

**CITY OF MARSHALL
CITY COUNCIL MEETING
M I N U T E S
Tuesday, July 27, 2021**

The regular meeting of the Common Council of the City of Marshall was held July 27, 2021, at City Hall, 344 West Main Street. The meeting was called to order at 5:30 P.M. by Mayor Robert Byrnes. In addition to Byrnes the following members were in attendance: Don Edblom, John DeCramer, Russ Labat and James Lozinski. Absent: Craig Schafer and Steve Meister. Staff present included: Sharon Hanson, City Administrator; Dennis Simpson, City Attorney; Jason Anderson, Director of Public Works/ City Engineer; Annette Storm, Director of Administrative Services; Lauren Deutz, Economic Development Director; Eric Luther, Tall Grass Liquor Store Manager, Jim Marshall; Director of Public Safety; Quentin Brunsvold, Fire Chief and Kyle Box, City Clerk.

The Pledge of Allegiance was recited at this time.

There was a general consensus to operate under the current agenda.

Consider approval of the minutes of the work session and regular meeting held on July 13, 2021.

Motion made by Councilmember Lozinski, Seconded by Councilmember DeCramer That the minutes of the work session and regular meeting held on July 13, 2021 be approved as filed with each member and that the reading of the same be waived. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 7-0**

504 Elizabeth St.– 1) Public Hearing regarding a home property tax abatement request 2) Consideration of a resolution approving home property tax abatement.

On July 13, 2021 a public hearing was called for and to be held on July 27, 2021 regarding a home property tax abatement request. Per M.S 469.1813 sub 5 The governing body of the political subdivision may approve an abatement under sections 469.1812 to 469.1815 only after holding a public hearing on the abatement. The property is located at 504 Elizabeth St. with an estimated market value of \$249,500.00 and with the difference of improvement being \$216,700.00. The approximate amount of assistance is \$1,269 a year or \$2,538 over a maximum period of 2 years as a Homestead.

City Clerk, Kyle Box provided the background information on the agenda item.

Motion made by Councilmember Labat, Seconded by Councilmember Lozinski to close the public hearing. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 7-0**

Motion made by Councilmember Labat, Seconded by Councilmember DeCramer To approve Resolution Number, 21-049 resolution approving home property tax abatement. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 7-0**

Suite Liv'n Tax Increment Financing Public Hearing and Resolution Adoption

Gabe Olson, owner of L2C LLC (Suite Liv'n) has applied for Tax Increment Financing to develop two, 24-unit workforce apartment buildings located at 406 Village Drive and 501 Village Drive.

L2C LLC is co-owned by Olson and his business partner, Jeff Huston who also co-own Suite Liv'n, the property management company that is responsible for managing the apartments. L2C LLC purchased its first property in Marshall in 2018 and now owns approximately 350 units within the city.

Estimated project costs for the development both units are \$6.2 million with construction anticipated to begin in Spring of 2022. The proposed project would include 32 one-bedroom units and 16 two-bedroom units. The proposed development would include 40% of dwelling units affordable to household earning 60% or less of the area median income.

The development would also help meet the goals of the City of Marshall's new Housing Study which is nearing completion. The study draft indicates a need for 124 new market rate rental housing units, 75 shallow-subsidy units and 128 deep-subsidy units through 2030. Proposed rental rates for the project range from \$700 - \$900. (Housing Study Draft Executive Study included in packet).

Olson originally requested 25 years of TIF for the project but following review from Baker Tilley, staff is requesting a 12-year, Pay-Go TIF Plan which would equate to \$460,000 in payments.

Staff is currently working with Kennedy and Graven on a Development Agreement for the project and will bring that forth for approval in August.

City Administrator Sharon Hanson introduced the agenda item and Economic Development Authority Director, Lauren Deutz to provide the background information.

Director Deutz presented the background information on the TIF request via PowerPoint.

Councilmember DeCramer asked for clarification on the low-income requirements for the project in that do they extend the full length of 15 years or expire at 12 years when the TIF agreement is complete. Director Deutz commented that the low-income requirements will expire at 12 years when the TIF agreement is completed, and the district is decertified.

James Carr, resident of Marshall provided his concerns regarding the stewardship with the existing buildings owned by this company. Carr discussed the conditions of the parking lots and offered the suggestion that it will be a tough project.

Mayor Byrnes asked Director Deutz to address the forthcoming Development Agreement. Deutz added that there will be a maintenance clause in the agreement.

Councilmember Lozinski agreed with James Carr in regard to the condition of the existing buildings. Member Lozinski commented that the residents of an existing building owned by this developer in Marshall go without water on a regular business. Lozinski said that they should review the Development Agreement prior to establishing a TIF district.

Director Deutz added it was staff's intent to establish the TIF district prior to the Development Agreement to make sure all concerns were addressed in the Agreement.

Councilmember Labat commented on the garbage and weeds around the properties are unacceptable and should be cleaned up.

Gabe Olson, Suite Liv'n discussed the direction this project and the benefit it can bring the city. Mr. Olson addressed the weeds and grounds keeping maintenance surrounding the properties. Mr. Olson said that it was being addressed today and they are seeking to outsource the mowing moving forward.

Mr. Olson commented on the struggles with COVID-19, quarantine, and troubles finding help. Mr. Olson commented that tens of millions of dollars into Marshall over the last three years and unexpected challenges his company has faced.

Motion made by Councilmember DeCramer, Seconded by Councilmember Lozinski to close the public hearing. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 7-0**

Motion made by Councilmember DeCramer, Seconded by Councilmember Edblom to approve Resolution Number 21-050, a resolution approving establishment of Project Area No. 6 and a Project Plan therefor; approving establishment of Tax Increment Financing (Housing) District No. 6.1 and a Tax Increment Financing Plan, therefore. Voting Yea: Mayor Byrnes, Councilmember Edblom, Councilmember DeCramer. Voting Nay: Councilmember Schafer, Councilmember Meister, Councilmember Labat, Councilmember Lozinski. The motion **Failed. 3-4**

Motion made by Councilmember Lozinski, Seconded by Councilmember Meister to table the agenda item until a development agreement is presented to review the maintenance language. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Lozinski. Voting Nay: Councilmember Labat. The motion **Passed. 6-1**

Consider Approval of the Consent Agenda.

Councilmember Meister requested that item number 5, Vacation of Alley between South Bruce Street and South Minnesota Street -- Receive Petition and Call for Public Hearing, to be removed in order to abstain.

Motion made by Councilmember Schafer, Seconded by Councilmember Lozinski to approve the consent agenda. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 7-0**

Approval of the Wastewater Treatment Facilities Improvement Project – Consider Payment of Invoice 012921 to American Engineering Testing, Inc.

Approval for Project Z87: Diversion Channel Maintenance Project – Consider Authorization to Advertise for Bids.

Approval of the bills/project payments

Vacation of Alley between South Bruce Street and South Minnesota Street -- Receive Petition and Call for Public Hearing.

A signed petition for vacation of an alley has been received from the owners of all the real property that includes the proposed area for utility easement. Prior to the public hearing and adoption of the resolution granting a petition for vacation, all utility companies will be contacted to ensure no utilities are currently within the proposed vacated area.

Motion made by Councilmember Schafer, Seconded by Councilmember Lozinski that the Council acknowledge receipt of the petition to vacate an alley, order the petition to be filed for record with the City Administrator, order hearing on such petition, and set the hearing date for August 10, 2021. Voting Yea: Mayor Byrnes, Councilmember

Schafer, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. Voting Abstaining: Councilmember Meister. The motion **Passed. 6-0-1**

Tall Grass Liquor Annual Report

Eric Luther, Tall Grass Liquor Manager provided an annual report of Tall Grass Liquor’s operations.

Consider Purchasing Policy Changes

Over the past few months staff have been working on updating the current purchasing policy. This document hasn’t been updated since 2011 and has been long overdue (updates in 2016 only addressed title changes). Included in the council packet is the current policy, a redline version, and a clean updated policy version. There are many proposed changes, and a summary of the major changes are below.

Major changes include:

- The day-to-day procedures have been taken out to be included in an internal procedure’s manual. Day-to-day procedures change more frequently than policy reviews are done and to ensure compliance with documented internal controls, procedures are fluid documents that are updated frequently throughout the year.
- The Uniform Contracting Law was updated to mirror State Statute.
- The Change Order Administrative Procedure was added to the policy.
- The Electronic Bidding Policy was added to the policy.
- The Withholding Certificates section was added to the policy as this is a current practice prior to issuing final payments to contractors IC134 are required.
- The Wastewater Spending Authority exemption was added to the policy to ensure that the necessary spending to have continuity of operations. Disruptions in the wastewater plant could cause negative impacts to the community without this exemption.
- The purchasing card section was added to offer more efficient payment methods to departments.
- The Professional Services amount was changed from 5,000 to 25,000 as professional services has expanded and increased in cost over the past 10 years. This amount brings the threshold into more realistic values and in line with overall spending authority.

Also included in the packet is a summary of information that was gathered from comparable cities on their purchasing policy limits. The Ways and Means Committee met on July 21st to review the current proposed changes. The committee recommended the policy go to the full council for consideration.

Motion made by Councilmember DeCramer, Seconded by Councilmember Edblom to approve the policy changes. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Edblom, Councilmember DeCramer, Councilmember Lozinski. Voting Nay: Councilmember Meister, Councilmember Labat. The motion **Passed. 5-2**

Commission/Board Liaison Reports

- Byrnes No Report
- Schafer MERIT Center Commission reviewed adjustments and operational changes and upgrades to the facility.
- Meister No Report
- Edblom Planning Commission met and reviewed on the council item at this meeting.

DeCramer Marshall Municipal Utilities met acknowledge the retirement announcement of Electrical Department Supervisor Steve Johnson after 38 years of service. DeCramer commented that the water plant is expected to be completed August 18 and that the community should be aware of the odd/ even watering restrictions during this drought.

Economic Development Authority met and reviewed the TIF action item on this meeting's agenda. The EDA also revisited the sale of empty lots owned by Schwan's near the Red Baron Arena.

Diversity, Equity, and Inclusion Commission met discussed a Welcoming Week event scheduled for September 18 along with a World Café Event.

Labat Convention and Visitors Bureau met and discussed the potential application from the Marshall A's and Milroy Yankee's to host the State Amateur Baseball tournament in either 2024 or 2025. CVB offices are continuing to move offices to the Red Baron Arena and are reviewing sponsorships at the Arena.

Lozinski No Report

Councilmember Individual Items

Councilmember Labat discussed the enforcement of junk ordinances within the City.

Councilmember DeCramer mention that a dog watering facets are being looked into for installation at City parks.

Councilmember Meister acknowledge the City's Diversity, Equity, and Inclusion Commission's work and reminded everyone to not discriminate against others but to get to know a person and understand their story.

City Administrator

City Administrator Sharon Hanson introduced Director of Administrative Services Annette Storm to provide an update on the 2022 budget. Director Storm provided a timeline of upcoming budget work session.

Director of Public Works

Director of Public Works/ City Engineer Jason Anderson provided an update on construction projects in the City. Some local projects are beginning to come to an end. Director Anderson commented that there are two public input session happening August 2 and August 9 to discussed two future projects.

City Attorney

City Attorney Dennis Simpson provided an update on various items his office is working on including the sponsorship agreements for the Red Baron Arena, the closing of city property for Border States Electric and Best Topsoil. Simpson also commented on ongoing review of protentional storage facilities that may be purchased by the City.

Information Only

There were no questions on the information items.

Conduct a closed session pursuant to Minnesota Statutes, section 13D.05, subdivision 3(b) to engage in an attorney-client privileged discussion with the City's attorneys regarding potential legal action and code enforcement at Broadmoor Valley Mobile Home Park.

At 7:00 P.M., Motion made by Councilmember Edblom, Seconded by Councilmember Schafer The city council needs to hold a closed session with the City's attorneys to discuss potential legal action and code enforcement regarding Broadmoor Valley Mobile Home Park. The City has a need to engage in a privileged discussion to obtain confidential legal advice, evaluate the case, and discuss litigation strategy in order to protect the interests of the City and its taxpayers.

Therefore, I make a motion to go into closed session pursuant to Minnesota Statutes, section 13D.05, subdivision 3(b) for an attorney-client privileged discussion regarding potential legal action and code enforcement regarding Broadmoor Valley Mobile Home Park. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 7-0**

At 7:45 P.M., the Council came out of closed session.

Upcoming Meetings

There were no questions on the upcoming meetings.

Adjourn

At 7:45 P.M., Motion made by Councilmember Meister, Seconded by Councilmember Edblom to adjourn. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 7-0**

Mayor

Attest:

City Clerk