



CITY COUNCIL MINUTES

COUNCIL CHAMBERS

TUESDAY, SEPTEMBER 14,
2021

6:00 PM

Call to Order/Roll Call/Pledge of Allegiance

The regular meeting of the City Council was called to order by Mayor Kevin Voracek at 6:00pm. Councilors Sara Caron, Royal Ross, Peter van Sluis, Tom Spooner, Janna Viscomi and Jon Wood were in attendance. Also in attendance was City Administrator Tim Murray, Assistant to the City Administrator Heather Slechta, Parks and Recreation Director Paul Peanasky, Public Works Director Travis Block, City Engineer Mark DuChene, Community and Economic Development Director Deanna Kuennen, Police Chief Andy Bohlen, Fire Chief Dustin Dienst, Library Director Delane James and Finance Director Jeanne Day.

Presentations/Introductions – None

Approve minutes of the August 24, 2021 City Council Meeting

Motion by Ross, seconded by van Sluis to approve the minutes of the August 24, 2021 City Council Meeting and carried unanimously.

Consent Agenda

- A. List of Claims for Release
- B. Resolution 2021-186 Approve Appointment of Committee, Board, and Commission Members
- C. Resolution 2021-187 Declare Costs to be Assessed and Establish Special Assessment Hearing for the 2021 Street Overlay and Sidewalk Improvements - Contract 2021-02
- D. Resolution 2021-185 Accept Donations to Parks and Recreation Department
- E. Resolution 2021-189 Approve Massage Therapist License
- F. Approve Golf Cart/Recreational Vehicle Permit for 2021-2024
- G. Resolution 2021-190 Accept Donation Made by Caden Steeves and Parker Breyer
- H. Approve Contract Employment Agreement with Kim Clausen
- I. Resolution 2021-191 Accept Donation to Buckham Memorial Library
- J. Resolution 2021-192 Approve Street Closure Application for Cry Baby Craig's
- K. Resolution 2021-193 Approve American Rescue Plan Grant Application
- L. Resolution 2021-194 Approve Street Closures for Faribault High School Homecoming Parade
- M. Approve Utility Locate Ticket Software Agreement with KorTerra
- N. Resolution 2021-196 Approve Street Closures for CROP Hunger Walk

Motion by Spooner, seconded by Wood to approve Consent Agenda items A-N and carried unanimously.

Requests to be Heard – None

Public Hearings – None

Resolution 2021-189 Adopting Special Assessments for 2020 MSA Street Reconstruction and Buckham Center Parking Lot Improvements - Contract 2020-04

City Engineer Mark Duchene informed the Council that Resolution 2021-174, adopted on August 24, 2021, declared the cost to be assessed and set a special assessment hearing date of September 14, 2021 for the 2020 MSA Street Reconstruction and Buckham Center Parking Lot Improvements project-Contract 2020-04. Notices of the hearing were sent to the benefiting properties and published in the Daily News as required by law.

The assessment rates for street reconstructions for 2020 projects are as follows, as adopted by Resolution 2018-227, subject to credits per City policy.

Street Reconstruction	
Low Density Residential Property	\$75.50/l.f.
High Density Residential Property	\$83.00/l.f.
Commercial/Industrial/Institutional Property	\$90.00/l.f.

The special assessment roll proposes to assess a total of 11 parcels in the amount of \$89,460.22, out of a total estimated project cost of \$1,511,550. The assessments will be payable over a period of fifteen (15) years with an interest rate of 3.15%. DeChene pointed out that the assessments levied against Faribault Division, LLC are to be paid by the City of Faribault per the Hillside Apartment development agreement.

Motion by Ross, seconded by van Sluis to open the public hearing and carried unanimously. The public hearing opened at 6:05pm.

No comments were received from the public.

Motion by Spooner, seconded by van Sluis to close the public hearing and carried unanimously. The public hearing closed at 6:05pm.

Motion by Spooner, seconded by Wood to approve Resolution 2021-189 Adopting Special Assessments for 2020 MSA Street Reconstruction and Buckham Center Parking Lot Improvements - Contract 2020-04 and carried unanimously.

Items for Discussion

Resolution 2021-182 Adopting the 2022 Preliminary Property Tax Levy and Establishing the Budget Meeting Date, Resolution 2021-183 Approving the Faribault Housing and Redevelopment Authority Preliminary Property Tax Levy for Fiscal Year 2022 and Resolution 2021-184 Approving the Faribault Economic Development Authority Preliminary Property Tax Levy for Fiscal Year 2022

Finance Director Jeanne Day presented the 2022 Preliminary Property Tax Levy as well as the Preliminary Property Tax Levies for the Housing and Redevelopment Authority and the Economic Development Authority. Day explained that over the past three months, the City Council has reviewed the preliminary budget for various levy-supported funds, to include the General Fund, Community Development, Airport, Capital Improvements and Debt Service Funds. Based upon these discussions, a preliminary levy amount of \$10,754,534 was recommended, which is an increase of \$592,268 or 5.83%, from the 2021 levy. Due to growth and development that has occurred within the city over the past year and an increase of 6.09% to the City's Net Tax Capacity, the resulting tax rate will decrease from 52.547% to 52.418%. State Statute 275.065 Subd. 1 requires the City Council to set a preliminary levy and certify the amount to the County Auditor by September 30, 2021. The levy cannot be increased, but it can be decreased, for final certification in December.

Day explained that the City of Faribault Housing and Redevelopment Authority (HRA) has separate taxing authority provided by Minnesota Statutes. As provided by law, the HRA can levy not more than 0.0185 percent of the taxable market value or a total of \$309,820 for 2022. The HRA requested the maximum levy allowable for 2022. The Economic Development Authority (EDA) of Faribault has requested that the City of Faribault levy a tax in 2022 for the benefit of the EDA as allowed under Minnesota Statutes 469.107, Subd. 1. The amount of the tax levied may not exceed 0.01813 percent of the estimated market value or \$303,623 in 2022. The EDA also requested the maximum levy allowable for 2022. The preliminary EDA and HRA tax levy must be certified to the County Auditor by September 30, 2021.

The Truth-in-Taxation law requires that the City Council select and announce a future meeting date to review the final budget and that date must be established at the preliminary levy meeting. The final budget must be approved and the levy certified to the County Auditor by December 28, 2021. The final budget can receive input from the public and be approved by the Council at the same meeting. It was recommended that the Council approve the final budget and tax levy at the December 14, 2021 Council meeting.

Motion by Spooner, seconded by Caron to approve Resolution 2021-182 Adopting the 2022 Preliminary Property Tax Levy and Establishing the Budget Meeting Date and carried unanimously.

Motion by Wood, seconded by Viscomi to approve Resolution 2021-183 Approving the Faribault Housing and Redevelopment Authority Preliminary Property Tax Levy for Fiscal Year 2022 and carried unanimously.

Motion by van Sluis, seconded Wood to approve Resolution 2021-184 Approving the Faribault Economic Development Authority Preliminary Property Tax Levy for Fiscal Year 2022 and carried unanimously.

Ordinance No. 2021-6 Annexing Land Owned by the City in Wells Township - Second Reading;
Ordinance No. 2021-7 Annexing Land Owned by the City Warsaw Township - Second Reading and
Ordinance No. 2021-8 Annexing Land Owned by the City in Walcott Township - Second Reading

At the August 24, 2021 City Council meeting the Community and Economic Development Director Deanna Kuennen presented Ordinance No. 2021-6, Ordinance No. 2021-7 and Ordinance No. 2021-8 to the Council for consideration. Since that meeting there have been no comments received from the public regarding the annexing of land owned by the City in Wells, Warsaw and Walcott townships. The Townships were in support of these annexations. There have been no changes to the ordinances since their first reading.

Motion by Ross, seconded by van Sluis to approve Ordinance No. 2021-6 Annexing Land Owned by the City in Wells Township - Second Reading

Roll Call Vote:

Aye: Councilor Caron, Ross, van Sluis, Spooner, Viscomi, Wood and Mayor Voracek

Nay:

Motion carried 7:0

Motion by van Sluis, seconded by Wood to approve Ordinance No. 2021-7 Annexing Land Owned by the City Warsaw Township - Second Reading

Roll Call Vote:

Aye: Councilor Caron, Ross, van Sluis, Spooner, Viscomi, Wood and Mayor Voracek

Nay:

Motion carried 7:0

Motion by Spooner, seconded by Caron to approve Ordinance No. 2021-8 Annexing Land Owned by the City in Walcott Township - Second Reading

Roll Call Vote:

Aye: Councilor Caron, Ross, van Sluis, Spooner, Viscomi, Wood and Mayor Voracek

Nay:

Motion carried 7:0

Approve Summary Publication of Ordinances No. 2021-6, No. 2021-7 and No. 2021-8

Motion by Ross, seconded by Spooner to Approve Summary Publication of Ordinances No. 2021-6, No. 2021-7 and No. 2021-8 and carried unanimously.

Resolution 2021-195 Approve Appeal of Heritage Preservation Commission's Denial of Certificate of Appropriateness for Building Demolition at 633 1st Street SE (Johnston Hall)

Community and Economic Development Director Deanna Kuennen informed the Council that the Heritage Preservation Commission (HPC) held a Special Meeting on Wednesday, September 8, 2021 to consider the request from Allina Health Systems, for a Certificate of Appropriateness for the demolition of Johnston Hall. Kraus Anderson Construction, on behalf of Allina Health Systems applied for a demolition permit on September 3, 2021. Johnston Hall is an historic structure listed on the National Register of Historic Places. Minnesota State Rules provide that the local heritage preservation commission must review requests for demolition of listed structures prior to demolition.

The demolition request was submitted based on the results of a recent Condition Assessment prepared by Meyer Borgman Johnson, Structural Design + Engineers. Per the report, the deteriorated conditions of the building have created concerns about the immediate safety and stability of the bell tower. The report concludes that immediate action is needed to prevent possible damage to property or persons by a sudden collapse of the tower. The Condition Assessment was submitted to the City of Faribault, and reviewed by the Building Official. The Building Official also concluded that the current condition of the bell tower creates a hazardous structure, unsafe condition, and an environment that requires immediate abatement in accordance with MN Statutes, Section 463.15 to 463.26.

At the HPC meeting, the HPC members considered the request and voiced their concerns over the lack of maintenance - specifically citing a 2010 Building Condition Assessment that included recommended repairs and an annual maintenance plan that was presumably not followed. The members also referenced "demolition by neglect", which refers to intentionally allowing a property to deteriorate to the point that it cannot be saved. It was also pointed out that settlement issues with the tower are documented back to the 1980's - and efforts to reinforce or repair the bell tower may have helped some, but did not stop the continual deterioration. The HPC suggested that since the Condition Assessment focused on the imminent danger of the tower and not necessarily the entire building, they would not support approving a Certificate of Appropriateness for the demolition of the entire building. They encouraged Allina Health Systems to reconsider and reapply for the demolition of the bell tower only - voting to deny the Certificate of Appropriateness with a 5-0 vote (with one abstention).

Following the HPC meeting, an appeal of the denial of the Certificate of Appropriateness was received. Section 13-360 of the Unified Development Ordinance states that a person adversely affected by any determination made by the HPC relative to the denial of a Certificate of Appropriateness, has fifteen (15) days to appeal the decision to City Council. The appeal references the imminent danger documented in the engineering analysis results and Allina Health's need to move swiftly to mitigate safety risks to employees, patients, community, and facilities. The letter also outlines the immediate actions that Allina Health has taken to maintain a safe and secure environment while seeking to resolve the issues - and how those measures are impacting patient care and operations. The letter goes on further to request terminating the existing Redevelopment Management Agreement extension, set to expire on December 10, 2021. The Redevelopment Management Agreement was originally executed in 2018, providing the City with an opportunity to seek a redeveloper for Johnston Hall prior to its demolition, and extended in June 2021 for an additional six months. No redeveloper and no reuse has been identified.

If the City Council elects not to grant the appeal, it must be noted that the public health and safety issue still exists as identified by the Building Official. The City will be obligated to take enforcement action to abate or mitigate the hazard.

Councilor Ross asked if the HPC has ever issued a Certificate of Appropriateness for a demo permit since this is the second time that a denial was issued for a demolition, Kuennen was unsure of this and will look into it. Councilor Wood was able to tour Johnston Hall prior to the meeting, he stated that the inside of the building has been remodeled over the years, and that he felt that there was nothing of historic significance in the building.

John Rued, Building Official, responded to a question regarding the mortar that was used. The mortar was the wrong type to use, as it was very porous. Rued was unsure of other locations on the building the mortar was used other than on the tower.

Councilor van Sluis stated that he did not like to demo buildings, however, would there be no guarantee that building would be fixed. Councilor Caron was not in favor of the demolition of the building, she would compromise and support just removing the tower. Councilor Spooner would not vote to put tax money into this building, the hospital's responsibility is to provide low-cost health care, removing the building is the best solution that we have. Councilor Viscomi felt that the Council has done their due diligence and tried everything they could to save the building. Councilor Ross applauded Karl Vohs, Mr. Sauer, and the HPC for what they do; it is not easy, and a lot of effort went into trying to save this building. Ross stated that a better system should be put in place going forward to save these buildings. Mayor Voracek stated that he would support removal of the bell tower as a

compromise.

Karl Vohs, HPC, stated that Johnston Hall has been on the HPC agenda for the last 20 years, the tower is what is causing the danger, he would be in favor of removing the tower and keeping the building intact. David Sauer, HPC, stated that we are lucky to have inherited a historical community and urged the Council to consider what will be done to future buildings.

Richard Berge, Hospital Trustee Chairperson, stated that the mission statement of the hospital is to provide exceptional care to patients and that money should be spent meeting that mission of the hospital. Mr. Berge stated that the hospital has spent nearly \$40,000,000 so far to meet the mission for the Faribault community. The Board of Trustees supports the demolition of Johnston Hall.

Michael Johnston, President of Alina Hospitals in Faribault/Owatonna stated that he requested the study to be completed and was in full support of extending the contract with the City until December of 2021. However now that the condition of Johnston Hall has been verified, healthcare dollars need to be spent on healthcare.

Motion by Spooner, seconded by Wood to approve Resolution 2021-195 Approve Appeal of Heritage Preservation Commission's Denial of Certificate of Appropriateness for Building Demolition at 633 1st Street SE (Johnston Hall)

Roll Call Vote:

Aye: Councilor Ross, van Sluis, Spooner, Viscomi, Wood

Nay: Councilor Caron and Mayor Voracek

Motion carried 5:2

Bids - None

Boards and Commissions Reports, Announcements and Project Updates

Councilor Wood informed the Council of the new billboard advertising Faribault that is located on I-35.

Councilor Ross reminded the Council of the car show at Harley-Davidson on Friday night.

Councilor van Sluis has had discussions with Parks and Recreation Director Paul Peanasky regarding hanging banners celebrating our veterans, this project would be a partnership between the City, DAV, Legion and Elks.

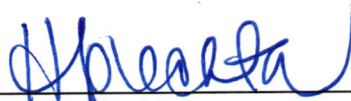
Mayor Voracek reminded the Council of the Flea Market at the Rice County Historical Society on Saturday.

Adjournment

Motion by Ross, seconded by van Sluis to adjourn the City Council meeting and carried unanimously.

Meeting adjourned at 7:06pm.

Respectfully Submitted,



Heather Slechta

Assistant to the City Administrator