

CITY OF SAINT PETER, MINNESOTA
OFFICIAL PROCEEDINGS
MINUTES OF THE CITY COUNCIL MEETING
DECEMBER 14, 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 December 14, 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 the 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 Ed Johnson and Keri Johnson. The following officials were present: City Administrator Todd Prafke (in person), City Attorney James Brandt (in person) and City Engineer Jeff Domras (virtual).

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

Approval of Minutes – A motion was made by Nowell, seconded by Bruflat, to approve the minutes of the November 23, 2020 regular City Council meeting. With all in favor, the minutes were approved. A complete copy of the minutes of the November 23, 2020 regular City Council meeting is contained in the City Administrator's book entitled Council Proceedings 19.

Councilmember Johnson (K) asked for a correction to the minutes from the December 7, 2020 special meeting to indicate she attended in person. A motion was made by Johnson (E), seconded by Bruflat, to approve the minutes of the December 7, 2020 special City Council meeting with the correction. With all in favor, the minutes were approved. A complete copy of the minutes of the December 7, 2020 special City Council meeting is contained in the City Administrator's book entitled Council Proceedings 19.

Consent Agenda – In motion by Johnson (E), seconded by Johnson (K), Resolution No. 2020-151 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. 2020-151 is contained in the City Administrator's book entitled Council Resolutions 23.

2020 Bowling Alley Demolition Project Final Acceptance – Public Works Director Moulton reported Rehnelt Excavating had completed the 2020 Bowling Alley Demolition Project as per the plans and specifications and recommended the project be accepted as completed and authorization be provided to make final payment to the contractor in the amount of \$41,051. Moulton reminded the Council the project had been bid in two phases with the first phase being the base bid and the alternate for removal of hazardous materials if any were found on the site. Moulton indicated no hazardous materials were made so the final project cost was only the base bid. Moulton also noted that in January the Council will see additional costs for the project related to work done by staff to level the area and hydroseed. Councilmembers DeVos and Bruflat commended the Public Works staff for their work on the lot. In motion by DeVos, seconded by Bruflat, Resolution No. 2020-152 entitled "Resolution Accepting 2020 Bowling Alley Demolition Project And Authorizing Final Payment To Rehnelt Excavating" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-152 is contained in the City Administrator's book entitled Council Resolutions 23.

2020 Tax Levy/2021 Budgets – Finance Director Vogel presented the final 2020 tax levy, payable in 2021, which provided for a gross levy increase of \$102,230 (3.16%) and a tax rate increase to 51.66. Vogel noted the levy was a \$45,000 reduction from the preliminary levy amount due to less cost in the equipment certificate for the restroom building at Community Spirit Park.

Councilmember DeVos questioned \$9,000 in projected expenses for repair and maintenance at the outdoor pool. Public Works Director Moulton indicated it was for repairs on the internal mechanisms of the pool that were planned in 2020 but which had been deferred due to COVID-19.

DeVos also indicated he was concerned about the projected \$190,000 loss budgeted for the pool as compared to the \$100,000 loss that is more common for the pool and suggested the losses should be spread out over five years through issuance of purchases by an Equipment Certificate. He also suggested cutting back or raising fees to lessen the loss and looking at fees charged by other aquatic centers.

Councilmember Johnson (K) questioned how confident staff was in the projected 2021 Local Government Aid payments with the impact of COVID-19 on State budget numbers. City Administrator Prafke indicated LGA was always at risk but he had confidence in the current level of reserves should a cut in LGA be made. Prafke also stated that if LGA was cut more than \$250,000 staff would provide Council with options for making spending cuts as was done in 2009-2010.

In motion by Johnson (E), seconded by Johnson (K), Resolution No. 2020-153 entitled "Resolution Adopting 2020 Tax Levy Collectible In 2021" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-153 is contained in the City Administrator's book entitled Council Resolutions 23.

In motion by Johnson (E), seconded by Nowell, Resolution No. 2020-154 entitled "Resolution Approving The General Fund, Special Revenue Funds, Debt Service Funds, Capital Funds, And Agency Funds For The 2021 Fiscal Year" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-154 is contained in the City Administrator's book entitled Council Resolutions 23.

Hospital Equipment Purchases – River's Edge Hospital Chief Financial Officer Lori Zook presented the Hospital Commission request for purchase of two endoscopy towers at a total price of \$187,120 from Arthrex. Zook indicated the current equipment was now obsolete and the camera was broken on one tower in addition to the vendor no longer offering support. Zook recommended purchase of the Arthrex model as the doctor's working at River's Edge Hospital were familiar with it. In motion by Johnson (K), seconded by Bruflat, Resolution No. 2020-155 entitled "Resolution Approving Purchase Of Endoscopy Tower For River's Edge Hospital And Clinic" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-155 is contained in the City Administrator's book entitled Council Resolutions 23.

Zook also presented the Hospital Commission request for purchase of two Omnicell medication dispensing units from Allina at a cost of \$116,799.21 and an annual service cost of \$1,860. Zook reported the units would replace two failed units in the south wing surgical area and only Omnicell units had been reviewed as the equipment needed to be able to communicate with the other medication dispensing equipment in the hospital. In motion by Johnson (E), seconded by DeVos, Resolution No. 2020-156 entitled "Resolution Approving Purchase Of Omnicell XT Medication Dispensing Unit For River's Edge Hospital And Clinic" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-156 is contained in the City Administrator's book entitled Council Resolutions 23.

Revolving Loan Modification Request: River Rock Kitchen – Community Development Director Wille presented the Economic Development Authority (EDA) recommendation for approval of a request to subordinate the City's revolving loan to River Rock Kitchen and Bakery to a bank loan to refinance the personal residence of bakery owner Christine Rasmussen and her spouse. Wille noted that at the time of the original loan a mortgage had been secured on the private residence due to the business property being leased by the applicant with Ms. Rasmussen and her spouse seeking to refinance the mortgage on the private residence, First National Bank had requested first position on the mortgage. Wille noted the appraised value of the property (\$135,000) was higher than the bank (\$77,000) and City (\$21,360) loans and the EDA had recommended approval of the request. Wille also pointed out that no other changes to the terms of the revolving loan would be made. In motion by Grams, seconded by Bruflat, Resolution No. 2020-157 entitled "Resolution Accepting Subordination Of City Held Mortgage Securing The Revolving Loan Made To River Rock Bakery And Kitchen To A New \$77,000 Refinanced Mortgage Proposed By First National Bank" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-157 is contained in the City Administrator's book entitled Council Resolutions 23.

North Third Street (Livermore to Union) Project Engineering – Public Works Director Moulton recommended Bolton and Menk, Inc. be retained to provide preliminary engineering for a project to improve the portion of North Third Street between Livermore and Union Streets. Moulton reported the proposed project which would complete the improvement of North Third Street by improvements to catch basins, curb and gutter and asphalt and Bolton and Menk,

Inc.'s not to exceed fee of \$18,200 would be funded by Stormwater Utility Funds and the General Fund (Streets). In motion by Nowell, seconded by Bruflat, Resolution No. 2020-158 entitled "Resolution Authorizing Bolton And Menk, Inc., Mankato To Provide Engineering Services For North Third Street Improvement (Livermore Street To Union Street) Project" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-158 is contained in the City Administrator's book entitled Council Resolutions 23.

Clark Street Surface And Utility Improvements Engineering – Public Works Director Moulton also recommended Bolton and Menk, Inc. be retained to provide preliminary engineering at a not to exceed cost of \$62,400 for a project to extend Clark Street and utility services from Nicollet Avenue to a point 500' feet west to the new multi-family housing project in North Traverse Green Subdivision.

Mayor Zieman asked about construction cost trends. City Engineer Domras indicated construction costs have steadily increased since 2009 at the rate of 2-3% each year, but also noted that lately some local projects had received excellent pricing. Domras noted that costs were depending on timing of the project and how busy contractors were, but the Council should expect a slight increase in prices.

In motion by Grams, seconded by Johnson (E), Resolution No. 2020-159 entitled "Resolution Retaining Bolton And Menk, Inc. To Provide Engineering Services For Clark Street Surface And Utility Improvements (Nicollet Avenue To 500-Feet West)" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-159 is contained in the City Administrator's book entitled Council Resolutions 23.

2021 Non-Contract/Non-Union Employee Wages – City Administrator Prafke recommended a two percent (2%) wage increase for all non-union, non-contract full- and part-time regular employees and specific additional increases for several positions. Prafke noted the additional increases were to keep salaries for those positions in the market rate and the wage increases were to ensure the City stayed compliant with pay equity regulations. In motion by Johnson (K), seconded by Nowell, Resolution No. 2020-160 entitled "Resolution Establishing 2021 Wages For Non-Union, Non-Contract Employees" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-160 is contained in the City Administrator's book entitled Council Resolutions 23.

Annexation By Ordinance – Community Development Director Wille requested authorization to initiate the process to annex seven parcels of land that are completely surrounded by parcels within the City limits. Wille indicated that M.S. 414.033 Subdivision 2(2) allowed such action by ordinance and he provided a history of the efforts by staff to secure temporary and permanent utility easements under property owned by Ben and Joanna Pell and Lavonne Enz, two of the properties being recommended for annexation, for extension of utilities to the new North Traverse Green Subdivision multi-family housing project. Wille noted the City's offer of compensation for the easements had been countered by an offer from the property owners and staff was unable to recommend acceptance of the counter offers. As the timeline for provision of utilities to the housing development was becoming shorter, Wille stated staff was recommending utilizing the annexation by ordinance provision in State Statute and once the properties were annexed, exercising the City's right to compel granting of the easements through eminent domain procedures. Wille pointed out that under this process, the City could have access to the property within ninety (90) days of eminent domain being initiated with final determination by the Court as to the amount of remuneration to the property owners for the temporary and permanent easements.

City Attorney Brandt stated the process of eminent domain was always a challenge, but staff would continue negotiations with the property owners in an effort to avoid the process. Brandt also reported both property owners had retained counsel and he expressed confidence that negotiations will move forward.

Councilmember DeVos asked if the remaining surrounded parcels in other areas would also be annexed. Wille, noted there were several other parcels on the west side of the City limits that are also surrounded but not part of the proposed annexation at this time and stated the parcels could be annexed but he believed the Council did not wish to proceed on annexation of those parcels if the property owners objected. DeVos expressed his wish to proceed with annexation of all parcels that are completely surrounded by those in the City limits.

In motion by Johnson (K), seconded by Nowell, Resolution No. 2020-161 entitled "Resolution Directing Staff To Initiate Proceedings For Annexation By Ordinance Of Certain Lands Which Are Completely Surrounded By Lands Within The Municipal Limits As Authorized By Minnesota

Statutes §414.033 Subdivision 2(2) And Scheduling A Public Hearing On The Matter To Be Conducted January 25, 2021“ was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-161 is contained in the City Administrator’s book entitled Council Resolutions 23.

Reports

Mayor’s Report – Mayor Zieman thanked all the members of the City’s advisory boards and commissions for their service to the community during the past year.

Zieman also reminded Councilmembers to let him know of their preferences for liaison assignments by no later than the first of the year and wished them all and Saint Peter residents a Merry Christmas and a Happy New Year.

COVID-19 Update – City Administrator Prafke noted City buildings/offices remained closed to the public, but indicated City Hall doors had been opened to the public for two days for cash payment of utility bills. Prafke also noted that a total of sixteen (16) applications had already been received for the new COVID-19 Hospitality Loan Program and the second round of the COVID-19 Micro Loan program. Prafke said checks for the first applicants could be distributed by the end of the week.

Closed Session Discussion – November 23, 2020 Meeting – City Administrator Prafke reported on the closed session discussion at the November 23, 2020 regular meeting regarding an offer to purchase the property at 101 North Front Street. Prafke noted he had no response on the City’s counteroffer.

Councilmember Johnson (E), speaking in his position as a Volunteer Firefighter, reported the Fire Department visit from Santa Claus, which occurred on December 12th, was a “huge hit” with the public as Santa, riding in the back of a fire truck, greeted children all over the community. Johnson noted that along Santa’s route the eighteen (18) Firefighters who volunteered their time for the event had collected 16,000 pounds of food and over \$700 in cash for the St. Peter Food Shelf.

Executive Session – City Administrator Prafke requested a closed session as authorized under State Statute to discuss the annual performance review of the City Administrator. In motion by Bruflat, seconded by Grams, Resolution No. 2020-162 entitled “Resolution Calling For Closed Session“ was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-162 is contained in the City Administrator’s book entitled Council Resolutions 23.

The Council adjourned to closed session to discuss the annual performance review of City Administrator Prafke at 8:27 p.m. The Council returned to open session at 9:14 p.m.

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 9:14 p.m.

Charles Zieman
Mayor

ATTEST:

Todd Prafke
City Administrator