

**MINUTES of the ST. CHARLES CITY COUNCIL
for Tuesday, October 26, 2010 held at 7:00 p.m. at
830 Whitewater Avenue,
St. Charles, Minnesota**

MEMBERS PRESENT:

Councilmen:
John Schaber
Dave Braun
Orv Dahl
Wayne Getz
Mayor Bill Spitzer

STAFF PRESENT:

Nick Koverman, Administrator

OTHERS IN ATTENDANCE: Mike Bubany (David Drown & Associates, 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: John Schaber

Seconded by: Orv Dahl

Motion declared carried

4. Notices and Communications:

The first meeting of the Yellow Ribbon Community would be held November 17, 2010 at Winona City Hall from 4-6 p.m.

5. Review of Financials

Various questions from the financial were given to Admin. Koverman for review and response.

- 6. Mike Bubany CIP Enterprise Budgets.** Mike Bubany of David Drown and Associates presented the Capital Improvement Plans for 2011 into the future. As Mr. Bubany reviewed the water enterprise fund he indicated that projects have decreased and that accordingly he was reducing the incremental approach from 3 percent to 1 percent to both the base and volume rate. In reviewing the sewer rates, he continued with the practice of 6 percent to both base and volume rate increases. He made the assumption of a 4 percent rate of inflation. He also reviewed the potential I-90 project with respect to rates and taxes and showed that rates for a \$175,000 house in 2011 would only increase \$3, while 2012 would be \$4. He also explained that the Capital Improvement Fund in order to keep up with current projects must be increased beginning in 2012 by 3 percent, which was his recommendation several years ago. If this does not happen, the cash base philosophy that the City has utilized over the last decade or more will not be possible. This philosophy, he explained, has served the city well, as they have not had to bond for projects and thereby saves the taxpayer money in the longrun. With regard to LGA, Mr. Bubany explained that his assumption is that the rules that are set are the ones he plays by and that if the state says they are going to give the City a certain dollar amount, that indeed they will do that. Admin. Koverman discussed how the city has come up with a contingency plan to live without a portion of LGA, and Mr. Bubany commended the Council and administration for taking those precautionary measures. He also indicated that St. Charles has done an excellent job in the fiscal conservation that helps to keep taxes one of the lowest in comparable size cities as well as those above and below the population

size of the city. He simply stated it is cheaper to live in St. Charles than most cities in southeast Minnesota. The Council had no further questions.

- 7. City Memberships.** Admin. Koverman provided the listing of memberships the city participates in and the costs associated with those memberships as a precursor to the Nov. 9th meeting whereby the MAOSC will be in attendance to discuss their initiatives on behalf of cities.

Unscheduled Appearances

None.

Motion to adjourn at 7:39 p.m.: Wayne Getz

Seconded by: Orv Dahl

Motion declared carried.

ATTEST

William J. Spitzer, Mayor

Nick Koverman, Administrator