

**CITY OF SAINT PETER, MINNESOTA
AGENDA AND NOTICE OF MEETING**

Regular Workshop Session of Tuesday, January 21, 2020
Community Center, St. Peter Room – 5:30 p.m.
600 South Fifth Street

I. CALL TO ORDER

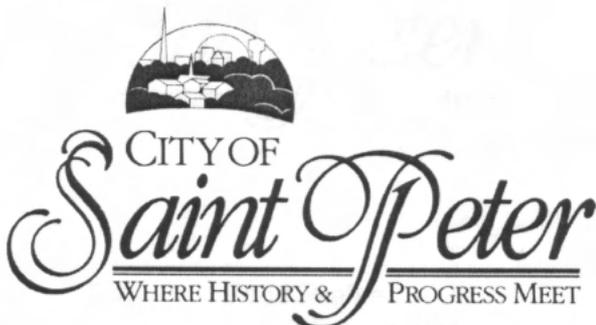
II. DISCUSSION

- A. MnDOT Presentation – Highway 169/22/99 Intersection Project
- B. HPC/ADA Grant Review Committee
- C. Fire Hall Project Local Option Sales Tax
- D. Employee Anniversary Recognition Program
- E. APPA Legislative Rally

III. ADJOURNMENT

Office of the City Administrator
Todd Prafke

TP/bal



Memorandum

TO: Honorable Mayor Zieman
Members of the City Council

DATE: 1/17/2020

FROM: Todd Prafke
City Administrator

RE: Highway 169/22/99 Intersection Project

ACTION/RECOMMENDATION

None needed. For Council information and discussion only.

BACKGROUND

Representatives from the Minnesota Department of Transportation (MnDOT) will be at the workshop on Tuesday evening to provide more information on a proposed project at this intersection.

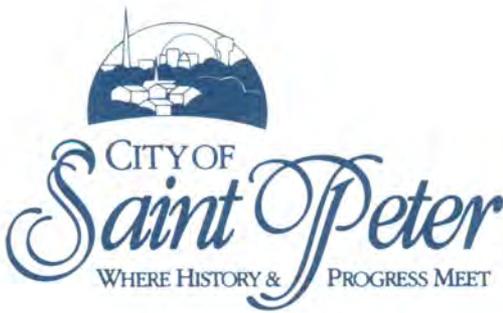
According to MNDOT, "Hwy 169/Hwy 22/Hwy 99 intersection project is planned in 2023 to improve the pavement condition, intersection safety, and mobility along the Hwy 169 corridor on the south side of St. Peter, including the intersections with Hwy 22 and Hwy 99. With input from the city of St. Peter, local residents and businesses, and other project stakeholders, MnDOT will evaluate the corridor, develop design alternatives, and arrive at a preliminary layout for a 2023 construction project."

At the January 21st City Council workshop, MnDOT will talk through issues/problems at the intersection, share collected traffic data, and seek insight from Councilmembers on their/the community's priorities for the corridor. These priorities will help guide what metrics are of more importance to the community when evaluating alternatives for the intersection.

The goal for this meeting is to get your thoughts on the ideas and options the MnDOT staff will present and to outline to public information and input process that will be used. This is similar to the discussion at the last Goal Session and the Hwy 169 work planned to occur sometime between 2022 and 2024 north of Chatham.

Please feel free to contact me if you have any questions or concerns about this agenda item.

TP/bal



Memorandum

TO: Todd Prafke
City Administrator

DATE: 01/17/20

FROM: Russ Wille
Community Development Director

RE: Central Business District/Accessibility Improvement Grant Program – Review
Committee Assignments

ACTION/RECOMMENDATION

None needed. For Council review and discussion only.

BACKGROUND

In October, 2019, the City Council adopted the policies necessary to create the Central Business District/Accessibility Improvement Grant Program. The program is designed to fund building renovations or improvements which improve access for those with mobility impairments.

The Americans with Disabilities Act of 1990 (ADA) establishes the standards required to ensure handicapped persons have access to public accommodations. While progress has been made over the last 29 years, a few downtown structures are still inaccessible due to physical barriers.

The guidelines developed by the EDA and adopted by the City Council would provide grants to those property owners wishing to undertake a renovation project that enhances the accessibility of the property to those with mobility impairments. All of the commercial structures within the (CBD) Central Business District, with the exception of those owned by a local unit of government, would be eligible to participate.

Individual grants would be restricted to a maximum of \$25,000 in grant funds. Projects exceeding the \$25,000 limit could still be considered if the property owner demonstrates access to liquid funds to cover the costs above the \$25,000 limit. It is anticipated that the available funding from the interest income of the locally controlled revolving loan fund(s) would be sufficient to undertake about two renovations per grant cycle.

Participating property owners would be obligated to maintain an insurance policy in an amount equal to the debt (mortgages, liens, assessments, etc.) assembled against the property as recorded at the Nicollet County Courthouse.

The guidelines require applications for grant funds be submitted prior to the end of February each year. The proposals are then considered by a committee appointed by the Mayor and Council. My recommendation is to include committee representatives from the Economic Development

Authority, Heritage Preservation Commission, Nicollet County Historical Society, Chamber of Commerce and City Council.

As this program has progressed and been discussed with your Commissions and other partners, we have kept a list of those folks who meet the above criteria and have expressed interest in serving. We will provide those to the Mayor. Staff sees you following the same process for this ad hoc committee that you use for your "regular" commission and board appointments.

Once members of the Committee are appointed, review of any grant applications could commence in early March, 2020.

Please feel free to contact me should you have any questions or concerns about this agenda item.

RJW



Memorandum

TO: Honorable Mayor Zieman
Members of the City Council

DATE: 1/17/2020

FROM: Todd Prafke
City Administrator

RE: Fire Hall Sales Tax Legislative Request
Authorization

ACTION/RECOMMENDATION

None needed. For your information and discussion only.

BACKGROUND

As members know the Council has been working on a plan for and action items towards the construction of a new fire hall in the City of Saint Peter.

My goal for your workshop is to put you in a position to take action at your next Council meeting to approve a request for legislative authority for a local option sales tax imposed in the City of Saint Peter to help pay the cost of a new fire hall. The request for local option sales tax must be made prior to January 31st of this year according to State Statute.

The stated position of the Council has been that a new fire hall will be built whether sales tax is approved or not. The need for a new fire hall is clear. Approval of and use of any sales tax shares the burden of the cost more appropriately. (It may be important to remember that more than 30% of the value of properties within Saint Peter do not pay property taxes but receive the benefit of service including our top four employers and largest three property owners.)

A number of steps have been taken in moving this project forward including but not limited to the hire of an Architectural Firm (Five Bugles); the hire of a Construction Management firm (R.W. Carlstrom); and the purchase of a site located in the northwest quadrant of the Sunrise Drive and Broadway intersection. In addition, the Council has commissioned studies on location and space needs and appointed a Building Committee to do work related to design, material, and mechanical systems. That committee is made up of Mayor Zieman, Councilmember Jerry Pfeifer (now Councilmember Ed Johnson), Fire Chief Matt Ulman and Fire Captain Darrel Pettis, Mike Clark (your architect), Dan Thompson (Construction Manager) and me.

Your current fire hall, built in 1929, is about 8,400 square feet and is not sized appropriately for the amount of equipment needed nor for the specialized equipment that will be needed into the future. It is also not sized to provide for decontamination of firefighters and equipment and it lacks adequate space for training. Based on our projected growth, the established City growth

boundary, changes in building codes and the type of emergency response your department provides, adding an additional fire hall is not the answer. The City will maintain only one fire hall into the future and that fire hall, like the last one, will need to be utilized for more than 75 years. So construction of a building that is low maintenance, has flexibility and systems that have longer life cycles has all been a driver in the discussion about size, structure and systems of the building.

The proposed size of a new fire hall is about 22,000 square feet based on a space study that has been reviewed by the Council and compared to the square footage of other Fire Departments with similar service levels. More importantly, it is based on the need of a department looking at today's needs and needs for the next 50 plus years.

The Building Committee has met on numerous occasions to review choices on structure, materials, size, mechanical and roof systems, and even looking at opportunities to maintain aesthetics while reducing costs in garage doors. Updates have been provided to the Council at both workshops and goal sessions.

The total cost of project that we are looking to finance is slightly over \$9 million. This includes site, building, furniture fixtures and equipment (FFE), soft costs such as Architects, Engineers and Construction Managers, and financing costs. This amount to be financed (your debt service) is critical in the sales tax request and while your project cost could be less, if you do not request enough sales tax to cover your debt, it is a challenge to go back and modify or increase your request.

Authorization of this amount does not mean you will be required to spend this amount, but let me be clear - this amount is based on a solid review and estimates of project costs from your Construction Manager with inflation estimated for the 2021 year. So it is not realistic to think that you go in with this number anticipating we will be able to make substantial reductions in the future without major changes to building and use.

Your finance team consists of Shannon Sweeney from David Drown and Associates, Finance Director Vogel and me.

As discussed at previous workshops and at new Councilmember orientation, the timeline for construction of the fire hall since July has been to take action in late 2019 for legislative approval of a local option sales tax to be considered by the State legislature in its 2020 Session. If the State approves the request, then the question of local sales tax would be voted on by the citizens of Saint Peter in November of 2020. The sales tax would provide funding for payment of debt service for a new fire hall. Without the sales tax the cost of the debt service would solely be on property taxes.

Shannon Sweeney, your financial advisor, has done some analysis related to what a half-cent sales tax will generate and the impact on property taxes. Based on an annual loan payment of about \$385,000 and a half-cent sales tax generation of \$260,000, local property taxes would need to provide about \$125,000 meaning a house valued at \$150,000 would be expected to see an increase of about \$30 per year.

As you can see from the numbers, a slightly greater sales tax percentage, say three-quarters of a cent, would generate an amount that is very nearly the entire debt service. Conversely, if you use no sales tax, a \$150,000 value house would expect to see an estimated \$95 per year increase.

It is important to note that you are not limited to a half-cent sales tax, but a sales tax at that amount puts you on par with Mankato/North Mankato. I am worried that a sales tax in excess of a half-cent would be a concern for local retailers/sales tax collectors.

I would suggest the first decision point for the Council to discuss at your meeting is whether you believe that sales tax is an appropriate way to fund at least a significant portion of the fire hall debt. If the answer is "yes", then taking action at your next meeting to request sales tax authority at the dollar amount needed based on a discussion on the relative amount of property tax and sales tax is logical. That amount is then part of the request to the State. If the State Legislature approves, you are allowed to take that question to the local voters.

If the answer to whether sales tax use is an appropriate way to fund a fire hall is "no", then we will continue to pursue the financing plan using only local property taxes. Frankly, using local property tax only is easier as no public vote is needed.

My goal for your meeting is to put you in a position to take action at your next Council meeting to approve a request for Legislative authority for a local option sales tax imposed in the City of Saint Peter to help in paying the debt service cost of a new fire hall. This request must be made prior to January 31st of this year according to State Statute. If we do not meet this timeline you must wait until the next year to seek legislative approval.

Please feel free to contact me if you have any questions or concerns about this agenda item.

TP/bal

FIRE HALL PROJECT DEVELOPMENT SCHEDULE
July 17, 2019

On or around June 1, 2019

Selection of Construction Manager will occur.

Between June 1 – October 21st, 2019

Schematic design and pricing packaging work to occur and be completed for review by Fire Hall Building Committee and City Council.

June 15-October 21st, 2019

Building Committee meetings providing design, scope, and budget review to Architects and Construction Manager.

October 28th through November 30th, 2019

Approve schematic design and project budget.
Approve request for Sales Tax to the State Legislature

January 2020 through June 2020

Legislative consideration of local Sales Tax

July 2020 through January 2021, 2020 (If approved by Legislature)

Ongoing design development pricing to occur including Early Guaranteed Maximum Pricing completed

August 2020

City Council to take action on notice of Election and ballot language

November 5, 2020

Sales tax question on ballot with General Election

On or around December 2020

Design at 90%+ completion and Guaranteed Maximum Price completed

January/February 2021

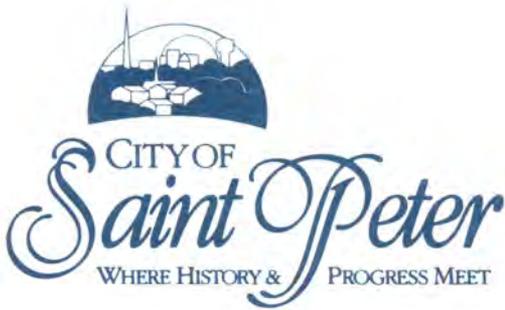
Solicitation approval and Bidding

Spring 2021

Start Project construction

Spring 2022

Construction completion



Memorandum

TO: Honorable Mayor Zieman
Members of the City Council

DATE: 1/15/20

FROM: Todd Prafke
City Administrator

RE: Employee Anniversary Recognition Program Change

ACTION/RECOMMENDATION

None needed. For Council review and discussion only.

BACKGROUND

The City Council authorized an Employee Anniversary Recognition Program which was last changed in January 2014. The last change was to move away from a choice between Chamber Bucks and premiums such as a duffle bags, hats, and sweat shirt choices. We now only provide Chamber Bucks.

The program recognizes full-time City employees on their first anniversary and at the 5th, 10th, 15th, 25th and 30th anniversary dates with a gift of Chamber Bucks. The "bucks" are redeemable at almost all Chamber member businesses in Saint Peter which not only rewards employees as their reach employment milestones, but benefits local businesses as well.

As approved by the Council, the following dollar amounts in Chamber Bucks are awarded to employees at the anniversaries shown:

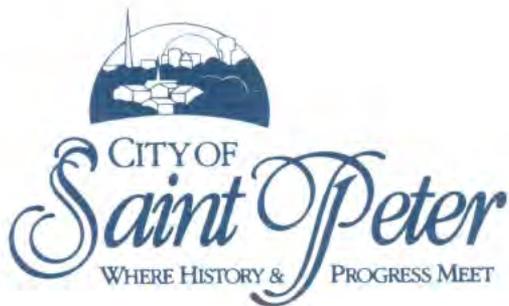
Year 1	\$25	Year 20	\$150
Year 5	\$50	Year 25	\$225
Year 10	\$75	Years 30+	\$300
Year 15	\$100		

We now have employees that are exceeding the 35+ anniversary level.

My goal for your discussion is to ask if you want to provide an additional level at 35+ and, if so, at what value.

Please feel free to contact me should you have any questions or concerns on this agenda item

TP/bal



Memorandum

TO: Honorable Mayor Zieman
Members of the City Council

DATE: 1/15/20

FROM: Todd Prafke
City Administrator

RE: Council Travel Request – APPA Legislative Rally

ACTION/RECOMMENDATION

None needed. For your information, discussion and planning.

BACKGROUND

Each year the American Public Power Association (APPA) holds a conference that provides both educational and lobbying opportunities for its members. Its membership is made up of public power suppliers such as Municipalities, Counties, Regional Government Power Suppliers and others that are not COOPs or Investor Owned Utilities (IOUs). The City Council has adopted an elected officials travel policy which requires Council approval for out of state travel by any elected official.

As a municipality you are a member of APPA organization. Members would typically participate in lobbying opportunities with our locally elected national officials, educational opportunities and networking opportunities with legislative staff, partners in Southern Minnesota Municipal Power Association (our partner in power supply) and SMMPA staff. In past years the Council has sent the Public Works Director and two to three Councilmembers.

Minnesota Municipal Utility Association (MMUA), our state wide utility organization, typically provides training opportunities and briefings on many of the issues that Municipal Electric providers, such as ours, are facing. They also provide updates of legislative issues that can impact the way you provide service.

Councilmember Bruflat will be attending; however, Councilmember Johnson is unable to attend. Time has been set aside on the workshop agenda to discuss who a second Council attendee might be. Again, the Conference is February 24-26, so time for discounts on travel and lodging is running short. Our likely plan would include flying out Sunday, February 23 and returning on Thursday, February 27.

More information on the conference can be found at:

<https://www.publicpower.org/system/files/documents/2020%20Legislative%20Rally%20Brochure%20FINAL.pdf> with some information attached in the packet.

Sufficient funding has been included in the Electric Budget for the travel, conference costs and other reimbursable expenses under your policies.

We believe this a great opportunity for Members to learn more about the power industry, regulation, financing and operations at a very high level. But maybe more importantly it gives you an opportunity to better know our SMMPA Staff and partners, the other members of MMUA, and the impact that public power has on our community, state and nation. Not to mention lobbying on national issues and maybe more importantly on our local issues with those elected officials and staff. We believe that local officials like you, who travel to and participate in these events, are really heard and the message is received differently than messages that are provided by your staff. I believe most past members would tell you it was worth the time, effort and resources to attend and participate at least once during their time on the Council.

My goal for this meeting is to have members bring their calendars, express interest if they have interest in attending, and work to determine who will be participating so that travel arrangements can be started and the Council can adopt a resolution that meets the established travel policy.

Please feel free to contact me if you have any questions or concerns on this agenda item.

TP/bal