

**CITY OF MARSHALL
CITY COUNCIL MEETING
M I N U T E S
Tuesday, October 22, 2024**

The regular meeting of the Common Council of the City of Marshall was held October 22, 2024, 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: Craig Schafer, Amanda Schroeder, Steve Meister, John Alcorn, and See Moua-Leske. Absent: James Lozinski. Staff present included: Sharon Hanson; City Administrator; Pamela Whitmore, City Attorney; Jason Anderson, Director of Public Works/ City Engineer; E.J. Moberg, Director of Administrative Services; Jim Marshall, Director of Public Safety; Sheila Dubs, Human Resource Manager; Preston Stensrud, Park and Rec Supervisor; Eric Luther, Liquor Store Supervisor; Ilya Gutman, Plans Examiner; Laura Wing, Payroll and Benefits Specialist; and Steven Anderson, City Clerk.

Consider Approval of the Minutes from the Regular Meeting and Work Session Held on October 8th

There were no amendments to the minutes from the meetings held on October 8, 2024.

Motion made by Councilmember Moua-Leske, Seconded by Councilmember Alcorn to approve the minutes from the meetings held on October 8, 2024. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske. The motion **Carried. 6-0.**

Ordinance Amending Chapter 74 Article VII Division 3-2 Permit for Class 2 All-Terrain Vehicles and Utility Task Vehicles 1) Public Hearing 2) Consider Adoption of an Ordinance Amending Chapter 74-VII, Division 3-2

Clerk Anderson began the public hearing. The City of Marshall allowed the use of Class 2 All-Terrain Vehicles and Utility Task Vehicles to operate on public streets and roadways with a yearly permit. Both vehicle types are prohibited from driving on Minnesota Highways within city limits, which included Main Street (Highway 59), College Drive (Highway 19), Highway 23 and Highway 68. Proposed amendments would allow Golf Carts to operate on the same roads as ATVs/UTVs and would have the following requirements: Seatbelts for all occupants, headlights, taillights, turn signals, driver side mirror and passenger mirror/rearview mirror, Slow moving emblem, and restricted to streets with a posted speed limit of 30mph or less. United Community Action Partnership sent a letter in opposition to the ordinance citing safety concerns and traffic flow disruptions. Sara Runchey, a local resident, also voiced her concern with allowing golf carts to operate on public streets. Councilmember Schafer stated his apprehension with allowing golf carts. Councilmember Moua-Leske also voiced her opposition to the ordinance amendments. Councilmember Schroeder echoed the sentiment of Schafer and Moua-Leske. Councilmember Meister rebutted the arguments against golf carts.

Motion made by Councilmember Schafer, Seconded by Councilmember Moua-Leske close the public hearing. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Moua-Leske Voting Nay: Councilmember Schroeder, Councilmember Alcorn. The motion **Carried. 4-2.**

Motion made by Councilmember Meister to adopt Ordinance 24-017 Amending Chapter 74, Article VII to allow the use of motorized golf carts on public streets with a city issued permit. Motion failed due to lack of a Second.

Motion made by Councilmember Schafer, Seconded by Councilmember Moua-Leske to not adopt Ordinance 24-017 Amending Chapter 74, Article VII to allow the use of motorized golf carts on public streets with a city issued permit. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske Voting Nay: Councilmember Meister. The motion **Carried. 5-1.**

Consider Award of Proposals for the Pickup of Refuse at Various City Locations

Clerk Anderson stated that a request for proposals was sent in September to the four current licensed refuse haulers in the City of Marshall. Quotes were received on October 17th, 2024, for the removal of garbage and trash from numerous municipal locations within the City of Marshall. Proposals were received from Southwest

Sanitation and Sweetman Sanitation. Waste Management and West Central Sanitation did not submit a quote. The low quote was received from Sweetman Sanitation in the amount of \$25,980. Hanson clarified that these were quotes and not bids so the competitive bid law did not apply. Whitmore interjected that the council could pursue a different process of obtaining a contract such as direct negotiation under the city charter and statutes. Mayor Byrnes mentioned that the city had done something similar with farm lease agreements by allowing the current operator to resubmit a quote so there would be less disruption in service.

Motion made by Councilmember Schafer, Seconded by Councilmember Moua-Leske to directly negotiate with Southwest Sanitation to either match or have a lower quote than Sweetman Sanitation and bring the contract back to council. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske. The motion **Carried. 6-0.**

CONSENT AGENDA

Motion made by Councilmember Schafer, Seconded by Councilmember Schroeder to approve the items on the consent agenda. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske. The motion **Carried. 6-0.**

- Consider Authorization to Declare Vehicle as Surplus Property for the Marshall Police Department
- Consider Approval of a LG220 Lawful Gambling Permit for the Shades of the Past
- Introduction of the Ordinance Amendment to Chapter 86, Article VI-1, Section 86-165 Structures in Residential Districts.
- Introduction on the Ordinance Amendment to Chapter 86, Article IV, Section 86-97 Low Density Residence District.
- Introduction of the Ordinance Amendment to Chapter 86, Article II-1, Section 86-31 Prohibited Uses
- Consider the Approval of Partial Release of Development Contract and Modification of Declaration of Restrictions for Stone Meadows
- Consider Approval of the Bills/Project Payments

City of Marshall & Marshall Municipal Utilities Partnership Agreement

Dave Schelkoph presented the annual partnership agreement between the City of Marshall and Marshall Municipal Utilities. Schelkoph highlighted the Payment in Lieu of Tax (PILOT) that MMU calculated based on a ten-year average of kilowatt hour sales. In the future MMU and the City of Marshall would be pursuing a new formula with a minimum floor that MMU would pay as energy sales were being reduced due to efficiencies. Schelkoph also spoke about future utility expansion in Commerce Park and a new emergency generator that would require bonding through the City of Marshall in 2026.

Motion made by Councilmember Schroeder, Seconded by Councilmember Alcorn to approve the 2025 Partnership Agreement between the City of Marshall and Marshall Municipal Utilities. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske. The motion **Carried. 6-0.**

Consider the 2025 Health, Dental, and Vision Insurance Renewals

At the October 8, 2024, Council work session, the city's broker, Bill Chukuske with National Insurance Services (NIS), presented the 2025 renewal information for health, dental, and vision insurances. A review of the claims data, the renewal proposals, a review of health and dental comparable city information, and recommendations were presented at the work session. For 2025 health insurance, BlueCross BlueShield (BCBS) of MN had offered the city a renewal with a 15% increase for the 2025 plan. Chukuske and Staff recommended that Council reject that offer. BCBS submitted an alternative proposal that was reviewed at the work session. Staff recommended the Council accept the alternative BCBS proposal, with the City and Employees sharing equally in the 10% health insurance premium increase.

For dental insurance, in 2024 the Council approved a contract with Beam Dental that included a 2nd year rate guarantee, resulting in no premium increase. The Employee Insurance Advisory Committee reviewed an alternative option for vision insurance and recommended the Council stay with EyeMed for 2025, which provided a rate guarantee for 48 months.

Motion made by Councilmember Moua-Leske, Seconded by Councilmember Alcorn to accept the alternative BlueCross BlueShield alternative plan, Beam dental and EyeMed with the staff recommended cost-share proposals. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske. The motion **Carried. 6-0.**

Consider the Request of Matt Schnoor for a Conditional Use Permit for a Duplex in an R-1 District

Gutman explained the request for a conditional use permit at 906 Cheryl Avenue. This was a request to have a single ownership duplex in an R-1 One Family Residence District. The building was built in 1975 as a single-family residence and in 1986 the owner (different from the current one) applied for a Conditional Use permit for a duplex. The request was denied because the lot size did not meet the Ordinance requirements of the time, the windows were not adequate for egress, and the lower unit's only access/exit was through the garage. Despite the denial, the past owners kept using the building as a duplex. To bring the building into compliance for rental registration, approval of the conditional use permit was necessary. All windows were replaced in 2004 and 2013, and the ordinance regarding lot size was being amended to reduce lots' minimum size for duplexes. Construction to separate the lower unit's exit from the garage had been discussed with the current owner and was included as a condition for approval. The Planning Commission conducted a public hearing on October 9, 2024, and unanimously recommended approval.

Motion made by Councilmember Schroeder, Seconded by Councilmember Schafer to approve the conditional use permit for a duplex in an R-1 District at 906 Cheryl Avenue. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske. The motion **Carried. 6-0.**

Ordinance Amending Chapter 22, Article VIII Licensing and Registration Requirements for the Sale of Intoxicating Cannabinoid Products

The proposed ordinance laid the groundwork for city registration of cannabis licenses to be issued by the Office of Cannabis Management beginning January 1, 2025. The amendments included several new definitions, hours of operation for retailers, and limiting the number of registrations that would be issued by the City of Marshall to two. The City of Marshall had already taken steps to allow retail registration of THC edibles for on-site and off-site consumption. The zoning component of the licensing and registration would come later as staff worked through the various considerations needed for each type of license. Attorney Whitmore added that three areas of the ordinance had some minor missing information and requested that the additions be implemented. The changes included specific hours of operation, number of days to notify the OCM and how long a suspension could be extended.

Motion made by Councilmember Meister, Seconded by Councilmember Alcorn to adopt Ordinance 24-020 amending Chapter 22, Article VIII, Licensing and Registration Requirements for the Sale of Intoxicating Cannabinoid Products including the additions from Attorney Whitmore and authorizing its summary publication. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske. The motion **Carried. 6-0.**

Project ST-015 / SP 4204-40: 2025 MnDOT College Drive Improvement Project - 1) Consider Resolution Ordering Preparation of Report on Improvement; 2) Consider Resolution Receiving Feasibility Report and Calling Hearing on Improvement

The Minnesota Department of Transportation (MnDOT) project consisted of reconstruction and utility replacement on Trunk Highway 19 (TH19)/College Drive starting 700 feet west of Marlene Street and ending at the intersection of Bruce Street and Bruce Street starting 150 feet south of TH19 and ending 350 feet north of TH19. MnDOT initiated the reconstruction project to replace pavement surfacing that was in poor condition. As part of this cooperative project, the city would be replacing water and sewer infrastructure as needed within the project corridor. The 2025-2026 College Drive Reconstruction project bid opening date was set for December 6, 2024, with construction expected to begin in spring of 2025. Costs that are typically assessed on local projects include sanitary sewer service lines, private sidewalk walk-ups, driveway costs more than 12-foot width, and street costs remaining following utility participation in street costs. With the project, MnDOT would be paying for all highways, driveway, and private walk-up costs. The remaining costs that would be eligible for assessment to property owners included sanitary sewer service lines and local costs for parking lanes on the state highway. MnDOT would be charging the City of Marshall 10% of parking lane costs, in accordance with their cost participation policy. City staff proposed to special assess all costs associated with sanitary sewer service lines on the project. The city staff did not propose assessing the local share of parking lane costs because the local share was estimated in the proposed cooperative agreement at less than \$2,000. City staff proposed to special assess all costs associated with sanitary sewer service line on this project. Local costs on the 2025-2026 project were estimated to be \$8.3M. Costs would be shared by Marshall Municipal Utilities, Wastewater Department, Surface Water Management Utility, and the Marshall Municipal State Aid funds. In addition, City staff had secured Local Road and Bridge Program grant funding in the amount of roughly \$1.3M, and MnDOT was sharing over \$1M in RAISE grant funds for this project. Costs to be assessed were estimated at \$150,000.

Motion made by Councilmember Schafer, Seconded by Councilmember Alcorn to adopt Resolution 24-092 Ordering Preparation of Report on Improvement and to adopt Resolution 24-093 Receive Feasibility Report and Calling for Public Hearing on Improvement. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske. The motion **Carried. 6-0.**

Project ST-015 / SP 4204-40: 2025 MnDOT College Drive Improvement Project – Consider Resolution Authorizing Execution of MnDOT Cooperative Construction Agreement No. 1056297

The Cooperative Agreement was a continuation of the previous agenda item and outlines the relationship between MnDOT and the City for the construction project and provided for the estimated payment of the City's share of costs for the water main, sanitary sewer, sidewalk, street lighting, traffic signal systems, pedestrian crosswalk flasher system, roadway, and parking lane construction. Highlights of the agreement for consideration included federal grant funds awarded to the City cannot be used for water and sewer utility costs; federal grant fund allocations to the City are capped. Should costs exceed the capped figure, the City was responsible for identifying other sources to make project payments; Once bids are opened, MnDOT would present city staff with an "updated Schedule I" that reflected the city's required project payment based on actual bids received. The city would be expected to remit our project payment, in full, shortly after bid opening; city engineering staff would perform construction administration, project staking, and inspection services for the water and sewer construction on the project. As such, the engineering fees that the city must pay to MnDOT reflect a lower payment to MnDOT for the work; MnDOT had installed an EV charging station at the Avera parking lot at the corner of N. Bruce Street/Charles Avenue to satisfy federal grant requirement. That relationship was covered by a separate agreement that the City Council does not review; the city was responsible for maintenance of landscaping in the center of the roundabout at MN19/Country Club Drive/S. 2nd Street; the city was responsible for maintenance/ownership of street lighting, aside from historic lighting on bridges; the city was responsible for ownership/maintenance of pedestrian crosswalk flasher systems that are installed during the project; and lastly the city was responsible for traffic signal bulb replacement, crosswalk markings, and traffic signal painting.

Total City obligation was estimated at \$8,187,985.80, with \$2,965,619.76 in federal aid. The total City obligation, less federal aid, was estimated at \$5,222,366.04. City costs would be split between Marshall Municipal Utilities (water and electric), Wastewater Department, Surface Water Management Utility, and Municipal State Aid.

Motion made by Councilmember Moua-Leske, Seconded by Councilmember Schafer to adopt Resolution 24-091 Authorizing Execution of MnDOT Cooperative Construction Agreement No. 1056297. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske. The motion **Carried. 6-0.**

Approve Legislative Services Agreement with Flaherty and Hood for 2025 and 2026

Administrator Hanson explained that the mayor and staff met with Flaherty and Hood Government Relations Senior Lobbyist Marty Seifert to review capital needs for the City of Marshall. Wastewater, street infrastructure, park and recreation facilities as well as public safety projects were discussed as needed to be funded in the future. To consider all revenue sources, the city was interested in partnering with the Minnesota Legislature on funding some of the possible projects discussed. Initial projects highlighted for the 2025 legislative session included MERIT Center Phase 3 completion and the city's Band Shell. Due to the complexities of the legislative process, Mayor Byrnes and staff are recommending that the city pursue governmental relations expertise to secure legislative funding. The 2025 proposed budget did include \$25,000 for legislative services.

Motion made by Councilmember Schafer, Seconded by Councilmember Alcorn to approve the Legislative Services Agreement with Flaherty and Hood for 2025 and 2026. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske. The motion **Carried. 6-0.**

Commission/Board Liaison Reports

Byrnes	SWRD discussed upcoming goals and the regional need for daycares. The Fire Relief Association met for their quarterly update.
Schafer	No report.
Meister	No report.
Schroeder	EDA continued discussion on daycares and steps going forward.
Alcorn	No report.
Moua-Leske	No report.
Lozinski	Absent.

Councilmember Individual Items

Moua-Leske had been assisting with Children's First Financing and Lauren Deutz on the daycare study for the region.

Alcorn attended the Taste of Marshall event, and it was sold out and well received.

Schafer was able to watch the first City of Marshall and SMSU featured beers come off the canning line at Brau Brothers.

City Administrator

Hanson deferred her time to Clerk Anderson and Moberg. Anderson reviewed the polling locations for the upcoming election on November 5th and additional early voting hours at the Lyon County Government Center. Moberg and Eric Luther showed off the new line of beers (1872 Amber Ale, Cultivate Pale Ale and Jiminey Jumper Apple Lager) that the City of Marshall had collaborated with Brau Brothers.

Director of Public Works/City Engineer

Updates were provided for the following project: Whitney Street and United Community Action Partnership bus shelters.

City Attorney

No report.

Information Only

There were no questions about the Information Only items.

Upcoming Meetings

There were no questions on the Upcoming Meetings.

Adjournment

At 6:50 PM Motion made by Councilmember Meister, Seconded by Councilmember Schroeder to adjourn the meeting. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske. The motion **Carried. 6-0.**