



CITY COUNCIL MINUTES

COUNCIL CHAMBERS

TUESDAY, APRIL 11, 2023

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 6:00 p.m. Councilors Sara Caron, Adama Doumbouya, Peter van Sluis, Tom Spooner, and Chuck Thiele were in attendance. Councilor Royal Ross was absent. Also in attendance were City Administrator Tim Murray, City Clerk Heather Slechta, Parks and Recreation Director Paul Peanasky, City Engineer Mark DuChene, Public Works Director Travis Block, Human Resources Director Kevin Bushard, Finance Director Jeanne Schmuck, Community & Economic Development Director David Wanberg and Police Chief John Sherwin.

Presentations/Introductions

Police Chief John Sherwin introduced Police Officer Nolan Vikla to the Council and his badge was pinned by one of the Rice County Deputy's.

Mayor Voracek presented the Poppy Days Proclamation to Jeanette Hammond. The Auxiliary will be distributing poppies on May 17th and 18th.

Mayor Voracek presented National Library Week Proclamation to members of the Library Advisory Board and Friends of the Library. There will be an open house on April 26th from 6:00-7:30 p.m.

Approve minutes of the March 28, 2023 City Council Meeting

Motion by van Sluis, seconded by Spooner to approve the March 28, 2023 City Council Meeting Minutes and carried unanimously.

Consent Agenda

- A. List of Claims for Release
- B. Resolution 2023-068 Approve Street Closures for Mental Health Awareness Walk
- C. Resolution 2023-069 Accept Donations to the City of Faribault
- D. Approve Use of City View Park for the American Radio Relay League Field Day
- E. Approve Use of Teepee Tonka Park for Car Show
- F. Resolution 2023-070 Renumber Approved Resolutions Related to F2F, Inc. MIF and JCF Applications
- G. Resolution 2023-073 Rescind Resolution 2023-026 Regarding a Conditional Use Permit for a K-12 School at 201 Lyndale Avenue
- H. Resolution 2023-077 Support of HF1285 to Remove the Income Restrictions for TIF in Nonmetropolitan Counties of Minnesota
- I. Resolution 2023-079 Approve Hiring Water Sewer Operator
- J. Accept Quote for Fuel System Repair
- K. Resolution 2023-080 Support of SF 3087/HF 2560 Amendments for Appropriation

Request for the Purpose of Creating a Study and Plan of a Regional Transit Management Organization for Southeastern Minnesota

- L. Resolution 2023-081 Approve Public Purpose Expenditure and Purchasing Policy
- M. Accept Quote for Sanitary Sewer Main Repairs
- N. Approve Application and Permit for a 1 to 4 Day Temporary On-Sale Liquor License
- O. Approve Deviation from the Utility Billing Policy

Motion by Spooner, seconded by Caron to approve Consent Agenda A-O and carried unanimously.

Requests to be Heard – None

Public Hearings

Resolution 2023-075 Order Improvements and Order Preparation of Plans and Specifications for 2023 MSA Street Overlay Improvements - City Contract 2023-03

City Engineer Mark DuChene stated that Resolution 2023-075 orders the improvements for the proposed 2023 MSA Street Overlay improvements project - Contract 2023-03, by curb and gutter replacement, concrete sidewalk replacement, storm sewer repair, casting adjustment/replacement, pavement milling, bituminous paving, pavement markings, and related improvements on the following streets:

14th Street NW (2nd Avenue NW to Central Avenue)
2nd Avenue NW (4th Street NW to 14th Street NW)

DuChene stated that the purpose of the hearing was to take public comment as part of the consideration by the Council in ordering the improvements. DuChene stated that if the project was ordered, plans and specifications will be finalized and brought back to the Council for approval, along with the request for authorization to advertise for public bids.

Due to the popularity of virtual neighborhood meetings in the last few years, where property owners can view a presentation online at their leisure rather than having to come in for one specific time, a virtual neighborhood meeting was held and people were encouraged to contact the City Engineer directly with any questions after viewing the virtual open house. Only one property owner contacted the City Engineer with questions about project timing and coordination of private improvements.

It is estimated that the total cost of the improvements will be \$1,520,000.00 including engineering fees and contingencies. The City was also awarded \$600,000 from the LRIP for the 2nd Avenue portion of the project.

MSA Funds	\$ 861,000.00
LRIP Grant	\$ 600,000.00
Water Utility Fund	\$ 21,000.00
Sanitary Sewer Utility Fund	\$ 38,000.00
Total	\$ 1,520,000.00

As detailed in the feasibility report, there are no special assessments proposed as part of this project as revenues for the street improvement fund are designated to come from the franchise fee increases. Construction is scheduled to begin in July, after Heritage Days, with substantial completion by the end of August 2023.

Councilor van Sluis asked how traffic will be routed during the construction, DuChene stated that there will be little interruption of traffic during the project.

Motion by van Sluis, seconded by Thiele to open the public hearing and carried unanimously. The public hearing was opened at 6:18 p.m.

No comments were received from the public.

Motion by Spooner, seconded by Doumbouya to close the public hearing and carried unanimously. The public hearing was closed at 6:19 p.m.

Motion by van Sluis, seconded by Doumbouya to approve Resolution 2023-075 Order Improvements and Order Preparation of Plans and Specifications for 2023 MSA Street Overlay Improvements - City Contract 2023-03 and carried unanimously.

Resolution 2023-082 Authorizing the Issuance, Sale, and Delivery of Multifamily Housing Revenue Obligations for the Benefit of Greenwood MDG Limited Partnership; Approving a Housing Program; and Authorizing the Execution and Delivery of Documents Related Thereto

Finance Director Jeanne Schmuck explained that Greenwood MDG Limited Partnership, a Minnesota limited partnership proposed to acquire, rehabilitate, and equip a 51-unit existing multifamily housing development and facilities functionally related and subordinate thereto located at 901 Greenwood Place, Faribault, Minnesota, for occupancy by individuals and families of low and moderate income-the "Project". In order to finance the Project, Greenwood MDG Limited Partnership requested that the City of Faribault issue several series of tax-exempt and taxable conduit revenue obligations, "Obligations", in an estimated principal amount not to exceed \$10,408,100.

The Obligations will be considered "housing bonds" issued pursuant to Minnesota Statutes, Chapter 462C, as amended (the "Act"). Pursuant to Section 462C.04, subdivision 2 of the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the City Council is required to conduct a public hearing on the issuance of the Obligations. Following the public hearing, the City Council will be asked to consider Resolution 2023-082, which provides final approval for the issuance of the Obligations, adopts a housing program required under Section 462C.04, subdivision 2 of the Act, and authorizes the execution of loan documents and related documents.

Red Stone A7 II LLC has agreed to act as underwriter for a portion of the Obligations (the "Bonds"), and the Bonds will be issued under an Indenture of Trust between the City and U.S. Bank Trust Company, National Association (the "Bond Trustee"). The remainder of the Obligations (the "Notes") will be purchased by Legacy Bonds LLC (the "Note Lender"). Greenwood MDG Limited Partnership repayment obligations with respect to the Notes are expected by the parties to be subordinate to Greenwood MDG Limited Partnership repayment obligations with respect to the Bonds. Separate financing documents have been prepared for the Bonds and for the Notes. However, the City, Greenwood MDG Limited Partnership, the Bond Trustee, and the Note Lender will all execute one Regulatory Agreement to ensure the Greenwood MDG Limited Partnership's compliance with certain federal and state requirements applicable to the Project.

The Obligations will be secured solely by the revenues derived from the loan agreements to be executed by the City and Greenwood MDG Limited Partnership and from other security provided by Greenwood MDG Limited Partnership, including promissory notes, mortgages, guaranties, and

a pledge of tax credit equity. The Obligations will not constitute a general or moral obligation of the City and will not be secured by or payable from any property or assets of the City, other than the interests of the City in the Loan Agreements, and will not be secured by any taxing power of the City. The Obligations will not be subject to any debt limitation imposed on the City, and the issuance of the Obligations will not have any adverse impact on the credit rating of the City, even in the event that Greenwood MDG Limited Partnership encounters financial difficulties with respect to the Project.

The Obligations have received an allocation of bonding authority from the State of Minnesota in the amount of \$5,908,100 pursuant to the requirements of Section 146 of the Code. The maximum principal amount of the Obligations to be issued on a tax-exempt basis may not exceed \$5,908,100, Tax-Exempt Obligations. The Tax-Exempt Obligations will be "private activity bonds" within the meaning of Section 141(a) of the Code but will be "exempt facility bonds" the net proceeds of which are to be used to provide a "qualified residential rental project" within the meaning of Sections 142(a)(7) and 143(d) of the Code and will not affect the City's ability to designate up to \$10,000,000 in tax-exempt bonds as "qualified tax-exempt obligations" for calendar year 2023.

Greenwood MDG Limited Partnership will agree to pay the out-of-pocket expenses of the City with respect to this transaction as well as the City's administrative fee.

Motion by Spooner, seconded by Thiele to open the public hearing and carried unanimously. The public hearing was opened at 6:21 p.m.

There were no comments received from the public.

Motion by van Sluis, seconded by Doumbouya to close the public hearing and carried unanimously. The public hearing closed at 6:21 p.m.

Motion by Spooner, seconded by Caron to approve Resolution 2023-082 Authorizing the Issuance, Sale, and Delivery of Multifamily Housing Revenue Obligations for the Benefit of Greenwood MDG Limited Partnership; Approving a Housing Program; and Authorizing the Execution and Delivery of Documents Related Thereto and carried unanimously.

Items for Discussion

Resolution 2023-074 Approve a Conditional Use Permit for a K-12 Charter School at 128 8th Avenue NW

Community and Economic Development Director David Wanberg stated that on February 14, 2023, the City approved a conditional use permit for Surad Academy Charter School at Faribo Town Square. The Surad Academy Charter School is now requesting a new conditional use permit to locate the charter school at 128 8th Avenue NW, rather than Faribo Town Square. The subject property was most recently used as an educational facility.

Surad Academy plans to start with 15 staff members and K-4 classes. The school intends to grow one class per year through 12th grade, at which time they may have 25 staff members and up to 250 students at full enrollment. The Applicant intends to lease 13,275 SF of space, or about 2/3 of the building. An existing daycare center in the north 1/3 of the building will remain for the time being.

Normal school hours will be 8:00 am to 3:00 p.m., with after-school programming ending around 6:00 p.m. The school will have a partially fenced activity/play area west of the existing building.

The main building entrance will be on the south side of the building.

The Planning Commission held a public hearing on March 20, 2023, to consider the request. The Commission discussed the proposed student pick-up and drop-off plan. The Commission expressed concern over pedestrian and car traffic on 9th Avenue, especially in light of the property's proximity to the high school, which has similar operating hours. A neighboring business owner expressed concern about the traffic on 9th Avenue and the proposed charter school driveway at 9th Avenue. A neighboring resident asked that the City place "no parking" signs near the 8th Avenue NW alley. By a 5-0 vote, the Planning Commission continued the public hearing and asked Surad Academy to complete a traffic study.

The Commission resumed the public hearing on April 3, 2023. Surad Academy presented two additional alternative plans for vehicular circulation. They preferred a plan where vehicles enter and exit from 8th Avenue only. However, the Commission preferred an alternative plan where vehicles enter the site from 8th Avenue NW and exit the site via a proposed right-out exit onto 9th Avenue NW.

No one from the public attended the public hearing. By a 4-1 vote, the Planning Commission recommended approval of the requested conditional use permit with the condition that the site provides a right-out exit onto 9th Avenue NW. The commissioner that voted "no" expressed concern that Surad Academy did not conduct a detailed traffic study and that City Staff did not send out additional notices to the neighborhood regarding resuming the public hearing on April 3. However, the City Engineer noted that the proposed use did not warrant a traffic study.

Councilor van Sluis asked why there were traffic concerns, Wanberg stated that he was not aware of any issues in the past; van Sluis stated that he did not foresee any issue with traffic. Councilor Spooner asked if the applicant had any issues with the right turn only onto 9th Avenue, Wanberg stated that it was the DRC and staff's recommendation that there be a right-out exit onto 9th Avenue NW.

Motion by Spooner, seconded by van Sluis to approve Resolution 2023-074 Approve a Conditional Use Permit for a K-12 Charter School at 128 8th Avenue NW and carried unanimously.

Ordinance 2023-7 Rezone PID # 18.31.2.51.088 to C-2, Highway Commercial District at 128 8th Avenue NW (Second Reading) and Approve Summary Publication of Ordinance 2023-7

Community and Economic Development Director David Wanberg stated that on March 28, 2023, the City Council approved the first reading of Ordinance 2023-7, which rezones the west parcel at 128 8th Avenue NW (PID # 18.31.2.51.088) from I-2, Heavy Industrial District to C-2, Highway Commercial District. Since the first reading of the ordinance, the City received no public comments or made substantive changes to the ordinance.

Motion by Doumbouya, seconded by Thiele to approve Ordinance 2023-7 Rezone PID # 18.31.2.51.088 to C-2, Highway Commercial District at 128 8th Avenue NW (Second Reading)

Roll Call Vote:

Aye: Caron, Doumbouya, van Sluis, Spooner, Thiele, Mayor Voracek

Nay:

Motion carried 6:0

Motion by Caron, seconded by van Sluis to Approve Summary Publication of Ordinance 2023-7

and carried unanimously.

Bids

Resolution 2023-076 Accept Bids for 2023 Street Overlays and Sidewalk Improvements - Contract 2023-02

City Engineer Mark DuChene explained that on Wednesday, April 5, 2023, bids were received for the 2023 Street Overlay & Sidewalk Improvements project - Contract 2023-02, including curb and gutter replacement, concrete sidewalk replacement & construction, storm sewer repairs, casting adjustment/ replacement, pavement milling, bituminous paving, pavement markings, and related improvements.

The streets included in this project are as follows:

1st Street SW	(4th Avenue SW to 9th Avenue SW)
2nd Avenue NW	(1st Street NW to Division Street)
2nd Avenue SW	(Division Street to Wapacuta Park)
3rd Avenue NW	(12th Street NW to 14th Street NW)
3rd Street SW	(4th Avenue SW to 6th Avenue SW)
8th Avenue NW	(7th Street NW to 9th Street NW)
8th Street NW	(6th Avenue NW to 8th Avenue NW)
Cuyllé Bay	(12th Street SW to 12th Street SW)
12th Street SW	(6th Avenue SW to Cuyllé Court)
Birn Hill Drive	(Western Avenue to 200' west of West Hill Street)
West Hill Street	(Western Avenue to Birn Hill Drive)

The bids were tabulated as follows:

Bituminous Materials LLC., Faribault, MN	\$ 737,676.76
BCM Construction, Inc., Faribault, MN	\$ 772,943.07
Crane Creek Asphalt, Faribault, MN	\$ 777,818.16
Ims Contracting, LLC, Dodge Center, MN	\$ 874,899.00
Engineer's Estimate	\$ 864,048.75

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

Street Improvement Fund	\$ 740,330.00
Water Utility Fund	\$ 8,655.00
Sewer Utility Fund	\$ 32,070.00
Storm Water Utility Fund	\$ 67,275.00
Total	\$ 848,330.00

DuChene recommended to award to the low bidder, Bituminous Materials, Inc. Construction on the project is scheduled to begin in June and be substantially completed by the end of August 2023.

Motion by van Sluis, seconded by Thiele to approve Resolution 2023-076 Accept Bids for 2023 Street Overlays and Sidewalk Improvements - Contract 2023-02 and carried unanimously.

Resolution 2023-078 Accept Bids for 2023 Miscellaneous Concrete (City Wide) - Contract 2023-01

City Engineer Mark DuChene stated that bids were received for Contract 2023-01, 2023 Miscellaneous Concrete Work (City Wide) on Wednesday, April 5, 2023. The bids received were tabulated as follows:

Healy Construction	\$79,125.00
Legends Concrete	\$99,660.00

Financing for the project comes from the Street Improvement Projects Fund. The amount of work actually completed under this contract varies widely from year to year. The Street Improvement Fund is then reimbursed from various other City funds based on the specific work performed.

Minor work in the public right-of-way is also done at the request of private parties via petition and waiver agreements for assessment of the work back to the private party.

Motion by Thiele, seconded by Caron to approve Resolution 2023-078 Accept Bids for 2023 Miscellaneous Concrete (City Wide) - Contract 2023-01 and carried unanimously.

Boards and Commissions Reports, Announcements and Project Updates

Mayor Voracek stated that Parks and Recreation Director Paul Peanasky received the Paul Harris Award from the Rotary.

City Administrator Murray informed the Council that the City compost will be opening on April 19 at 1:00 p.m.

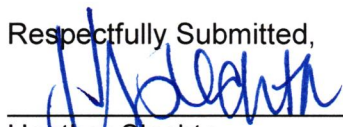
Mayor Voracek asked about contractors being called about water heater permits, Murray will look into this.

Adjournment

Motion by Caron, seconded by Doumbouya to adjourn the City Council meeting and carried unanimously.

The meeting was adjourned at 6:39 p.m.

Respectfully Submitted,



Heather Slechta
City Clerk