

**MINUTES of the ST. CHARLES CITY COUNCIL  
for Tuesday, November 8, 2011 at 8:01 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  
  
Bill Eckles, Police Chief

**OTHERS IN ATTENDANCE:** Monica Hill (St. Charles Press).

**1). ESTABLISH QUORUM/CALL TO ORDER**

Quorum was established with Mayor Bill Spitzer calling the meeting to order at 8:03 p.m. **(The meeting was postponed until 8:03 p.m. due to the school board referendum.)**

**2). PLEDGE OF ALLEGIANCE**

**3). APPROVAL of the AGENDA: Remove: 11. I-90 Project Update**

**Motion to approve the agenda: Dave Braun**

**Motion carried.**

**4). Meeting Minutes**

**-October 11, 2011**

**Motion to approve: John Schaber**

**No further discussion.**

**Motion declared carried.**

**-October 25, 2011**

**Motion to approve: Wayne Getz**

**No further discussion.**

**Motion declared carried.**

**5). November Payables.**

**Motion to approve: Orv Dahl**

**No further discussion.**

**Motion declared carried.**

**6). NOTICES AND COMMUNICATIONS.** None.

**7). Reports of Boards and Commissions.** Various reports were given by Council.

**8). Public Hearing-Special Assessments.** Mayor Spitzer discussed that the Council would hold a public hearing to discuss annual assessments of utilities and services that are certified to the County Auditor's office. He called for a motion to open the public hearing at 8:15 p.m.

**Motion to approve: John Schaber**

**No further discussion.**

**Motion declared carried.**

Mayor Spitzer again discussed the reasoning behind the hearing. Admin. Koverman highlighted that only one property owner was being certified at this time. He called for anyone present to convey their concern or provide any additional information. He called once, twice, and three times. Hearing nothing, he called for a motion to close the public hearing at 8:17 p.m.

**Motion to approve: Orv Dahl**

**No further discussion.**  
**Motion declared carried.**

**9). Resolution #37-2011 Adopting of Special Assessments.** Understanding the resolution following the special assessment hearing, a motion was made to approve Resolution #37-2011.

**Motion to approve: John Schaber**  
**No further discussion.**  
**Motion declared carried.**

**10. Resolution #38-2011 Renewal of Home/Special Home Occupation Permits.** A brief discussion was held with respect to the Planning and Zoning Commission reviewing the permits. No concerns were brought forward and a motion to approve Resolution #38-2011 was made.

**A motion to approve: Dave Braun**  
**No further discussion.**  
**Motion declared carried.**

**12. I-90 Development Names.** Mayor Spitzer reviewed the EDA's proposal for development names for the I-90 Commercial/Industrial Business Park. The name presented for the development was the Chattanooga Heights Innovation Park, the east-west road being Enterprise Drive and the north-south road being Donahue Avenue. A motion was made by Council Getz to approve the recommendation of the EDA. Discussion followed with Clm. Schaber expressing that the only concern he had heard from the P&Z Commission was that the idea of the word "Heights." The reasoning for Chattanooga was because of the historical nature of that side of town being one of the original parts of St. Charles. Donahue Avenue was named after the St. Charles native being the first person killed in WWI and Enterprise Drive as a general street name. The Council had a brief discussion as to liking or disliking the proposed names. A proposal from Clm. Schaber was put on the table as Chattanooga Innovation Park for consideration. Clm. Getz expressed he would consider either option. With the motion on the table the vote was called. Clm. Getz and Dahl voted Aye with Clm Schaber and Braun voting Nay. A follow up motion was presented by Clm. Schaber for Chattanooga Innovation Park, Donahue Avenue and Enterprise Drive.

**Motion to approve: John Schaber**  
**No further discussion.**  
**Motion declared carried.**

**13. 2012 Budget/Levy/CIP Discussion.** Admin. Koverman began the discussion by outlining the request by the Council at the last meeting. He presented the numbers to the Council with respect to the tax levy and proposed tax levy at 42.5 percent. Again, he stated that one of the unknowns even with the estimates is that it will be uncertain as to the property tax values until they are out by the County. The estimate to lower the tax levy to 38.09 percent would be approximately \$90,000, while reducing it to roughly 40.06 percent would be approximately \$50,000. The general impact in dollars on a \$100,000 value of a home for 36 percent was proposed at \$8/year. With 42.5 percent it was estimated at \$47; 38 percent at \$15/\$100,000 and 40 percent at \$27. He reminded Council that the departments affected by the property tax levy are library, fire, parks, recreation, police, street, administration, council, forestry, celebration, advertising and pool. He then explained that staff took it a step further and made a preliminary proposal of how the Council, if they chose to, could reach the 38 percent mark if it was the Council's feeling that despite what the state had done by creating the hardship, the Council felt compelled to reduce the property tax levy. He also added that it is still an unknown whether or not the state will again reduce the Local Government Aid portion ending 2011 and again in 2012. In looking back he estimated that the last reduction was roughly 13 percent, which if done again would equate to \$100,000 to the general fund. With that information, one proposal addressed the Capital Improvement schedule and two items of the annual trail extensions (\$25,000) and the ballfield Lights (\$30,000) as proposed items that could be either pushed or eliminated for 2012. By utilizing the trail extension, Admin. Koverman reminded Council that every year a segment is budgeted so that budget would return in 2013. In speaking with a lighting retrofit company the return on investment for electric savings would not be very good because of the minimal hours of use. Making up the difference to try and target the \$90,000 mark would be reducing the planned general fund contingency of \$54,000. One option was to reduce that figure to \$20,000. The contingency is planned to help build the general fund

reserves which the council and staff have worked to stabilize over the last four years at roughly 49 percent. The contingency is also used however for emergency issues or opportunities that may not have been budgeted or planned expenses. Mayor Spitzer began by questioning Council as to their thoughts on the tax levy. Clm. Braun questioned some of the additional items on the CIP plan and it was explained that those items had no effect on the property tax levy as the proposed items fell under enterprise fund budgets and are not supported through property taxes. However, it was agreed that at the next meeting Supt. Karger would present information with respect to the items found on the CIP plan. In reviewing the plan, several points were addressed such as focusing heavily on the capital improvement plan, possibly utilizing department budgets for a portion, possibly increasing the transfer from the electric fund, and protecting the general fund reserve pattern of stabilization. Council agreed that returning to 36 percent was highly unlikely, but that targeting under 40 percent and given the uncertainty of the state may be more realistic. Staff was then asked to present some options at the next meeting for consideration, but to target a possible 39 percent tax rate or reduction of roughly \$70,000.

**No further discussion.**

**14. LED Christmas Light Rebate.** As information, the City will once again be offering LED Christmas Light rebates through December 31, 2011.

**15. Ordinance #550 Amending Utility Billing Practice.** The first reading of Ordinance #550 which will allow the city to bill water monthly was reviewed. The City Attorney drafted the ordinance. No further discussion was held. A motion was made to approve the 1<sup>st</sup> reading of the ordinance.

**Motion to approve: Wayne Getz**

**No further discussion.**

**Motion declared carried.**

**16. E-Charging Joint Powers Agreement.** Admin. Koverman outlined the E-Charging document that was being requested for approval by the Winona County Attorney's office and the Bureau of Criminal Apprehension for the use of the E-Charging. Mayor Spitzer expressed the benefits of the program and Admin. Koverman added that the City Attorney had reviewed the document and was comfortable as it is a standard contract. A motion was made to approve the JPA and services of the E-Charging.

**Motion to approve: John Schaber**

**No further discussion.**

**Motion declared carried.**

**17. CIP Program Rate.** Admin. Koverman highlighted the Conservation Improvement Program through the electric utility as mandated by the State of Minnesota to expend funds to reduce the electric consumption of the community by an estimated 346,000 kilowatt hours. Over the course of the year the program has been circulated to local electricians and additional companies that may be able to help local consumers. As it is quickly approaching the end of the year, it is believed that increasing the return incentive from 12 cents per kwh to 20 cents per kwh would help to increase interest in the program. This program increase would only be through December 31, 2011 as the Council will be reviewing programs from Franklin Energy, a group that services larger utilities such as Excel, to help devise programs and residential and commercial audits. However, to date it was the recommendation to improve those incentives in order to help businesses complete projects. A motion was made to increase the utility participation from 12 cents to 20 cents through the end of 2011.

**Motion to approve: Dave Braun**

**No further discussion.**

**Motion declared carried.**

**18. QR Codes.** Mayor Spitzer discussed the recommendation from EDA to utilize QR Codes for guests of the community as a way to help answer frequently asked questions or even promote the community. Various pieces of information were provided for consideration. Clm. Schaber asked where the money would come from and Mayor Spitzer relayed that the Council has a promotional budget within the Council budget for items like this. It was agreed to purchase 6 initially.

**Motion to approve: Wayne Getz**

**No further discussion.**

**Motion declared carried.**

**19. Resolution #36-2011 Authorizing PERA Participation.** The resolution would include part time officer Jerry Agin to participate in the PERA program. A motion was made to approve the resolution.

**Motion to approve: John Schaber**

**No further discussion.**

**Motion declared carried.**

**A motion to adjourn the meeting at 9:02 p.m.**

**Motion to approve: John Schaber**

**Motion declared carried.**

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**William J. Spitzer, Mayor**

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