



CITY COUNCIL MINUTES

COUNCIL CHAMBERS

SEPTEMBER 28, 2021

6:00 PM

Call to Order/Roll Call

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 and Finance Director Jeanne Day.

Presentations/Introductions – None

Approve minutes of September 14, 2021 Regular City Council Meeting

Motion by Ross, seconded by Caron to approve the minutes of the September 14, 2021 Regular City Council Meeting and carried unanimously.

Consent Agenda

- A. List of Claims for Release
- B. Resolution 2021-203 Declare Costs to be Assessed and Establish Special Assessment Hearing for 2021 Street Reconstruction Improvements - Contract 2021-03
- C. Resolution 2021-204 Declare Costs to be Assessed and Establish Special Assessment Hearing for the 2020 13th Street NW Extension Improvements - Contract 2020-05
- D. Resolution 2021-197 Approve Alley Closure and Use of Central Avenue Sidewalks for Fall Festival Chili Cook-Off and Celebration
- E. Resolution 2021-198 Approve Street Closures for Winterfest Celebration
- F. Resolution 2021-199 Approve Use of North Alexander Park and City Trail for Spooktacular Walk/Run
- G. Resolution 2021-200 Approve Street Closures for Bethlehem Academy Homecoming Parade
- H. Resolution 2021-201 Accept Donation to Parks and Recreation Department
- I. Approve Temporary Use of City Property Agreement
- J. Resolution 2021-206 Approve Public Purpose Expenditure/Purchasing Policy
- K. Resolution 2021-208 Authorize Payment as Recommended by the Charitable Gambling Board to the Faribault Parks and Recreation Department
- L. Resolution 2021-209 Approve Massage Therapist License

Motion by van Sluis, seconded by Viscomi to approve consent agenda items A-L and carried unanimously.

Requests to be Heard – None

Public Hearings

Ordinance No. 2021-9 Amending Appendix A, Article II of the City Code of Ordinances Regarding Utility Franchise Fees - First Reading

City Engineer Mark DuChene explained that at both the July 20 and August 31, 2021 City Council Work Sessions, the City Council reviewed a draft proposal to increase utility franchise fees as an alternative to levying special assessments for traditional pavement management street improvement projects, as well as to develop a rebate program for the portion of the franchise fee increase allocated to street improvement projects for those properties who have an active and eligible previous street improvement project assessment, regardless if they have paid any or all of their assessment off. The proposed franchise fee increases are expected to generate approximately \$1.5M annually to be used for street improvement projects with special assessments no longer used for typical street reconstructions and mill and overlay projects including sidewalk construction. The rebate policy will be

formally brought back before the City Council for approval pending the approval of the second reading of the franchise fee ordinance. Additionally, a notice of the ordinance hearing was included in the September City utility bills as well as posted in the Faribault Daily News, the City Website and Facebook pages, and copies were sent to each of the four utility companies.

DuChene reviewed the pro's and con's of using franchise fees rather than special assessments, the pro's included more local control, all utility account holders pay regardless of tax status, it is stable and predictable, and there is equality between years and property sizes, however, it is another fee, there could be opposition from tax exempt properties and it is annual rather than intermittent. The costs to utility bills, gas and electric, would be \$5.00 for residential, \$20.00 for small commercial and industrial and \$100.00 for large commercial and industrial accounts. DuChene also reviewed the rebate program.

Motion by Ross, seconded by Spooner to open the public hearing and carried unanimously. The public hearing was opened at 6:12pm.

Christine Anderson, Attorney for Greater MN Gas stated that they will comply with the franchise fee increase, however, she cautioned the Council about such a dramatic increase as well as the timing of the increases occurring in January when gas/electric consumption tends to be higher. She also voiced concerns that the fees could hamper development and those in lower income brackets tend to bear the burden of the increase. She also noted that these fees are not set cooperatively between the City and utility company as stated in the FAQ Sheet.

Motion by Viscomi, seconded by van Sluis to close the public hearing and carried unanimously. The public hearing was closed at 6:22 pm.

DuChene noted that he spoke with the CEO's of the larger properties where Greater MN Gas serves, and they commented that they liked knowing what they were going to pay each month rather than being hit with a large assessment. Mayor Voracek commented that this was more equitable and balanced out more. Councilor Ross asked how many other communities are using this in lieu of assessments, DuChene stated that there are a few--Northfield just adopted a similar policy. Ross further stated that he liked that this was spread over non-taxed land, as it brings the cost down for all residents. Councilor Viscomi asked if this could be taken away similar to the cable franchises, City Administrator Tim Murray explained that the cable companies have not taken any fees away from the Cities at this time. City Attorney Scott Riggs commented that the state legislature could take the ability to receive franchise fees away. Viscomi requested that Staff be sure that everyone understands this process. Councilor Spooner liked that it was fair and equitable. Councilor Caron asked if DuChene spoke with any non-profits about this, DuChene stated that has not heard from any, however, he assumed that they would appreciate a monthly fee rather than being hit with a large assessment.

Motion by Ross, seconded by Wood to approve Ordinance No. 2021-9 Amending Appendix A, Article II of the City Code of Ordinances Regarding Utility Franchise Fees - First Reading

Roll Call Vote:

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

Nay:

Motion carried 7:0

Items for Discussion

Resolution 2021-202 Approving a Conditional Use Permit for a 1080 Square Foot Garage at 1222 1st St. NE

Community and Economic Development Director Deanna Kuennen explained that Lawrence Muehlenbein, owner and occupant of the home at 1222 1st St. NE, applied for a conditional use permit (CUP) to construct a 1080 square foot garage for personal use. The 8.3-acre property has a single-family dwelling with an attached three-car garage with a paved driveway. The proposed garage will be 30 feet wide by 36 feet deep and accessed by a paved driveway extension. The proposed garage will be 20 feet to the west of the home, 205 feet from the west property line and about 22 feet from the north property line. Surrounding uses include a church and similar large-lot single-family home sites. The property is zoned R-1, Single Family Residential District.

The Planning Commission at its meeting of September 20, 2021, held a public hearing to consider this application. The commission members received a staff report recommending approval of the conditional use permit request. No one from the public was present at the meeting and the City did not receive any comments from the public prior to the meeting. The Planning Commission members felt the proposal was in character with other home sites in this area. They concurred with the staff recommendation and agreed that the placement of the proposed garage should not be regulated as a front yard area under the zoning ordinance. By a vote of 5-0, the Planning Commission approved the findings in favor of the application and recommended City Council approval of the conditional use permit as proposed.

Motion by van Sluis, seconded by Wood to approve Resolution 2021-202 Approving a Conditional Use Permit for a 1080 Square Foot Garage at 1222 1st St. NE and carried unanimously.

Bids

Resolution 2021-205 Accept Bids for 2021 Miscellaneous Valve & Hydrant Replacement - Contract 2021-07

City Engineer Mark DuChene explained that on Wednesday, September 22, 2021, bids were received for the proposed 2021 Valve & Hydrant Replacement, Contract 2021-07. This project consists of removing and replacing defective water and sewer valves around the city as well as including the installation of two new water sampling stations.

The bids were tabulated as follows:

BCM Construction Inc., Faribault, MN	\$120,900.00
Heselton Construction, Faribault, MN	\$136,974.95
Engineer's Estimate	\$145,660.00

Based on the low bidder's prices, the estimated funding is as follows (includes contingencies and engineering fees):

Water (601) Fund	\$116,700.00	77%
Sewer (602) Fund	\$ 34,500.00	23%
Total	\$151,200.00	100%

It was recommended to award to the low bidder, BCM Construction Inc. Construction is anticipated to be completed this year.

Motion by Spooner, seconded by van Sluis to approve Resolution 2021-205 Accept Bids for 2021 Miscellaneous Valve & Hydrant Replacement - Contract 2021-07 and carried unanimously.

Resolution 2021-207 Accept Bids for Well House No.5 Rebuild

Public Works Director Travis Block requested that the Council accept bids for Well House No. 5 rebuild project. Block explained that on Tuesday, September 21, 2021, bids were received for the Well House No.5 Rebuild Project. The project is for the construction of a well house floor, foundation and electric components for the well. The well house will replace the one that was destroyed by flooding when a pipe failed. Block noted that the well pump and motor were not damaged during the flood.

Four bids were received and were tabulated as follows:

The Joseph Company Inc., Austin, MN	\$ 531,000.00
Municipal Builders Inc., Nowthen, MN	\$ 597,716.00
Met Con Construction Inc., Faribault, MN	\$ 619,000.00
Magney Construction Inc., Chanhassen, MN	\$ 760,000.00
Engineer's Estimate	\$ 538,726.00

The improvements were ordered at the August 24, 2021 Council meeting. It was recommended to award to the low bidder, The Joseph Company Inc., Austin, MN. The project is scheduled to begin in November with final completion in June 2022.

Councilor Spooner stated that a major cost is just hooking it up, Block informed the Council that approximately \$180,000 is in electrical work and components.

Motion by Ross, seconded by Caron to approve Resolution 2021-207 Accept Bids for Well House No.5 Rebuild and carried unanimously.

Boards and Commissions Reports, Announcements and Project Updates

The Monthly Financial Report was provided to the Council prior to the meeting as part of the meeting materials/packets.

Councilor Spooner reported that the open house at the airport was a nice time.

Councilor Ross informed the Council of the upcoming chili cook-off downtown on Saturday from 12pm-3pm, a \$5.00 donation is requested to try all of the chili's in the competition.

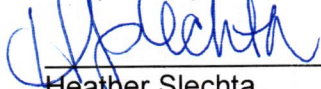
Mayor Voracek stated that Cry Baby Craig's officially opened last Saturday.

Adjournment

Motion by Ross, seconded by Viscomi to adjourn the meeting and carried unanimously.

Meeting adjourned at 6:43pm.

Respectfully Submitted,



Heather Slechta
Assistant to the City Administrator