

REGULAR MEETING – FEBRUARY 27, 2018

The regular meeting of the Common Council of the City of Marshall was held February 27, 2018 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, Glenn Bayerkohler, John DeCramer, David Sturrock and James Lozinski. Absent: None. Staff present included: Sharon Hanson, City Administrator; Dennis Simpson, City Attorney; Glenn Olson, Director of Public Works/City Engineer; Karla Drown, Finance Director; Ilya Gutman, Plan Examiner; Cal Brink, Executive Director of Marshall Area Chamber of Commerce; Michele Leininger, Director of Marshall-Lyon County Library and Kyle Box, City Clerk.

The Pledge of Allegiance was recited at this time.

**APPROVAL OF AGENDA:**

Member **Steven Meister** Moved, Member **Craig Schafer** Seconded to approve the **ORIGINAL** motion 'approve agenda'. Upon a roll call vote being taken, the vote was: Aye: 7 Nay: 0. The motion **Carried. 7 - 0**

**CONSIDER APPROVAL OF THE MINUTES OF THE REGULAR MEETING HELD ON FEBRUARY 13, 2018 AND A WORK SESSION HELD ON FEBRUARY 15, 2018:**

Member **James Lozinski** Moved, Member **John DeCramer** Seconded to approve the **ORIGINAL** motion 'that the minutes of the regular meeting held on February 13, 2018 and a Work Session held on February 15, 2018 be approved and that the reading of the same be waived.'. Upon a roll call vote being taken, the vote was: Aye: 7 Nay: 0. The motion **Carried. 7 - 0**

**APPROVAL OF CONSENT AGENDA:**

Member **Craig Schafer** Moved, Member **Steven Meister** Seconded to approve the **ORIGINAL** motion 'the following consent agenda items be approved as presented.'. Upon a roll call vote being taken, the vote was: Aye: 7 Nay: 0. The motion **Carried. 7 - 0**

Approval of Amendment to Resolution Number 4460, Second Series.

Approval for the request for St. Patrick's Day Parade - March 17, 2018.

Consider approval of the bills/project payments.

**CONSIDER APPROVAL OF CONFLICT OF INTEREST ACKNOWLEDGMENT REGARDING SMALL CITIES DEVELOPMENT GRANT PROGRAM:**

At last Council meeting, a public hearing was convened to request authorization for the City of Marshall to submit an application for the participation in 2018 Small Cities Development Grant program. Jeff Gladis from the United Community Action Partnership presented information and did receive authorization from the City of Marshall to submit grant application for approximately \$1.5M of grant funds to be used for upgrades and rehabilitation needed for owner occupied homes and commercial properties located within identified geographical regions of the City of Marshall. UCAP acts as the City's agent on administering the grant, if grant application is approved by State agency DEED. Accompanying the application were a number of supporting

documents that need to be submitted along with consideration of the grant application. Included in those documents is a “Conflict of Interest” acknowledgment to be submitted by the City of Marshall. Elected City Official James Lozinski, an employee of James Lozinski Construction, Inc., Minnesota corporation, has been a previous contractor doing work for recipients of grant proceeds. Mr. Lozinski intends to bid on projects and perform rehabilitation projects if the Small Cities Development Grant Program funds are awarded. The conflict of interest form has been completed by Mr. Lozinski. Minnesota Statutes indicate that in certain circumstances, elected officials may participate in providing services to the City pursuant to exceptions set forth in Minnesota Statutes §471.88. Minnesota Statutes §471.88 subd. 17 indicates that a public official is exempt from typical conflict of interest situations as follows: “Subd. 17. Federal or state grant programs. The governing body may apply for and accept a state or federal grant for housing, community, or economic development in which a public officer may benefit, if the public officer abstains from voting on measures related to the grant.” Mr. Lozinski potentially may receive a benefit from the City’s participation in the Small Cities Development Grant program. Mr. Lozinski did abstain from voting on the recommendation to apply for the grant. It is further required under federal and state regulations that disclosure of conflict of interest occurs and that the governing board, but unanimous vote, acknowledges the conflict and authorizes the elected official to participate in the grant program. It is recommended that the full City Council provide unanimous vote to acknowledge the conflict of interest of Mr. Lozinski and also to authorize Mr. Lozinski to participate in the bidding for Small Cities Development grant program rehabilitation projects for owner occupied properties or commercial properties. It is further recommended that the City Attorney provide an opinion to both state and federal authorities regarding the disclosure of the necessary acknowledgments of conflict and authorization to proceed with Small Cities Development Grant program project bids and construction if awarded.

City Attorney Dennis Simpson, provided the background information on the item. Council member Bayerkohler cited Federal statute to make sure that the City is meeting the requirements. Council member Bayerkohler would support the Resolution if paragraph three was removed. City Attorney Simpson commented that the resolution would still meet the requirements set by DEED with that paragraph removed. Council member Sturrock added additional language that will be reflected in the final document.

Member **David Sturrock** Moved, Member **Craig Schafer** Seconded to approve the **ORIGINAL** motion 'Consider and approve RESOLUTION NUMBER. 4477, SECOND SERIES acknowledging conflict of interest of elected official.'. Upon a roll call vote being taken, the vote was: Aye: 6 Nay: 0 Abstain: 1. The motion **Passed. 6 – 0 – 1** with Lozinski abstaining.

**CONSIDER RESOLUTION FOR LYON COUNTY'S OPPORTUNITY ZONE APPLICATION:**

Opportunity Zones are a new community development program established by Congress in the Tax Cut and Jobs Act of 2017 to encourage long-term investments in low-income and urban communities nationwide. Each Governor is authorized to designate 25% of the eligible census tracts (1) as Opportunity Zones in their state. In Minnesota, this means the Governor can designate 123(2) census tracts as Opportunity Zones out of an eligible 491 low-income census tracts. The Governor also has the option of including up to 5% of census tracts that are contiguous with an eligible census tract but are not themselves low-income tracts (3). In

REGULAR MEETING – FEBRUARY 27, 2018

Minnesota, the Governor could designate up to 7 (4) tracts as contiguous out of the state's 123 designated Opportunity Zones. This designation is due March 21, 2018 with an extension potentially available for 30 days (April 20, 2018).

Executive Director of the Chamber of Commerce Cal Brink, presented the background information to council. There was further discussion by Council. Council member Bayerkohler requested to table the item for further research.

Member **James Lozinski** Moved, Member **Craig Schafer** Seconded to approve the **ORIGINAL** motion 'That the Council adopt RESOLUTION 4478, SECOND SERIES for Lyon County's Opportunity Zone Application.'. Upon a roll call vote being taken, the vote was: Aye: 6 Nay: 1. The motion **Passed. 6 – 1** with Bayerkohler voting no.

**CONSIDER RESOLUTION FOR SIGNAGE RELATING TO REQUEST OF HOLY REDEEMER CATHOLIC CHURCH FOR ADDITIONAL HANDICAPPED PARKING:**

Holy Redeemer Catholic Church (located at 503 West Lyon Street) has requested up to four additional handicapped parking spaces on the west side of North 5th Street adjacent to the church. This area was reviewed several years ago with the Downtown Development Committee, and handicapped spaces were designated to allow adequate handicapped parking and still retain parking to maximize available parking for the general public. The issue of additional handicapped parking had been reviewed by staff a couple of years ago, and a recommendation was made that the church could use orange cones to indicate special handicapped access during church events and remove them at times when they are not necessary for church use. The church had difficulty providing staff available to install and remove the cones on a regular basis and are, therefore, requesting a more permanent solution. The Public Improvement/Transportation Committee met on February 15, 2018. Quentin Brunsvold, representing Holy Redeemer Catholic Church stated that they get a lot of complaints with having only two handicap spots for the entire congregation. Two parishioners from the congregation also attended the meeting to provide personal issues that they have with the lack of additional handicapped parking. There was also discussion of adding four more spaces on Lyon Street. After discussion, MOTION BY LOZINSKI, SECONDED BY SCHAFFER to recommend to Council the installation of up to four additional handicapped parking spaces on the west side of North 5th Street adjacent to the church located at 503 West Lyon Street with the addition of four more spots located on Lyon Street immediately adjacent to the front of the church. ALL VOTED IN FAVOR.

Director of Public Works/City Engineer Glenn Olson presented the item to Council. Council member Lozinski provided information from the committee. There was further discussion by Council.

Member **David Sturrock** Moved, Member **James Lozinski** Seconded to approve the **ORIGINAL** motion 'that the Council adopt RESOLUTION NUMBER 4479 SECOND SERIES, which is the "Resolution Providing for Signage in the City of Marshall" to provide installation of up to four additional handicapped parking spaces on the west side of North 5th Street adjacent to the church located at 503 West Lyon Street with the addition of four more spots located on Lyon Street immediately adjacent to the front of the church.'. Upon a roll call vote being taken, the vote was: Aye: 7 Nay: 0. The motion **Carried. 7 - 0**

**ZIEGENHAGEN ADDITION -- INTRODUCE PRELIMINARY PLAT AND CALL FOR PUBLIC HEARING:**

As the property has not been platted before, the property needs to be subdivided prior to the subdivision and sale of a portion of the property. The property includes warehouse storage and retail use. Concurrently with this proposal, the owner has made application for a rezone of the property from an I-2 General Industrial District to a B-3 General Business District. Staff recommendation for the rezoning will include both this subdivision and adjacent property north to Fairview Street. This will be a separate action item. Copies of the proposed subdivision have been sent to the local utility companies for their review and comments.

Director of Public Works/City Engineer Glenn Olson, introduced Bill Ziegehnagen to provided information on the item. There was further discussion by Council.

Member **James Lozinski** Moved, Member **John DeCramer** Seconded to approve the **ORIGINAL** motion 'that the Council call for public hearing on the Preliminary Plat of Ziegenhagen Addition to be held at the March 13, 2018 City Council meeting, as per the recommendation of the Planning Commission.'. Upon a roll call vote being taken, the vote was: Aye: 7 Nay: 0. The motion **Carried. 7 - 0**

**INTRODUCTION OF ORDINANCE TO REZONE (100 AND 110 NORTH HIGHWAY 59) FROM I-2 GENERAL INDUSTRIAL DISTRICT TO B-3 GENERAL BUSINESS DISTRICT:**

This is a request by Ziegenhagen Investments LLC to rezone properties at 100 and 110 North Highway 59 from I-2 General Industrial District to a B-3 General Business District. The intent of the owner is to be able to rent space to a grocery store, which is a permitted use in B-3 but not in I-2, at 110 North Highway 59. In reviewing an application, the staff noticed that the other side of the highway is zoned B-3; it is also an area close to downtown and some other retail establishments. As a result, it is staff's opinion that it would be reasonable to rezone the entire block from I-2 General Industrial District to a B-3 General Business District, all the way to West Fairview Street, with the exception of a metal recycling business. This includes 300, 400 and 500 North Highway 59 and 707 West Fairview Street. If the entire block is rezoned, a Re-Store, located at 300 North Highway 59 and ServiceMaster shop located at 707 West Fairview Street will stay permitted uses along with most part of Ace Hardware store. A lumberyard portion of Ace will become a conditional use in a B-3 district which will not affect any operations or development. Requirements for B-3 General Business District can be found in Section 86-104. Rezoning procedures are described in Section 86-30 Amendments. During the February 14, 2018, Planning Commission meeting, a public hearing was held and a motion was made by Edblom, second by Ruud to recommend approval to City Council to rezone the property as requested by Ziegenhagen. **MOTION PASSED.**

Member **John DeCramer** Moved, Member **Steven Meister** Seconded to approve the **ORIGINAL** motion 'that the Council introduce the attached ordinance to rezone 100 and 110 North Highway 59 from I-2 General Industrial District to a B-3 General Business District.'. Upon a roll call vote being taken, the vote was: Aye: 7 Nay: 0. The motion **Carried. 7 - 0**

Council member Sturrock excused himself at 6:25 p.m.

**PLUM CREEK LIBRARY SYSTEM AGENCY AGREEMENT:**

This is an updated agreement of a long-standing Joint Powers Agreement with Plum Creek Library System. Michele Leininger, Director of the Marshall-Lyon County Library will present the Agency Agreement.

Michele Leininger, Director of the Marshall- Lyon County Library, presented the item to Council. There was further discussion by Council.

Member **Craig Schafer** Moved, Member **Steven Meister** Seconded to approve the **ORIGINAL** motion 'Approve the Plum Creek Library System Agency Agreement.'. Upon a roll call vote being taken, the vote was: Aye: 6 Nay: 0. The motion **Carried. 6 - 0**

**CONSIDER RESOLUTION AUTHORIZING THE TRANSFER AND CLOSURE OF CAPITAL PROJECT FUND 496 AND DEBT SERVICE FUND 365:**

The City approved Resolution No. 2979, 2nd Series in 2007 for the issuance of G.O. Utility and Improvement Bonds, Series 2007C for the Capital Utility and Improvements of streets in the City of Marshall. The deficit balance of (\$94,016.86) is in the 496 construction fund. This deficit has been created due bond issuance costs paid from the construction fund rather than the debt service fund, as usually done. Also, there were payments from construction fund 496 in error for other now completed and closed construction funds. Since there have been multiple subsequent audits completed, it is not recommended to rectify the payments within construction fund 496, rather taking existing funds from the related debt service fund 365 to make it whole. The Debt Service Fund 365, G.O. Utility and Improvement Bonds, Second Series, 2007C, was called per resolution number 4421 on August 8, 2017 and paid in full on September 5, 2017. The amount of \$331,813.19 is remaining as a balance as of December 31, 2017 in the Debt Service fund 365.

Finance Director Karla Drown, presented the item to Council. Council member Bayerkohler asked what fund 495 is being used for. Director Drown explained that these funds are used for street and community related project. There was further discussion by Council and Staff.

Member **Steven Meister** Moved, Member **John DeCramer** Seconded to approve the **ORIGINAL** motion 'the adoption of RESOLUTION NUMBER 4480, SECOND SERIES Authorizing Transfer and Closure of Capital Project Fund 496 and Debt Service Fund 365'. Upon a roll call vote being taken, the vote was: Aye: 6 Nay: 0. The motion **Carried. 6 - 0**

**CONSIDER RESOLUTION FOR MUNICIPAL STATE AID STREET SYSTEM (MSAS) 2018 ADVANCE FUNDS:**

The City has completed various construction projects utilizing Municipal State Aid System (MSAS) funding and intends to utilize MSAS for Project Z64 / S.A.P. 139-111-06: Saratoga Street Reconstruction Project. Applications will be submitted for reimbursement for those project costs to State Aid. As of January 1, 2018, there is a current balance of (\$1,695,584), which does not include the 2018 construction allotment nor the requests for 2018. Project Z64 / SAP 139-111-006: Saratoga Street Reconstruction Project – This project consists of the following: Reconstruction and utility replacement on Saratoga Street from the bridge on Saratoga Street (between South 4th Street and West College Drive) to Southview Drive; Sanitary sewer replacement and watermain replacement on the abandoned South 1st Street from Marvin Schwan

Memorial Drive to Saratoga Street; Sanitary sewer replacement on South “A” Street from Marvin Schwan Memorial Drive to Saratoga Street; Sanitary sewer replacement on Greeley Street from Saratoga Street southerly approximately 200 feet. The MSAS participation on this project is estimated to be \$2,074,243. Project Z56 / SAP 139-129-002: North 7th Street Reconstruction Project – The project consists of the reconstruction of North 7th Street from the North 7th Street Diversion Channel north to CSAH 33. There will also be watermain replacement on a portion of the project, as well as revisions to the storm sewer system. The City has this project and has been notified of an outstanding balance of \$106,171. This amount is eligible for MSAS funding and is included in the request for advance State Aid funding. There is also an encumbered balance of \$5,947. The total amount of additional State Aid advance funding for these two projects and including the encumbered balance is \$2,186,361. The current MSAS account balance as of January 1, 2018 is (\$1,695,584). The 2018 Construction Allotment is not included in the January 1, 2018 balance. The maximum MSAS advance, set by Minnesota Commissioner of Transportation is five (5) times the City annual construction apportionment. The 2018 City of Marshall annual construction apportionment is anticipated to be \$770,043, resulting in an available MSAS advance of up to \$3,850,215.00. This resolution is required to allow MSAS advance funding.

Director of Public Works/City Engineer Glenn Olson presented the background information to Council.

Member **Craig Schafer** Moved, Member **James Lozinski** Seconded to approve the **ORIGINAL** motion 'that the Council adopt RESOLUTION NUMBER 4481 SECOND SERIES, 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 \$3,111,902.'. Upon a roll call vote being taken, the vote was: Aye: **6** Nay: **0**. The motion **Carried. 6 - 0**

**PROJECT Z66: MARGUERITE AVENUE/SOUTH BEND AVENUE  
RECONSTRUCTION PROJECT – CONSIDER RESOLUTION RECEIVING REPORT  
AND CALLING FOR HEARING ON IMPROVEMENT:**

This project consists of the following: Reconstruction and utility replacement on Marguerite Avenue and South Bend Avenue between Camden Drive and Southview Drive. All utilities will be replaced, including watermain, sanitary sewer, and storm sewer. This Feasibility Report as authorized by the City Council covers the proposed improvements including scope, background/existing conditions, proposed improvements, probable costs, proposed assessments, feasibility and proposed project schedule. The proposed improvements as described in the report are necessary, cost-effective, and feasible from an engineering standpoint.

Director of Public Works/City Engineer Glenn Olson presented the item to Council. An information meeting is scheduled for Thursday, March 8 at Marshall Municipal Utilities. Council member Lozinski commented that he is not in favor at this point because there has not been a final discussion on special assessments. There was continued discussion by Council.

Member **John DeCramer** Moved, Member **Glenn Bayerkohler** Seconded to approve the **ORIGINAL** motion 'that the Council adopt RESOLUTION NUMBER 4482, SECOND SERIES, which is the Resolution Receiving Feasibility Report and Calling Hearing on

REGULAR MEETING – FEBRUARY 27, 2018

Improvement for the above-referenced project and setting the public hearing on improvement date for March 13, 2018.'. Upon a roll call vote being taken, the vote was: Aye: 5 Nay: 1. The motion **Passed. 5 - 1** with Lozinski voting no.

**ON-STREET BIKE LANE STRIPING:**

The City has designated various locations of on-street bike lanes. Bike lanes may be established using separate bike lanes or shared lanes, called sharrows, indicating where vehicles must share the lane with bicyclists. Prior to restriping the lanes this coming Spring, the Street Department requested verification of locations for parking, bike lanes, and sharrows for the on-street bike trails. Staff recommended the following to Public Improvement/Transportation (PI/T) Committee at their meeting on February 15, 2018: - Leave painted on-street bike lanes in their current locations. Change symbol from bike with double chevron to bike with single arrow symbol to represent "bike lane", not shared (sharrow) lane. - All current painted on-street bike trails remain as painted bike lanes. A map was presented showing both the on-road and off-road trails and proposed connectivity of the system through various types of paths. Council member Lozinski asked if we had to paint the two lines for the bike lanes on the road. City staff indicated that if the two lines are not painted, then the lane can be shared with vehicles and bikes. Council member Lozinski liked the idea of having a shared lane and to educate the public that the street is being shared with motorists and bikes. Staff asked the Committee if there was support to add on street bike markings along Bruce Street from College Drive to the existing off-street bike trail north of Fairview Street. The Committee indicated that marking this street would be a good idea to help improve bike network connectivity. After discussion, **MOTION BY LOZINSKI, SECONDED BY SCHAFFER** to bring to City Council for approval to remove painted white lines for on-street bike lane segments and paint the symbol-only (bike with double chevron). This would represent a shared lane, not a dedicated bike lane space. **ALL VOTED IN FAVOR.**

Director of Public Works/City Engineer Glenn Olson presented the item to Council. There was further discussion by Council. Council member Schafer provided information from the Public Improvement/ Transportation Committee. There was further discussion by Council

Member **Craig Schafer** Moved, Member **Steven Meister** Seconded to approve the **AMENDED** motion 'to leave the bike lanes as is and make improvements where needed. '. Upon a roll call vote being taken, the vote was: Aye: 4 Nay: 2. The motion **Passed. 4 - 2**

Mayor Byrnes called for a five-minute recess at 7:12 p.m.

**CONSIDER APPOINTMENT TO VARIOUS BOARDS AND COMMISSION:**

Airport Commission	Ron Halgerson, term set to expire May 31, 2021
Marshall Municipal Utilities Commission	Scott Saugstad, term set to expire May 31, 2023
Planning Commission	Donald Edblom, term set to expire May 31, 2021
Police Advisory Board	Ben Walker, term set to expire May 31, 2021

REGULAR MEETING – FEBRUARY 27, 2018

Member **James Lozinski** Moved, Member **Steven Meister** Seconded to approve the **ORIGINAL** motion 'approval of appointment to the various boards and commissions.'. Upon a roll call vote being taken, the vote was: Aye: **6** Nay: **0**. The motion **Carried. 6 - 0**  
**COUNCIL REPORTS**

**COMMISSION/BOARD LIAISON REPORTS:**

Byrnes	No Report
Schafer	<u>MERIT Center</u> has been very busy in 2018 with hosting training classes.
Meister	No Report
Bayerkohler	No Report
DeCramer	<u>Utilities Commission</u> did meet and discussed the status of the Smart Meter. Marshall Municipal Utilities is at a 60% completion on the design of a new water treatment facility.
Sturrock	No Report
Lozinski	No Report

**COUNCILMEMBER INDIVIDUAL ITEMS:**

Council member Bayerkohler commented on the bike path discussion.

Mayor Byrnes commented on the service City Staff provided during the last snow storm.

Council member Schafer commented on the MERIT Center and coordinating snow removal when an event is scheduled. This will be discussed with Staff.

**CITY ADMINISTRATOR:**

City Administrator Sharon Hanson, discussed the location of hosting town hall meetings at the Marshall-Lyon County Library. Administrator Hanson also recommended to Council to tour the County jail and to attend a presentation from the City's Drug Task Force.

**DIRECTOR OF PUBLIC WORKS:**

No Report.

**CITY ATTORNEY:**

City Attorney Dennis Simpson, commented that Marshall Municipal Utilities reached a master lease agreement with Verizon for 5G technology. Attorney Simpson, mentioned that the Building Task Force discussion will go in front of the Planning Commission and then the Legislative and Ordinance Committee. There has also been a State Law change regarding building inspection. A webinar will be hosted at City Hall for the Building Inspection group to attend.



REGULAR MEETING – FEBRUARY 27, 2018

**PENDING ITEMS:**

There were no questions on the pending items.

**INFORMATION ONLY:**

There were no questions on the information items.

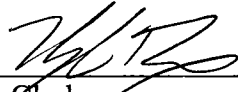
**UPCOMING MEETINGS:**

There were no questions on the upcoming meeting list

At 7:40 Member (**Craig Schafer**) Moved, Member (**Steven Meister**) Seconded to approve the **ORIGINAL** motion 'Adjourn Meeting'. Upon a roll call vote being taken, the vote was: Aye: **6** Nay: **0**. The motion **Carried. 6 - 0**

  
\_\_\_\_\_  
Mayor

Attest:

  
\_\_\_\_\_  
City Clerk