

City of Cologne
September 8, 2015

Pursuant to due call and notice thereof, a regularly scheduled council meeting was held on Tuesday, September 8, 2015 at the Cologne Community Center. Mayor Scott Williams called the meeting to order at 7:00 p.m. Councilmembers Jeff McInnis, Carol Szaroletta, and Don Meyer and Kyle Evenski were present. City Administrator Jesse Dickson and City Clerk Sue Mueller were present. City Engineer Jake Saulsbury was present.

ADOPT AGENDA

Motion by Szaroletta, seconded by McInnis to approve the agenda. Motion passed unanimously.

ADOPT CONSENT AGENDA

- a) August 17, 2015 Council Meeting Minutes
- b) August 31, 2015 Special Council Minutes
- c) September 8, 2015 Expenditures
- d) August 25, 2015 Payroll
- e) Cologne Lions Club Temporary Liquor License, October 24, 2015
- f) Cologne Lions Club Gambling Permit, October 24, 2015

Motion by Meyer seconded by McInnis to adopt the consent agenda. Motion passed unanimously.

VISITORS PRESENTATIONS, PETITION AND CORRESPONDENCE

COUNCIL BUSINESS

a) Splashpad Location

City Administrator Jesse Dickson updated the Council on the new location for the splashpad. The revised site will be west of the original site in City Square Park, the new site will not have a water line or fiber optic line under it. Councilmember Kyle Evenski and Park Board Member Betsy Pysick agreed the new site will be a better place for the splashpad. Pysick reported the Park Board researched the new site and is recommending the Council approve the new site. Pysick suggested the concrete pad be installed this fall instead of waiting for spring as weather in the spring may delay the installation further, and additional unforeseen cost may occur if the project is delayed further. Pysick reported it will be installed approximately 15-20 feet from the water tower.

Councilmember Jeff McInnis and Mayor Scott Williams requested an actual diagram of where the new location is.

Motion by Szaroletta seconded by Evenski to recess the meeting 7:25 p.m. Motion passed unanimously.

Mayor Scott Williams requested the meeting continue at 7:28 p.m.

b) Potential Water Treatment Facility Project – Jake Saulsbury

City Engineer Jake Saulsbury reviewed the actions the city has taken and may want to proceed with a Water Treatment Facility. The first steps toward this would be:

1. Raw Water Testing
2. Pilot Study
3. Preliminary design
4. Public Facility Authority (Submit an application for PFA financing.) Low interest loan.

The City Council completed #4 PFA application. The estimated cost included in the application was \$5.7 million (\$5.2 million for the water treatment facility and \$500,000 for the well). Saulsbury presented two different funding options a PFA project vs. Local Project, with different interest rates and the projected savings if a PFA low interest loan is approved.

Saulsbury reported the minimum score necessary in order to obtain a low interest loan for this fiscal year is 7 points. Saulsbury reported due to rising construction costs and the possibility funding may be cut-off, he is recommending the Council give consideration to proceeding with a water treatment facility project in the near future.

Saulsbury presented a time table of what needs to be completed by the deadline dates required by the Minnesota Department of Health (MDH). Steps 1-3 would need to be completed by March of 2016 as the (MDH) deadline for a low interest loan is March of 2016. Saulsbury reported the cost to complete Steps 1-3 would be \$30,000.

Motion by Meyer seconded by McInnis to approve spending \$30,000 towards studies for a Water Treatment Facility Project. Motion passed unanimously.

Mayor Scott Williams requested the meeting continue with item a) splashpad location.

Administrator Jesse Dickson presented a diagram of the new location and assured the Council the cost will stay under the \$180,000. Dickson reported that if the location was moved to a different location a re-certification would need to be done by the Minnesota Department of Health.

Motion by McInnis seconded by Meyer to approve the re-visted splashpad location west of the water tower, as long as it does not exceed the budgeted amount of \$180,000 and proceed with construction. Motion passed unanimously.

c) 2016 Police Services Contract

Motion by Szaroletta seconded by Evenski to approve the 2016 Police Services Contract. Motion passed unanimously.

d) 2016 Prosecution Contract

Motion by Meyer seconded by Szaroletta to approve the 2016 Prosecution Contract. Motion passed unanimously.

e) Repair Services for Small Water Tower

City Administrator Dickson presented a proposal from KLM Engineering, Inc. regarding needed repair work on the 150,000 gallon water tower. The cost of the repair is \$7,800.

Motion by Meyer seconded by McInnis approve \$7,800.00 for the repair work on the 150,000 gallon water tower. Motion passed unanimously.

Motion by Meyer seconded by Szaroletta to close the meeting to discuss the possible purchase of a shed from a resident in Cologne. Motion passed unanimously.

Motion by Meyer seconded by McInnis to close the closed meeting. Motion passed unanimously.

BOARD REPORTS

a) Fire Department Pension Fund

City Administrator Jesse Dickson reported he will continue to have the Fire Department Pension Fund on the Agenda every two weeks as Councilmember Jeff McInnis requested information from the Fire Department at the August 17th Special Meeting and has not received the information. Mayor Scott Williams asked staff to meet again with the Townships to discuss further. Councilmember McInnis requested an explanation of the holdup on getting the information from the Fire Department. No Fire Department members were in attendance.

b) Preliminary Tax Levy

City Administrator Jesse Dickson reported on three options for the Preliminary Tax Levy and on the Debit Service schedule through 2033:

1. Increase our tax levy by \$125,681 to \$1,175,681 which is approximately an 11.9% increase. This increase takes into account the tax that will be collected from for the new homes added to the community as well as the addition of the CSAH 36 water main looping project on which we will begin making full payments. As in the past, we continue to take from reserves to pay portions of debt obligations to absorb some of the blow for the residents. According to a Springsted study done in 2013, this process will run reserves dangerously low in around 10 years.

2. The second levy certification includes the original property tax revenue forecast but has our entire debt service for 2016 levied which is \$457,759 above 2015. I don't believe that this is the correct option as it would put a very heavy financial burden on the residents. However, I think it is worth keeping in mind as we look at setting a reasonable levy that supports our future growth and the pieces already set in place (New water tower, well, etc.)
3. The third levy certification is the same as the first but with the addition of a PFA loan on a possible water treatment facility. If this project were to take place, payments would not begin until the second half of 2017 but it is a cost that I believe the City can begin to plan for. If we are serious about a water treatment facility, then considerations must be made to begin raising the funds now rather than waiting until we get the first bill.

Note: The preliminary levy is set to allow us to work on a budget for 2016. I am not recommending that we keep the levy at this level, only that we set it at a level that we have room to work with and evaluate what the 2016 projects will be. We cannot set a preliminary levy at say 5% and determine in a budget workshop that we need a 6% increase. What we can do, is set a levy at a point and determine where we need it to be for sure and then reduce the final levy to a point that makes sense for the 2016 budget.

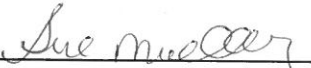
No action was taken.

ANNOUNCEMENTS

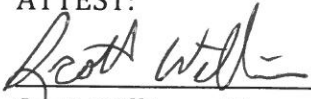
ADJOURN MEETING

Motion to adjourn by Szaroletta, seconded by Meyer to adjourn the meeting. Motion passed unanimously.

Respectfully submitted,


Sue Mueller, City Clerk

ATTEST:


Scott Williams, Mayor