

**Regular City Council Meeting
Mountain Lake City Hall
Monday, January 6, 2020
6:30 p.m.**

Members Present: Mike Nelson, Dana Kass, David Savage, Darla Kruser, Andrew Ysker

Members Absent: None

City Staff Present: Michael Schulte, City Administrator/Clerk; Maryellen Suhrhoff, City Attorney; Rick Oeltjenbruns, Street Superintendent

Others Present: Deanna Anderson, Observer/Advocate; Doug Regehr, Gloria McKissick, Rachel Yoder, Eric Austin, AFSCME; Shirley Riihl, Heath Riihl, Dennis Simpson, QD Law

Call to Order

The meeting was called to order by Mayor Nelson at 6:30 p.m.

Approval of Agenda & Consent Agenda

Motion by Kass, seconded by Kruser, to approve the agenda and consent agenda as presented.

Motion carried 5 – 0.

Bills: Checks #23192 – 23258, 644E – 649E

Payroll: Checks #65056 – 65113

Approve December 5, 2019 Utilities Commission Minutes

Approve December 17, 2019 City Council Minutes

Public

No one spoke during this portion of the meeting.

Electric Rate Study

Missouri River Energy Services completed an electric rate study for the electric department. Data was collected from staff to MRES over the past few months to complete the study. The administrator presented and discussed energy consumption by class, a breakdown of electric costs, forecasted energy by source, projected power and transmission costs, other cost items, payments to support local governments, historical and projected net income, cash reserves, and charts comparing rates to other municipals and entities. From 2016 – 2019, there was a 19% overall rate increase. For 2020 – 2023, no overall revenue change is recommended but only minor cost of service changes for 2020. The proposed changes will better reflect the cost each

class actually costs the utility to build infrastructure and purchase power. Proposed cost of service changes in rates for residential will be 1.5%, -0.8% for commercial, -1.3% for large commercial, 1.6% for rural, and 8.1% to city/street lighting. The recommendations from the study will bring rates closer to costs of service, enhance recovery of fixed costs, keep the utility's financial position and cash reserve strong, and keep rates competitive. Councilmember Kruser requested that the information and charts be placed online to show customers the rates of other cities. Mayor Nelson requested in addition to these charts to place information about the city's levy and surrounding city levies online as well.

2020 Electric, Water, & Wastewater Rates

Electric, water, and wastewater rates for 2020 were presented. The electric rates were recommended from the rate study. The water and wastewater rates were recommended to be increased 2% from a rate study completed by Northland Securities. Motion by Ysker, seconded by Kruser, to approve the presented 2020 electric, water, and wastewater rates. Motion carried 5 – 0. Rates will be the following:

	<u>Electric</u>	
	Current	Effective January 1, 2020
Power Cost Adjustment		
Base cost per KWH	6.5 cents	6.5 cents
Annual Average	-0.0056	-0.0038
Residential		
Customer Base Charge	\$13.00	\$14.00
All Energy	11.25 cents/KWH	11.30 cents/KWH
Rural Residential		
Customer Base Charge	\$16.50	\$17.00
All Energy	11.15 cents/KWH	11.30 cents/KWH
Commercial under 20kW		
Customer Base Charge	\$24.00	\$24.00
All Energy	11.00 cents/KWH	10.90 cents/KWH
Large Commercial and Large Rural Commercial over 20 kW		
Customer charge	\$55.00	\$55.00
Demand Charge	12.40 cents/kW	14.00 cents/kW
Energy Charge per KWH	6.35 cents/KWH	5.80 cents/KWH
City Facilities & Street Lighting		
Customer Base Charge	\$24.00	\$24.00
Energy charge	8.00 cents/KWH	8.60 cents/KWH
Conservation Improvement Plan	1.50%	1.50%

WATER	Old Residential Rate	New Residential Rate	Old Rural Rate	New Rural Rate		Old Commercial Industrial Rate	New Commercial/Industrial Rate
Base	\$31.02	\$31.64	\$32.16	\$32.80		\$31.02	\$31.64
1000-6999 gallons	\$7.18/1000	\$7.32/1000	\$8.04/1000	\$8.20/1000	1000-50000 gallons	\$7.75/1000	\$7.91/1000
7000-12999 gallons	\$8.04/1000	\$8.20/1000	\$9.19/1000	\$9.37/1000	51000+ gallons	\$7.94/1000	\$8.10/1000
13000-25999 gallons	\$9.19/1000	\$9.37/1000	\$10.34/1000	\$10.55/1000			
26000+ gallons	\$10.34/1000	\$10.55/1000	\$11.49/1000	\$11.72/1000			

SEWER	Old Residential Rate	New Residential Rate	Old Rural Rate	New Rural Rate	Old Commercial Industrial Rate	New Commercial Industrial Rate
Base	\$42.23	\$43.07	\$45.04	\$45.94	\$0	\$0
0-3000 gallons water used	\$0		\$0		\$45.04	\$45.94
3001+ gallons water used	\$0		\$0		\$8.44/1000	\$8.61/1000

2020 Designations and Appointments

Mayor Nelson updated the council on who will be staying on a board or commission for another term or who would be a new appointment. Not all designations have been filled or confirmed. It was decided to wait until the next meeting to approve all 2020 designations and appointments.

Resolution #1-20 Minimum General Fund Balance and Assignment of General Funds

The resolution was reviewed which assigns a minimum fund balance and states how much is in designated funds. Motion by Kruser, seconded by Ysker, to approve Resolution #1-20 as presented. Motion carried 5 – 0.

Mountain Lake Investment Policy

The policy was briefly reviewed. No changes have been made from last year’s approval of the policy. Motion by Kass, seconded by Ysker, to approve the Investment Policy as presented. Motion carried 5 – 0.

Ordinance #1-20 Establishing Rates, Fees, and Administrative Fines

The annual ordinance of setting rates, fees, and fines was reviewed. Changes or new additions were in bold. No changes from the presented ordinance were made. Motion by Kass, seconded by Kruser, to approve Ordinance #1-20. Motion carried 5 – 0.

Data Request Policies

Data request policies need to be reviewed and updated if needed each year to follow the Minnesota Government Data Practices Act. No changes were needed from last year. Motion by Ysker, seconded by Kruser, to approve the presented data request policies. Motion carried 5 – 0.

Organization Items

The 2019 building permit summary, seniority list, and LMCIT property/casualty dividend were all reviewed with no action taken.

Ordinance #2-20 Amending Section 8.01 Public Protection, Crimes, and Offenses

Ordinance #2-20 was read for the second time.

City Attorney

Annexation of the land to be purchased for the wastewater ponds has been approved by the Minnesota Office of Administrative Hearings. Work was done on the SIU agreement. The attorney is waiting on the judge to determine if a stay is granted for the greenhouse case.

Street Department Report

Rick Oeltjenbruns, Street Superintendent, presented a list of activities completed by the department. Snow removal, end of year reports, inventory, and fixing equipment were some of the items completed.

Land Negotiations of Parcel ID 11.028.0200

Motion by Kass, seconded by Kruser, to close the meeting to discuss land negotiations of Parcel ID 11.028.0200 as allowed in MN Statutes 13D.05 Subd. 3(c) at 7:15 p.m. Motion carried 5 – 0. Shirley Riihl, Heath Riihl, and Dennis Simpson were present during the close session. Motion by Kass, seconded by Ysker, to close the closed session and open the public meeting at 7:30 p.m. Motion carried 5 – 0. Motion by Kruser, seconded by Savage, to approve the presented option-to-buy agreement between Shirley Riihl and the City of Mountain Lake. Motion carried 5 – 0.

City Personnel Issue

Motion by Kass, seconded by Kruser, to close the public meeting at 7:33p.m. to discuss a city personnel issue as required in MN Statutes 13D.05 Subd. 2(b). Motion carried 5 – 0. Eric Austin, AFSCME Representative, and Rick Oeltjenbruns were present during portions of the closed meeting. Motion by Kass, seconded by Ysker, to close the closed session and open the public meeting at 10:18 p.m. Motion carried 5 – 0. Motion by Kruser, seconded by Kass, to create a separation agreement between Rick Oeltjenbruns and the City that includes a resignation by Oeltjenbruns, that the City waives the two-week resignation notice period, and that all accrued sick and vacation time be deposited into a health care savings plan. Motion carried 5 – 0. Motion

by Savage, seconded by Ysker, to place Rick Oeltjenbruns on paid administrative leave until further council action. Motion carried 5 – 0. A directive was given to the city attorney to write a separation agreement with the action taken in the second-to-last motion and to allow Eric Austin, AFSCME Representative, to review and make any additional changes as agreed upon by both parties. A directive was given to set a special city council meeting on Thursday, January 9, at 4:00 p.m in the council chambers with city personnel issue as the only agenda item.

Adjourn

The meeting was adjourned at 10:31 p.m.

Approved January 21, 2020

ATTEST:

Michael Schulte, Administrator/Clerk