

CITY OF SAINT PETER, MINNESOTA
OFFICIAL PROCEEDINGS
MINUTES OF THE CITY COUNCIL MEETING
JULY 13, 2020

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Saint Peter was conducted in the Senior Center of the Community Center and by virtual software on July 13, 2020. Under M.S. 13D.021, the City is able to conduct meetings by electronic means in the event of a state-wide emergency. Governor Walz has declared a state-wide peacetime emergency and as such this City Council meeting was conducted both in-person and remotely using GoToMeeting software.

A quorum present, Mayor Zieman called the meeting to order at 7:00 p.m. The following members were present through the virtual platform: Councilmembers Shanon Nowell, Brad DeVos, Stephan Grams, and Emily Bruflat. The following members were present in the meeting room: Mayor Charles Zieman and Councilmembers Keri Johnson and Ed Johnson. The following officials were present: City Administrator Todd Prafke (in person) and Assistant City Attorney Christopher Grean and City Engineer Jeff Domras (virtual).

Approval of Agenda – A motion was made by Nowell, seconded by Johnson (E), to approve the agenda. With all in favor, the agenda was approved.

Approval of Minutes – A motion was made by Johnson (E), seconded by Johnson (K), to approve the minutes of the June 22, 2020 regular City Council meeting. With all in favor, the motion carried and the minutes were approved. A complete copy of the minutes of the June 22, 2020 regular City Council meeting is contained in the City Administrator's book entitled Council Proceedings 19.

A motion was made by Bruflat, seconded by Johnson (K), to approve the minutes of the June 30, 2020 emergency City Council meeting. With all in favor, the motion carried and the minutes were approved. A complete copy of the minutes of the June 30, 2020 regular City Council meeting is contained in the City Administrator's book entitled Council Proceedings 19.

Consent Agenda – In motion by Johnson (E), seconded by Nowell, Resolution No. 2020-73 entitled "Resolution Approving Consent Agenda" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-73 is contained in the City Administrator's book entitled Council Resolutions 23.

2019 Audit Presentation/Formal Acceptance – Malloy, Montague, Karnoswki & Radosevich Co., P.A. Managing Partner James Eichten presented his findings of the City's 2019 audit. Eichten reviewed the management report including property tax rates, government funds and trends, changes in government fund balances, financial position, and revenues and expenditures as well as the various enterprise funds and per capita debt amounts with comparisons to state-wide averages. Eichten gave a clean opinion on the City's financial status and expressed his belief that the City was in compliance with all financial matters and was continuing to compensate for the lack of segregation of duties in the Finance Department which was similar to most entities with small staffs. Eichten indicated the City's administration continued to provide regular assessment to ensure adherence to budget, proper debt management and administration of the various funds.

Finance Director Vogel reported copies of the 2019 audit documents would be provided to the library and included on the City's website for public review.

In motion by Johnson (E) , seconded by Nowell, Resolution No. 2020-74 entitled "Resolution Accepting 2019 Financial Statements Together With Independent Auditor's Report" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-74 is contained in the City Administrator's book entitled Council Resolutions 23.

2020 Equipment Certificate Proposal Acceptance – Finance Director Vogel recommended acceptance of the proposal from Pioneer Bank (1.5% interest rate each of the five years) which was the lowest cost proposal with an interest cost of \$16,571.25 for the \$368,250 issuance. Councilmember DeVos asked what the threshold is for purchase of equipment on an equipment certificate. City Administrator Prafke noted various criteria are used including the cost of the equipment, whether the equipment life will meet or exceed the life of the issuance and balancing the use of reserves or tax levy for equipment purchases. Prafke noted that if the Council did not approve the issuance, the equipment already purchased would be funded by cash reserves.

In motion by Grams, seconded by Johnson (K), Resolution No. 2020-75 entitled "Resolution Accepting Proposal For Sale Of \$368,250 General Obligation Equipment Certificates Of

Indebtedness Of 2020; Fixing The Form And Specifications Thereof; And Providing For Their Payment“ was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-75 is contained in the City Administrator’s book entitled Council Resolutions 23.

COVID-19 Micro Loan Repayment: 4 The Team – Community Development Director Wille reported the owner of 4 The Team, which had received a \$10,000 COVID-19 Micro loan from the City, had announced he would be closing his business. The terms of the loan program call for immediate repayment of the loan funds should a business cease to operate in St. Peter, and Mr. Doyscher, noting his obligation to repay the City but his inability to pay the entire amount with the closure of his St. Peter business, had asked if he could repay the loan at \$100 per month beginning in August, 2020. Wille reported the Economic Development Authority (EDA) had unanimously recommended acceptance of Mr. Doyscher’s repayment plan. Councilmember Johnson (K) questioned whether the EDA would consider revising the policy for repayment for other businesses in similar situations. Wille indicated he would ask the EDA to consider the matter at their next meeting. Councilmember DeVos, who is also a member of the EDA, indicated the business owner approached the City with the solution and requiring full payment at this time may jeopardize Mr. Doyscher’s other business also.

In motion by Johnson (E), seconded by Bruflat, Resolution No. 2020-76 entitled “Resolution Establishing Plan For Repayment Of COVID-19 Microloan Made To Jay Doyscher (DBA 4 The Team)“ was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-76 is contained in the City Administrator’s book entitled Council Resolutions 23.

Business Re-Opening Promotion Plan Funding Request – Community Development Director Wille presented the Economic Development Authority recommendation to approve a Chamber of Commerce request for \$10,000 to be used for a marketing promotion to entice shoppers back to St. Peter businesses. Ed Lee, Director of the St. Peter Chamber of Commerce, thanked the Council for their support of the St. Peter business community and indicated the marketing campaign is being done in conjunction with a State Chamber campaign and will be called “St. Peter Ready” with a focus on promoting measures taken by local businesses to keep shoppers safe. Lee said the marketing would be done in two waves with half the money spent in each wave.

Councilmember Bruflat stated she is more comfortable shopping if masks are mandatory and asked what St. Peter businesses are doing to require masks Lee reported that businesses are doing what they can to keep employees and customers safe, but that the Chamber felt it was the State or City’s responsibility to regulate mask wearing and not that of individual businesses.

Councilmember Johnson (K) expressed her belief that customers would cast their vote on mask wearing by whether they chose to go into a store or not and her hope that the Governor would take action.

Mayor Zieman questioned whether the \$10,000 could come from the \$901,000 in CARES Act funding the City was to receive. City Administrator Prafke indicated he would check into whether it was an eligible expense or not. Zieman also asked what accountably the Chamber would have for use of the funds or return of any excess monies at the end of the campaign. Wille noted the expectation was the Chamber would have to provide the same expenditure reports provided by recipients of Tourism grams.

In motion by Nowell, seconded by Grams, Resolution No. 2020-77 entitled “Resolution Establishing \$10,000 St. Peter Business Reopening Promotion Fund“ was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-77 is contained in the City Administrator’s book entitled Council Resolutions 23.

Revolving Loan Request: Guentzel Holdings LLC – Community Development Director Wille presented the Economic Development Authority recommendation for approval of a \$77,500 revolving loan for Guentzel Holdings, LLC for partial financing of a new building for Anytime Fitness at 1903 North Third Street. Wille noted the Anytime Fitness operation was being forced out of their leased space and a new building would be constructed at a total price of \$775,000. Wille reported the proposed construction had been appraised at \$750,000 upon completion but since the project was appraised, Corporate Anytime Fitness had required the building to be expanded by an additional four feet (4’) which should put the finished value at \$775,000. Finally, Wille noted the City loan would be in third position behind Hometown Bank and SBA 504 loans.

Councilmembers questioned why Mr. Guentzel’s spouse wasn’t identified by name in the requirement for personal guarantees by Mr. and Mrs. Guentzel.

Mayor Zieman questioned whether the applicant was meeting the EDA loan requirement of personally financing ten percent (10%) of the project cost. Wille noted Guentzel had funded some of the predevelopment costs, but he was unsure whether he met the 10% contribution level.

A motion was made by Johnson (K), seconded by Grams, to table action on the loan until June 27th to allow the EDA to review whether the financing package met all requirements established for revolving loans. With all in favor, the motion carried.

Sale of Traverse Green Outlot D – Community Development Director Wille presented a request by Community Asset Development Group for purchase of 12.8 acres of the 15.43 acre Outlot D in Traverse Green Subdivision at a total cost of \$128,000. Wille reported the company wished to construct a 122 unit apartment building on the site. Wille reviewed the escrow requirements outlined in the purchase agreement and the next steps of securing a development agreement, sanitary sewer easements and Tax Increment Financing agreements requested by the developer. Wille also noted that the sanitary sewer extension would come from the Standard Subdivision and cross two privately owned parcels which may require eminent domain proceedings. Councilmember DeVos asked what would trigger eminent domain proceedings being used. Staff indicated the process is only used if easement negotiations were not successful. In motion by Johnson (K), seconded by Johnson (E), Resolution No. 2020-78 entitled “Resolution Authorizing Execution Of Purchase Agreement For Sale Of Eastern 12.8 Acres Of Land In Outlot D, Traverse Green Subdivision To Community Asset Development Group (CADG)” was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-78 is contained in the City Administrator’s book entitled Council Resolutions 23.

Business License Applications – City Administrator Prafke recommended approval of a Soft Drink license application by the new owners of Taco John’s and a Tree Worker license by a company previously not licensed in St. Peter. In motion by Nowell, seconded by Johnson (E), Resolution No. 2020-79 entitled “Resolution Approving Business License Applications” was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-79 is contained in the City Administrator’s book entitled Council Resolutions 23.

Reports

Mayor’s Report – Mayor Zieman had no reports.

COVID-19 Update – City Administrator Prafke reported the track was once again open at the Community Center; the pool was busy and under the current circumstances the numbers were good; and the City was set to receive \$901,000 in CARES Act funding which could only be spent on COVID-19 related issues. Prafke noted he was doing more research on what the funds could be used for.

Goal Session Discussion – City Administrator Prafke reported the Council had an abbreviated goal session lasting just over three hours.

Polling Place Change – City Administrator Prafke reminded the public of the Ward I polling place change. Prafke reported the National Guard Armory was no longer available for the August 11th primary and Ward I voters would cast ballots at Johnson Hall at the Fairgrounds.

Items of Vital Importance Update – City Administrator Prafke directed Council attention to the updated list of “Items of Vital Importance” included in the packet.

Councilmember Johnson (K) reported she had been contacted by parents who were concerned pool employees were not complying with social distancing standards.

Councilmember Bruflat asked the Council to have a discussion on establishing a mandatory mask policy. Councilmembers Johnson (K) and Nowell again expressed their desire to see such a policy put in place on a state-wide basis rather than just locally.

There being no further business, a motion was made by Johnson (E), seconded by Johnson (K), to adjourn. With all in favor, the motion carried and the meeting adjourned at 9:19 p.m.

Charles Zieman
Mayor

ATTEST:

Todd Prafke

City Administrator