

August 2, 2017

The City Council conducted a Work Session on the above date. The following were present: Mayor Christine Maefsky, Council members Bob Hegland, Steve Kronmiller and Jim Schneider. Absent: Council member Chris Ness. Staff present: City Administrator Neil Soltis, Public Works Director Adam Hawkinson, Fire Chief Mike Hinz, and Deputy Clerk Brenda Eklund.

Mayor Maefsky called the meeting to order at 6:35 p.m.

#### **APPROVAL OF THE AGENDA**

Mayor Maefsky announced a reordering of the agenda items. Administrator Soltis noted that Agenda Item 4) Presentation by US Solar, will be rescheduled to a future meeting. **Schneider, seconded by Kronmiller, moved to approve the agenda as amended. The motion carried 4-0.**

#### **DISCUSSION ON THE 2017 ANNUAL OPERATING PERMIT FOR TILLER ZAVORAL MINE**

Administrator Soltis explained the request from Tiller Corporation to release its reclamation obligations at the Zavoral mining site for its transition to the new use as the Argo Navis Community Solar Garden. Staff completed a site visit last week and presented the findings related to compliance of Tiller's CUP and 2017 AOP reclamation obligations noting that the conditions to establish final grades and vegetative cover have been satisfied and that Argo Navis has assumed the responsibilities of Tiller's reclamation plan regarding vegetation and maintenance through December 2021. This includes the repair of a minor gully washout once Argo Navis has equipment mobilized at the site.

Christina Morrison, Tiller Corporation, and Nathan Franzen, Geronimo Energy representative, were present to finalize the requests for the release of Tiller's financial guarantees. The final reclamation report has been submitted, and Morrison explained that the 2013 Development Agreement requires that the City provide a signed Certificate of Completion so that Tiller can proceed with terminating their lease with Zavoral.

**Hegland, seconded by Kronmiller, moved to release all financial security and return remaining escrowed funds deposited with the City in connection with the Zavoral Site, and to execute a Certificate of Completion as required by the Conditional Use Permit Compliance and Reclamation Agreement. The motion carried 4-0.**

#### **DISCUSSION ON REQUEST FROM MAY TOWNSHIP TO ESTABLISH A "NO WAKE" ZONE ON BIG MARINE LAKE**

Administrator Soltis presented a request from the May Township Planner to assess whether the City has an interest in establishing a no wake zone on Big Marine Lake during periods of high water. Some residents are concerned about shoreline erosion caused by the wakes of watercraft. Soltis provided a copy of the City's ordinance which established the no wake zone on Bone Lake, adopted in 2014.

Council member Kronmiller provided graphs illustrating the historic water levels on Big Marine Lake showing that the water level has been rising over the last few years, but has not passed the Ordinary High Water Level which would be the trigger for enforcement of a no wake ordinance.

Council member Schneider stated that he would not be comfortable taking action without first talking to lake property owners, and said that the Big Marine Lake Association should weigh in on this first. It was agreed that staff would reply to May Township that the Council is seeking input from BMLA before further discussion of implementing a no wake zone on Big Marine Lake.

### **DISCUSSION ON ENFORCEMENT PROCESS FOR DEVELOPMENT CODE AND CITY ORDINANCES**

At the June Work Session, the Council received a presentation from Attorney Joe Van Thomme regarding code enforcement for cities. An issue identified was the need to have a process to ensure compliance, including designating a code enforcement official and identifying and maintaining a record system. Administrator Soltis explained that the duties of a Code Enforcement Official were formerly assigned to the Building and Code Enforcement Official but that position was eliminated. The 2015 update to the City Administrator job description added language the Administrator receive, investigate and document complaints regarding property maintenance, construction and other land-use activities but does not designate the enforcement responsibilities. Since there is a lack of clarity as to the roles and action to address ordinance violations and nuisances, Soltis said he was looking for direction from the Council regarding the administration and enforcement of the zoning code and city ordinances. The process of the complaint form is using criminal remedies and does not provide for a civil process that would outline an abatement process.

Council member Schneider said that the deputy can be doing code enforcement. Soltis noted that the deputy's primary duties are to respond to calls for service and code enforcement becomes a low priority. Council member Hegland suggested the Building Official under contract with the City of Hugo be asked if he would take on these duties, as he sees this as the most cost effective. Schneider disagreed and stated that the deputy is already on the payroll and is more authoritative. The City is only seeking compliance, not so much a court penalty.

Council directed staff to research a procedure for an efficient code enforcement process using changes to the zoning code, job descriptions or any other changes necessary to carry it out.

### **DISCUSSION ON ESTABLISHING A CITY YARD WASTE SITE**

Mayor Maefsky requested a discussion on establishing a public yard waste site after hearing from residents. Administrator Soltis provided background information when this was discussed by the Council in 2012. It was concluded then that maintaining a site would be costly, and that most residents have property large enough to burn or compost site on their land. Based on the 2012 discussion that City has created and maintains a registry to match residents who have yard waste to dispose of with those in need of compostable materials for their gardens. Soltis also provided the state statute on regulations for yard waste facilities, which are highly monitored.

Administrator Soltis noted that Washington County is in discussions with Forest Lake to open a yard waste facility in the northern portion of the County which would be available to all County residents. The Council took no action in pursuing a compost site for Scandia.

### **DISCUSSION ON REPORT FROM THE 2018-2022 CAPITAL IMPROVEMENT COMMITTEE**

Administrator Soltis presented the recommendations from the Capital Improvement Committee which identified capital projects to be funded for the next 5 years and identifying the sources of funding. Soltis explained that a public hearing on the CIP will be held before the Planning Commission later this year, then to the Council for final adoption.

The most significant expenditure noted a \$6.4 million road improvement project in 2018 to reclaim and resurface the roads rated very poor and poor, and then mill and overlay of the road surfaces that are currently rated fair in 2020-2022. The 2018 improvements would be funded by a 20-year bond without assessing property owners. The report provided a tax levy computation that would minimize the property tax impact. Council member Kronmiller said that he was pleased with this approach to take care of the worst roads.

Other projects identified for 2018 that could impact the budget included:

- Community Center LED lighting conversion (\$33,000)
- Tennis court replacement (\$40,000)
- Emergency generator for the Fire Department (\$66,000)
- Tailgate sander for Public Works (\$7,000)
- PW replacement of the 2008 Ford Ranger (\$36,500)

Due to the lack of a revenue stream to fund park capital projects, the Committee recommended that 0.5% of the City's levy be dedicated to the Park Improvement Fund, providing about \$11,000 per year. In addition, the Committee recommended investigating the sale of the City-owned lot on Goose Lake with the net proceeds going towards future park projects.

Improvements to the 201 Sewer System and the Uptown Sewer System are intended to be funded through user fees. Control panels at the Bliss Lift stations are scheduled for replacement in 2019 at a cost of \$62,000. Soltis noted the City will need to submit a plan for nitrate treatment in the Bliss addition to the MPCA in 2019 and the engineer's estimate for the cost of the project is \$960,000. Alternatives are being studied, and Council member Kronmiller recommended setting aside funding now for these improvements scheduled for 2022.

### **DISCUSSION OF 2018 OPERATING AND CAPITAL BUDGETS**

Administrator Soltis provided a draft budget based on early cost assumptions for 2018, and reflected the recommendations of the Capital Improvement Committee for the 2018-2022 CIP. Soltis noted that the Council must set the maximum levy amount for taxes collected in 2018 at their September meeting.

For the discussion, Soltis explained projects identified for 2018

- Solar energy production tax as revenue (\$1,200)

- Revenue loss for accounting services based on withdrawal from the FL Cable Commission (\$1,600)
- Gain of franchise fees based on withdrawal from the FL Cable Commission (\$4,300)
- Increase to 4 newsletters each year (\$1,500)
- Ordinance codification (\$8,000)
- Replace meeting tablets with chromebooks (\$2,500)
- Council travel and conferences (Mayor recommends \$3,000)
- Increase Fire Chief wages to part-time position with no benefits (\$27,830). Fire Chief Hinz explained his proposal to take on additional hours to complete mandated tasks that are not getting completed, to allow time for grant applications, and to take on the increased responsibilities of the fire department. Hinz provided articles emphasizing the critical staffing shortages of volunteer fire departments.
- Remaining Comp Plan agreement with Bolton & Menk (\$15,000)
- Radio equipment for Public Works (\$13,200)
- Base pay structure from 2013 levels (\$1,600 per 1% increase)
- EDA revolving loan fund (\$20,000)
- EDA tourism development (\$10,000)
- Bond rating to prepare for 2018 road improvements (\$4,000)

Council will more thoroughly discuss the budget at the September Work Session.

#### **DISCUSSION ON COMMUNITY SOLAR FARMS ORDINANCE**

At the June Work Session, Council asked staff to research the requirements for placing a moratorium on the solar garden ordinance. Administrator Soltis provided a League handout that explained the procedures. State statute permits a city to establish an interim ordinance while the city is conducting studies that may lead to an amendment of the ordinance. In 2016 the City placed a 3-month moratorium on applications so that the Planning Commission could review the ordinance. Changes to standards such as screening and setbacks were made. Soltis said that there must be a specific reason or study identified to enact a moratorium.

Council member Kronmiller said that he has concerns about environmental impacts, with questions that should be answered before approving any more solar gardens. Council member Hegland said that the solar developments seem to be an aggravation, remove property from the market that could be developed, and the City should get out of the solar business completely. Mayor Maefsky said that the initial intent of the solar ordinance was to provide an alternative to farmers from selling off their land for development; however, that has occurred in 1 of the 6 community solar gardens that have been approved. Council member Schneider said that he sees the issue both ways and could either take or leave them. He said there could be an issue if some property owners can have solar gardens and now others cannot.

Administrator Soltis provided an aerial view of Scandia noting that solar gardens need to be in the vicinity of Xcel's distribution line and that substantial portions of the City near the Xcel distribution lines are located in Shoreland districts where solar gardens are not a permitted use. Consequently, the potential for additional gardens may be limited. Soltis added that the screening requirements have evolved from screening from the road to screening from adjoining

properties which potentially increases the cost to the point that solar providers are not willing to develop parcels due to the investment in meeting the landscape requirement.

**Hegland, seconded by Maefsky, moved to terminate (repeal) the solar ordinance.**

Discussion: Soltis explained that the 6 solar gardens already approved by Conditional Use Permits would be allowed to be built. The implications could be a loss of revenue stream collected by additional solar energy production taxes. The 6 approved solar garden, totaling 20 megawatts, are projected to provide \$8,000 per year once they are producing. Maefsky said that having 6 solar gardens shows that Scandia has done its part in providing for green, alternative energy.

**Maefsky called for a vote on the above motion: Hegland, Kronmiller, Maefsky – yes. Schneider – no. The motion carried 3-1.**

Staff will draft an ordinance for the repeal of the solar garden ordinance for the next meeting.

**ADJOURNMENT**

**Hegland, seconded by Schneider, moved to adjourn the meeting. The motion carried 4-0.**

The meeting adjourned at 9:45 p.m.

Respectfully submitted,

Brenda Eklund  
Deputy Clerk