Nick Koverman, Administrator