

CITY OF SAINT PETER, MINNESOTA
OFFICIAL PROCEEDINGS
MINUTES OF THE CITY COUNCIL MEETING
JULY 27, 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 27, 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), City Attorney James Brandt (in person) and City Engineer Jeff Domras (virtual).

Approval of Agenda – Mayor Zieman asked for the removal of Item “A” under New Business (Mandatory Face Covering Policy) to be removed from the agenda. A motion was made by Johnson (E), seconded by Johnson (K), to approve the agenda with the deletion. With all in favor, the agenda was approved as modified.

Approval of Minutes – A motion was made by Nowell, seconded by Bruflat, to approve the minutes of the July 13, 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 July 13, 2020 regular City Council meeting is contained in the City Administrator’s book entitled Council Proceedings 19.

Public Hearing: Wellhead Protection Plan Update – Mayor Zieman opened the public hearing on the City’s updated wellhead protection plan at 7:04 p.m. City Administrator Prafke reviewed the rules and procedures for conducting a public hearing as adopted by the City Council. Water Resources Superintendent Jeff Knutson provided information on the plan which the Minnesota Department of Health required the City to review and update every ten (10) years. Knutson reported the two-part plan included identifying wells and surface contaminants and implementing educational components for the public and land owners within the wellhead plan area. Knutson also noted that upon adoption of the updated plan the City would be eligible for grant funds through the Minnesota Department of Health that would pay for a large part of the update cost. There being no further comment, the hearing was declared closed at 7:09 p.m.

Consent Agenda – In motion by Grams, seconded by Bruflat, Resolution No. 2020-80 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. 2020-80 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 (EDA) recommendation for approval of a \$75,000 revolving loan to Guentzel Holdings LLC to partially finance a new Anytime Fitness facility at 1903 North Third Street. Wille indicated the Council had previously considered the loan application and it had been sent back to the EDA based on questions of whether the applicant was meeting the requirement to personally contribute 10% of the \$475,000 project costs. Wille noted the applicant was funding only 1.4% of the costs, but the EDA agreed to the exception to the rule because Mr. Guentzel’s need for a new building was through no fault of his own, (his current lease having been terminated when the building was sold to a new owner), and his need to maintain sufficient cash reserves to remain operational during the COVID-19 pandemic. Wille also noted the remaining ninety percent (90%) of the project financing would be through an SBA504 program loan and a private loan through First National Bank. Wille reported the City’s loan would be amortized over twenty (20) years at 3.25% interest with review of the interest rate every five years and would be guaranteed by a third position mortgage on the new building and personal guarantees by the applicant and his spouse.

Councilmember Johnson (K) asked what criteria had been used by the EDA to recommend approval of the loan even though the applicant had not met the 10% equity requirement and the impact that exception from the rules would have on future loan applications. Wille acknowledged previous Council’s had provided the EDA with flexibility to consider exceptions from the rules.

In motion by Johnson (E), seconded by DeVos, Resolution No. 2020-81 entitled "Resolution Approving \$75,000 Revolving Loan To Guentzel Holdings, LLC, To Partially Finance Construction Of A New Commercial Structure For Anytime Fitness" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-81 is contained in the City Administrator's book entitled Council Resolutions 23.

Wellhead Protection Plan Update – Following the public hearing, staff recommended adoption of an updated wellhead protection plan as required by the Minnesota Department of Health. Engineer Mark Janovec of Stantec Consulting Services, the firm retained by the City to prepare the update, provided additional information on the updated plan and reviewed contaminants identified as part of the update including wells, storage tanks, septic systems, feed lots and spill/leak sites and the goals outlined in the plan. Scott Hanson of Minnesota Rural Water was also in (virtual) attendance and, in response to a Council question about identifying wells on private property, indicated that whenever a property changes hands the owner is required to report any wells that exist on a property. Hanson also reported grant funds that can pay for closing a well can also be used to entice property owners into compliance with regulations.

Councilmember Nowell asked if the update identified any agricultural pesticide containment systems in the wellhead protection area. Janovec reported he was not aware of any, but if one were identified it would be added to the wellhead plan along with a spill prevention plan.

In motion by Nowell, seconded by Johnson (E), Resolution No. 2020-82 entitled "Resolution Adopting Updated Wellhead Protection Plan" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-82 is contained in the City Administrator's book entitled Council Resolutions 23.

Clark Street Sanitary Sewer Improvement Project Engineering – Public Works Director Moulton recommended Bolton and Menk, Inc. be retained to prepare preliminary engineering work for a project to extend the Clark Street sanitary sewer to Outlot D in Traverse Green Subdivision in preparation for the new multi-family housing unit being planned on the lot.

Councilmember Johnson (K) questioned the timing of the sewer project as the two private properties to be crossed were be farmland. Moulton indicated one was currently being farmed and the other was CRP land and both property owners had already given permission for survey work to take place and negotiations for easements necessary for construction of the sewer were continuing. In motion by Grams, seconded by Johnson (K), Resolution No. 2020-83 entitled "Resolution Authorizing Preliminary Engineering Services For Clark Street Sanitary Sewer Extension Improvement Project" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-83 is contained in the City Administrator's book entitled Council Resolutions 23.

Anytime Fitness Development Agreement (Guentzel Holdings LLC) – Community Development Director Wille requested execution of a development agreement with Guentzel Holdings LLC for the new Anytime Fitness facility to be located at 1903 North Third Street. Wille indicated the agreement outlined responsibilities for public improvements associated with the project including utilities, curb and gutter and sidewalk on Old Minnesota Avenue (at the developer's expense) and sidewalk along Dodd Avenue for which funding may be provided by a MnDOT grant, inclusion in MnDOT's 2024 Highway 22 plans, or if both of those fail, paid by the developer. Wille also noted there may be some engineering amendments that would be included in Exhibit B and the resolution was structured to approve those amendments upon approval of the City Administrator and Public Works Director. Mayor Zieman questioned when the project would be completed. Developer Chad Guentzel noted he is ready to begin construction as soon as the last permit is issued by the City as he has to be out of his leased space by November 1st. In motion by Johnson (E), seconded by Bruflat, Resolution No. 2020-84 entitled "Resolution Authorizing Execution Of Development Agreement With Guentzel Holdings LLC For Construction Of New Anytime Fitness Facility On Lot 1, Block 5, Orchard Ridge Subdivision" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-84 is contained in the City Administrator's book entitled Council Resolutions 23.

Land Exchange – 925 Austin Drive – Community Development Director Wille requested the Council approve execution of quit claim deeds providing for exchange of identical size parcels of land between the City (a portion of McGill Park) and owners of private property at 925 Austin Drive (Craig and Julie Bitter). Wille noted the land exchange was the last of the steps necessary to provide enough room for construction of a garage meeting setback regulations on the Bitter property. Wille also noted the private property owners had paid all costs related to

their request. In motion by Johnson (K), seconded by Nowell, Resolution No. 2020-85 entitled "Resolution Authorizing Execution Of Quit Claim Deeds To Facilitate Transfer Of Land Between City And Craig And Julie Bitter (925 Austin Drive)" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-85 is contained in the City Administrator's book entitled Council Resolutions 23.

YCDHT, LLC Revolving Loan Request – Community Development Director Wille presented the Economic Development Authority (EDA) recommendation for approval of a \$21,500 revolving loan to YCDHT, LLC (River Rock Bakery and Kitchen) to partially finance purchase of the properties at 217 and 2019 West Park Row. Wille indicated ninety percent (90%) of the cost would be funded by the Small Business Administration 504 loan program and a private loan through First National Bank. To comply with the SBA program requirements, the term of the revolving loan would be twenty-five years and the interest rate would be reviewed every five years. Wille noted the total financing package was 94% of the appraised value of the property and the applicant and her spouse would also provide personal guarantees along with the third mortgage position on the property. In motion by Bruflat, seconded by Nowell, Resolution No. 2020-86 entitled "Resolution Approving \$21,500 Revolving Loan To YCDHT, LLC (River Rock Bakery And Kitchen) To Partially Finance The Purchase Of The 217-219 West Park Row Properties" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2020-86 is contained in the City Administrator's book entitled Council Resolutions 23.

Reports

Mayor's Report – Mayor Zieman expressed appreciation to Nicollet County for construction of a parking lot along South Front Street that helped remove cars generated by business at the Government Center which made the roadway safer.

COVID-19 Update – City Administrator Prafke provided an update on the COVID-19 emergency and the state-wide face covering mandate issued by Governor Walz. Prafke also noted he had discussed with the City's Auditor the regulations concerning use of the \$901,000 in CARES ACT funds the City had received and would provide a report to the Council in the near future on what the funds can be used for.

Goal Session June 29, 2020 Report – City Administrator Prafke directed Councilmember attention to the written report on the June 29, 2020 goal session which was contained in the Council packet.

Polling Place Change - City Administrator Prafke reminded voters once again that Ward 1 voters would be casting their August 11th primary ballot at Johnson Hall at the Fairgrounds.

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 8:10 p.m.

Charles Zieman
Mayor

ATTEST:

Todd Prafke
City Administrator