

MEETING MINUTES

CITY COUNCIL SPECIAL MEETING

Tuesday
November 27, 2018
6:30 PM

CITY HALL COUNCIL CHAMBERS CLARA CITY, MINNESOTA

Members present: Jack Sparks, Gary Nelson, and Nathan Speiser

Members absent: Rhonda Pieper (excused) and Jeffrey Davids (excused)

Staff present: Judy Gosseling (Finance Director), Jeff Stager (Public Works Director), and Windy Block (City Administrator)

Others present: Sam Peterson (Clara City Herald) and Todd Hagen (Ehlers, Inc.)

1. Call to Order—*By Mayor Jack Sparks at 6:30 p.m. A Quorum was declared as being present.*

2. Additions/Deletions/Modifications to Agenda

Action taken: Upon calling for any additions, deletions, or modifications to the draft Agenda and receiving none, Mayor Sparks, without objection, declared the Meeting Agenda to be approved as presented.

3. Approval of Minutes—*None.*

4. Notices and Communications—*None.*

5. Approval of Consent Agenda—*None.*

6. Reports from Officers, Commissions, and Committees—*None.*

7. Reports from Staff and Administrative Officers—*None.*

8. Public Hearings—*None.*

9. General Business

9. (A) Consideration of receiving a presentation of the rate study results as developed by Ehlers, Inc. regarding the water and sewer rates that they recommend be assessed in order to adequately support the financial needs of the City's fresh water and sanitary sewer utilities. Mr. Todd Hagen, Senior Financial Consultant, Ehlers, Inc. made the presentation on behalf of Ehlers, Inc.

Included in his presentation were: 1) A comparison of the U.S. local government general obligation (bonds) rating methodology of Standard & Poors versus that of Moody's; 2) Financial Planning for Elected Officials article as written by Dave Callister, city manager of Plymouth, MN; and 3) Draft report of the Clara City Utility Rate Study, which included data charts, graphs, and presentation notes. The Study was based upon the financial needs of the two utility systems over a projected eleven-year period. The wastewater sewer utility was projected to need annual rate increases of 12.00%, 12.00%, 12.00%, 7.50%, 7.50%, 7.50%, 7.50%, 3.00%, 3.00%, 3.00%, and 3.00%, beginning with 2019 and up through 2029 while the water utility was projected to require annual increases beginning in 2019 of 12.00%, 12.00%, 12.00%, 2.25%, 2.25%, 2.25%, 2.25%, 2.25%, 2.25% and 2.25% up through 2029, in order to achieve the improvement and stabilization goals of the two utility systems. The presentation was followed by a robust discussion of various possibilities. The overall impact of these proposed increases in terms of actual dollars and cents was highlighted and it appeared somewhat reasonable given the percentages that had been presented. It was also noted that there were some corrections that were needed to the draft report as well as further consideration as to how best to finance the necessary upcoming capital improvements, be it via current cash or bonding.

Action taken: M/S/P 3-0 (Nelson/Speiser) to acknowledge the receipt of the draft Water and Wastewater Rate Study as drafted by Ehlers, Inc. and presented by Todd Hagen, Ehlers, Inc. and to direct staff to continue moving forward with the necessary and appropriate steps for further consideration of the recommended rate increases with a goal of implementation sometime in early 2019.

9. (B) Consideration of endorsing the nomination of a Municipal Representative for possible filling of a vacancy on the Upper Minnesota Valley Regional Development Commission (UMVRDC). Staff reviewed the Memo, dated November 2018, from Dawn Hegland, Executive Director of the UMVRDC. Upon receiving no immediate volunteers, the staff requested that any Councilor who may have an interest in serving on the UMVRDC to please contact the staff as soon as possible at City Hall.

Action taken: This was informational only and no action was taken.

10. Approval for the Payment of Claims and Appropriations—*None.*

11. Appearance of Interested Citizens—*None.*

12. Announcements—*Mayor Sparks reminded the Councilors of:*

12. (A) Reminder that the City Council will be meeting in regular session on Tuesday, December 11, 2018, 6:30 pm., at City Hall.

13. Adjournment—*Upon recognizing that there was no additional business to be considered, Mayor Sparks, without objection, declared this meeting of the City Council to be adjourned as of 7:43 p.m.*

BY: _____
Jack Sparks, Mayor

ATTEST: _____
Winthro C. Block, City Administrator