

## **North Branch City Council**

### Work Session

Date of Meeting: August 21, 2014

Present: Councilmembers: Ronald Lindquist, Theresa Furman, Kathy Blomquist, Joyce Borchardt and Trent Jensen.

Also Present: City Administrator Konrad, Finance Director, Water & Light Commissioner Fisk and General Manager Petsche.

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#### ***I. Call To Order***

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

#### ***II. Water & Light Joint Meeting***

Petsche explained the major projects that were done over the last several years and why. The funding was projected to come from WAC and trunk fees but with the economy being what it is that did not happen. Water Department has two bonds for wells. Blomquist noted that all wells no matter how deep you have to go costs \$1,000,000. Rather than finding 350 gallon per minute wells the City saved \$3,000,000 with the last well because of the fortune of finding the well that pumped so well. Blomquist said the first time she was on Water & Light was in 2003 and finding water was the number one issue at that time. There were water bans in place.

Petsche said he does not know about State Statutes but the Department of Health regulates them. Jensen commented that there is a projected 5% per year rate increase going forward. Hill noted that is a draft projection based on the assumptions. Borchardt asked what the current interest rates are on the bonds. Petsche indicated the rates are listed in the audit on page 20 and run from about 5% to 7%.

Petsche reviewed wages and how the wages compare to the municipal industry. He said that they do not want to be a revolving door so the salary needs to be high enough to keep employees. Borchardt said that City employees have been asked not to have a raise for several years so she is concerned with Water & Light consistently receiving raises. Petsche said that when things were tight they did 1% and now they are up to 2%. Lindquist said that a \$13,000 raise when water rates are going up concerns him but he does feel that folks should be paid what they are worth.

Borchardt said that in January 2013 there was a 3% rate increase and then a 5% rate increase in June. She then asked what could be coming in terms of increases so residents can plan. Furman noted that the higher the rates the less people will use to try and save money so she is wondering if staff took that into account. Petsche indicated that is a consideration when recommending rate increases. Furman said she would like to let folks know that there is no watering ban and no requirement to water every other day. Petsche noted the 2013 audit was provided for Council to review.

Furman said she would like to see the meetings held in the evening and be televised. Fisk stated that all records are at the Water and Light. He said they can take it under advisement. Fisk said they do not need the politics at their meetings. Konrad suggested recording the meetings for rebroadcast. Blomquist said that there were times when there was a need for confidential meetings during her tenure at the Water & Light so she is a little leery about comments that could be made. Borchardt said that the open meeting law is the open meeting law. Lindquist would like to see the meetings televised. Petsche said that they do have certain things they handle that are public but there are times that it is good

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that there is not an audience. Council suggested that Water & Light meet in the evening and televise their meetings.

Jensen said he is pleased to see the financials as it looks like the Water & Light is on a good path. Furman asked about the status of water and sewer being done by the City and where the Council wants to go with it. Jensen said he would be opposed to doing anything due to increased costs. Council agreed. Hill indicated that there would be increased cost to the City to do that and that cost gets pushed off to the water users.

Motion by Furman, seconded by Borchardt to adjourn. All voted AYE. Motion carried.

Adjourned at 8:25 p.m.

Respectfully submitted,

Bridgitte Konrad, City Administrator  
jrl/TOSS