

ROCKVILLE CITY COUNCIL MEETING MINUTES

February 12, 2020

Rockville City Hall

Item 1) Call to Order

The meeting was called to order at 5:00 p.m. by Acting Mayor Brian Herberg.

Item 2) Recess to Council Workshop

Workshop Agenda

- a) Financial Review – David Drown Associates (DDA) Jason Murray

Mr. Murray pointed out that the City's Water and Sewer Enterprise Funds have been historically losing money. Such as the Sewer Fund Cash balance in 2014 was \$2,069,998, year-end 2018 balance was \$1,615,582 and is projected to be in the hole by (\$262,593) in year 2025.

The Water Fund Balance has been losing money and if not for the general government transfers of approximately \$85,000 along the water tower antenna rent of approximately \$75,000 to \$80,000 a year the Water Fund would be in the hole as well.

- b) Utility Rate Study – Minnesota Rural Water Association (MRWA) Kurt Haakinson

Mr. Haakinson reviewed the historical, current, and projected water revenues versus expenses and in short stated that operating revenues are not sufficient to offset the operating expenses. In the Water Enterprise Fund as example Mr. Haakinson recommended that to maintain a base water fee of \$23.00 per dwelling unit you would need to charge \$7.20 per gallon of water sold. In December the City approved water rates for 2020 of a base fee of \$23.00 per dwelling unit and a per gallon charge of \$7.00 per tier 1 are pretty close to addressing these concerns.

- c) Bond Refunding – DDA – Jason Murray

Mr. Murray reviewed with the Council the proposed refinancing of GO Refunding Note 2020A would save the City approximately \$14,000 in interest for the remainder of the loan.

- d) Council Interaction

- e) 5:45 p.m. Public Comment

Reconvene Council Meeting 6:00 p.m.

Item 3) Pledge of Allegiance

Item 4) Roll Call

Roll call was taken and the following members were present: Brian Herberg, Bill Becker, Don Simon, and Jerry Tippelt. Absent: Duane Willenbring.

Staff members present: City Administrator, Martin Bode; Public Works Director, Gene VanHavermaet; City Engineer, Justin Kannas; and City Attorney, Susan Dege.

Others present: various members of the public.

Item 5) Additions/Approval of Agenda

Motion by Tippelt, second by Becker, to approve the agenda as presented. Motion passed unanimously.

Item 6) Resolution 2020-10 Acceptance of January 2020 Donation

Motion by Simon, second by Becker, to approve Resolution 2020-10 Acceptance of the January 2020 Donation. Motion passed unanimously.

Item 7) Approval of January 2020 Bills Paid

Motion by Becker, second by Tippelt, to approve the January 2020 bills paid. Motion passed unanimously.

Item 8) Consent Agenda

- a) Approval Rockville City Council Minutes of January 8, and January 27, 2020

- b) Acknowledge January 2020 Building Permits
- c) Acknowledge January 2020 Sheriff's Report
- d) Resolution 2020-11 Approving LG220 MN Lawful Gambling Permit, Sportsman's Club
- e) *Pulled for separate consideration.*
- f) Approve Employee Manual Updates

Motion by Becker, second by Tippelt, to approve Consent Agenda excluding Item 8 e). Motion passed unanimously.

Item 8 e) Resolution 2020-12 Supporting RTCB Federal Grant Application.

Motion by Herberg, second by Becker, to approve Consent Agenda Item 8 e). Resolution 2020-12 Supporting RTCB Federal Grant Application. Roll call vote: Ayes; Herberg, Tippelt, Becker and Simon. Nays: none. Motion passed unanimously.

Item 9) Department Reports

- a) Engineering Report – City Engineer, Justin Kannas, Bolton & Menk
Kannas reported that he has been working with Public Works Director VanHavermaet regarding the 2020 crack fill project. Bids will be due by March 2, 2020 with Council action at the March 11, 2020 Council meeting.
- b) Public Works - Director Gene VanHavermaet reviewed his written report with the Council.
 - 12 float switches have been ordered and with any luck that amount will last until this summer.
 - The last round of winter weather did cause some headaches mostly due to the ice that accumulated on the roadways.
 - We are putting together a new tool to try and unplug the sewer lines at the grinder stations. This will hopefully prevent having to dig them open.
 - All snow removal equipment has been working fine. No major breakdowns.
 - The water main that ran to the old water tower on Maple Street has been disconnected. This is something MDH inspector Kim Larsen has requested be done.

Item 10) Administration

- a) Resolution 2020-13 Authorizing the Issuance, Sale and Delivery of \$365,000 General Obligation Refunding Note, Series 2020A

Motion by Becker, second by Herberg, to approve Resolution 2020-13 Acceptance of Authorizing the Issuance, Sale and Delivery of \$365,000 General Obligation Refunding Note, Series 2020A. Motion passed unanimously.

- b) Ordinance 2020-106 Updating City Fee and Charges Schedule

Motion by Tippelt, second by Simon, to approve Ordinance 2020-106 Updating the City Fee and Charges Schedule. Roll call vote: AYES; Herberg, Tippelt, and Simon. Nays; Becker. Motion passed on a three to one vote. It was noted the highlighted items in purple would not be effective until after one billing period or after the March 2020 billing cycle. The following are the items in purple:

Sewer Base Fee *(Downtown/Ron's Auto)	Bi-Monthly	Per unit	\$24.00
Sewer Usage-Consumption Rate/1000 gal*	Bi-monthly		\$4.45
Water Base Fee	Bi-monthly	Per Unit	\$23.00
Water Usage Rate	0000-30,000 thousand gallons		\$7.00
	30,001-60,000 thousand gallons		\$7.20
	60,001-90,000 thousand gallons		\$7.40
	90,001+ thousand gallons		\$7.80

- c) Rental Property 143 Broadway Street

Administrator Bode reported that recently there was a fire call to the apartments at 143 Broadway Street. The Fire Chief, while attending this call noted several concerning possible safety violations and has subsequently reported these concerns to the State Fire Marshall. Bode stated that part of the concern is

that in 2018 the City Council rescinded the City of Rockville's Rental Ordinance, thereby eliminating any rental inspections. The question for the Council is: should the City reconsider implementing some type of rental ordinance. The Council directed staff to provide a new rental ordinance for the Council to review and consider and also plan on an April 2020 public hearing to consider a new proposed rental ordinance.

d) Connector Road between County Road 138 and State Highway 23

Administrator Bode updated the Council on the question as to who owns the "connector" road that runs past Capital Granite between County Road 138 and State Highway 23. City records show that in 2004 the City turned down the turn back request from MnDOT on this connector road. In 2013 MnDOT sent the City of Rockville a Quit Claim Deed for this connector road but staff has found no records to indicate the City acted on that Quit Claim Deed nor is there anything recorded at the County. Kevin Schmidt with MnDOT has requested to meet with Bode sometime this spring to discuss this issue.

e) RTU Committee Report

Acting Mayor Herberg reported the RTU Committee met on February 8, 2020 with four of the seven members present. The Committee is recommending that the City Engineer be authorized to prepare a Road Management Plan or Pavement Management Plan for the City of Rockville at an estimated up-front charge of \$12,000 and then a possible two to four year updating fee. The Council requested City Engineer Kannas to provide a quote and sample presentation for the Council to consider at their March 2020 Council meeting. Funds to come out of Fund 215 Road and Bridges.

RTU Committee is also recommending the Council consider authorizing the purchase of a City Street Sweeper as opposed to hiring the work done on an annual or semi-annual basis. Funds to come out of Fund 215 Road and Bridges.

Item 11) Council Action

None.

Item 12) Other

None.

Item 13) Adjourn

***Motion by Becker, second by Tippelt, to adjourn the meeting. Motion carried.
Meeting adjourned at 7:12 p.m.***

Respectfully submitted,

*Martin M. Bode
City Administrator*