

**Finance Commission
Meeting Minutes
February 9, 2021**

Pursuant to Minn. Stat. 13.D.021, Finance Commission members, City Staff, and members of the public participated in this meeting electronically due to the COVID-19 pandemic.

Roll Call/Announcements

The Finance Commission (FC) meeting was called to order at 6:30 p.m. Chair Murray requested staff call the roll.

Commissioners Present: Sifa Barclay, Bruce Bester, Wanda Davies, Ryan Lee, John Murray, Jack Reif, Dan Sagisser

Commissioners Absent: None.

Staff Present: Finance Director Michelle Pietrick and Public Works Director Marc Culver

Receive Public Comments

There being no one present wishing to speak to the Commission on an item not on the agenda, the Chair moved to the next agenda item.

Approval of Meeting Minutes

Commissioner Reif moved, seconded by Commissioner Lee to approve the January 12, 2021 meeting minutes as amended. **The motion carried unanimously.**

Receive Finance Commission Recommendations Tracking Report

Commissioner Sagisser indicated he updated the tracking report after the last meeting, and he thought the Commission cleared away several items that were completed or no longer working on. He reviewed the existing items on the tracking report with the Commission.

Update on Solar Project Results

Public Works Director Marc Culver gave an overview of City Solar operations and updated the Commission on Solar Project Results.

Chair Murray thought it looked like Public Works was decreasing usage of electricity, prior to solar, and he wondered if there was a reason for that.

Mr. Culver explained in all of the buildings the City has been implementing energy savings techniques. Primarily the transition to LED lights in all of the buildings. He thought the Maintenance Facility was the last one to go all LED, which could be one of the reasons the usage hasn't gone down there. He indicated there are probably more lights on in that building than any other due to after hour operations.

Commissioner Davies wondered how many months the Ice Center was closed and not making ice.

Mr. Culver explained the Ice Center would have shut down in March but probably did not take the ice out until April because the City did not know what would be allowed. It is a mammoth effort to put the ice back in and the City did not want to shut down and defrost before they knew if it was going to be long term or not. He thought the shut down was two to three months total.

Commissioner Barclay asked how long the subscription lasted for the Community Solar.

Mr. Culver believed the overall total was twenty- or twenty-five-year terms. Those are ones that the City cannot necessarily buy out of them because of the way the financing was structured. He noted the City only gets charged on how much energy is produced.

Commissioner Barclay wondered if the City is making money on the solar energy.

Mr. Culver explained how the Community Solar project works. He noted the amount Xcel pays the City is a little higher than what the City pays the Community Solar provider.

Commissioner Bester indicated in the packet it explains the City's savings is approximately twenty percent. He asked under the electric KWH as it has dropped from 716,000 to 595,000 which is a reduction of about 16.9 percent, and he wondered if that was partly because City Hall was closed or was that because of lower utilization of electric.

Mr. Culver explained the electric KWH is what the City actually buys from Xcel. That is why there is such a dramatic decrease from 2009 to current.

Commissioner Lee wondered if the City is potentially buying the solar panels out after ten years would the warranty still continue, or would the City be on the hook for the inverters that usually burn out around that time.

Mr. Culver explained the warranties should be transferable to the City on both the panels and the inverters. With the inverters, the warranty is a sliding scale.

Update on Recycling Industry/RFP

Public Works Director Culver updated the Commission on the Recycling Industry RFP.

Commissioner Sagisser asked what the market looked like for the RFP. He wondered if there were a lot of vendors available.

Mr. Culver explained in 2016 when the City went out for proposals, he believed there were six total proposals. He expected the same six to submit proposals and thought it should be fairly competitive.

Commissioner Sagisser asked if there were possible changes to the recycling program that might raise or lower the overall price.

Mr. Culver explained unless the State or local area decides not to do single sorted, separating glass or do something dramatically different in how the recycling is collected, he did not think there would be a dramatic change in the industry or the cost. It really comes down to how the City is going to share the revenue or the costs with the recycling company.

Commissioner Davies asked when the RFP will be put together.

Mr. Culver indicated the RFP will be presented to the Council on February 22nd. The RFP was run through the PWETC in January and some changes were made to it. Assuming the Council is ok with it, staff is hoping to release the RFP in early March with proposals being due mid to late April and then staff hopes to go to Council with a recommendation in June and negotiate a contract with something signed in July or August.

Mr. Culver reviewed recycling cart options with the Commission.

Chair Murray indicated in looking at the chart for June 2019 Eureka Recycling, it looks like News Mix, Cardboard and Mix Paper are never going to pay for themselves due to the index costs. He thought the processing fee was more than what the City is getting out of it.

Mr. Culver explained staff would have to look back over months and years of data to see what that is and how it is actually playing out.

Chair Murray thought the volume of News Mix was probably going down and will keep going down for some time.

Mr. Culver agreed but thought Cardboard actually has some potential and that the City has made money on that in the past.

Commissioner Sagisser thought it looked like for 2020 there was a downward trend in what the City cost was. He wondered why that happened.

Mr. Culver reviewed recycling from June 2019 to June 2020 with the Commission. He noted staff could probably do a yearly spreadsheet to show the recycling differences per year.

Chair Murray thanked Mr. Culver for the updates.

Staff Update

Finance Director Pietrick updated the Commission on staff activity including working on getting the 2021 budget on the website and starting to work on the 2022 budget and also working on the 2020 audit. She also updated the Commission-on-Commission openings and applicant deadlines with interview schedule.

Identify Discussion Items for the Future Meeting

Chair Murray stated the next agenda would include selecting the Chair, Vice Chair and the Ethics Commission Representative as well as review of the Investment Portfolio. He asked Commissioner Bester if he has done anything with the Charter.

Commissioner Bester indicated he has put some early thoughts together and would have his thoughts to Chair Murray within the next two weeks. He noted he was behind on this.

Ms. Pietrick indicated she will probably have a purchasing policy topic on the agenda for an initial review. It appears the City does not have an actual formal purchasing policy and she thought it would be beneficial for the City to have.

Commissioner Bester complimented Commissioner Reif on his effort of adding the three Policemen back into the City budget. He thought that was an excellent move.

Adjourn

Commissioner Davies made a motion, seconded by Commissioner Lee to adjourn. **The motion passed unanimously.**

Meeting adjourned at 8:04 p.m.