

**CITY OF SAINT PETER, MINNESOTA
AGENDA AND NOTICE OF MEETING**

Regular Workshop Session of Monday, October 19, 2015
Library Meeting Room – 5:30 p.m.
601 South Washington Avenue

I. CALL TO ORDER

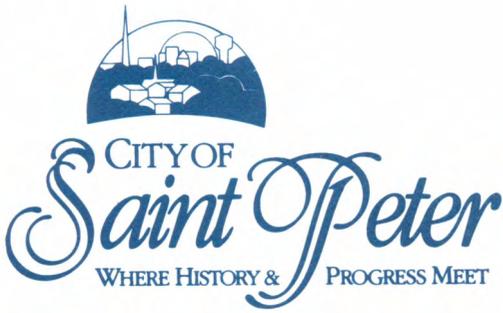
II. DISCUSSION

- A. Recreation and Leisure Services Department Presentation
- B. Roundabout Land Property Acquisition
- C. DeWild Grant and Reckert Distributed Generation Project
- D. Committee Reports
- E. Others

III. ADJOURNMENT

Office of the City Administrator
Todd Prafke

TP/bal



Memorandum

TO: Honorable Mayor Strand
Members of the City Council

DATE: 10/15/15

FROM: Todd Prafke
City Administrator

RE: Department Presentation: Recreation and Leisure Services

ACTION/RECOMMENDATION

None needed. For your information only.

BACKGROUND

As has been our past practice, time has been set aside on this workshop agenda for a presentation on one of the City's Departments. Recreation and Leisure Services Department Director Timmerman will be at the workshop on Monday evening to provide information on activities in the Recreation Department.

Please feel free to contact me if you have any questions or concerns on this agenda item.

TP/bal

SUMMER RECREATION REPORT

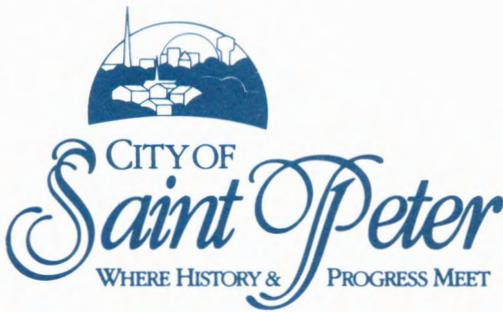
Activity	2015	2014	2013	2012	2011	2010
* Fee Structure Modification						
Baseball Total	134	133	144	162	147	169
T-ball	88	80	92	106	89	86
Squirts	46	53	52	39	58	83
Bitty Ball	N/A	N/A	N/A	17	N/A	N/A
Soccer	24	36	39	46	47	49
Grades 4-10						
Gymnastics	N/A	60	98	80	120	157
Tennis Total	87	118	97	104	69	54
Grades K-2	17	25	22	29	N/A	N/A
Grades 3-5	26	42	30	30	N/A	N/A
Grades 6-9	44	51	45	45	N/A	N/A
Create A Camp Total	734	1702	1550	1701	1120	691
Weekly (9 Weeks)	4	*15	20	22	18	10
Specialty (# of Camps)	657(9)	*1615 (18)	1454 (19)	1593(24)	1053(28)	643(27)
Weekly Pick 5 (# on waiting list)	N/A	N/A	6 (5)	N/A	N/A	N/A
(New 2014) CAC Weekly Pick 3	5	*3	N/A	N/A	N/A	N/A
(New 2014) CAC Daily Pick 4	2	*9	N/A	N/A	N/A	N/A
10 Card Camp Daily	0	N/A	7	7	3	
(New 2014) Pick 3 Speciality	10	5	5	21	25	38
Passport to Summer Room 1(# on waiting list)	9					
Passport to Summer Room 2(# on waiting list)	16(1)					
Passport to Summer Room 3(# on waiting list)	12	39(4)	25 (4)	21	21	N/A
Rec Corner Activity Pack	19	21	33	37	N/A	N/A
Mini Kids Programs Total	113	101	98	83	132	131
Lil Rascals	62	61	67	83	62	69
Day Camps(Country Fun, Microstars, Diggin Dinos, etc)	51	40	31	N/A	70	62
Volunteer in the Park	103	90	75	84	80	64
Youth Leadership (Babysitter's training)	16	12	12	22	16	11
Tae Kwon Do	N/A	N/A	N/A	70	48	28
Beginner				38	25	
Intermediate				23	15	
Advanced				9	8	
Fencing (# on waiting list)	23	20	N/A	N/A	N/A	N/A
Grandmaster of Chess	10	7	N/A	N/A	N/A	N/A

SUMMER RECREATION REPORT

LEGO Camp	17	13	N/A	N/A	N/A	N/A
Sport Camps (Dance, Golf, FB, etc)	106	81	60	60	102	56
Special Events Total	1175	740	950	1302	400	365
End of Summer Celebration	465	250	300	302	250	215
Movies in the Park (# of Movies)	570(3)	490 (3)	450 (2)	780 (4)	N/A	N/A
Fishing Contest	140	weather/flood	200	220	150	150
SEASONAL TOTALS	2,542	3,113	3,123	3,714	2,281	1,775

Financial Assistance Program/St. Peter Recreation

2015		<i>Recreation</i>	<i>Nicollet Co.</i>		
		Scholarships			
Pool activities	\$	1,641.00	\$	751.00	Funds needed \$ 2,162.50
Rec programs	\$	521.00			HFR support \$ (2,162.50)
	\$	2,162.00	\$	751.00	Not covered \$ -
<hr/>					
2014		<i>Recreation</i>	<i>Nicollet Co.</i>		
		Scholarships			
Pool activities	\$	1,810.00	\$	978.00	Funds needed \$ 2,332.00
Rec programs	\$	522.00			HFR support \$ (2,332.00)
	\$	2,332.00	\$	978.00	Not covered \$ -
<hr/>					
2013		<i>Scholarships</i>			
Pool activities	\$	1,721.00	\$	443.00	Funds needed \$ 2,261.00
Rec programs	\$	540.00			HFR support \$ (1,500.00)
	\$	2,261.00	\$	443.00	Not covered \$ 761.00
<hr/>					
2012		<i>Recreation</i>	<i>Nicollet Co.</i>		
		Scholarships			
Pool activities	\$	1,422.00	\$	35.00	Funds needed \$ 2,292.00
Rec programs	\$	1,265.00	\$	360.00	HFR support \$ (1,500.00)
Totals	\$	2,687.00	\$	395.00	Not covered \$ 792.00
<hr/>					
2011		<i>Recreation</i>	<i>Nicollet Co.</i>		
		Scholarships	& Kiwanis Reimb		
Pool activities	\$	1,167.00	\$	215.50	Funds needed \$ 1,918.50
Rec programs	\$	1,067.00	\$	100.00	HFR support \$ (1,500.00)
Totals	\$	2,234.00	\$	315.50	Not covered \$ 418.50
<hr/>					
2010		<i>Recreation</i>	<i>Nicollet Co.</i>		
		Scholarships	Reimb		
Pool activities	\$	677.00	\$	134.50	Fin. Assistance \$ 809.50
Rec programs	\$	427.00	\$	160.00	HFR support \$ (809.50)
Totals	\$	1,104.00	\$	294.50	Not covered \$ -
<hr/>					
2009		<i>Recreation</i>	<i>Nicollet Co.</i>		
		Scholarships	Reimb		
Pool activities	\$	601.00	\$	85.00	Funds needed \$ 966.00
Rec programs	\$	490.00	\$	40.00	HFR support \$ (966.00)
Totals	\$	1,091.00	\$	125.00	Not covered \$ -
<hr/>					
2008		<i>Recreation</i>	<i>Nicollet Co.</i>		
		Scholarships	Reimb		
Pool activities	\$	1,100.00	\$	192.00	Funds needed \$ 1,487.00
Rec programs	\$	684.00	\$	105.00	HFR support \$ (1,487.00)
Totals	\$	1,784.00	\$	297.00	Not covered \$ -



Memorandum

TO: Todd Prafke
City Administrator

DATE: 10/16/15

FROM: Russ Wille
Community Development Director

RE: Property Acquisition – 151 West St. Julien St. (National Retail Properties)

ACTION/RECOMMENDATION

None needed. For your information only.

BACKGROUND

As part of the workshop on Monday evening, I will provide an explanation as to the process and suggested timeline of acquiring the 151 West St. Julien Street property to provide sufficient land to implement future traffic control measures at the corner of Old Minnesota Avenue and West St. Julien Street.

The City of Saint Peter has negotiated the acquisition of property from Northern Con-Agg, McDonalds and Holiday. The acquisitions were made to provide the land for the implementation of possible future traffic control measures at the Old Minnesota Avenue and St. Julien Street intersection.

The only property on the corner that the City has not been able to negotiate the acquisition of is the National Retail Properties site at the northwest corner of the intersection. Right-of-Way Plat #3, which was previously adopted by the City Council, would suggest that it would be appropriate to acquire a 2,721 square foot parcel from National Retail Properties to complete the right-of-way acquisition. National Retail Properties currently leases the site and facilities to Carquest.

In addition to the permanent acquisition, successful completion of the traffic control improvements would require the acquisition of a very small temporary construction easement which would be relinquished upon the completion of the project.

Future traffic control measures have been suggested due to the anticipated increase in vehicular traffic at the Old Minnesota and St. Julien intersection. 2012 counts established average daily traffic counts on St. Julien Street of 2,500 vehicles between Highway 169 and Old Minnesota Avenue. By 2030, as more development occurs, average daily counts at this site is expected to increase to 10,300, a 412% increase over 2012 counts.

It is my suggestion that future negotiations with National Retail Properties (NRP) would be futile. In phone conversations with NRP representatives, NRP has suggested that if the acquisition were necessary for road improvements, the City would likely initiate eminent domain action. It is my further suggestion that the City Council initiate property acquisition proceedings.

The land contemplated for acquisition from NRP was appraised by Patchin, Messner, Dodd and Brumm in March, 2014. The appraisal determined a value of \$21,250 for the 2,721 square foot parcel and temporary construction easement.

The parcel was reappraised in April, 2015. At that time the value of the 2,721 square foot parcel had been reduced to \$16,400.

The City Council will be asked to authorize Dan Wilson (Wilson Development Services) to provide National Retail Properties with what would be considered to be the City's "Last Written Offer". If NRP balks at the offered price, the City Council would be asked to authorize Wilson to initiate the formal eminent domain process.

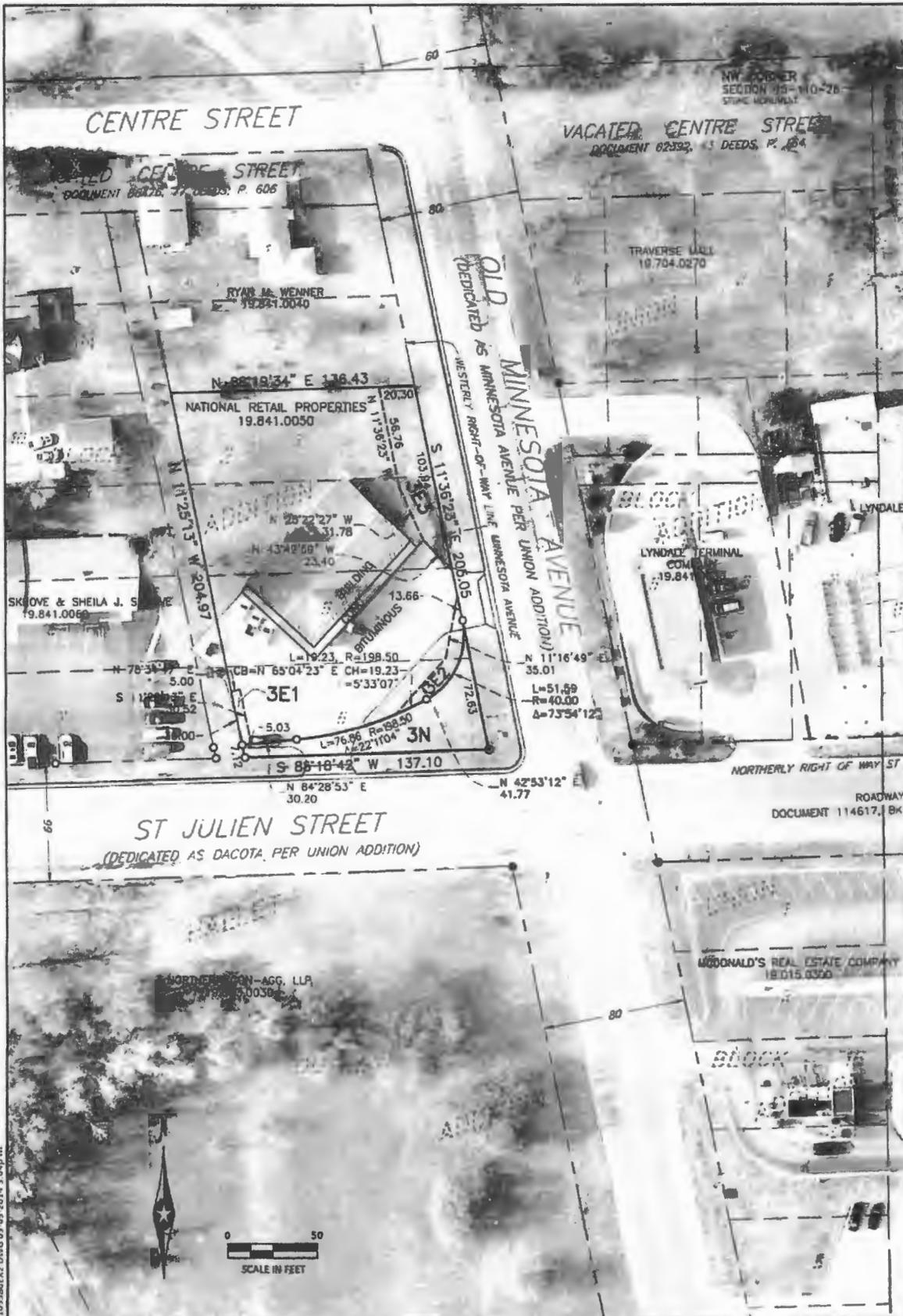
Once condemnation is formally initiated by legal service, the City would be able to obtain possession of the land within approximately 90 – 120 days.

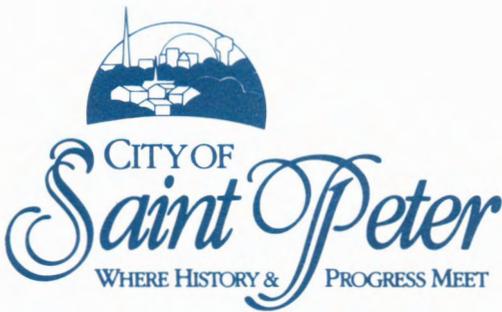
While this is not the final step in development of a roundabout, it is continuing to move forward in that process. It continues to be our goal to put the Council in a position to make changes at this intersection before the need arises. We understand that criteria for that is subjective, but know that it is not our intent to ask the City Council to construct a roundabout now. As more development occurs in the area we will evaluate needs. The acquisition today, at a lower price than likely paid at the time of future, more hurried, development, puts the City in a position to move when the Council sees the need. Having a plan documented and ready for action also allows property owners and staff to plan accordingly for the private development that will come.

Funding for this action has been put in place and remains ready when the Council is ready to move.

Please feel free to contact me should you have any questions or concerns on this agenda item.

RJW





Memorandum

TO: Todd Prafke
City Administrator

DATE: September 25, 2015

FROM: Pete Moulton
Director of Public Works

RE: Distributed Generation Rate Development

ACTION/RECOMMENDATION

None needed. For your information and discussion only.

BACKGROUND

During the past few years there have been requests to connect renewable sources such as photovoltaic (solar) and wind power to the City's distribution system. I believe the number and frequency of those requests is likely to increase into the foreseeable future. Connection of this type is called "distributed generation" (DG), which is a smaller source of energy connected to the system intended to serve a smaller, more focused area or grid. Renewable energy costs have become more attractive because the capital cost has been greatly reduced with the development of new technologies and because of tax credits for installing renewable energy. There has also been an environmental push to install renewable energy because renewable sources provide less dependency on fossil fuel.

More recently, solar installations became a lot easier as solar companies have developed marketing strategies that provide for multiple services such as preliminary design, installation, and savings calculations. Some companies even offer to get the panels installed for little or no money down and then maintain the system while collecting payments over a 20-year period. With this incentive, homeowners and businesses alike are finding that solar is financially a risk worth taking. Solar panels are projected to last 15 – 20 years so the life cycle cost can easily be evaluated.

Many of the renewable sources have been encouraged by the tax breaks and benefits such as oversizing and selling excess power back to the municipal supplier such as Southern Minnesota Municipal Power Agency (SMMPA). Currently, there are several small solar systems connected to the City's distribution system. Most are connected behind the meter and only large enough to supply power to the intended source. One is a larger system that has the capacity to sell power back into the City's system thru a two-way meter.

Prior to 2015, State law had very few restrictions on how connections to the electrical grid could be completed. This made Minnesota an open market for solar and wind providers and left little protection for electric municipals and wholesalers. A few connections popped up, but a majority were regulated by our wholesale contract with SMMPA and State law which regulated entities

within our service area from competing against our wholesaler within our service territory. Basically our electric territory is protected from outside sources invading and providing electricity on a wholesale basis.

Those connections which meet the previous rules were showed to produce more electricity than they could use and would be able to sell the excess electricity to SMMPA which would then resell or pass thru the power to the municipal. One problem with that is the private producer was allowed to capture the retail cost and not the wholesale cost. The producer used the City's electrical distribution system without cost (for free) and received a quick turn around on their investment at the expense of the local utility and the other rate payers. State law changed in 2015 to correct that issue.

GOING FORWARD:

The electric industry is changing at a very quick pace. Communities are experiencing multiple requests to add solar and wind to their system. SMMPA has made it very clear that if a customer installs DG behind their meter and owns the system there isn't a violation of the purchase power agreement between the City and the Agency. The City's electric utility hasn't addressed the change in law that allows us to recapture the "cost of service" so that when a DG system is connected and net metered the actual cost that is paid to the producer of the power can be determined. It seems clear that we do not want to pay retail rates to someone (the DG power producer) proposing to use our electric system to sell electricity.

Staff is proposing to have DeWild Grant Reckert and Associates (DGR) complete a "rate development plan" for the City with the main goals being:

1. Develop a charge for residential and small commercial customers who add DG behind their meter. The issue here is the City has built a distribution system to serve the customers of the community. When DG is installed, the infrastructure remains and needs to remain intact and operational when solar isn't available. The Utility needs to recoup this cost.
2. Develop a separated "demand charge" for large commercial and industrial customers into "power-supply-related" and "infrastructure-related". Should industrial and commercial customers install DG, their installation will have two major impacts:
 - A. New DG will impact power supply operations within the city. At times these customers may be required to go back on the City's distribution system which again may have a tremendous impact on operations and delivery based on timing and electrical load within the distribution system.
 - B. New DG will also impact how we deliver power to our customers including line sizing, load delivery, and capacity. DGR will evaluate what cost the City will be exposed to if DG is installed. The Utility needs to minimize the exposure to these costs and surprises.
3. Develop "non-coincident peak-related" charge for those DG systems who may want to use the City's electrical distribution system. A rate would be set that identifies what it costs to distribute electricity thru the current distribution system. Again the Utility needs to recoup cost associated with carrying DG across our system.

4. Work on developing formula's that can be adjusted to meet the changing revenue requirements of the Utility.

DGR staff would look at the financial operating status of the Utility and develop rates, charges, and evaluate policy standards to meet operational and financial changes within the Utility.

Please feel free to contact me should you have any questions or concerns on this agenda item.

PM/amg

SCOPE OF WORK

Distributed Generation Rate Development City of Saint Peter September 9, 2015

Background:

With interest by the City's customers in connecting renewable-derived distributed generation (primarily solar) to the City's distribution system, it is advisable that a consistent methodology be developed to address these installations from a financial (rate) perspective. Addition of customer-owned generation will have a financial impact on the City's Utility, and as such, needs to be addressed so as not to detrimentally impact the Electric Utility's financial position. In addition, the issue of inappropriate cross-subsidization of Distributed Generation owners by non-Distributed Generation owners needs to be addressed, along with the concern of stranded investments caused by self-generation.

Further, the possible use of the City's primary infrastructure by third-parties to interconnect larger renewable generation facilities is being considered. Should this occur, it will be necessary for the City to be able to appropriately charge those facilities for the use of its primary electrical system.

In order to prepare for possible future additions of Distributed Generation to the City's distribution system, and in accordance with recently-passed legislation that allows municipal utilities to charge a fee meant to recover fixed costs that wouldn't be recovered via a volumetric charge, plus arrive at suitable charges for third-party use of its system, it is necessary to complete a "cost-of-service" study. Having this study done is a requirement of the recent legislation, and will also produce the information needed to properly price the use of the City's system.

Scope of Work:

In order to address the above issues, we propose to accomplish the following:

1. Conduct a kickoff meeting in Saint Peter to discuss the expectations, limiting parameters, and study goals with appropriate City staff.
2. Collect data and available information pertaining to the specific areas of concern relating to this issue, including the detailed financial data of the utility.
3. Review available cost allocation data for the City Utility (originally developed in 2008 as part of the electric rate study), and bring it up-to-date as appropriate.
4. Based on the cost data, develop conceptual rate tariffs and charges that could be applied by the City Utility to these situations, with the goal of fairly treating both the City Utility and the owner of the Distributed Generation.
5. Attend a review meeting, to review conclusions with City staff and obtain feedback from them. This meeting should be scheduled near the end of the process.
6. Issue a short memo summarizing the findings of the study.

Goals of the Work:

At the completion of this work, the goal is to provide the City the following items:

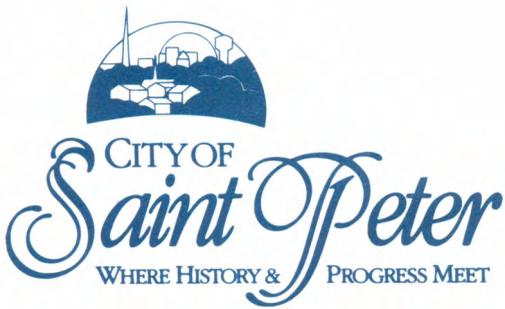
1. A "distributed generation" charge to be applied to Residential and Small Commercial customers who install a Distributed Generator behind their meter, based on the current revenue requirement of the City utility.
2. A separated demand charge rate for Large Commercial and Industrial customers that splits the current full-requirements demand charge into power-supply-related charges and infrastructure-related charges. This will be based on the current revenue requirement of the City utility.
3. Identification of the system "non-coincident peak"-related charges (those charges that are associated with the City's primary system) for all rate classes, to aid in rate setting for any third-party that may wish to use the City's primary electric system. This will be based on the current revenue requirement of the City utility.
4. Ideally, develop a formula that would allow the relevant charges to be revised periodically, based on the changing revenue requirement of the City utility.

Fee Arrangement:

We propose the following fee arrangement for this work:

For basic services for items 1-6 above: billed at our current hourly fee schedule, with the fee estimated to be between \$5,000 and \$7,000 for the scope of work described.

Services provided following the completion of the basic services (including such things as additional meetings, follow-up analysis, development of specific rate tariffs, meetings with other stakeholders, etc.) will be billed on an hourly basis, and will be discussed with the City for their concurrence prior to beginning them.



Memorandum

TO: Honorable Mayor Strand
Members of the City Council

DATE: 10/15/15

FROM: Todd Prafke
City Administrator

RE: Council Liaison Reports

ACTION/RECOMMENDATION

For Council information.

BACKGROUND

Time has been set aside on the workshop agenda for Councilmembers to provide reports on the activities of the various advisory boards and commissions they serve as liaison to.

Those current assignments are as follows:

Economic Development Authority	Kvamme, Zieman
Heritage Preservation Commission	Grams
Hospital and Nursing Home Commission	Carlin
Housing and Redevelopment Authority	Zieman
Library Board	Parras
Parks and Recreation Advisory Board	Brand
Planning and Zoning Commission	Kvamme, Zieman
Tourism and Visitors Bureau	Brand, Kvamme
Nicollet County Cooperation Committee	Parras, Grams
Le Sueur County Cooperation Committee	Parras, Grams
Appeals and Adjustments	Kvamme, Parras, Zieman
Greater Mankato Growth	Kvamme
Highway 169 Coalition	Strand, Grams (as alternate)
Joint City/School District #508 Sub Committee	Carlin, Kvamme

Please feel free to contact me if you have any questions or concerns on this agenda item.

TP/bal