

CITY OF GILBERT
MINUTES OF WORK SESSION MEETING
TUESDAY, JANUARY 28, 2014
COUNCIL CHAMBERS

Mayor Skenzich called the meeting to order at 5:30 p.m.

Present: Mayor Skenzich, Councilors Kutsi and Schutte.

Absent: Councilors Skalko & Nemanick (both with Notice)

Staff Present: City Engineer Jamnick, Public Works Operations Director Lautigar, City Clerk Sakrison.

Mayor Skenzich stated that the purpose of this meeting was to continue to review rates and fees charged by the city of Gilbert, specifically water, sewer & electric.

City Engineer Jamnick reviewed the letter he put together dated November 26, 2013.

- The water rate is based on water sales. Sales revenue has decreased over the past few years due to conservation efforts, and lost users due to fires to both businesses and homes. Two options were discussed and are in the letter. Option 1 would be to have increases to fixed, commodity & add a water debt line. Option 2 would have about a \$7.50 - \$7.70/month increase per user of an average of 4,000 gallons of water/month.
- Sewer rate using Option 2, for an average user of 4,000 gallons of water/month the monthly rate would go up about \$14.
- The Sparta assessments that were prepaid were absorbed by the city and used elsewhere.
- The depreciation would be funded; future capital projects could have some funds available.
- Electric service charge rate is currently \$3.50/month for residential and \$7.00/month for businesses. If these rates were doubled, so \$7.00/month for residential and \$14/month for business it would provide the money needed for MN Power annual maintenance.
- All together each average residential utility customer rate would be raised approximately \$25.00/month.
- The utility should be funding all operations, including repairs & capital improvements.

Public Works Operations Director Lautigar discussed electronic read meters. They would improve accuracy and be more efficient. Many of the current meters don't work, or cannot be read due to the weather conditions. The electronic water meter can be changed out by one of the public works employees. The electronic electric meter would need to be changed out by an electrician. Existing water meters cannot get parts and have lead spinners that can no longer be used.

Option 2 is the consensus by those present for the water, sewer & electrical rates.

Public Works Operations Director Lautigar discussed implementing a surcharge for winter burials because of the propane price rising. It was agreed to add a winter burial fuel charge of whatever is used over \$100.

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Liquor license fees will be discussed at a separate meeting. A letter will be sent to all of the bar owners stating that the city is proposing to increase the liquor license fees by 10%. The liquor store fee may need to remain the same, and the fee can be found online through the State of MN.

Mayor Skenzich asked City Engineer Jammick how many days' notice the city needs to give to Fayal for rate increases. City Engineer Jammick stated that they get the same notice that anyone in the city gets.

A fee will be added next year for storm sewers.

Motion by Schutte second by Kutsi to adjourn the meeting at 6:14 p.m. All approved.

Michael Skenzich, Mayor

ATTEST:

Debra Sakrison, City Clerk