

REGULAR MEETING – JULY 24, 2018

The regular meeting of the Common Council of the City of Marshall was held July 24, 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, Public Works Director/City Engineer; Karla Drown, Finance Director; Rob Yant, Director of Public Safety; Dave Parsons, City Assessor and Kyle Box, City Clerk.

The Pledge of Allegiance was recited at this time.

Approval of Agenda.

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

Consider approval of the minutes from the regular meeting held on July 10, 2018.

Member **James Lozinski** Moved, Member **Steven Meister** Seconded to approve the **ORIGINAL** motion 'that the minutes of the regular meeting held on July 10, 2018 be approved as filed with each member 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.

Council member Bayerkohler requested that item number 6, Consider Resolution Number 4530, Second Series, Authorizing Transfer and Closure of Debt Service Funds 378, 363, 364, 367 and 317, be removed for further discussion.

Member **Craig Schafer** Moved, Member **James Lozinski** 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 a Special Event Permit for Sounds of Summer.

Approval of contracts for National Night Out Event.

Approval of a Temporary 3.2 Percent Malt Liquor license for VFW Post 742.

Approval of the bills/project payments.

Consider Resolution Number 4530, Second Series, Authorizing Transfer and Closure of Debt Service Funds 378, 363, 364, 367 and 317.

Per the 2017 Audit presentation by Kyle Meyers from Abdo, Eick and Meyers, LLC; it was recommended to staff, to close the Debt Service Funds that have matured. The 'Debt Service Funds' were matured (paid in full) as of December 31, 2017. (2002A and 2004C have been previously closed in 2018). Since the time of the audit, these funds have accrued some interest and have collected delinquent taxes. Staff recommend the current amounts plus accrued interest be transferred to Fund 495 "Public Improvement Revolving Fund". (2000B, 2005A, 2006B and 2009A). The Public Improvement Revolving Fund is used to pay for future public improvement

REGULAR MEETING – JULY 24, 2018

projects that are minimal in size and cost or to reduce the needed of bonding amount on improvement related projects. Often this fund is utilized when special assessments will replenish the fund. Debt Service Fund 317, 2008C GO Equipment Certificate, was paid in full as of February 1, 2018. This debt service has matured, and all related costs have been paid. It is recommended by staff to transfer the remaining funds to the Public Improvement Revolving Fund 495 and close the debt service fund.

Council member Bayerkohler pulled the item for further discussion. Finance Director Karla Drown provided information on the item.

There was further discussion by Council to either use the closure of debt services funds to pay off other debt service funds or to move it into a public improvement revolving fund.

City Administrator Sharon Hanson provided information on the long-term debt study and it was recommended to use the funds in a revolving fund.

Council member Meister asked to table the item to gather more information.

Council member DeCramer commented that moving these funds in the Public Improvement Revolving Fund does not limit the City on where they can use the funds.

Member Bayerkohler commented that he would like to see the funds collected for debt service used for debt service.

Director Drown mentioned that any spending out of the 495 Fund must be done by Council via resolution, staff would not be able to use these funds without Council approval.

Member **David Sturrock** Moved, Member **John DeCramer** Seconded to approve the **ORIGINAL** motion 'the adoption of RESOLUTION NUMBER 4530, SECOND SERIES Authorizing Transfer and Closure of Debt Service Funds 378, 363, 364, 367 and 317'. Upon a roll call vote being taken, the vote was: Aye: **5** Nay: **2**. The motion **Passed. 5 - 2** with Meister and Bayerkohler voting no.

Consider Approval of Professional Set Design for Studio 1 Television.

Alex Peterson, Media Communications Specialist introduced the item to Council. Dr. Joseph Ullian, SMSU Assistant Professor of Communication Studies was also in attendance. Professor Ullian commented that the SMSU Foundation will be matching half of the expense. The fiscal impact will be \$10,273.15 from Account 401-40671-5540 (PEG funds).

Member **Steven Meister** Moved, Member **Craig Schafer** Seconded to approve the **ORIGINAL** motion 'Approve request as submitted.'. Upon a roll call vote being taken, the vote was: Aye: **6** Nay: **0** Abstain: **1**. The motion **Passed. 6 - 0 - 1** with Bayerkohler abstaining

City of Marshall Tax Abatement Policy.

The purpose of the City of Marshall Tax Abatement Policy for New Construction of Single and Multi-Family Homes (of 12 units or less) is to provide incentives in Marshall to encourage the

REGULAR MEETING – JULY 24, 2018

construction of new owner occupied and residential rental housing units and increase the value of the future tax base for Marshall taxpayers.

469.1813 ABATEMENT AUTHORITY Subd. 2. Abatement resolution. (a) The governing body of a political subdivision may grant an abatement only by adopting an abatement resolution, specifying the terms of the abatement. In the case of a town, the board of supervisors may approve the abatement resolution. The resolution must also include a specific statement as to the nature and extent of the public benefits which the governing body expects to result from the agreement. The resolution may provide that the political subdivision will retain or transfer to another political subdivision the abatement to pay for all or part of the cost of acquisition or improvement of public infrastructure, whether or not located on or adjacent to the parcel for which the tax is abated. The abatement may reduce all or part of the property tax amount for the political subdivision on the parcel. A political subdivision's maximum annual amount for a parcel equals its total local tax rate multiplied by the total net tax capacity of the parcel.

(b) The political subdivision may limit the abatement:

(1) to a specific dollar amount per year or in total;

(2) to the increase in property taxes resulting from improvement of the property;

(3) to the increases in property taxes resulting from increases in the market value or tax capacity of the property;

(4) in any other manner the governing body of the subdivision determines is appropriate; or

(5) to the interest and penalty that would otherwise be due on taxes that are deferred.

(c) The political subdivision may not abate tax attributable to the area wide tax under chapter 276A or 473F, except as provided in this subdivision.

Tara Onken Director of Economic Development, provided the information on the item.

Council member DeCramer provided discussion from the Economic Development Authority.

Council member Bayerkohler provided information on tax abatement policies from other Cities.

City Assessor David Parsons provided information on how his office would separate the land tax from the increased value. Mr. Parsons mentioned that the intent would be to abate all taxes on the parcel.

Council member Bayerkohler commented on if the policy will be abating tax on new construction and land tax or only new construction.

Council member Lozinski discussed the transfer from developer of the property to a new owner.

City Administrator Sharon Hanson commented that each abatement will require a public hearing and council must approve each by resolution.

There was continued discussion by Council and Staff on policy language.

Member **Craig Schafer** Moved, Member **James Lozinski** Seconded to approve the **AMENDED** motion 'adopt the City of Marshall Tax Abatement Policy with Council revisions to remove

REGULAR MEETING – JULY 24, 2018

'Work Force Housing and Small Cities Development program' from Item number two (2) under eligible participants and to remove the word 'share' from the fourth (4) line under eligible participants. There will not be an application fee associated with this policy.

There was continued discussion from Council.

Member Craig Schafer asked Mayor Byrnes to call the question. Upon a roll call vote being taken, the vote was: Aye: 6 Nay: 1. The motion **Passed. 6 - 1** with Bayerkohler voting no.

Upon a roll call vote being taken, the vote was: Aye: 6 Nay: 1. The motion **Passed. 6 - 1** with Bayerkohler voting no.

Runway 2/20 Mill & Overlay Project / FAA AIP No. 3-27-0056-15-17 / State Project No. A4201-98 – Consider Change Order No. 1 with Duininck, Inc.

Change Order No. 1 resulting in a contract increase of \$10,125.00 as it relates to the placement of a Leveling Course Mix over the existing bituminous pavement to encapsulate the existing crack sealant and fill voids in the existing surface prior to placement of the Wear Course Mixture. The construction portion of the project from Duininck, Inc. was \$592,525.50. The engineering on the project from TKDA is a not to-exceed maximum of \$116,500. Five percent contingency on construction is \$29,626.28. The total project cost is \$738,651.78. Based on the total project cost, participation amounts are as follows: 90% Federal (\$664,786.60), 5% State (\$36,932.59), 5% Local (\$36,932.59).

Glenn Olson Director of Public Works/City Engineer provided information on the item. There was further discussion by Council. Director Olson mentioned that of the \$10,125.00 increase the City of Marshall is responsible for 5% (\$506.25) of that cost.

Member **David Sturrock** Moved, Member **John DeCramer** Seconded to approve the **ORIGINAL** motion 'that the Council approve Change Order No. 1 with for the above-referenced project with Duininck, Inc. of Prinsburg, Minnesota, resulting in a contract increase of \$10,125.00.'. Upon a roll call vote being taken, the vote was: Aye: 7 Nay: 0. The motion **Carried. 7 - 0**

Request for Out-of-State Travel – MAASTO Conference (Mid America Association of State Transportation Officials) in Traverse City, Michigan – August 27-30, 2018.

Member **John DeCramer** Moved, Member **James Lozinski** Seconded to approve the **ORIGINAL** motion 'that the Council authorize of out-of-state travel for Director of Public Works Glenn Olson to attend the MAASTO Conference (Mid America Association of State Transportation Officials) in Traverse City, Michigan – August 27-30, 2018.'. Upon a roll call vote being taken, the vote was: Aye: 7 Nay: 0. The motion **Carried. 7 - 0**

REGULAR MEETING – JULY 24, 2018

Commission/Board Liaison Reports

Byrnes Regional Development Commission held their annual meeting.

Schafer MERIT Center met and is looking over the bylaws and related ordinances.

Meister Economic Development Authority met and commented on the lack of bids for Parkway II.

Bayerkohler No Report.

DeCramer Utilities Commission met and discussed building plans for water softening project that has been approved for grant submission.

Economic Development Authority met and discussed a Small Cities Grant and sold land within Parkway III.

Sturrock No Report.

Lozinski No Report.

Councilmember Individual Items

Council member Lozinski, discussed the flood event on July 3. Member Lozinski discussed having a joint meeting with Lyon County. Lozinski mentioned the progress on the Tax Abatement Policy.

Council member Sturrock commented on the flood event within Ward 2. Member Sturrock provided discussion from Broadmoor Valley meeting. Council member Sturrock will attend a Coalition of Greater Minnesota Cities event and will accept an award. Member Sturrock will be meeting with representatives in the Minnesota legislature to discuss the Corridors or Commerce policy.

Council member Schafer discussed the flood event on July 3.

Council member Meister commented on potential use of pervious concrete.

Council member Bayerkohler discussed the status of the Rental Housing issues. City Attorney Dennis Simpson commented that he is gathering that information.

City Administrator

City Administrator Sharon Hanson mentioned that Staff will be meeting with FEMA representatives to discuss the July 3 event. Administrator Hanson mentioned County Rd. 7 and there is not an updated timeline and may require a Corps of Engineer's Permit. Hanson mentioned the MERIT Center bonding funds that the City was awarded and what the next steps for the MERIT Center are. Administrator Hanson discussed the change to the Administrative Brief.

REGULAR MEETING – JULY 24, 2018

Director of Public Works

Director of Public Works/City Engineer Glenn Olson provided information regarding the July 3, 2018 flood event. Director Olson mentioned a preconstruction conference will be held on July 25, 2018 to discuss a J-turn project on Hwy. 23.

City Attorney

City Attorney Dennis Simpson discussed selling of land in Parkway III, which is owned by the Housing and Redevelopment Authority. The City is also seeking to purchase property which is subject to Council approval.

Pending Items

There were no questions on the pending items.

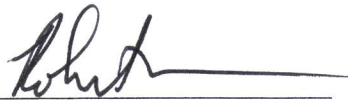
Information Only

There were no questions on the information items.

Upcoming Meetings

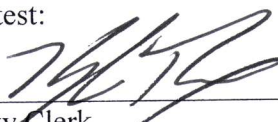
There were no questions on the upcoming meeting list.

At 7:18 P.M., Member **David Sturrock** Moved, Member **Steven Meister** Seconded to approve the **ORIGINAL** motion 'Adjourn Meeting'. Upon a roll call vote being taken, the vote was: Aye: 7 Nay: 0. The motion **Carried. 7 - 0**



Mayor

Attest:



City Clerk