

**NOTES FROM A FINANCE COMMITTEE MEETING HELD TUESDAY, JULY 24, 2012  
– 5:00 P.M. – ROCKVILLE CITY HALL**

The meeting was called to order by Chair Sue Palmer. Roll Call was taken and the following members were found to be present: Chair Palmer, Mayor Hagen, Randy Volkmuth & Duane Willenbring. Absent: None.

Also present: Administrator/Clerk Rena Weber, Utility Billing/Administrative Asst. Judy Neu & Public Works Director Rick Hansen.

Other's present: Financial Advisor David Drown, Jeff Howe, Bill Becker, Don Simon, Tudie Hermanutz, Vince Schaefer, Bryan Durkee, Felix Massmann, Rick Tallman, Mary Kremers, Bill Thul, Catherine Bucheit, Richard & Marie Dingmann, Fran Platzer, & Marie Skaja.

**REVIEW DEBT MANAGEMENT STUDY AGAINST 2011 AUDIT NUMBERS** - Financial Consultant Dave Drown was present at the meeting to review the big picture of the water/sewer funds.

Refer to Pages 21 & 40 – Debt Management Study

Page 30 of 2011 financial audit

Rena Weber introduced the discussion indicating that the debt management study had different scenarios in regards to each bond and the two worst case scenarios called for action.

Dave went over the two worst case scenarios indicating the assumptions made were that we were collecting 0 on delinquent assessments and also that people who are paying now just quit. Is that all likely – no.

Fund 309 Lakes Sewer Bond – suggests we collect \$106,000/year additional now

Fund 312 Pleasant Lake Water bond suggest we collect \$125,000/year additional now

Cash Flows from the 2011 financial audit show that even though 2011 was a bad year fiscally, the city paid all our bills and the debt which resulted in:

Water fund - \$19,017 loss with \$392,076 in the bank

Sewer fund - \$9,222 gain with \$1,923,938 in the bank

- Will the county go down in value this fall – getting less on taxes but getting assessments on the other hand.
- Delayed assessments are different that deferred assessments.
- We should cover all of this.
- *It is not a crisis situation – should we be increasing rates – yes*
- We are paying our debts even without getting special assessments.
- Sewer is cash flowing fine.
- Never get cash down to less than one year payment O & M and Debt Service.

**QUESTIONS:**

Member Volkmuth questioned what if we had a major break – do we have the capability to assess at that time?

- David Drown questioned do you build up cash in anticipation of future projects so that you don't have to borrow? Then no.

Member Volkmuth also questioned – can you assess to rebuild facilities?

- Yes - Most don't assess all the cost – only 1/3 so city has to cover 2/3.
  - You don't assess maintenance – you do replacement
- Mayor Hagen asked if you can establish a replacement fund as a separate line item?
- Would rate payers rather you charge a \$10.00 fee in order to avoid bonding?
  - Probably not – it is my account Vs yours.
  - Review this yearly –

Chair Sue Palmer would like to know the status of the system and there is a point where you have to start replacing –she does not want debt overlapping.

- People are feeling comfortable with the cash right now.
- Mayor Hagen asked can we borrow from the sewer fund to loan to water - Yes

**DISCUSS POLICY ON WHO PAYS FOR UNACCOUNTED/UNBILLED WATER** – Rena Weber indicated that Member Willenbring asked to have this discussed and it is true that there is a portion of water from what is pumped Vs what is sold that is either unaccounted or unbilled (such was water consumed at City Hall, Fire Hall, Maintenance Department, Parks, flushing watermains, fire calls, water tower overruns. Not all of these should be paid by all residents so there will always be some unaccounted water.

Chair Palmer suggested we do a three average from the DNR water report to get a good idea of how much this amounts to.

***Motion by Member Volkmuth, second by Mayor Hagen, to recommend to the council that staff do a 3 year rolling average from DNR annual reports to get actual numbers - subtract 2% and further that the city general fund will take on that remaining expense for 2013.***

***Motion carried unanimously.***

**SCHILPLIN FORFEITURE PROPERTY RE-ASSESSMENT** – Rena Weber reported that she talked to Randy Schreifels last week who indicated the council could re-submit the forfeiture property information form on this property since it did not get sold at the auction. Finance Committee members had additional comments/questions:

- It was thought that after county gets their money we would get back \$200,000?
- Had it sold that we would get back some but what?
- Need Clarification on the process and what would we get back.
- What will their minimum bid be? If we put all the assessments on the property will they lower the minimum bid and will that lower what we get?
- Schedule this item for the next meeting.
- Members did not think we were writing off \$500,000

#### **DUANE WILLENBRING ISSUE REGARDING BASE FEE PER UNIT INSTEAD OF PER METER**

Member Willenbring indicated that there is unfair disadvantage to business Vs single family resident in this area and he is not sure who was the enemy to who. Also voiced concern:

- The water base fee has been constant for some time.
- What portion of the base rate should be in the water usage fee?
- There are costs that are fixed costs and also those that are variables.
- He referred to Granite Edge Café where George was paying 1 base fee and now 4.
- His apartment dwellers used to be charged one base fee and now it is 24.

Mayor Hagen indicated that the base rate is dividing up the fixed costs.

Chair Palmer indicated that she did some review of the EDU (Equivalent Dwelling Unit) process (refer to memo from Teri Osterman of MN Rural Water Assn.) and this could be considered.

Chair Palmer read Section 4 from Teri Osterman's memo:

*"In reviewing your rate structure for the City of Rockville it is apparent that the city used good philosophy in setting rates that were fair and equitable to your residents. However, that does not mean that 100% of your residents agree with your structure...but given the size of your city you appear to be charging your customers a fair and equitable rate."*

Chair Palmer also researched information from the League of MN Cities regarding the EDU concept and this may be a more fair and equitable way of charging.

Chair Palmer would not like to see going away from base rates as this is a constant revenue.

Chair Palmer also did a survey of area cities to see what the cost is for 2,000 gallons and where Rockville compares.

***Motion by Mayor Hagen, second by Member Volkmuth, that the Finance Committee recommend to the council that we look the EDU concept for business/commercial property/multiple housing apartment pending we can manage this in our utility billing system.***

***AYES: Hagen, Palmer & Volkmuth***

***NAYS: Willenbring***

Member Volkmuth asked how many multiple family structures are there. Approximately 18 structures.

Have to do the math – might switch the base fee and then the usage fee.

Member Willenbring reported that in 2010 59.993 gallons per year was the average usage for a home and John Clark used 34,045 per unit per year.

**NEXT MEETING – August 8<sup>th</sup> or August 21<sup>st</sup> – 5:00 p.m.**

Marie Skaja (John Clark Senior Housing) asked what the \$35.20 paid each month includes? It was reported that is the water/sewer base fee and debt payment.

***ADJOURNMENT: Motion by Mayor Hagen, second by Member Volkmuth, to adjourn the meeting at 7:08 p.m. Motion carried.***

Submitted by:  
Rena Weber  
Administrator/Clerk

# Stearns County Tax Forfeiture Property Information Form

Local Government: ROCKVILLE CITY

Parcel Number: 76.41601.0200

Legal Description:

107.60A E2NE4 LESS 9.14A NW4NE4 & LOT 1 LESS  
W765' & LESS 17.11A PLATTED & LESS 23.10A FOR  
HWY OLD # 28.16800.000 OLD # 72.40102.025

Property Address:

Zoning:

R-1

Special Assessments to be  
Recertified and terms:

\$250,000

Restrictions/Other Information:

0

Environmental/Wetland  
Information:

67 Developable Acres

ROCKVILLE CITY

Signature:

Keren M. Weber

<b>2009</b>		<b>2009</b>		<b>2009</b>		<b>2009</b>	
<u>YTD GAL PUMPED</u>	<u>YTD SOLD (-)</u>	<u>YTD METERED (+)</u>	<u>YTD NOT METERED</u>	<u>Percentage</u>	<u>YTD Not Metered:</u>	<u>City Hall</u>	<u>15,617</u>
25,308,758	19,726,538	1,177,217	7,369,437	28%	Includes Maint. Building, Fire Dept, Hockey Rink, Flushing Hydrants, sewer jetting, Drinking Fountain, water tower overflow, water main breaks	Maint. Building Softball Park Fire Dept Hockey Rink sewer jetting Contractors	not metered 1,148,400 not metered not metered 13,200 6,500
*Take YTD Sold (-) subtract YTD Metered (+) plus YTD not metered = YTD Pumped		YTD Sold: Includes YTD Sold, Contractors		YTD Metered: Includes City Hall, Softball Park, Sewer Jetting			

<b>2010</b>		<b>2010</b>		<b>2010</b>		<b>2010</b>	
<u>YTD GAL PUMPED</u>	<u>YTD SOLD (-)</u>	<u>YTD METERED (+)</u>	<u>YTD NOT METERED</u>	<u>Percentage</u>	<u>YTD Not Metered:</u>	<u>City Hall</u>	<u>12,436</u>
22,467,920	19,629,096	1,619,036	4,457,860	20%	Includes Maint. Building, Fire Dept, Hockey Rink, Tower Cleaning, Flushing Hydrants, Drinking Fountain, water tower overflow, water main breaks	Maint Shop Softball Park Fire Dept Hockey Rink Tower Cleaning Misc Contractors	not metered 1,585,100 not metered not metered not metered 21,500 8500
*Take YTD Sold (-) subtract YTD Metered (+) plus YTD not metered = YTD Pumped		YTD Sold: Includes YTD Sold, Contractors		YTD Metered: Includes City Hall, Softball Park, Misc-St Joe fire Dept Structure fire		St Joe Fire dept (Structure Fire) (Number of tanks filled)	

<b>2011</b>		<b>2011</b>		<b>2011</b>		<b>2011</b>	
<u>YTD GAL PUMPED</u>	<u>YTD SOLD (-)</u>	<u>YTD METERED (+)</u>	<u>YTD NOT METERED</u>	<u>Percentage</u>	<u>YTD Not Metered:</u>	<u>City Hall</u>	<u>9,874</u>
22,185,530	18,706,626	218,874	3,697,778	17%	Includes Maint. Building, Fire Dept, Flushing Hydrants, Drinking Fountain, water tower overflow, water main breaks	Maint Shop Softball Park Fire Dept Hockey Rink Contractors Filling Pools	not metered 154,100 not metered 54,900 21,700 15,477
*Take YTD Sold (-) subtract YTD Metered (+) plus YTD not metered = YTD Pumped		YTD Sold: Includes YTD Sold, Contractors, Filling Swimming Pools		YTD Metered: Includes City Hall, Softball Park, Hockey Rink			

**Past 3 years totals**

<u>YTD GAL PUMPED</u>	<u>YTD SOLD (-)</u>	<u>YTD METERED (+)</u>	<u>YTD NOT METERED</u>
70,562,208	58,062,260	3,015,127	15,515,075
*Take YTD Sold (-) subtract YTD Metered (+) plus YTD not metered = YTD Pumped			

**Contractor/**

<u>(-) filling pools</u>	<u>37,177</u>
<u>(-) City for water/sewer</u>	<u>218,874</u>
<u>Total</u>	<u>4,181,055</u>

**if the City bills the**

<u>(-) filling pools</u>	<u>37,177</u>
<u>(-) City for water/sewer</u>	<u>218,874</u>
<u>Total</u>	<u>13,881,110</u>

**Total Percentage for the past 3 years**

<u>3 year Average</u>	<u>22%</u>
<u>(-) Subtract</u>	<u>2%</u>
<u>Total</u>	<u>20%</u>

This amount is just the unbilled water usage subtracted out the Contractors/filling swimming pools & City Hall/Softball park (metered) . Staff will be billing out the buildings that will be metered.

<b>BASE RATE</b>	<b>WATER</b>	<b>SEWER</b>	<b>SAFE</b>	<b>SEWER</b>	<b>DEBT</b>	<b>Total</b>
SOFTBALL PARK	9.20 x 5 = 46.00	12.00 x 5 = 60.00	WATER FEE	0.53 x 5 = 2.65	0.00	108.65
CITY HALL	9.20 x 12 = 110.40	12.00 x 12 = 144.00	SALES TAX	0.53 x 12 = 6.36	0.00	260.76
MAINT. BUILDING	9.20 x 12 = 110.40	12.00 x 12 = 144.00	PER WATER USAGE	0.53 x 12 = 6.36	0.00	260.76
BASE RATE FEES	266.80	348.00	PER WATER USAGE	15.37		\$630.17
<b>WATER USAGE RATE</b>	<b>WATER USAGE</b>	<b>SEWER USAGE</b>	<b>SEWER USAGE</b>	<b>SALES TAX</b>		
SOFTBALL PARK	USAGE/1000X3.32	2000/1000X1.22=2.44	PER WATER USAGE	PER WATER USAGE		
HOCKY RINK	USAGE/1000X5.00	0.00	PER WATER USAGE	PER WATER USAGE		
FIRE DEPT	USAGE/1000X5.00	0.00	PER WATER USAGE-FOR TRAINING (NOT FIRES)	PER WATER USAGE		
CITY HALL	USAGE/1000X3.32	2000/1000X1.22=2.44	PER WATER USAGE	PER WATER USAGE		
MAINT. BUILDING	USAGE/1000X3.32	2000/1000X1.22=2.44	PER WATER USAGE	PER WATER USAGE		
	USAGE AMOUNT	USAGE AMOUNT	USAGE AMOUNT	USAGE AMOUNT		



**MINUTES OF A REGULAR EDA MEETING HELD TUESDAY, JULY 24, 2012 – 4:30 P.M. - ROCKVILLE CITY HALL**

The meeting was called to order by President Vern Salzl. Roll Call was taken and the following members were found to be present – President Salzl, Bill Becker, Ed Karls & Duane Willenbring. Absent: None.

Also present were: Rena Weber, Rick Hansen & Don Simon.  
Others present: None

**MINUTES OF 10/10/11 –**

***Motion by Member Becker, second by Member Karls, to approve the minutes of 10/10/11 as presented. Motion carried.***

**FIRE DEPARTMENT REQUESTS** - Rick Hansen & Don Simon were present to discuss the bids received for cameras. Rick explained the need for the cameras is to find out who is leaving doors open and further that things have been stolen (by employees of Gold Cross) who were caught in the act. The cameras would be installed internally.

Camera quotes:

Central MN Alarms	\$4956.00 or \$4965 plus tax
Safeguard Security	2541.59
Tri-Comm	3363.00 – did not re-submit

Concern was voiced regarding the difference in bids – not apple to apple

***Motion by Member Becker, second by Member Willenbring, to go with the bid of Central MN Alarms without the monitor (\$455) as long as the rest of the bid is apples to apples.***

Discussion was held and the following comments were made:

Bill Becker indicated the cameras should be color.

Rick Hansen reported these will be motion activated cameras.

Vern Salzl stated he would not be in favor of paying twice as much for the same thing.

Ed Karls indicated that he always had good luck with Central MN Alarms.

Bill Becker stated that he uses them all the time at the hospital.

How about meeting with them first - yes

Rick Hansen is to follow up with Bill Becker to review before final approval is given.

***Motion carried unanimously.***

**GARAGE DOOR WINDOW REPLACEMENT –**

Rick reported that Overhead Door did regular maintenance on the garage doors and it was discovered that they have 15 door windows that fog up. They are insulated and tempered glass windows and the warranty has run out.

Overhead Door - \$1248.21 plus tax.

***Motion by Member Willenbring, second by Member Becker, to approve the quote as presented. Motion carried.***

**TREE REPLACEMENTS** – Don Simon indicated the department would like to buy 3 trees to replace some bad ones at the hall. Rick Hansen was not sure trees would survive due to the type of soil at the hall. No action was taken.

**ADVERTISING SIGN** – Don Simon also presented a request from George Bechtold who wants a sign put up leading people to downtown. The cost of the sign proposed is \$48,000 OR \$18.03 per capita. Rena indicated that this is not the agenda, time was running out and this needs to be on the agenda.

COMMERCIAL - INDUSTRIAL - RESIDENTIAL - FARM - BURGLAR & FIRE ALARM SYSTEMS

# CENTRAL MINNESOTA ALARMS, INC.

LICENSED BY THE STATE OF MINNESOTA  
Serving Area Needs Since 1978

P.O. Box 257  
Avon, MN 56310  
PH. (320) 356-7720 or 253-3430

Name Rockville Fire Dept.

Address \_\_\_\_\_

City & State \_\_\_\_\_ Zip \_\_\_\_\_

Date Aug 1, 2012

Approximate Job Starting Date \_\_\_\_\_

1 Digital Video Recorder 8 channel CRC 50824-17B	1800.
1 Flat screen monitor (15 inch color)	455.
1 Power supply	85.
4 Cameras (digital color) & camera mounts	400.00 / 600.
Coax/Power wire	175.

SIGNAL TRANSMISSION BY Call List:

- Digital Communicator 1 \_\_\_\_\_
- Radio Telemetry 2 \_\_\_\_\_
- Other 3 \_\_\_\_\_
- None 4 \_\_\_\_\_

TOTAL PARTS	<u>4,115</u>
LABOR	<u>400</u>
SUB TOTAL	<u>4,515.</u>
SALES TAX	<u>310.41</u>
TOTAL	<u>4825.41</u>
50% DEPOSIT	<u>2412.705</u>
BALANCE DUE UPON COMPLETION	<u>2412.705</u>

Monitoring of alarm system is \$ \_\_\_\_\_ per month billed quarterly in advance.

Price Subject To Change.



**ST. CLOUD OVERHEAD DOOR COMPANY**  
 2150 FRONTAGE ROAD SOUTH, WAITE PARK, MN 56387  
 PH (320)253-1310 FAX (320)253-0649  
 (800)253-1310 WWW.SCHOD.COM

# PROPOSAL

Attn: Rodney Schaefer

Proposal Submitted To Rockville Fire Dept.	Phone 293-4334	Date July 17 <sup>th</sup> , 2012
Street 24001 Fire Hall Lane	Job Name Window replacement	
City, State, Zip Rockville, Mn	Location Overhead doors	

Replace 15 windows that have varied degree of fogging.  
**Material, tax, and labor: \$1248.21**

(allow 7-10 days delivery)

*Thank You*

**TERMS & CONDITIONS:**

- > THIS PROPOSAL IS BASED ON WORKING OFF CONCRETE FLOORS & OPENING CLEAR OF ANY OBSTRUCTIONS.
- > TERMS: NET 10 DAYS

*William DeSchepper*  
 AUTHORIZED SIGNATURE: WILLIAM DESCHEPPER  
 Service Department

**THIS PROPOSAL IS VALID FOR 45 DAYS.**

**ACCEPTANCE OF PROPOSAL:**

THE ABOVE PRICES, SPECIFICATIONS & CONDITIONS ARE SATISFACTORY & ARE HEREBY ACCEPTED.

SIGNATURE \_\_\_\_\_

Fax To \_\_\_\_\_

SIGNATURE \_\_\_\_\_

Attn: \_\_\_\_\_ # Pages 1

DATE OF ACCEPTANCE \_\_\_\_\_

Fax # ~~251-2759~~ 240-9620

## Rockville Park & Recreation Board Minutes of May 10, 2012 Meeting

Meeting called to order at 7:02pm

Present: Scott, John, Paul, Lori, Rick H.

1. We met 1 week later because of scheduling conflicts.
2. April meeting minutes were approved with a motion by Scott and a second by John.
3. **Nature Parks & Trails Update:** We have the new "Share the Road" signs. Eight of them were bought at a total cost of \$380.00. They are 24X24 and Rick will put them up. At Eagle Park some trees may be replaced with some taken from Pecks land. The bridge is being repaired. Andy D. is still looking into docks to possibly put in at the canoe landing. He has some prices already. It is OK to hang a sign from the bridge stating that there is a canoe access here. There have been field trips in Eagle Park from area schools. There have been good results from the prairie burn in fall.
4. **Ball Program:** Brian has been hired as the Summer Ball Program Coordinator and the Concession stand worker. Because of low sign up for the Major BB, Brian sent them to Cold Spring, but then we did have some ask late. He bought a new hot dog maker without asking for approval first, we will check into this. The Men's league has started.
5. We would like to order two new picnic tables (steel corrugated with coating) for at the ball park. Also Rick will try to build a bench in the fenced-in area. The warning track on the field could use more ag lime.
6. We went over the Easter Egg Hunt summary, which was attached to the minutes.
7. Also went over the budget sheets for the last month.
8. At the Ad Hoc committee meeting for the building that was to possibly go into Lions Park, it was decided that the costs were just way too high to pursue the project any further. We appreciated all the time that Paul, Duane and the Rockville Sportsmans Club put into this. The RSC did end up selling the building to someone else.
9. The Knife River Grant that Paul is working on will be due in October and will be for 2013.
10. Twenty-three disease-free trees are on order from Huls Nursey in St. Wendell. Planting day is scheduled for Sat. May 26 at 8:00 am. The Lions Club will help and provide some of the equipment. (Thanks again to Paul on this project) Sentence-to-serve will help put the matting and mulch around the newly planted trees.
11. Ideas for Lions Park: Someone had suggested we put in horse shoe pits. The steaks for these could be a hazard, and they probably would not get used much. We have also talked about a disc golf course, but some felt that this could also be asking for trouble. It was also suggested to put some exercise equipment around by the walking path, like they did in Waite Park. Would this get used??
12. Motion to adjourn was made by John with a second by Paul.

**Meeting adjourned at 8:32 pm**

**Next meeting is Thurs, June 7, 2012, at 7:00**

Respectfully submitted by Lori Anderson