

**MINUTES of the ST. CHARLES CITY COUNCIL
for Tuesday, December 13, 2016 held at 6:00 p.m. at
830 Whitewater Avenue,
St. Charles, Minnesota**

MEMBERS PRESENT:

Councilmen:
Mayor John Schaber
Dave Braun
Orv Dahl
Wayne Getz
David Kramer

STAFF PRESENT: Kyle Karger (Public Works Superintendent), Kristine Engstrand (City Accountant) and Nick Koverman (City Administrator).

OTHERS IN ATTENDANCE: Tom Fort, Kenneth Reynolds, Mena Kaehler, Ralph Kaehler, Red Soppa, Terry Soppa, Cathy Groebner, Tom Nigon (Star Energy Services), Dan White, and Jill Veerkamp (St. Charles Press).

1. ESTABLISH QUORUM/CALL TO ORDER

Quorum was established with Mayor Schaber calling the meeting to order at 6:00 p.m.

2. PLEDGE of ALLEGIANCE

**3. APPROVAL of the AGENDA: Additions: 21. January meeting date. 22. CLOSED SESSION—
Real Estate.**

Motion to approve: **Wayne Getz**
No discussion.
Motion carried.

4. Meeting Minutes

-November 1, 2016

Motion to approve: **Dave Braun**
No discussion
Motion carried.

-November 9, 2016

Motion to approve: **David Kramer**
No discussion.
Motion carried.

-November 22, 2016

Motion to approve: **Orv Dahl**
No discussion.
Motion carried.

5. December Payables.

Motion to approve: **Orv Dahl**
No discussion.
Motion carried.

6. Notices and communications: None.

7. Reports of Boards and Committee:

Reports were given.

8. 2017 Truth In Taxation Presentation. City Accountant Kristine Engstrand presented the 2017 Truth In Taxation presentation. The presentation highlighted the proposed 8.07 percent levy increase with a total levy amount of \$971,429. No questions were asked.

9. Resolution #31-2016 Approving Final Levy Collectible 2017. Mayor Schaber asked if Council had any changes to the budget. Hearing no changes, he called for a motion to approve the resolution as presented with a final levy amount of \$971,429.

Motion to approve: **Orv Dahl**

No further discussion.

Motion carried.

10. Resolution #32-2016 Establishing the 2017 Budget. The mayor highlighted the resolution in the amount of \$7,062,288. Hearing no further discussion, he called for a motion to approve the resolution as presented.

Motion to approve: **Dave Braun**

No further discussion.

Motion carried.

11. Solar Application Amendments/Rebates. Tom Nigon of Star Energy Services, and who serves as the City's Electrical Engineer, began by discussing the proposed solar application and streamlining the form. He also discussed the idea of additional charges to fixed costs for solar distributed generator customers, but relayed that currently several cooperatives and municipals are either challenging or being challenged by the Public Utility Commission and to institute a rate/fee at this time would not be a wise choice. As for the rebates for solar projects, given the declining costs in solar since the rebate was initially implemented in 2011, he recommended discontinuing the rebate all together. He explained that cooperatives like Tri-County and Peoples no longer offer an incentive. He also suggested that if the Council wanted to honor those applications that have been submitted to date for the rebate and decline any future request for rebates after the date of the meeting, that it would reasonable. Clm. Braun asked where the possible funds would come from if approved. Administrator Koverman relayed that as part of the city's Conservation Improvement Program, that is mandated by the state, dollars are allocated for various pieces of energy efficiency program, but that for solar there was never line item within the budget for merely solar. He then highlighted that since the program's inception only one solar project had been implemented since 2011 and that trying to calculate a budget on a program that up until the last several days prior to the meeting when it was relayed that the rebate would be discontinued, was relatively insignificant and difficult. Following a summer Council discussion of a proposed project with the Assisted Living, three projects were submitted that exceeded the 10Kw size and would receive the full rebate of \$10,000 per project. Koverman relayed that in talking with the city attorney, he acknowledged that the rebate program was not an entitlement but rather discretionary in nature and that the Council may at any time discontinue the program. Having said that, he acknowledged that of the three new applications that were received within the past two days, two of the three were anticipated as they were in fact the Assisted Living projects. He then relayed that Novel Solar had submitted one residential application that was anticipated to receive the full rebate and that they had been in discussions with two potential additional customers, but that no applications had been received. Mayor Schaber asked if the Council agreed with the recommendation presented to honor the three current applications and discontinue the program rebate after the December 13th meeting as it was discretionary funds and the budget had already been exceeded, but that those resources would be within the electric budget. All Council agreed and a motion was made to honor the three applications that had been received with the current rebate, but that following the December 13th meeting the current solar rebates would be discontinued for the reasons discussed.

Motion to approve: **Wayne Getz**

No further discussion.

Motion carried.

12. Franklin Energy 2017 CIP Plan/Energy Star Rebates. Admin. Koverman presented the proposed 2017 Conservation Improvement Plan and related Energy Star Rebates. He reviewed the various levels of rebate and the justifications for either lowering or discontinuing. He highlighted the various strategies that

Franklin was hoping to generate new ideas from and the intent to impact more residential customers. A motion was made to approve the proposed 2017 plan and the rebates associated with the CIP program.
Motion to approve: **David Kramer**
No further discussion.
Motion carried.

13. Fire Department Officers. Administrator Koverman presented a letter from Fire Chief Lyle Peterson that recommended the approval of named officers that included: Mike Schultz (fire chief), Fran Schmit (2nd Asst), and Adam Ferden (training officer). A motion was made to approve the recommended names and position.
Motion to approve: **Dave Braun**
No further discussion.
Motion carried.

14. Ordinance #591 Administrative Fines & Fees (2nd Reading). Mayor Schaber reviewed the ordinance, not hearing any changes or comment he called for a motion. A motion was made to approve the ordinance presented.
Motion to approve: **Wayne Getz**
No further discussion.
Motion carried.

15. Ordinance #590 Amending Sanitary Sewer Rates (2nd Reading). Mayor Schaber held the second reading. A motion was made to approve the ordinance as presented.
Motion to approve: **Orv Dahl**
No further discussion.
Motion carried.

16. Winter Parking Exemptions. Admin. Koverman presented a list of winter parking exemptions that were sent out and expected to be submitted. A motion was made to approve the winter parking exemptions.
Motion to approve: **Dave Braun**
No further discussion.
Motion carried.

17. Minor Subdivision—Fort. Mayor Schaber asked Council if they had any questions after Admin. Koverman briefly reviewed the request for the subdivision. Clm. Kramer expressed his relationship to Mr. Fort, but relayed that no financial stake was present. A motion was made to approve the minor subdivision as presented.
Motion to approve: **Orv Dahl**
No further discussion.
Motion carried.

18. Minor Subdivision—Rinn. Admin. Koverman highlighted a proposed land swap between Gerald Rinn and Matt McMahon. After review by the Planning & Zoning Commission, it was recommended that the minor subdivision that would create a single parcel from two parcels from the Rinn's property was the best process and had been reviewed by the city engineer. It was also recommended for approval by the P&Z. Hearing no further discussion, a motion was made to approve the minor subdivision to facilitate the land swap for Rinn and McMahon.
Motion to approve: **Dave Braun**
No further discussion.
Motion carried.

19. Appointment of P&Z Members. The names of Jerel Mockenhaupt and James Purl for the vacant Planning & Zoning Commission seats were discussed. A motion was made to approve both Mockenhaupt and Purl as presented.
Motion to approve: **Wayne Getz**
No further discussion.

Motion carried.

20. City Hall Closing. The dates and times of Friday, Dec. 23rd at noon, the day of Monday, December 26, the day of Friday, December 30th at 3 p.m. and Monday, January 2 all were discussed and approved.

Motion to approve: **Dave Braun**

No further discussion.

Motion carried.

21. January meeting date. Mayor Schaber asked Council if Tuesday, January 3rd at 5 p.m. for the first Council meeting of the year would work. Hearing no disagreement, the Council approved the date and time.

Motion to approve: **David Kramer**

No further discussion.

Motion carried.

UNSCHEDULED PUBLIC APPEARANCES

Dan White at 730 Whitewater thanked the Council for their work.

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22. CLOSED SESSION—Minn. Stat. 13D.05 Real Estate Strategy.

A motion was made to close the meeting at 6:49 p.m.

Motion to close: **Dave Braun**

No further discussion.

Motion carried.

The closed meeting was opened at 6:50 p.m.

Motion to close the closed meeting and open the public meeting at 7:25 p.m.: **Orv Dahl**

No further discussion.

Motion carried.

Mayor Schaber stated that staff has been directed to continue discussions with CHS and to seek additional information.

Motion to adjourn at 7:26 p.m.

Motion to approve: **Orv Dahl**

Motion declared carried.

John P. Schaber, Mayor

ATTEST

Nick Koverman, City Administrator