

MAYER CITY COUNCIL MEETING MINUTES ó March 14, 2011

Call Regular meeting to order at 6:30 p.m. by Mayor Chris Capaul

PRESENT: Mayor Capaul, Council Members Lueth, Osborn, Boder and Stieve-Mcpadden.

ABSENT: None

STAFF: Public Works, Jeff Frost, Administrator Murphy

ALSO PRESENT: Nate McNeilly, Don Wachholz, Nikki Larsen, Ivan Raconteur, Milfred Dalchow, Greg Kluver, Arlene Steinborn, Myrtle Schuettpelz, Harvery Zierman, and Garlen Mickolichek.

The Meeting was opened with the Pledge of Allegiance.

APPROVE AGENDA

A MOTION made by Council Member Stieve-McPadden with a second by Council Member Boder to approve the agenda. Motion Carried 5/0.

PUBLIC COMMENT

Mr. Milfred Dalchow appeared before the Council and presented two letters and additional signatures on a petition for removal of the City Administrator. Council will address Mr. Dalchow at the March 15, 2011 work session meeting.

APPROVE CONSENT AGENDA

On a MOTION by Council Member Stieve-McPadden and seconded by Council Member Osborn to approve the consent agenda. Motion carried 5/0.

1. Approval of the minutes for the February 28, 2011 Regular Council Meeting
2. Approval of Claims for the month of March
3. Approval of the Check Summary for the month of February 2011
4. Approval of the minutes for the December 7, 2010 Park Board
5. Approval of the minutes for the January 18, 2011 EDA Meeting
6. Approval of the building permit report for the month of February 2011
7. Approval of Fire Department Report for the month ending February 2011
8. Resolution 3-14-2011-10 Acceptance of Donations from the Mayer Booster Club
9. Approval of the Sheriff's Department Report for the month ending February 2011

PRESENTATION OF 2010 AUDIT

Steve McDonald representative from Abdo, Eick and Meyers presented the 2010 Audit. The purpose of an audit is for the Auditors give an opinion on the financial statements of the City. They also examine the internal controls of the City; because of the limited staff internal controls is a concern. It is important that the Council be involved and active in the budgeting process and the review of the claims to provide additional controls over the City's finances.

One of the key measurements of how the City is functioning is the balance of the general fund. Currently the general fund has a very healthy fund balance of 142.6 % of which the largest portion was the unspent capital outlay. Mr. McDonald reviewed the peer group averages with the Council for the following programs:

Program	Per Capita	Peer Group Per Capita
General Government	\$142	\$163
Public Safety	\$106	\$202
Public Works	\$ 62	\$115
Culture and Recreation	\$9	\$ 51
Economic Development	\$0	\$6

Mr. McDonald reviewed the enterprise funds and informed the Council that the Water Fund cash is trending downward and the reason for the loss in cash is the debt service on the bond payments.

The Sewer Fund cash balance has improved because of the property tax levy however, the City continues to carry over 7 million in debt on this fund.

Storm Sewer has less activity and is a stable fund.

Mr. McDonald reviewed the following information from the financial statements to the City's peer group.

Ratio	Mayer 2009	Mayer 2010	Per Group 2009	Peer Group 2010
Debt to Assets	55%	54%	31%	N/A
Debt Service Coverage	31%	30%	109%	N/A
Debt per Capita	\$5,851	\$5,554	\$2,716	N/A
Taxes per Capita	\$558	\$544	\$380	N/A
Current Exp Per Capita	\$339	\$323	\$608	NA
Capital Exp Per Capita	\$72	\$107	\$158	N/A
Capital Assets Govt	83%	83%	60%	N/A
Capital Assets Business	90%	90%	60%	N/A

The Capital Assets is higher than the peer group because the amount left to depreciate is because our systems are fairly new and in the beginning stages of the depreciation cycle. Overall, Mr. McDonald stated the city is financially healthy the Council needs to continue to monitor the Water Fund cash balance.

On a MOTION by Council Member Osborn and seconded by Council Member Boder to approve the 2010 Audit and to authorize staff to submit a copy to the State of Minnesota. Motion Carried 5/0.

CONTRACT WASTE WATER

Mr. Greg Kluver of Devries and Kluver consulting presented his annual report to the City Council. This is the 6th year of operation as the contract operator. The facility continues to have a high quality effluent and has received the operational award from the MPCA eleven times since 1991.

The WWTF portion of the Sewer Budget for 2010 was \$149,500. The year end actual budget amount came in at \$116,464. Significant savings for the year were realized in electric, gas, lab services and the implementation of energy saving projects. The 2011 Budget was reduced by \$12,355 as a result.

The 2010 flows to the Waste Water Treatment Facility were 43.5 million gallons and increase over last year of .9 million gallons. The City disposed of 301,209 bio solids in

2010 and 209,066 in disposal of 2009. Annual removal rate for B.O. D. was 97.5% and for total suspended solids was 97.3%.

The installation of variable speed drives on the three aeration basin blowers in September has been completed. The project cost to the City after the Excel Energy rebate was \$5,554.00 and it is projected to save the City \$6,300 annually in electric costs with the return on investment of .685 years. The VFDø has netted a \$3,176 savings to the City.

Also, included in his report is a month to month activity of the Waste Water Treatment Plant. The Contract with Devries and Kluver Consulting L.L.C. was renewed for a five year period. Contract reflects a 0 percent increase for the duration of the contract. Mr. Kluver thanked the Council for the opportunity to serve the City and offered tours to the new Council Members.

DREW PROPERTY ANNEXATION

The City had been approached by William and Sandy Drew property owners in Waconia Township about hooking into the City sanitary sewer system. The Drewø were informed that if they hooked in to the City sewer they would have to be annexed into the City. The City has received a petition for annexation from Waconia Township dated February 28th 2011 and in response to the petition the City Attorney has prepared a resolution for annexation. On a MOTION by Council Member Osborn and seconded by Council Member Stieve-McPadden to approve resolution 3-14-2011-11 Annexation of Drew Property. Motion carried 5/0.

SMALL CITIES GRANT

MN DEED has indicated that they are willing to change the loan parameters of the Small Cities Grant for commercial property. They would be willing to allow the City to offer 50% of the commercial project cost as a grant (up to \$40,000) rather than half grant and half loan. This would significantly reduce or eliminate the Cityø's program income by doing this, but it may be a way to get the money invested in the community. The EDA is recommending approval to modify the grant requirements. On a MOTION by Council Member Stieve-McPadden and seconded by Council Member Boder to approve the modification of the grant requirements from 25% loan and 25% grant to 50% grant up to \$40,000. Motion carried. 5/0.

EDA TRANSFER

The Mayer EDA is recommending to the City Council to transfer \$3,000 from the EDA fund to the City Celebration Fund. These funds will be used to assist the committee in planning of the 125th Celebration. The EDA views the Celebration as an opportunity to promote the community. On a motion by Council Member Boder and seconded by Council Member Osborn to approve resolution 3-14-2011-9 Transfer of Funds. Motion carried.

OTHER BUSINESS

Staff notified the Council that the City would not be having a Twins Youth Clinic this year.

ADJOURNMENT

On a motion by Council Member Osborn and seconded by Council Member Lueth to adjourn the meeting at 7:00 PM. Motion Carried

Chris Capaul, Mayor

ATTEST: _____
Lois Maetzold, City Clerk