

**CITY OF MARSHALL
CITY COUNCIL MEETING
M I N U T E S
Tuesday, June 25, 2019**

The regular meeting of the Common Council of the City of Marshall was held June 25, 2019 in the Professional Development Room at the Marshall Middle School, 401 South Saratoga 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: Craig Schafer, Steven Meister, John DeCramer and Russ Labat. Absent: Glenn Bayerkohler and James Lozinski. Staff present included: Sharon Hanson, City Administrator; Dennis Simpson, City Attorney; Glenn Olson, Director of Public Works/ City Engineer; Annette Storm, Director of Administrative Services; Scott VanDerMillen, Director of Community Services; Karla Drown, Finance Director; Sheila Dubs, Human Resource Manager; Preston Stensrud, Parks Superintendent and Kyle Box, City Clerk.

The Pledge of Allegiance was recited at this time.

Mayor Byrnes, with the consensus from the council, requested that agenda item number 11, Project Z70: South High Street/South Whitney Street (100 & 200 Block) Alley Improvement Project - Consider Resolution Declaring Adequacy of Petition and Ordering Preparation of Report, be ahead of agenda item number 10.

Consider approval of the minutes of the regular meeting held on June 11, 2019.

Motion made by Councilmember Schafer, Seconded by Councilmember Labat to approve the minutes of the regular meeting held on June 11, 2019 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 Decramer, Councilmember Labat. The motion **Carried. 5-0**

Crack Fill and Seal Runways & Taxiways Project and Chip Seal Roadways & Parking Lots Project at the Southwest Minnesota Regional Airport -- Consider Resolution of Authorization to Execute Mn/DOT Grant Agreement No. 1034677 / State Project No. A4201-100.

Per Mn/DOT-Aeronautics, due to special circumstances they are able to move our SFY 2020 Runway 12/30 Crack Fill and T-Hangar Apron Seal Coating Project into SFY 2019. At their meeting on June 11, 2019, the City Council authorized execution of forthcoming agreement with a total project cost of \$50,000. Further discussions with Mn/DOT indicated that funding was available for a total project cost of \$100,000 with funding participation of 70% State (\$70,000.00) and 30% local (\$30,000.00). This Agreement will remain in effect until December 31, 2022.

The agreement provides for project costs not to exceed \$100,000.00. Funding participation of 70% State (\$70,000.00) and 30% local (\$30,000.00) for the total project funding of \$100,000.00 from Account #401-60364-5530 (Capital Projects Fund-Airport-Improvements other than Buildings).

Motion made by Councilmember Schafer, Seconded by Councilmember Decramer to adopt RESOLUTION NUMBER 4626 SECOND SERIES, which is the Resolution of Authorization to Execute Airport Mn/DOT Agreement No. 1034677 / State Project A4201-100 for Airport Improvement Excluding Land Acquisition for Crack Fill Runways & Taxiways Project and Chip Seal Roadways & Parking Lots Project at the Southwest Minnesota Regional Airport for project costs not to exceed \$100,000.00. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Decramer, Councilmember Labat. The motion **Carried. 5-0**

Crack Fill and Seal Runways & Taxiways Project at the Southwest Minnesota Regional Airport -- Consider Award of Proposal.

Proposals were received for the Crack Fill and Seal Runways & Taxiways Project at the Airport. Three proposals were received. The low proposal is from KAMCO, Inc. of Dassel, Minnesota.

This project will be up to \$50,000 and will be funded under a portion of the Mn/DOT Agreement No. 1034677. Funding participation for this portion of the agreement is 70% State (\$35,000.00) and 30% local (\$15,000.00) for total project funding in the amount of \$50,000.00 from Account #401 60364-5530 (Capital Projects Fund-Airport-Improvements other than Buildings).

Agreement No. 1034677 provides for total project costs (this project and the separate Chip Sealing of Roadways & Parking Lots Project) not to exceed \$100,000.00. Funding participation is 70% State (\$70,000.00) and 30% local (\$30,000.00) for total project funding in the amount of \$100,000.00 from Account #401 60364-5530 (Capital Projects Fund-Airport-Improvements other than Buildings).

Motion made by Councilmember Schafer, Seconded by Councilmember Labat to award the proposal for Crack Fill and Seal Runways & Taxiways Project to KAMCO, Inc. of Dassel, Minnesota, in the amount of \$2.47/pound for project costs not to exceed \$50,000.00. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Decramer, Councilmember Labat. The motion **Carried. 5-0**

Chip Sealing of Roadways & Parking Lots Project at the Southwest Minnesota Regional Airport -- Consider Award of Proposal.

Proposals were received for the Chip Sealing of Roadways & Parking Lots Project at the Airport. Two proposals were received. The low proposal is from RH Sealcoating & Asphalt Maintenance, Inc. of Russell, Minnesota.

This project will be up to \$50,000 and will be funded under a portion of the Mn/DOT Agreement No. 1034677. Funding participation for this portion of the agreement is 70% State (\$35,000.00) and 30% local (\$15,000.00) for total project funding in the amount of \$50,000.00 from Account #401 60364-5530 (Capital Projects Fund-Airport-Improvements other than Buildings).

Agreement No. 1034677 provides for total project costs (this project and the separate Crack Fill and Seal Runways & Taxiways Project) not to exceed \$100,000.00. Funding participation is 70% State (\$70,000.00) and 30% local (\$30,000.00) for total project funding in the amount of \$100,000.00 from Account #401 60364-5530 (Capital Projects Fund-Airport-Improvements other than Buildings).

Motion made by Councilmember Schafer, Seconded by Councilmember Decramer to award the proposal for the Chip Sealing of Roadways & Parking Lots Project to RH Sealcoating & Asphalt Maintenance, Inc. of Russell, Minnesota, in the amount of \$46,255.80, with all work not to exceed \$50,000.00. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Decramer, Councilmember Labat. The motion **Carried. 5-0**

Approval of Consent Agenda

Council member Labat requested the item number 7, Consider approval of the non-union employee wage schedules for 2020-2021, be removed for further discussion.

Motion made by Councilmember Meister, Seconded by Councilmember Decramer that the following consent agenda items be approved as presented. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Decramer, Councilmember Labat. The motion **Carried. 5-0**

Approval of the bills/project payments.

Consider approval of the non-union employee wage schedules for 2020-2021.

The City Council has approved 3-year collective bargaining agreements with AFSCME, LELS Patrol Officers, and LELS Supervisors effective for years 2019-2021. Staff have prepared for Council consideration the proposed 2020 and 2021 wage schedules for the non-union employees. Both schedules reflect general wage increases of 3.25%, which are consistent with and would maintain the City's internal wage pattern with that approved for the unions for the same years.

Councilmember Labat pulled the item to allow all councilmembers to be able to vote on the item citing Councilmember Bayerkohler's comments regarding the step increases. Labat also mentioned the pointing system and discussed that it be reviewed.

Mayor Byrnes commented, although valid points, do not specifically align with the cost of living increases.

Motion made by Councilmember Schafer, Seconded by Councilmember Decramer to approve the 2020 and 2021 non-union wage schedules. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Decramer. Voting Nay: Councilmember Labat. The motion **Passed. 4-1**

Presentation of the 2018 Year-End Audit for the City of Marshall.

Director of Administrative Services, Annette Storm introduced the City Auditor, Kyle Meyers of Abdo, Eick and Meyers, LLC to review the 2018 Year end audit.

Motion made by Councilmember Schafer, Seconded by Councilmember Meister to approve the 2018-year end audit report for the City of Marshall. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Decramer, Councilmember Labat. The motioned **Carried. 5-0**

Project Z70: South High Street/South Whitney Street (100 & 200 Block) Alley Improvement Project -

Consider Resolution Declaring Adequacy of Petition and Ordering Preparation of Report.

Per Minn. Stat. 429.031, subd. 1(f), if the council chooses to proceed with an improvement based on a petition, said petition must have the signatures of the owners of at least 35 percent in frontage of the property bordering the proposed improvements.

City staff has determined that the signatures on the petition are of at least 35 percent of the property owners. The City Clerk has endorsed the petition indicating the petition has been examined, checked, and found the petition to be in proper form and signed by the owners of a least the required 35 percent of frontage.

All improvements will be assessed according to the current Special Assessment Policy, potentially including but not limited to Marshall Municipal Utilities, Wastewater Department, Surface Water Management Utility Fund and Ad Valorem participation. Final approval of these projects must include determination of funding sources.

Motion made by Councilmember Meister, Seconded by Councilmember Labat that the Council adopt RESOLUTION NUMBER 4627, SECOND SERIES, which is the "Resolution Declaring Adequacy of Petition and Ordering Preparation of Report" for Alley Improvements for the 100 & 200 Blocks of South High Street/South Whitney Street. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Decramer, Councilmember Labat. The motion **Carried. 5-0**

Consideration for approval of Red Baron Arena & Expo Parking Lot addition.

At the April 9, 2019, work-session, Council gave direction to City staff to move forward with plans for additional parking space(s) to be added at the Red Baron Arena & Expo. The plan before Council will be to add 106 stalls on the South end of the facility. Marshall Amateur Hockey Association (MAHA) will also present a proposal for consideration to approve an outdoor hockey rink adjacent to the proposed parking addition.

Parking Lot addition project will be paid out of 456-70579-5530. \$450,000 has been budgeted. MAHA has indicated their intent to finance the outdoor rink portion of the project.

Motion made by Councilmember Schafer, Seconded by Councilmember Decramer to approve the project. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Decramer. Voting Nay: Councilmember Meister, Councilmember Labat. The motion **Passed. 3-2**

Consider Approval of Resolution Consenting to and Approving the Issuance of a Conduit Revenue Obligation by Lyon County.

In 2018, UCAP approached the City about issuing a conduit bond on behalf of UCAP for the Head Start Facility. The Mayor and City Administrator expressed support to issue the conduit bonds. Conduit bonds are revenue bonds—the city does not pay debt service, or any other cost related to the transaction. As a practical matter, the loan is (normally) handled entirely by a separate bond trustee (usually the trust division of a bank). After the bonds are issued, the city has almost no role in payment or administration of the bonds. In order for bonds to be qualified tax-exempt obligations the bonds must be (i) issued by a "qualified small issuer," (ii) issued for public purposes, and (iii) designated as qualified tax-exempt obligations. A "qualified small issuer" is (with respect to bonds issued during any calendar year) an issuer that issues no more than \$10 million of tax-exempt bonds during the calendar year. Qualified tax-exempt obligations are commonly referred to as "bank qualified bonds."

However, we recently found out that it is possible that we would exceed \$10 million of bonding due to the fact that the wastewater facility upgrades Public Facilities Authority loan counts towards the \$10 million limit. To avoid putting the wastewater financing and future City Hall financing at risk, Baker Tilly (Springsted) approached the County to issue the conduit bonds. The County can issue the conduit bonds if the City consents them to do so. The County will take up this request at their June 18th Board meeting and the City will consent for them to do the conduit bonding at the June 25th.

Motion made by Councilmember Schafer, Seconded by Councilmember Meister to approve Resolution Number 4628, Second Series, a Resolution Consenting to and Approving the Issuance of a Conduit Revenue Obligation by Lyon County. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Decramer, Councilmember Labat. The motion **Carried. 5-0**

City Charges on Tax Forfeited Property Located at 620 W. Main Street.

On May 16, 2018 the bare lot located at 620 W. Main Street was forfeited to the State of Minnesota/Lyon County. Property forfeited for failure to pay real estate taxes. In addition to real estate taxes, City of Marshall had levied special assessments in the amount of \$19,234.52. Special assessments were levied as a result of nuisance abatement to remove the residential property damaged/destroyed in severe weather incident. Lyon County attempted to sell the property but was unable to do so. Minnesota Statutes do allow municipality to reassess special assessments or to levy charges against property in an amount up to costs incurred for unpaid special assessments. City Council had previously authorized special assessments to be reassessed in the amount of 50% of the cancelled special assessments.

This matter came before the Council on May 14, 2019. City Council directed staff to negotiate an amount to be charged against the property if the tax forfeited property returns to private owners. Minnesota Statute §444.076 authorizes the City to levy a fee or charge against the property allowing the private property owner to take advantage of the improvement which gave rise to the special assessment. City staff has negotiated a charge of \$3,000 to be paid by perspective purchaser for the property. That charge is in addition to the purchase price which would be paid to Lyon County. Perspective purchaser has paid \$1,000 earnest money payment. Agreement is contingent upon City Council approval. If this matter is approved, the \$3,000 charge agreement plus the earnest money payment of \$1,000 will be forwarded to Lyon County for the conclusion of this transaction. Staff is recommending approval of the agreement as prepared.

Motion made by Councilmember Meister, Seconded by Councilmember Labat to approve City Fees and Charges Agreement as signed by perspective purchaser. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Decramer, Councilmember Labat. The motion **Carried. 5-0**

Consider Appointments to the Various Boards, Commissions, Bureaus and Authorities.

The City of Marshall has various openings on the Boards, Commission, Bureaus and Authorities. Interviews were conducted on Tuesday, May 28 and Tuesday June 25, 2019 with the City Council. Mayor Byrnes nominated the following individuals to the following boards and commissions:

- Kristina Carrow – Marshall Municipal Utilities Commission, term set to expire 5/31/24
- Thomas Larson – Airport Commission, term set to expire 5/31/22

Motion made by Councilmember Schafer, Seconded by Councilmember Labat to approve the appointments to the various boards, commissions, bureaus and authorities. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Decramer, Councilmember Labat. The motion **Carried. 5-0**

Commission/Board Liaison Reports

Byrnes No Report

Schafer Airport Commission discussed the condition of the Helena property.

Meister Economic Development Authority met and reelected officers to the Authority. The EDA also discussed the façade improvement projects.

DeCramer Economic Development Authority met and discussed the sale of five lots in the Parkway II addition.

Marshall Municipal Utilities Commission Fmet and discussed the follow up on new meter installations for MMU. The commission also discussed that bids for the Water treatment facility be back on July 9 as well as the completion of the disaster recovery project with Watertown, SD. Member DeCramer commented on the Volkswagen settlement with the City of Marshall as a result of the settlement, there will be a vehicle charging station placed somewhere in the city.

Labat No Report

Councilmember Individual Items

Councilmember Schafer commented on the progress of junk items being cleaned up in neighborhoods.

Councilmember Labat informed staff of a pot hole at the intersection of Columbine Dr and East Southview Dr. Member Labat also brought up a complaint from a resident asking for a solution to slow traffic down near the aquatic center.

Councilmember DeCramer discussed the traffic study and the request to place a three way stop at the intersection of Saratoga and C. Street.

City Administrator

City Administrator Sharon Hanson commented on a visit by the Minnesota Pollution Control Agency Commissioner and an award to the City of Marshall from the Coalition of Greater Minnesota Cities. Administrator Hanson also discussed the pause in work regarding a Fleet Management Program.

Director of Public Works

Director of Public Works/ City Engineer, Glenn Olson, provided an update on construction projects at the MERIT Center, Hahn/ Erie Rd., Country Club/ S. 4th St. and County Rd 7/Hwy 23.

City Attorney

City Attorney, Dennis Simpson, provided an update on the Helena Chemical property and a discussion with a resident on spraying chemicals on grass and weeds.

Information Only

There were no questions on the information items.

Upcoming Meetings

There were no questions on the upcoming meetings

Adjourn Meeting

At 7:06 P.M., a Motion made by Councilmember Labat, Seconded by Councilmember Decramer to adjourn. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Decramer, Councilmember Labat. The motion **Carried. 5-0**

Mayor

Attest:

City Clerk