

CITY OF ST. FRANCIS
CITY COUNCIL AGENDA

St. Francis Area Schools District Office 4115 Ambassador Blvd. NW

February 5, 2024

6:00 p.m.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

The regular City Council meeting was called to order at 6:00 p.m. by Mayor Joe Muehlbauer.

2. ROLL CALL

Members Present: Mayor Joe Muehlbauer, Councilmembers Robert Bauer, Kevin Robinson, Crystal Kreklow, and Sarah Udvig.

Also present: City Administrator Kate Thunstrom, Deputy City Administrator/City Clerk Jenni Wida, Assistant City Attorney Dave Schaps (Barna, Guzy & Steffen), Public Works Director Paul Carpenter, Fire Chief Dave Schmidt, Finance Director Darcy Muvihill, City Engineer Craig Jochum (Hakanson Associates, Inc.), Police Chief Todd Schwieger, and City Planner Beth Richmond (HKGi).

3. APPROVAL OF AGENDA

MOTION BY: UDVIG SECOND: ROBINSON APPROVING THE REGULAR CITY COUNCIL AGENDA

Ayes: Bauer, Kreklow, Udvig, Robinson, and Mayor Muehlbauer.

Nays: None

Motion carries: 5-0

4. CONSENT AGENDA

City Administrator Thunstrom reviewed the change orders for the City Hall Fire Station. She stated these changes came about due to the State plumbing permit review with the changes that were made at the beginning of the year. She noted they are separated based on labor and material and have to do with additional floor drains, pressure zone assemblies, and some piping.

Robinson asked if Brunton had received any of these changes or if they had been given any idea from the State that these changes would need to be made. Thunstrom noted there is a question of how much of this could have been seen ahead of time. She added that some of this also came about due to the last legislative session and some of the commercial changes that were made to plumbing. She said that whether Brunton knew or could anticipate these changes, she is not sure.

Robinson asked if they can be assured that all of these came about because of rules and regulations that went into effect on January 1, 2024. Thunstrom noted

that without having the State comment on this, she would not be sure how they could verify this.

Robinson shared he reached out to Stahl to get some more information on these changes.

- A. City Council Minutes - January 16, 2024
- B. Appointment of Election Judges
Resolution 2024-04 Appointing Election Judges
- C. Rental License Approvals
- D. Acknowledgement for Exempt Permit – Bingo/Raffle
- E. Acknowledgement to Conduct Excluded Bingo
- F. Change Orders – City Hall / Fire Station Project
- G. Police Department Policy Manual
- H. Public Works Streets/Parks Position Resignation/Replacement
- I. Site Improvement Performance Agreement for AutoZone
- J. Real Property Transfer From EDA
Resolution 2024-08 Accepting Property from EDA and authorizing signatories
- K. Payment of Claims

MOTION BY: BAUER SECOND: KREKLOW APPROVING THE REGULAR CITY COUNCIL CONSENT AGENDA

Ayes: Bauer, Kreklow, Udvig, Robinson, and Mayor Muehlbauer.

Nays: None

Motion carries: 5-0

5. MEETING OPEN TO THE PUBLIC

Mayor Muehlbauer asked City Clerk Wida if they had anyone wanting to speak. She said they did not.

6. SPECIAL BUSINESS - NONE

7. PUBLIC HEARINGS

A. Tax Abatement for Vista Prairie

Resolution 2024-07 Granting a property tax abatement for certain property in the City of St. Francis

Thunstrom introduced Nick Anhut from Elher's.

Mr. Anhut reviewed the presentation concerning an application that was received by the City for a tax abatement for the Vista Prairie development.

Mayor Muehlbauer opened the Public Hearing at 6:18 p.m.

No one came forward to address the Council.

Mayor Muehlbauer closed the Public Hearing at 6:19 p.m.

Robinson asked who determines the audit at the five year mark to see if this is self-sufficient. Mr. Anhut stated that the financing agreement specifies that they have to provide this information to the City at a certain year mark to reevaluate whether or not they need a continued abatement. He said to keep this open they would need to provide the financial information to justify it.

Robinson asked if they can add additional checks if the different intervals if the five year mark was not sufficient. Mr. Anhut explained that the agreement is written to include a check at the five year mark. He noted if they were to change this agreement then they would have to go back to the developer to make sure it would still fit within their financing.

Robinson asked if it is unheard of to do something like this. Mr. Anhut said he thinks it is a good thing to just have one check, as many agreements do not have any checks.

Robinson noted he would not want to have to wait another five years after the first check to see how the project was doing. Mr. Anhut stated if the Council wanted to amend this they could and then the agreement would be sent back to the developer.

Robinson asked if this would be burdensome or could disrupt the financing for the developer. Mr. Anhut stated everything is a negotiation; however, putting this kind of mechanism in place does not give a lot of security to the bank who is providing the financing. He explained that they use the five year mark because the developer would have to refinance at this time anyway. He said if they pull this back two years after the five year mark, then a bank may not lend to the developer in the first place if there is no determination that the abatement will survive the whole length of time they would be lending the developer money.

Kreklow asked what kind of wages there will be for the 47 jobs that this development will bring. Mr. Anhut shared that the City has a policy that anyone receiving financial assistance from the City has to pay a minimum wage of \$14.50 an hour and the applicant has stated that all jobs will exceed this amount.

Jim Bettendorf, President and CEO of Vista Prairie Communities, came forward and shared that the average wage for the 47 jobs is \$23 an hour, with the lowest wage being \$16.50 an hour. He stated the nursing staff will be making the higher end of this average.

Bauer asked if the tax abatement would start in 2024 or 2026 and go for 10 years. Mr. Anhut said it would start in 2026, after the project is creating new value within

the community.

Mayor Muehlbauer stated it would be helpful to understand the difference between the TIF and an abatement. Mr. Anhut explained that TIF and abatements in this sense are designed in the same way. He noted that an abatement is for the City and its share of the taxes only, whereas, the TIF has the ability to capture all of the local property taxes from the County, School District, and the City. He stated the City would be the lone participant so it would defer the benefit of the property taxes from this property for a period of time, while it will still be included in the County and School District's tax base right away.

Robinson said they have been talking about this for the last eight months or so. He added they have discussed this in many Work Session meetings as well.

Mayor Muehlbauer noted they also discussed that there are many issues with financing for projects of this magnitude given the current state of the economy. He added that they do not take this situation lightly.

MOTION BY: KREKLOW SECOND: BAUER ADOPTING RESOLUTION 2024-07 GRANTING A PROPERTY TAX ABATEMENT FOR CERTAIN PROPERTY IN THE CITY OF ST. FRANCIS.

Ayes: Bauer, Kreklow, Udvig, Robinson, and Mayor Muehlbauer.

Nays: None

Motion carries: 5-0

8. **OLD BUSINESS**

A. 2023 Code Revisions – 2nd Reading

Ordinance 325 Modifying Divisions 2,3,4,6,7,8, and 9 in the zoning code

Resolution 2024-05 Authorizing summary publication of Ordinance 325

Ordinance 326 Modifying Chapter 11 Subdivisions in the City Code

Resolution 2024-06 Authorizing summary publication of Ordinance 326

City Planner Richmond reviewed the Staff report in regard to the code revisions concerning the zoning code and the subdivision code.

MOTION BY: KREKLOW SECOND: UDVIG ADOPTING ORDINANCE 325 MODIFYING DIVISIONS 2, 3, 4, 6, 7, 8, AND 9 OF THE ZONING CODE.

A roll call vote was performed:

Mayor Muehlbauer aye

Councilmember Robinson aye

Councilmember Bauer aye

Councilmember Kreklow aye

Councilmember Udvig aye

Motion carried 5-0

MOTION BY: UDVIG SECOND: ROBINSON ADOPTING RESOLUTION 2024-05 AUTHORIZING SUMMARY OF PUBLICATION OF ORDINANCE 325.

Ayes: Bauer, Kreklow, Udvig, Robinson, and Mayor Muehlbauer.

Nays: None

Motion carries: 5-0

MOTION BY: ROBINSON SECOND: BAUER ADOPTING ORDINANCE 326 MODIFYING CHAPTER 11 SUBDIVISIONS IN THE CITY CODE.

A roll call vote was performed:

Mayor Muehlbauer aye

Councilmember Robinson aye

Councilmember Bauer aye

Councilmember Kreklow aye

Councilmember Udvig aye

Motion carried 5-0

MOTION BY: ROBINSON SECOND: BAUER ADOPTING RESOLUTION 2024-06 AUTHORIZING SUMMARY OF PUBLICATION OF ORDINANCE 326.

Ayes: Bauer, Kreklow, Udvig, Robinson, and Mayor Muehlbauer.

Nays: None

Motion carries: 5-0

B. Educational Facility Zoning Ordinance Amendment – 1st Reading

Ordinance 327 amending the zoning code to allow educational facilities in the B-1 District

Richmond reviewed the Staff report concerning an amendment to the zoning ordinance for educational facilities to be allowed in the B-1 zoning district.

Kreklow shared that she is in favor of this as she believes it fits with what they are trying to do off of Bridge Street.

Bauer shared he is leaning towards approval of this as there is not really anywhere else that would be able to accomplish such a thing as this.

Udvig noted that she watched the last Council meeting where this was discussed since she was absent. She said she does not have very many concerns with this zoning change. She added that this would fill one of the many vacant buildings along this corridor and it would allow the City to work with the district in a way that is mutually beneficial. She shared she hopes to see the retail space come to fruition.

Robinson shared that he was originally for this zoning change; however, the

business district is so small and they have already outlined the intent of the district in the Comprehensive Plan. He said he believes a business should have the opportunity to be in the building. He noted he will not be in favor of this change.

Mayor Muehlbauer agreed with Robinson that approving something on a promise or goal put the City in a bind. He said he does not see changing the zoning code for this purpose as the right thing to do at this time.

MOTION BY: KREKLOW ADOPTING ORDINANCE 327 AMENDING THE ZONING CODE TO ALLOW EDUCATIONAL FACILITIES IN THE B-1 DISTRICT.

Motion failed for lack of a second.

MOTION BY: ROBINSON SECOND: MAYOR MUEHLBAUER DENYING ORDINANCE 327 AMENDING THE ZONING CODE TO ALLOW EDUCATIONAL FACILITIES IN THE B-1 DISTRICT.

A roll call vote was performed:

Mayor Muehlbauer	aye
Councilmember Robinson	aye
Councilmember Bauer	nay
Councilmember Kreklow	nay
Councilmember Udvig	nay

Motion failed 3-2

Bauer asked if the applicant could come back and bring this back forward with changes. Richmond explained that the City would be able to consider a similar request a year after zoning has been denied.

City Attorney Schaps explained that the second motion failed because an ordinance requires four votes in order to pass, and since the second motion did not get four votes either way, the votes operate as a denial of the ordinance.

9. **NEW BUSINESS**

A. City Hall Fire Station Fire and Security System

Thunstrom reviewed the Staff report in regard to the City Hall Fire Station's fire and security system. She shared that Electro Watchman came in with the low bid of \$90,024.51.

Robinson asked if they had a discussion with Electro Watchman before construction began about what they would be carrying over and using. He said he thought they had already chosen them since they are familiar with the rest of the City buildings. Thunstrom shared they wanted to roll Electro Watchman into the new building; however, because of what they provided, and they were not a sole proprietor they had to get two bids.

Robinson asked if this amount was included in the current construction budget. Thunstrom said no and that this amount is above and beyond what they have under contract with Stahl as it is not a part of the Stahl process.

Robinson asked why this is not a part of the Stahl process. Thunstrom explained that this is above and beyond the building structure, so they are outside of Stahl's wheelhouse.

Robinson asked if there is money set aside for this as well as other above and beyond items. Thunstrom said yes and explained they have a line item budget for all of these sorts of items.

MOTION BY: ROBINSON SECOND: UDVIG ACCEPTING THE BID FROM ELECTRO WATCHMAN FOR THE CITY HALL FIRE STATION FIRE AND SECURITY SYSTEM.

Ayes: Bauer, Kreklow, Udvig, Robinson, and Mayor Muehlbauer.

Nays: None

Motion carries: 5-0

B. MOU between City of St. Francis and LELS 319 Police Officers

Thunstrom reviewed the Staff report concerning the MOU between the City and the LELS 319 Police Officers in regard to vacation and severance language which changed in the personnel policy.

Bauer noted that he hated union contracts because they are set for specific times and if they make changes with the non-union Staff, then this is a change that needs to happen through a contract with the union groups. He added that he sees this as something that would come up with the union during their contract negotiations.

Kreklow shared she thinks it is wonderful that the City wants to bring the LELS contract up to par with the personnel policy for other non-union Staff. She added that it is good for the City to be equitable for the union or non-union employees.

Robinson asked if this would just bring LELS to a level playing field with the other agencies in the City and keep them competitive. He asked if any of this also goes along with the sick and safe leave. Thunstrom said this is to bring these items up to match what is in the City's personnel policy. She noted that any improvement that is made benefits their retention for employees.

Robinson asked if they do not approve this if they would be able to bring this in during the next union contract negotiation. Thunstrom explained that they will begin contract negotiations this year with LELS and everything is negotiable with these contracts.

Mayor Muehlbauer said he does not see an issue with bringing the union up to par

with the City Staff.

MOTION BY: UDVIG SECOND: ROBINSON APPROVING THE MOU BETWEEN THE CITY OF ST. FRANCIS AND LELS 319 POLICE OFFICERS.

Ayes: Kreklow, Udvig, Robinson, and Mayor Muehlbauer.

Nays: Bauer

Motion carries: 4-1

C. Work Session Request

Thunstrom reviewed the request for a Work Session meeting. She shared the proposed dates of February 26 or March 11.

The Council scheduled the Work Session for Monday, February 26 at 6:00 p.m. in the City Hall Community Room.

10. **MEETING OPEN TO THE PUBLIC - NONE**

11. **REPORTS - NONE**

12. **COUNCIL MEMBER REPORTS**

The Council shared the meetings and events they attended over the past few weeks.

Mayor Muehlbauer shared the Winning with Cops event will be held on February 20 at Tasty Pizza from 4 p.m. to 6 p.m.

Thunstrom shared that Community Development Director Baumgardner will be out on maternity leave for the next 12 weeks. She added that she will be handling anything Community Development related in the meantime.

13. **UPCOMING EVENTS**

February 8 - Parks Commission Meeting - 7:00 p.m.

February 19 - City Offices Closed in observance of President's Day

February 20 - City Council Meeting - 6:00 pm

14. **ADJOURNMENT**

MOTION BY: BAUER SECOND: UDVIG TO ADJOURN THE MEETING.

Ayes: Bauer, Kreklow, Udvig, Robinson, and Mayor Muehlbauer.

Nays: None

Motion carries: 5-0

There being no further business, Mayor Muehlbauer adjourned the regular City Council at 7:03 p.m.

Jennifer Wida, City Clerk

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