

**CITY OF MARSHALL  
CITY COUNCIL MEETING  
M I N U T E S  
Tuesday, January 11, 2022**

The regular meeting of the Common Council of the City of Marshall was held January 11, 2022, 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: Steve Meister, Don Edblom, John DeCramer, Russ Labat, and James Lozinski. Absent: Craig Schafer. 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; Jim Marshall, Director of Public Safety ;Lauren Deutz, Economic Development Director; Karla Drown, Finance Director; Jessie Dehn, Assistant City Engineer; Ilya Gutman, Plan Examiner/ Assistant Zoning Administrator; Addy Wolbaum, Diversity, Equity, and Inclusion Assistant, and Kyle Box, City Clerk.

The Pledge of Allegiance was recited at this time.

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

**Introduction of Staff**

Mayor Byrnes introduced Addy Wolbaum, Diversity, Equity & Inclusion Assistant.

**Consider approval of the minutes from the regular meeting held on December 14, 2021.**

Motion made by Councilmember Edblom, Seconded by Councilmember Meister that the minutes from the regular meeting held on December 14, 2021 be approved as filed with each member and that the reading of the same be waived. Voting Yea: Mayor Byrnes, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

**Public Hearing and Adoption of Amendments and Revisions to Various Ordinance Sections.**

These revisions were inspired by zoning issues and are related to them. Lack of building numbers (addresses) is a big problem for the City Fire Department and, most likely, for other emergency services, let alone pizza delivery. An amendment will require an address at the back of the building facing an alley, which will provide a helpful reference point. Staff is trying to encourage address numbers placement on all buildings and requires them with all building permits. When sign ordinance revisions are adopted in the near future, it will be easier to complete this work.

The street names come up often in the permitting process. Proposed changes will make the naming system more consistent and easier to implement in the future for new subdivisions. Of course, all existing names will stay and will not be changed.

Parking regulations for trailers and boats are always a point of contention. These provisions overlapped with similar zoning regulations, which have been recently changed to just referencing Article V of Chapter 74 Stopping, Standing, and Parking to avoid duplication and possible inconsistency. The proposed changes are relaxing some requirements for RV's parking in residential areas by allowing to park them on the street for 48 hours rather than 24 hours, while extending their use season deeper into fall and spring; they will also allow parking in the front yard on one's driveway provided an RV doesn't project into public right of way.

Additionally, staff recommends removing several locations from the winter parking regulations and other parking regulations section as identified in Sec. 74-130 (b) and (c). These proposed parking regulation adjustments were presented to PI/T on 11/22/2021 and L&O on 12/07/2021. Are changes to parking regulations were also reviewed with, and approved by, the City Police Department and Street Department.

Finally, a new section is added that requires that dead and damaged trees be removed and gives the city the right to remove them if the owner refuses to do it, similar to the ordinance about tall grass.

At the meeting on December 7, 2021, these changes were presented to L&O, which recommended approval to the Council with a couple minor revisions.

The Ordinance amending Sec. 18-1 Building numbers, Sec. 66-104 Street names and subdivision names, Sec. 74-118 Overnight parking in residential area, Sec. 74-130 Snow emergency routes, winter parking regulations, and other parking regulations, and Sec. 74-131 Parking and storage of boats, trailers, recreational vehicles, and others on residential lots, and adding Sec. 82-2 Dead trees was introduced at the December 14, 2021, City Council meeting.

Motion made by Councilmember Edblom, Seconded by Councilmember Lozinski that the Council close the public hearing on the Ordinance amending Sec. 18-1 Building numbers, Sec. 66-104 Street names and subdivision names, Sec. 74-118 Overnight parking in residential area, Sec. 74-130 Snow emergency routes, winter parking regulations, and other parking regulations, and Sec. 74-131 Parking and storage of boats, trailers, recreational vehicles, and others on residential lots, and adding Sec. 82-2 Dead trees. Voting Yea: Mayor Byrnes, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

Motion made by Councilmember DeCramer, Seconded by Councilmember Labat that the Council adopt Ordinance No. 22-001, amending Sec. 18-1 Building numbers, Sec. 66- 104 Street names and subdivision names, Sec. 74-118 Overnight parking in residential area, Sec. 74-130 Snow emergency routes, winter parking regulations, and other parking regulations, and Sec. 74-131 Parking and storage of boats, trailers, recreational vehicles, and others on residential lots, and adding Sec. 82-2 Dead trees. Voting Yea: Mayor Byrnes, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

### **Consider Approval of the Consent Agenda**

Member Lozinski requested that item number 6, Consider Resolution designating the Official Depositories for City Funds for 2022, be removed from the consent agenda for further discussion.

Member Labat requested that item number 8, Consider approval of 2022 Workers Compensation Insurance, be removed from the consent agenda for further discussion.

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

Approval of employee retirement resolution, Resolution Number 22-001, 22-002, 22-003, and 22-004.

Approval of Resolution Number 22-005, a resolution designating the Official Newspaper.

Approval of Resolution Number 22-007, a resolution delegating authority to the city to make electronic fund transfers

Approval of a Temporary On-Sale Intoxicating Liquor License for SMSU Foundation.

Approval of a LG220 Application for Exempt Permit for Marshall Golf Club, Inc.

Approval of Quit Claim Deed and Exterior Wall Maintenance Agreement regarding transfer of property between the City of Marshall and Carmel Properties, LLC.

Approval of the MERIT Center/State of Minnesota Amendment of Lease No. 5

Approval for the Authorization of acceptance of a Hazardous Materials Emergency Preparedness (HMEP) Grant for the Southwest Chemical Assessment Team and to authorize the Director of Public Safety Jim Marshall to administer the grant.

Call for a Public Hearing Regarding Proposed Commercial Property Tax Abatement at 1604 E. College Dr.

Project ST-002-2022: Bituminous Overlay Project – Consider Authorization to Advertise for Bids.

Approval of the bills/project payments

**Consider Resolution Number 22-006, a resolution designating the Official Depositories for City Funds for 2022.**

State Statutes requires that the City designates general depositories for the City monies. The resolution designates Bremer Bank, N.A. as the official general depository for 2022.

Councilmember Lozinski pulled the item to discuss bank fees with Bremer Bank. Director of Administrative Services, Annette Storm commented that fees will fluctuate depending on the number of services we have.

Motion made by Councilmember Lozinski, Seconded by Councilmember DeCramer.

Voting Yea: Mayor Byrnes, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski

**Consider approval of 2022 Workers Compensation Insurance.**

The renewal is effective January 1, 2022 with the League of Minnesota Cities Insurance Trust.

The workers compensation insurance covers City employees, elected and appointed officials, volunteer firefighters, all other volunteers, Library employees and Marshall Municipal Utilities employees.

Workers' compensation rates for 2022 have risen for a second consecutive year as a result of costs incurred from the increasing number and size of Post-Traumatic Stress Disorder (PTSD)- related claims. The document describes the nature of the rate increases, concerns about PTSD trends, steps taken by LMCIT to address the trends. The City of Marshall has not experienced PTSD claims, however, at any time, it may affect our community.

The city's experience modifier has increased from 0.60 in 2021 to 0.76 in 2022. The city has experienced a high claims payout year in 2020. There is a three (3) year look back period to set premiums, therefore, affecting the 2022 experience modifier.

The Safety Committee continues to meet and discuss safety improvements and/or changes on a regular basis. Along with the continued safety training required for staff on an annual basis, creates a safe workplace environment for staff.

Staff recommends keeping the deductible at \$5,000, which is a middle of the road approach to the risk assessment of insurance claims. This approach has worked well for the city in the past for managing claim payouts. This will be an additional \$20,934 credit amount to the standard premium of \$418,679 for a total premium of \$350,797 in 2022.

This is a \$108,469 or 45% increase from 2021 to 2022. Again, this is a result of a higher experience modifier based on the cities claims, current payroll, and rate increases taken by the LMCIT.

The estimated annual 2022 premium for the city portion is \$300,348.

Councilmember Labat pulled the item for further clarification on the modifier increase from 2021 to 2022. Finance Director Karla Drown provided the history on the 3-year lookback period that is used by LMCIT. The modifier increase is based on claims, current payroll, and rate increased taken by LMCIT.

Motion made by Councilmember Labat, Seconded by Councilmember Lozinski Approve renewal of the 2022 City's Workers Compensation Insurance with the League of Minnesota Cities Insurance Trust. Voting Yea: Mayor Byrnes, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

### **Consideration of renewal for Red Baron Arena & Expo Sponsorship Agreements**

Lockwood Motors, Inc., and Alota Action, LLC., DBA Action Manufacturing, are founding sponsors of the Red Baron Arena & Expo. The original agreements have expired at the end of 2021. Each of these entities have generously agreed to renew their agreements.

Cassi Weiss, Visit Marshall Director, provided background information on the sponsorship renewal agreements.

Motion made by Councilmember Labat, Seconded by Councilmember DeCramer to approve the Red Baron Arena & Expo sponsorship renewal agreements as presented. Voting Yea: Mayor Byrnes, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

### **Economic Development Authority Projects Update**

#### **Block 11**

The EDA has received a proposal from CBC Fischer Group for a three-phase redevelopment project on Block 11. The project phases are as follows: CBC Fischer Group has proposed a three-phase in-fill development on Block 11 located in Downtown Marshall. The project phases are as follows: Phase 1: Three-story building with 33 one-bedroom units and six two-bedroom units (Corner of Lyon St and 1st St) Phase 2: Three-story building with 18 one-bedroom units and four two-bedroom units plus 4,420 sq ft of first floor commercial. (Corner of 1st and Main St) Phase 3: Three-story building with 18 one-bedroom units and four two-bedroom units plus 4,420 sq ft of first floor commercial. (Corner of College and Main St) The project includes 83 parking units with anticipated additional on-street parking on Lyon Street. According to our most recent Housing Study, Marshall has a need for 124 new market-rate apartment units. In addition, there is a need for 665 general occupancy housing units within the City. The additional commercial space would also be beneficial to the Downtown District as vacancy rates are low and interest has been shown for retail and office space in the district. The City of Marshall is considering the establishment of a Tax Increment Financing (TIF) Redevelopment District to assist with financing a portion of the costs associated with construction of the development. TIF districts are used to fund the revitalization of deteriorating or distressed areas. The City anticipates using tax increment revenue to finance eligible costs associated with redevelopment of the site including acquisition, site improvements, parking improvements (public and private), and public improvements, as well as related administrative expenses. Tax increment from a redevelopment TIF cannot be used to construct buildings. Construction of Phase I is expected to start Spring of 2022. CBC Fischer Group previously signed a Predevelopment Agreement for the property which expired on December 31st. The project will be presented to the Planning Commission on January 12th for both a Conditional Use Permit (for the housing portion of the project) and for adherence to the City's current Comprehensive Plan.

### **Home Tax Abatement**

Per recommendation from Council, the EDA Board recently discussed the Home Tax Abatement Policy which is set to expire at the end of 2022. The program was designed to incentivize the construction of new homes. Although we did see a large increase in the construction of new homes, the EDA board did not feel the program is being used as intended. The board is bringing forth a recommendation for an early termination of the home tax abatement program in June of 2022.

### **Façade Improvement**

The EDA recently relaunched its Façade Improvement program which allows business to apply for up to \$10,000 in matching funds for projects that improve the appearance and functionality of their buildings. The board has designated \$100,000 towards the program. Since launching in mid-December, we have received two applications.

### **Comprehensive Plan Update**

The EDA is currently assisting with the Comprehensive Plan update being conducted by SRF Consulting. Currently, we are seeking public feedback to help shape future goal areas for the plan. There are two ways for the public to provide input including an online survey, available on the City website, and an Open House which will be hosted at City Hall on January 13th from 4:00 pm – 6:00 pm. As of January 6th, SRF has had 291 respondents to the survey with a goal of 300 completed surveys. The survey will close on January 17th .

### **Consider Authorization for Professional Services with TKDA for Airport Zoning Ordinance Update.**

TKDA has prepared the proposed Authorization for services to update the airport zoning ordinance for the Southwest Minnesota Regional Airport. This project is identified for State FY2022 grant funding.

The project will be split into Base Services and Optional Services.

- Base Services: Provide assistance to develop an ordinance to the Commissioner's standards following Chapter 360. The intent is for the City to request a State grant for Base Services in SFY 2022. The cost is \$49,500 and would be part of the Authorization.
- Optional Services: Optional services are possible additional services to craft a custom airport zoning ordinance if the Joint Airport Zoning Board (JAZB) opts for it. TKDA would better define this scope and fee at a later time in a future Authorization. The intent is for the City to request a grant amendment for MnDOT to participate in the cost of the additional services needed to complete a custom airport zoning ordinance. This work presented in the Authorization is for information purposes only.

MnDOT Aeronautics confirmed they are comfortable moving forward with base services for a SFY2022 grant. State funding for this project will be provided at a 70% funding rate, with the remaining 30% funded locally. The optional services were included for reference for city staff to understand costs for a future grant request. At this point we do not have a State grant to cover these costs and city staff is not proposing to consider these services at this time.

\$49,500 –State funding for this project will be provided at a 70% funding rate, with the remaining 30% funded locally. The 30% local cost share equates to \$14,850.

Motion made by Councilmember Edblom, Seconded by Councilmember DeCramer that the Council authorize execution of the Authorization for Professional Services with TKDA for update to the Airport Zoning Ordinance.

Voting Yea: Mayor Byrnes, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

### **Wastewater Treatment Facilities Improvement Project – 1) Consider Change Order No. 2 (Final); 2) Consider Application for Payment No. 28 to Magney Construction, Inc.**

- 1) Change Order No. 2 (Final) with Magney Construction, Inc. of Chanhassen, Minnesota, for a contract decrease in the amount of (\$26,609.74)
- 2) Application for Payment No. 28 (Final) to Magney Construction, Inc. of Chanhassen, Minnesota, in the amount of \$140,476.90

Per the City's consultant, Bolton & Menk:

- Change Order No. 2 (Final) results in a contract deduct in the amount of (\$26,609.74). This deduct amount represents the amount of cash allowances included in the contract which were not utilized under the contract. For reference, Change Order No. 1 was for a time extension only, and was not brought forward to Council as PFA does not require Council approval for time extension.
- Application for Payment No. 28 covers work completed on the project through November 30, 2021. At this time, work has been completed for the project, and the contractor has submitted Consent of Surety, MN State IC-134 (Withholding Affidavit) Forms, and Lien Waivers to the City. After processing of this Payment No. 28 (Final), Magney Construction, Inc. will have been paid in full, including all retainage.

As this project is financed with a Public Facilities Authority low interest loan through the State of Minnesota, pay applications are required to be placed on the City Council agenda for approval.

This project is financed with a Public Facilities Authority low interest loan through the State of Minnesota.

Motion made by Councilmember Meister, Seconded by Councilmember Lozinski that the Council approve Change Order No. 2 (Final) with Magney Construction, Inc. of Chanhassen, Minnesota, for a contract decrease in the amount of (\$26,609.74) and that the Council authorize Application for Payment No. 28 (Final), per the recommendation of the City's consultant, Bolton & Menk, Inc., to Magney Construction, Inc. of Chanhassen, Minnesota, in the amount of \$140,476.90. Voting Yea: Mayor Byrnes, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. the motion **Carried. 6-0**

**Project ST-003: South 1<sup>st</sup> Street/Greeley Street/Williams Street Reconstruction Project - Consider Resolution Approving Plans and Specifications and Ordering Advertisement for Bids.**

This project consists of reconstruction and utility replacement on South 1st Street from George Street to Greeley Street, on Greeley Street from West College Drive to Saratoga Street, and on Williams Street from Maple Street to George Street; sanitary sewer, watermain, and storm sewer will be replaced. This project will also include new curb & gutter, new 5-ft. sidewalk on one or both sides of the streets, driveway aprons, water services, and sewer services to the right-of-way.

The proposed project is included in the 2022 capital improvement plan (CIP) for complete reconstruction of the street, curb, driveways, water system, storm water system, and sanitary sewer collection system. This project will tie-in near George Street where the 2020 South 1st Street project finished.

Nearly the entire project area consists of 4" ductile iron water main, which is undersized and does not provide adequate fire protection. The sanitary sewer reconstruction will replace clay sewer pipe with PVC pipe, and the storm water reconstruction will largely consist of replacing inlets at existing capture points. It is likely that the number and size of inlets will be increased to help improve storm water intake due to large contributing drainage areas.

The street width of South 1st and Greeley Street is proposed to be 38-FT as measured from back of curb; this is equivalent to the 2020 South 1st Street project. The street width of Williams is proposed to be 29-FT as measured from back of curb; this matches the existing width.

The plans and specifications have been prepared by City staff for the above-referenced project. If the City Council decides to proceed with this project, a resolution has been prepared approving the plans and specifications and ordering advertisement for bids.

The engineer's estimate for the construction portion of the project is \$1,930,000. The total estimated project cost, including 10% allowance for contingencies and 16% for engineering and administrative costs is \$2,463,000. All improvements will be assessed according to the current Special Assessment Policy, including but not limited to participation from Marshall Municipal Utilities, Wastewater Department, Surface Water Management Utility Fund and Ad Valorem. Final approval of the project must include determination of funding sources.

Motion made by Councilmember DeCramer, Seconded by Councilmember Lozinski that the Council adopt the Resolution 22-008, which is the "Resolution Approving Plans and Specifications and Ordering Advertisement for Bids" for Project ST-003: South 1st Street/Greeley Street/Williams Street Reconstruction Project. Voting Yea: Mayor Byrnes, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Lozinski  
Voting Nay: Councilmember Labat. The motion **Carried. 6-0**

**Project ST-004: Halbur Road Reconstruction Project - Consider Resolution Approving Plans and Specifications and Ordering Advertisement for Bids.**

This project consists of reconstruction and utility replacement on Halbur Road from Michigan Street to Erie Road (CR 33); sanitary sewer and storm sewer will be replaced with a concrete paved surfacing. This project will also include new curb & gutter, driveway aprons, and sewer services to the right-of-way.

The proposed project is included in the 2022 capital improvement plan (CIP) for complete reconstruction of the street, curb, driveways, storm water system, and sanitary sewer collection system. The street pavement condition is poor and City staff believes a reconstruction is necessary. A street section consisting of 7" concrete is being proposed, equivalent to the Michigan and Superior Road projects. Sanitary sewer reconstruction will replace clay sewer pipe with PVC pipe, and the storm water reconstruction will largely consist of replacing inlets at existing capture points. It is likely that the number and size of inlets will be increased to help improve intake due to large contributing drainage areas with significant impervious ground cover. There is no sidewalk in this area currently and none being proposed; in fact, there is no sidewalk north of the Diversion Channel in Marshall.

The street width of Halbur Road is proposed to be 38.34-FT as measured from back of curb. The existing street width is 43-FT. The purpose of the narrowing is to reduce costs for this assessment project. This road is a "destination" street in that it carries limited through traffic. Because the traffic volumes are low, staff believes we can narrow this street significantly. Staff considered even further narrowing, but it is important to ensure that semi-truck traffic can negotiate turning movements into and out of each driveway to reach loading and unloading areas.

The plans and specifications have been prepared by City staff for the above-referenced project. If the City Council decides to proceed with this project, a resolution has been prepared approving the plans and specifications and ordering advertisement for bids.

The engineer's estimate for the construction portion of the project is \$1,145,000. The total estimated project cost, including 10% allowance for contingencies and 16% for engineering and administrative costs is \$1,462,000. All improvements will be assessed according to the current Special Assessment Policy, including but not limited to participation from Marshall Municipal Utilities, Wastewater Department, Surface Water Management Utility Fund and Ad Valorem. Final approval of the project must include determination of funding sources.

Motion made by Councilmember DeCramer, Seconded by Councilmember Labat that the Council adopt the Resolution 22-009, which is the "Resolution Approving Plans and Specifications and Ordering Advertisement for Bids" for

Project ST-004: Halbur Road Reconstruction Project. Voting Yea: Mayor Byrnes, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. Voting Nay: Councilmember Meister. The motion **Passed. 5-1**

**E. Lyon Street Trail Project – 1) Consider Resolution Authorizing Agent of Sponsoring Agency for Transportation Alternatives Project; 2) Consider Resolution Identifying Responsibility for Operation and Maintenance for Transportation Alternatives Project.**

MnDOT District 8 is currently soliciting for 2026 Transportation Alternatives (TA) grant applications. The TA grant is an 80-20 grant to match program that provides funds for pedestrian and bike facilities, historic preservation, Safe Routes to School, and more. The last two projects that the City had funded through this program was the RRFB school crossings project which is scheduled for construction in 2022 and the C St.-Southview Trail project which is scheduled for construction in 2025.

The proposed trail would replace existing sidewalk adjacent to the south side of E. Lyon Street between Bruce Street and MN Highway 23. The new trail would be a 10-foot-wide concrete multi-use trail. This proposed trail would allow the removal of the on-street bike trail from E. Lyon Street in this segment by providing an off-street trail alternative. In coordination with the Community Services Division, staff has identified this segment of trail as a need for connectivity between Parkside Elementary School, the trails at Independence Park, the trail on Jewett Street, and the trail on the other side of Highway 23. This would also set up for a potential future connection to the trail adjacent to Avera hospital and the Holy Redeemer School.

Included with the Council packet are Exhibits A, E, and G from the grant application. Exhibits A & E visually identify the project and Exhibit G is the preliminary cost estimates.

To complete the grant application process, staff would like the City Council to offer their support for our grant application and we will need two resolutions to be approved. One resolution identifies the City as the grant sponsoring agency and the entity responsible for managing the grant. The other resolution identifies the City as the responsible party for continued operation and maintenance of the shared use path.

There is no fiscal impact today. If we are awarded a grant, we will be notified in Spring 2022. In today's dollars, our cost estimate for City participation is \$115,000 in cash with the City also providing the services for grant application, project design, project permitting, and construction administration. These engineering services are valued at \$92,000.

Motion made by Councilmember Lozinski, Seconded by Councilmember DeCramer that the Council adopt RESOLUTION NUMBER 22-010, which is the Resolution Authorizing Agent of Sponsoring Agency for Transportation Alternatives Project and that the Council adopt RESOLUTION NUMBER 22-011, which is the Resolution Identifying Responsibility for Operation and Maintenance for Transportation Alternatives Project. Voting Yea: Mayor Byrnes, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Lozinski. Voting Nay: Councilmember Labat. The motion **Passed. 5-1**

**Project Z82: North 1<sup>st</sup> Street / West Redwood Street / West Marshall Street Reconstruction Project - 1) Resolution Declaring Cost to Be Assessed and Ordering Preparation of Proposed Assessment. 2) Resolution for Hearing on Proposed Assessment.**

This project consisted of reconstruction and utility replacement on North 1st Street from East Main Street to West Marshall Street, on West Redwood Street from East College Drive to North 1st Street, and on West Marshall Street from East College Drive to North 1st Street; sanitary sewer, watermain, and storm sewer replacement. This project also included new curb & gutter, new 5-ft. sidewalk on both sides of the streets, driveway aprons, water services, and sewer services to the right-of-way.

A “Resolution Declaring Cost to be Assessed and Ordering the Preparation of the Proposed Assessment” for the project. The following is a breakdown of the proposed project funding. The costs shown below include 16% for engineering and administrative costs, for a total project cost of \$1,226,760.56. The following is a proposed breakdown of the project funding:

Wastewater Fund	\$161,451
MMU	\$271,687
Surface Water Management Utility	\$210,851
City Participation (Ad Valorem)	\$304,316
Assessed to Property Owners	\$278,455
<b>Total Project Amount</b>	<b>\$1,226,760</b>

“Resolution for Hearing on Proposed Assessment,” setting the hearing date for the proposed assessments on February 8, 2022, for the above-referenced project.

Per the current Fee Schedule, the assessment interest rate is calculated using the most recent bond interest rate and adding 2% for administrative costs. The 2021 GO Bond interest rate was 0.80% plus 2% results in a 2.80% assessment interest rate.

The term of the assessment repayment is proposed by staff to be 8 years. The City has no formal written policy on the term but has followed an administrative past practice to generally match the assessment repayment to the bond repayment term assuming a typical reconstruction project with assessments reaching near the maximum of the residential assessment rate. If the assessment is substantially higher in cases such as commercial assessments the term may be appropriate to increase. Alternatively, on smaller assessment projects consideration could be made to shorten the assessment term. One other item to note is that if additional principal is paid each year the interest is recalculated annually to address the payments. Therefore, there is no penalty for individuals to repay on a more accelerated schedule if they so choose.

Motion made by Councilmember Edblom, Seconded by Councilmember DeCramer that the Council adopt RESOLUTION NUMBER 22-012, which provides for the “Resolution Declaring Cost to be Assessed and Ordering the Preparation of the Proposed Assessment” for Project Z82: North 1st Street / West Redwood Street / West Marshall Street Reconstruction Project and that the Council adopt RESOLUTION NUMBER 22-013, which provides for the “Resolution for Hearing on Proposed Assessment” for Project Z82: North 1st Street / West Redwood Street / West Marshall Street Reconstruction Project setting the hearing date on the proposed assessments for February 8, 2022. Voting Yea: Mayor Byrnes, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski

Voting Nay: Councilmember Meister. The motion **Carried. 6-0**

**Projects Z88/SAP 139-103-004: 2021 State Aid Overlay Project and Project ST-006/SP 139-591-001: SRTS School Pedestrian Crossing Improvements Project – Consider Resolution for Municipal State Aid Street System (MSAS) 2022 Advance Funds.**

The 2021 State Aid Overlay Project (Z88) was substantially completed this past summer. The project was financed through municipal bonds that were issued locally, with the intent of utilizing Municipal State Aid System (MSAS) funds to make bond payments.

The Safe Routes to School Pedestrian Crossing Improvements Project (ST-006) is included in the Capital Improvement Plan (CIP) for 2022 construction. This project is proposed to utilize MSAS funds to finance the local portion of the project costs. The majority of the project costs (80%) are funded by a Transportation Alternatives (TA) Grant, with the 20% local match being split by participating schools and the City of Marshall.

The current MSAS construction account balance as of 01/05/2022 is (\$2,915,531). Because we have “advanced” future years of funding to finance past projects, we have a negative account balance. The total maximum MSAS advance, set by Minnesota Commissioner of Transportation is the lesser of \$4,000,000 or five (5) times the City annual construction apportionment. The 2022 City of Marshall annual construction apportionment is estimated at \$759,352, which times 5 results in an amount of \$3,796,760. Therefore, the maximum amount of MSAS advance for the City is \$3,796,760.

The resolution is required in order to allow MSAS advance funding. The resolution identifies a request to advance funds for Z88 bond principal payment and ST-006 city construction costs.

Total State Aid advance is requested in an amount up to \$2,562,138 required to be repaid in accordance with the regulations established by Mn/DOT from future MSAS disbursements.

Motion made by Councilmember Labat, Seconded by Councilmember DeCramer that the Council adopt RESOLUTION NUMBER 22-014, which is the “Resolution for Municipal State Aid Street Funds Advance” requesting an advance of Municipal State Aid System (MSAS) funding in the amount of up to \$2,562,138. Voting Yea: Mayor Byrnes, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski  
Voting Nay: Councilmember Meister. The motion **Passed. 5-1**

**Call for a Public Hearing Regarding Proposed Property Tax Abatement at 1204 Stockholm.**

Motion made by Councilmember Meister, Seconded by Councilmember Edblom to call for a public hearing for the proposed property tax abatement. Voting Yea: Mayor Byrnes, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer. Voting Nay: Councilmember Labat. Voting Abstaining: Councilmember Lozinski. The motion **Passed. 4-1-1**

**Call for a Public Hearing Regarding Proposed Property Tax Abatement at 1304 Stockholm.**

Motion made by Councilmember DeCramer, Seconded by Councilmember Labat to call for a public hearing for the proposed property tax abatement. Voting Yea: Mayor Byrnes, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat. Voting Abstaining: Councilmember Lozinski. The motion **Passed. 5-0-1**

**Call for a Public Hearing Regarding Proposed Property Tax Abatement at 311 Brussels Ct.**

Motion made by Councilmember Meister, Seconded by Councilmember Labat to call for a public hearing for the proposed property tax abatement. Voting Yea: Mayor Byrnes, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat. Voting Abstaining: Councilmember Lozinski. The motion **Passed. 5-0-1**

**Commission/Board Liaison Reports**

Byrnes            No Report

Meister         No Report

Edblom         Public Housing Commission met and discussed its yearly apartment inspections.

DeCramer       Marshall Municipal Utilities met and passed their 2022 budget.

Labat            Library Board met and adopted the 2022 budget. The Marshall branch may consider closing a couple of hours earlier in the summer months

Lozinski        No Report

### **Councilmember Individual Items**

Councilmember Labat discussed a letter received from Greg Taylor requesting city assistance for blighted housing. Member Labat discussed shipping containers throughout the city and if conditional use permits have been applied for. Director Anderson mentioned that letters will be sent out to these property owners.

Mayor Byrnes discussed a meeting with the school district with city staff regarding pedestrian crossing signs. Byrnes also listed his goals for 2022.

- Aquatic Center replacement plan
- Appealing the 2020 census results
- 150<sup>th</sup> Celebration for the City of Marshall
- Downtown Plaza construction
- Completion and adoption of the Comprehensive Plan
- Economic Development
  - Block 11 Development
  - Ralco Corporate Center Downtown
  - Redevelopment of the Shopko building
  - Development of Commerce Park
- Consideration given to tax abatements giving to first time home buyers.

### **City Administrator**

City Administrator Sharon Hanson commented that interviews will be held for the Director of Administrative Services position. Administrator Hanson commented on the review of the MNOSHA compliance policy regarding COVID testing and collection of vaccination status.

### **Director of Public Works**

Director of Public Works/ City Engineer Jason Anderson discussed the rescheduling of the comprehensive plan open house for February 16. Director Anderson commented on additional airport funding that will be received from the federal government. Anderson commented that MnDOT is open to expanding the College drive project to include the Bruce Street intersection.

### **City Attorney**

City Attorney Dennis Simpson commented on the review of the Red Baron Sponsorship Agreements and the transfer of property for the Main Stay Wall. Simpson discussed an upcoming mediation between the city of Marshall and owner of Broadmoor Valley.

### **Information Only**

There were no questions on the information items.

**Upcoming Meetings**

There were no questions on the upcoming meetings.

**ADJOURN**

At 6:50 P.M., Motion made by Councilmember Meister, Seconded by Councilmember Lozinski to adjourn. Voting Yea: Mayor Byrnes, Councilmember Meister, Councilmember Edblom, Councilmember DeCramer, Councilmember Labat, Councilmember Lozinski. The motion **Carried. 6-0**

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Mayor

Attest:

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City Clerk