

**SPECIAL CITY COUNCIL MEETING MINUTES
DECEMBER 1, 2015**

CALLED TO ORDER

Pursuant to due call and notice thereof, the Special Meeting of the City Council was called to order by Mayor Deiss at 4:30 p.m. in the Council Chambers located in the City Administrative Center.

MEMBERS PRESENT

Mayor Deiss, Council Members Kempf, Wiese, Niles and Uselman.

OTHERS PRESENT

City Administrator Brad Swenson and Dave Evans

ELECTRIC, WATER AND SEWER RATE DISCUSSION

Brad Swenson and Dave Evans reviewed with the Council information that was given to them from the last meeting with comparisons of different types of utility customers for residential and different types of commercial customers to show what the proposed rate increases would do to those customers as far as an annual cost. The cost shows if the rate is approved as it was originally presented and it also shows a column if we phase in the sewer and water rate increase over three years. Also the Council was given a sheet what shows when the last electric, water and sewer rates were changed. The last time the Electric Department had a rate increase was 2009 and it was approximately 10%. The last time the Water Department had a rate increase was 2012 and the rate went from \$1.70 per 100 cubic feet to \$1.85 per 100 cubic feet. The last time the Sewer Department has a rate increase was 2014 and the rate went from \$3.55 per 100 cubic feet to \$3.85 per 100 cubic feet.

Brad Swenson reviewed his letter of recommendation which he had worked with Dave Evans and Dan Kovar on basically stating that they would recommend the electric rate increase be implemented as proposed which is approximately 3% rate increase per year for the next 4 years and that the City Large Power rate be implemented in the 2nd or 3rd year versus the 1st year to allow time to budget for this increase. The water rate is recommended to be spread over 3 years 2016, 2017 & 2018 with approximately 1/3 each year of the 40% proposed increase. The sewer rates would be the same way spread over the next 3 years. The approximate 25% increase would be divided up over those 3 years. Brad Swenson stated that he would suggest that the implementation of this be for bills that go out in February 2016 so that we have time to notify the customers at the end of December that the rates will be changing. Don Niles suggested that if we do a letter to the customers that we attach the comparisons that were provided on the Electrical Rates so that they can see that we are low compared to other utilities.

With the proposals the Water rates service charge would take effect in the 1st year and that would change from \$6.25 per month to \$9.50 per month. The rates would go up \$.30 in 2016 and \$.30 in 2017 and \$.15 in 2018. In 2016 the rate increase would be in effect February 1. In 2017 & 2018 the rate increase would be in effect January 1.

The Sewer rates the service charge would change right away in 2016 from \$6 a month to \$10 a month per customer. The rates would go up \$.30 per 100 cubic feet on February 1, 2016. In 2017 & 2018 the rate increase would be \$.30 per 100 cubic feet effective on January 1 of each year.

After discussion a motion by Niles, second by Kempf to approve the rate increases as recommended by Brad Swenson, Dave Evans & Dan Kovar and that as far as the city usage it would be for 4 of the city usage bills, The Water Plant, the Sewer Plant, Street Department Garage and the Liquor Store, it would be the 3rd year that this would be implemented, except the Liquor Store which would be implemented in the 2nd year. The dates of implementation for the rates for the 3 years would be based on the recommendation.

Upon voting Mayor Deiss, declared the motion carried, all members voting aye.

SET SPECIAL COUNCIL MEETING

Brad Swenson and Dave Evans reported to the City Council that they have been working with Missouri River Energy on some amendments to our electrical contract. Missouri River Energy would like to schedule a time to go over these changes with the City Council page by page so they understand what is being proposed. December 30, 2015 & January 12, 2016 were considered for this meeting. The Council decided to meet on Wednesday, December 30, 2015 at 4:00 p.m. in the Council Chambers located in the Administrative Center.

SPECIAL ASSESSMENT SE PROJECT PUBLIC HEARING

The Public Hearing was called to order at 5:30 p.m. by Mayor Deiss.

Mayor Deiss gave a short presentation about the protocol for the meeting and then turned it over to City Engineer Phil Martin who gave a presentation about the assessment numbers and went through several sheets. When that was completed the meeting was opened up to the public.

1. Glen Oltman, 514 2ND St SE, had some questions as to how we came up with the 3% interest rate. He asked about services charges for electric, water & sewer and what those were used for. He asked about the corner lot assessment policy and asked when the interest would start on his special assessments. Brad Swenson explained to him the background on each one of these.
2. Lucy Andrie, 501 3rd St SE, asked about paying off the assessment and how it worked. She talked about a crack in the sidewalk that needs to be repaired. She asked why the crews can't plow the snow closer to the curbs. She commented that the workers from the construction company and the engineers were very pleasant to work with throughout the project.
3. Janet Crouch, 630 2nd St SE, talked about the traffic being very fast on Garfield Ave and 2nd St and how it appears to be even faster now that the project is finished. Brad Swenson explained that we will be putting up speed limits signs and that should help. If not, then the police department should be notified. She asked why she didn't receive an original assessment. Brad Swenson stated that those were talked about at a previous public meeting and that her husband had come in and got an estimate from Brad.

4. Methodist Church, 23 Dayton Ave SE, Pastor JC Duncan was present to talk about concerns he has with the assessment for the Methodist Church stating that they got charged for putting in a sewer service on 1st St SE for work that R.L. Larson and Arvig did for the boring. The total of those costs came to \$10,134. He questioned why sewer wasn't put on 1st Street originally instead it was put on Dayton. Dayton option was way too expensive to do for the church to hook up. He talked about meeting with Phil Martin and Brad Swenson previously to discuss this. He stated that he felt this should not be a total cost covered by the church that the City was somewhat at fault as far as how the communications went on this. Phil Martin and Brad Swenson both stated that they felt that he was right and that it should be a shared responsibility and that communication didn't happen soon enough and that maybe we should have initiated the communication sooner than we did. However, they felt that the church should have done this originally so Brad and Phil both feel that the City Council could consider to split that cost from R.L Larson and Arvig and bare part of the responsibility for the service on 1st Street which would be \$5,064.52. Ultimately that would be a City Council decision.

JC Duncan also talked about the angle parking on 1st Street. He stated that in the initial meetings with Phil and Brad that they said it would be a minimal amount and the amount turned out to be in the \$10,000 neighborhood and he felt that was excessive for the indented parking. Brad Swenson stated in previous discussions when we were talking that there would be a minimal cost and he was thinking that the only cost would be for the extra black top and the cement curb on either side. When these parking areas were designed there ended up being a valley gutter put in for the whole 185' of the parking at \$28.73 a foot which came to \$5,315.05. Brad stated that he felt the Council could eliminate that since it is actually a feature of the storm sewer system to get the water to drain to the intersections properly and that the valley gutter was not part of the original discussion. Phil Martin agreed with that. Brad stated that if the City Council were to do this, to be fair, we would have to adjust the angle parking for St. Ann's Church and reduce their assessment and next year when we do around Humphrey Manor we would have to do the assessment the same way which would cost the tax payers more than it is presently proposed. Brad recommended that the assessment be reduced for that. The total reduction \$10,379.57 for these 2 items as discussed. With that the City Council talked about this. At the beginning of this discussion Pastor JC had given the Mayor a letter that they were planning to appeal their assessment through the legal system. There was a question if the City were to make this reduction would the letter go away. Pastor JC stated that the letter would go away.

Motion by Uselman, second by Niles to adjust the assessment as proposed for the sanitary sewer on 1st Street and the valley gutters on 1st Street with the letter of appeal going away and to also adjust St. Ann's assessment and to follow through with that for Humphrey Manor assessments in next year's project.

Upon voting Mayor Deiss, declared the motion carried. Uselman, Niles & Wiese voting aye. Kempf abstained since she is a member of this church.

5. Helen Solum, 402 2nd St SE, was present to state that she has sold the property that she owned at 409 3rd St SE to Harry Gumke on July 26, 2015 and she wanted to make sure she wasn't getting assessed for that. Brad Swenson found the assessment worksheet for that property and showed her that Harry Gumke did get that assessment.

6. Dallas Finck, 507 3rd St SE, was present and questioned his driveway approach amount wanting to make sure he wasn't getting assessed for his neighbor's driveway approach since the two are attached. Phil Martin looked at the sheets and confirmed that he was only getting charged for his share of that driveway.

7. Clara Bauer, 625 3rd St SE, was present and stated that she never received a notice where she lives, which is at Humphrey Manor. Brad looked up the sheet and it showed that it was mailed to 625 3rd St SE where she does not presently live. Brad apologized for the error and made a copy of the worksheet for her.

8. Janet Crouch, 630 2nd St SE, questioned if she was being assessed for extra cement for her driveway due to the bump out in front of her property. Phil Martin looked at her sheet and it showed she was being assessed for 46.6 square yards of concrete. Phil thought that a comparable property would have been 25.9 square feet and that it probably wasn't fair to assess her for the extra footage for the bump out.

Motion by Niles, second by Kempf to adjust her assessment to those footages as laid out and that a new sheet would be sent out.

Upon voting Mayor Deiss, declared the motion carried. All members voting aye.

9. John Ament, 2nd SE & Jackson, was wondering why he didn't get an assessment sheet. Brad Swenson stated that we didn't do assessments on the west side of 2nd Street from Homecrest Avenue to Lincoln Avenue since we didn't get the sidewalks completed in time. His assessments will be next fall and his first payment due in 2017.

10. Ruth Johnson, 424 2nd St SE, questioned why there was 2 assessment numbers 55B & 55C. Brad Swenson stated that one of those was for miscellaneous assessments for lawn mowing, snow removal, etc. and the other is for the SE Project. Brad stated that he combined 2 assessments in the same notice. Ruth also questioned her lawn repair stating that the dirt was not put back between the sidewalk and the house next to her walkway. She thought that R.L. Larson had dug it up. She asked who was responsible. Brad Swenson stated that if R.L. Larson disturbed it they need to fix it. If the plumber disturbed it they need to fix it. Phil Martin said he would look into it and get back to her about who is responsible.

11. Steve Brown, representing his mother Mary Brown at 703 1st St SE, questioned the walkway from the house to the curb on the north side of the house wondering if they had to pay for that. Brad Swenson stated that they would have to pay for 100% of that and also for the sidewalk going from the house to the curb on the 1st Street side. Steve also questioned the driveway apron and why it was cement and if they had an option for blacktop apron. Phil Martin stated we did not give anyone that option as we wanted cement aprons. Steve Brown asked if the amount on the worksheet was the proper amount and stated that he wants to pay it off and asked when he could pay it. Brad Swenson stated that he could pay that anytime between now and the end of the year.

CLOSE PUBLIC HEARING

Motion by Uselman, second by Wiese to close the Public Hearing at 7:15 p.m.

Upon voting Mayor Deiss, declared the motion carried. All members voting aye.

ASSESSMENT ADOPTION

Motion by Uselman, second by Wiese to adopt Resolution 12-01-15 adopting Special Assessment with the changes as discussed in these minutes.

Upon voting Mayor Deiss, declared the resolution adopted carried. All members voting aye.

ADJOURMENT

Motion by Kempf, second by Niles to adjourn at 7:20 p.m.

Upon voting Mayor Deiss, declared the motion carried. All members voting aye.

Bradley A Swenson
City Administrator

George Deiss
Mayor