



CITY COUNCIL MINUTES

COUNCIL CHAMBERS TUESDAY, MAY 22, 2018

6:00 PM

Call to Order/Roll Call/Pledge of Allegiance

The meeting was called to order by Mayor Kevin Voracek at 6:00 pm. Council Members Elizabeth Cap, Kay Duchene, Royal Ross, John Rowan, Steve Underdahl and Janna Viscomi were in attendance. Also in attendance were City Administrator Tim Murray, Assistant to the City Administrator Heather Slechta, Director of Community and Economic Development Deanna Kuennen, Public Works Director Travis Block, Parks and Recreation Director Paul Peanasky, Police Chief Andy Bohlen, Planning Coordinator Peter Waldock, Fire Chief Dustin Dienst, City Engineer Mark DuChene, and Finance Director Karla McCall.

Presentations/Introductions

Memorial Day Proclamation – Rice County Central Veterans Association

Approve minutes of May 8, 2018 Regular Council Meeting (majority vote)

Motion by Rowan, seconded by Ross to approve minutes of May 8, 2018 Regular Council Meeting and carried unanimously.

Consent Agenda:

- A. List of bills to be paid
- B. Authorize Execution of an Agreement to Conduct an Electric Vehicle Suitability Assessment to be Reimbursed by Xcel Energy
- C. Resolution 2018-094 Approve Archery Deer Hunt in the River Bend Nature Center
- D. Resolution 2018-095 Approve Tobacco License for Legacy Golf Course
- E. Approve Gambling Permit for Southern Minnesota Rugby Football Association on August 11, 2018 at the Paradise Center for the Arts
- F. Authorize Submission of Minnesota Investment Fund State Funded RLF Request for One-Time Exception
- G. Approve Amended and Restated Sanitary Sewer Easement Agreement Utility and Drainage Easement Addition with the State of Minnesota
- H. Approve Police Department Policy #312 on Demonstrations & Assemblies
- I. Approve Selection of Engineering Consultant for Flood Mitigation Measures and Bank Stabilization Project at Water Reclamation Facility
- J. Accept Donation to the Canine Program
- K. Resolution 2018-100 Approving Computer Use Policy and Social Media Policy
- L. Resolution 2018-101 Support of a Job Creation Fund Application in Connection with SteinAir, Inc.
- M. Authorize Execution of a Preliminary Development Agreement between the City of Faribault, the Faribault Economic Development Authority, and SteinAir, Inc.
- N. Resolution 2018-103 Adopting a Residential Anti-Displacement and Relocation Assistance Plan Associated with the Implementation of the Approved Small Cities Development Program Spending Plan

Motion by Duchene, seconded by Ross to approve Consent Agenda Items A and C-M and carried unanimously.

Consent Agenda Item B. Authorize Execution of an Agreement to Conduct an Electric Vehicle Suitability Assessment to be Reimbursed by Xcel Energy and Consent Agenda Item N. Resolution 2018-103 Adopting a Residential Anti-Displacement and Relocation Assistance Plan Associated with the Implementation of the Approved Small Cities Development Program Spending Plan were removed from the Consent Agenda for further discussion by Council Member Cap.

Council Member Cap is in full support of Electric Vehicles. Council Member Cap questioned if Item N. Resolution 2018-103 Adopting a Residential Anti-Displacement and Relocation Assistance Plan Associated with the Implementation of the Approved Small Cities Development Program Spending Plan followed Item 6A. Director of Community and Economic Development stated that this is a request from DEED.

Motion by Cap, seconded by Duchene to approve Consent Agenda Item B. Authorize Execution of an Agreement to Conduct an Electric Vehicle Suitability Assessment to be Reimbursed by Xcel Energy and Consent Agenda Item N. Resolution 2018-103 Adopting a Residential Anti-Displacement and Relocation Assistance Plan Associated with the Implementation of the Approved Small Cities Development Program Spending Plan and carried unanimously.

Requests to be Heard-None

Public Hearings

Motion by Duchene, seconded by Rowan to open the Public Hearing.

Resolution 2018-096 Declaring the Existence of Slum and Blight Conditions in Certain Areas of the City and Receive Public Input on the Approved Small Cities Development Program Spending Plan

Director of Economic and Community Development Deanna Kuennen explained that in December 2017, the City Council approved a new spending plan for the use of Small Cities Development Program (SCDP) funds via Resolution 2017-280. The Resolution authorized that the new spending plan be submitted to the Minnesota Department of Employment and Economic Development (DEED), the agency who administers the federal program. The resolution also directed the City Administrator and Staff to take all necessary steps to designate a Slum and Blight Area, conduct the required environmental review, and establish policies for adoption by the City Council as required for all SCDP projects.

DEED formally accepted the City Council approved spending plan, authorizing the City to move forward with fulfilling all "program start-up" requirements affiliated with the use of the fund. SCDP is a federal program funded through the Department of Housing and Urban Development. Uses of the funds is governed by federal regulations, and program start-up requirements must be adhered to prior to spending funds. The start-up requirements include the designation of a Slum and Blight Area, environmental review, and the establishment of certain policies.

Prior to spending any of the SCDP funds, program start-up requirements must be completed. On May 8, 2018, the City Council completed most of the start-up requirements by adopting the required policies. The remaining requirements to utilize the SCDP funds include; declaring an area of Slum and Blight and conducting a Public Hearing. The Slum and Blight designation identifies the area where

the program dollars can be spent. The target area must be characterized as blighted by reason of "dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light, and sanitary facilities, excessive land coverage, deleterious land use, or obsolete layout, or any combination of these or other factors that are detrimental to the safety, health, or welfare of the community in accordance with MN Statutes 469.002, Sub. 11. The purpose of the Public Hearing is to provide citizen with information regarding how the Small Cities Development Program dollars will be spent as part of the approved Spending Plan, and to receive comment from the public.

Kuennen recommended that the City Council adopt Resolution 2018-096 Declare the Existence of Slum and Blight Conditions in Certain Areas of the City and Receive Public Input on the Approved Small Cities Development Program Spending Plan.

Council Member Viscomi asked about the timeline of the projects. Kuennen stated that they would start in 2018 and carry through 2019. Council Member Cap was concerned what the designation of a blight and slum area would do the property values. Kuennen explained that this is the definition from the state statute. Council Member Cap also questioned when it was designated last, Kuennen explained that this designation was given to the same area in 2009 or 2011 and that if there is not a designation of slum and blight the dollars cannot be spent.

Motion by Duchene, seconded by Ross to approve Resolution 2018-096 Declaring the Existence of Slum and Blight Conditions in Certain Areas of the City and Receive Public Input on the Approved Small Cities Development Program Spending Plan and carried unanimously.

Motion by Rowan, seconded by Viscomi to close the Public Hearing.

Items for Discussion

Tourism Commission Report Presentation

Nort Johnson, Chamber of Commerce President, provided the Council with a 2017 Tourism Review which included information about MACVB, a lodging tax update, magazine and tri-fold placement maps, billboard and highway signage, blogs and keyword strategy, the Minne-Roadtrip partnership as well as 2018 branding.

Council Member Viscomi stated that she appreciated the work of the Commission.

Resolution 2018-097 Approve Plans and Specifications and Establish Bid Date for the 2018 Highland Place Reconstruction Improvements – City Contract 2018-05 (4/7)

City Engineer Mark DuChene explained that the improvements were formally ordered by the City Council on January 9, 2018 upon the passage of Resolution 2018-012, following the Public Hearing. After the improvements were ordered, the Engineering Department finalized the plans and specifications in preparation of bidding the improvements.

The total estimated cost of the improvements is \$898,615.00 including contingency and engineering fees. Funding for the project comes from a number of sources, as outlined below:

Special Assessments	\$ 129,720.00	14.4%
Municipal State Aid Street Funds	\$ 473,895.00	52.7%
Water Utility Fund (601)	\$ 172,500.00	19.2%

Sanitary Sewer Utility Fund (602)	\$ 122,500.00	13.7%
Total	\$ 898,615.00	100.0%

The resolution also established a bid date of June 20, 2018 for the project. Construction is scheduled to begin in July, with substantial completion by the end of September, 2018.

Motion by Ross, seconded by Rowan to approve Resolution 2018-097 Approve Plans and Specifications and Establish Bid Date for the 2018 Highland Place Reconstruction Improvements – City Contract 2018 and carried unanimously.

Resolution 2018-098 Order Improvements, Approve Plans and Specifications and Establish Bid Date for the Airport Taxi-lane E Utility Extensions – City Contract 2018-09 (4/7)

City Engineer Mark DuChene explained that Resolution 2018-098 approves the construction plans and specifications for the 2018 Airport Taxi-lane E Utility Extension project. The project includes sanitary sewer and services, watermain and services, turf restoration, and related improvements. A grant submittal application to the Minnesota Department of Transportation to fund 70% of the costs was approved by the City Council on April 24, 2018 upon the passage of Resolution 2018-085.

The total estimated cost of the improvements is \$103,500.00 including contingency and engineering fees. Proposed funding for the project comes from a number of sources, as outlined below:

Water Utility Fund (601)	\$ 14,050.00	13.6%
Sanitary Sewer Utility Fund (602)	\$ 16,930.00	16.4%
MnDOT Grant	\$ 72,520.00	70.0%
Total	\$ 103,500.00	100.0%

The resolution also established a bid date of June 20, 2018 for the project. Bid award and a construction start date will be contingent on receiving the MNDOT grant.

Motion by Underdahl, seconded by Rowan to approve Resolution 2018-098 Order Improvements, Approve Plans and Specifications and Establish Bid Date for the Airport Taxi-lane E Utility Extensions – City Contract 2018-09 and carried unanimously.

Resolution 2018-078 Approving an Application for Setback and Flood Fringe Buffer Variances at 400 Western Avenue (4/7)

Planning Coordinator Peter Waldock explained that at the May 8, 2018 the City Council reviewed and discussed an application for setback and flood fringe buffer variances. The City Council heard a report from staff on this proposal and heard comments in support of the variances from the applicant. The Planning Commission denied the variance request at their meeting on April 16, 2018.

After careful consideration of the issues, the City Council by a 7-0 vote passed a motion to direct staff to prepare a resolution with findings for approval of the requested variances in the case concluding the site was uniquely shaped and positioned near the intersection.

Motion by Duchene seconded by Rowan to approve Resolution 2018-078 Approving an Application for Setback and Flood Fringe Buffer Variances at 400 Western Avenue and carried unanimously.

Resolution 2018-102 Approve Plans and Specifications and Establish Bid Date for Taxilane G Pavement Rehabilitation Project (4/7)

Public Works Director Travis Block explained that Resolution 2018-102 approves the construction plans and specifications for Taxilane G pavement rehabilitation at the Municipal Airport. The project includes storm sewer improvements and pavement rehabilitation to address drainage and pavement failures on the taxilane.

Design for the project was authorized at the December 26, 2017 Council meeting with the passing of Resolution 2017-282 Task Order No.7. Foth, the City's Airport Consultant, then prepared the plans and specifications for the project in preparation for bidding.

The total estimated cost of the project is \$244,000.00. The project will be funded 90% by the Federal Aviation Administration (FAA), 5% by the Minnesota Department of Transportation (MnDOT), and 5% Local share. The Airport Fund will provide the funding. A summary of the funding is as follows:

FAA Funding	\$219,600.00 (90%)
MnDOT Funding	\$ 12,200.00 (5%)
Local (City) Funding	\$ 12,200.00 (5%)
Total	\$244,000.00 (100%)

The resolution also established a bid date of June 14, 2018 for the project. Construction is scheduled to begin in August with substantial completion in September.

Motion by Ross, seconded by Underdahl, to approve Resolution 2018-102 Approve Plans and Specifications and Establish Bid Date for Taxilane G Pavement Rehabilitation Project and carried unanimously.

Resolution 2018-104 Approving a Conditional Use Permit for an Outdoor Dining and Drinking Patio for 10,000 Drops Craft Distillers LLC at 28 4th St. NE (4/7)

Planning Coordinator Peter Waldock explained that Jake Hvistendahl, Partner in 10,000 Drops Craft Distillers LLC and David Hvistendahl, property owner of 28 4th Street NE are seeking a Conditional use permit for an outdoor dining patio at their micro-distillery and cocktail room at this site a conditional use permit is required for sites within 200' of residential uses. They also requested is a variance from the sign regulations to replace an existing wall sign that exceeds ordinance size limits and a new projecting sign that exceeds size limits for the downtown sign district. A new sign and the outdoor patio were the only exterior improvements proposed at this time.

The Planning Commission, on May 7, 2018, held a public hearing on the requested conditional use permits. No one from the public was in attendance at the meeting, and the City did not receive comments from property owners that is within the 350' notice area prior to the meeting. The Planning Commission was supportive of the application, noting that this will be bring new life back to an under used building. The Commissioners voted 6-0 to approve a resolution with findings for approval of the Conditional Use Permit requested in this case.

Council Member Rowan requested that a review of the ordinances be completed since similar conditional use permits have been granted in the past.

Council Member Cap thanked Jake Hvistendahl and David Hvistendahl for their investment.

Motion by Ross, seconded by Rowan, to approve Resolution 2018-104 Approving a Conditional Use Permit for an Outdoor Dining and Drinking Patio for 10,000 Drops Craft Distillers LLC at 28 4th St. NE and carried unanimously.

Motion by Rowan, seconded by Duchene to approve Resolution 2018-105 Approving Sign Variances for 10,000 Drops Craft Distillers LLC at 28 4th St. NE and carried unanimously.

Resolution 2018-106 Approving a Variance from Commercial Driveway Separation Requirements for O'Reilly Auto Parts at 308 4th Street NW

Planning Coordinator Peter Waldock explained that O'Reilly Auto Enterprises LLC. has requested a variance to allow the driveway separated from the curb line on 4th Street NW at 40' rather than the required 50'. They are planning to construct a new 7,384 square foot retail store at 308 4th Street NW in the C-2 Highway Commercial District. The development will have parking for 38 cars in two lots. The building will face south toward 4th Street NW, but will have access from 3rd Avenue NW. Existing curb aprons will be relocated in alignment with the proposed parking lots. The unused driveway aprons will be removed. A shared driveway in the northwest corner of the site will be separated.

The property has fiber optic cable running through the center of the site. This line cannot be removed or rerouted without disruption to services in the area. For this reason the building and therefore the front parking lot had to be placed further south on the property than desired resulting in the driveway separation from the 4th Street NW falling short of the required 50' distance. The plan shows that the driveway is 43.3' from the curb line where 50' is the minimum allowed.

The Planning Commission, on May 7, 2018, held a public hearing on the requested variance. No one from the public was in attendance at the meeting, and the City did not receive comments from property owners that is within the 350' notice area prior to the meeting. The Planning Commission was supportive of the application, noting that the previous development at the site had a driveway at the front property line which was much closer than this proposal. The Planning Commission felt that the proposal would not conflict with traffic from adjoining business. Traffic is light at this corner reducing the potential for traffic stacking problems. The Commissioners voted 6-0 to approve a resolution with findings for approval of the variances requested in this case.

Motion by Duchene, seconded by Ross, to approve Resolution 2018-106 Approving a Variance from Commercial Driveway Separation Requirements for O'Reilly Auto Parts at 308 4th Street NW and carried unanimously.

Bids

Resolution 2018-099 Accept Bids for Airport Fuel System Replacement

Public Works Director Travis Block explained that on Friday, May 11, 2018, bids were received for the Airport Fuel System Replacement. The project will include removal and disposal of old fuel system, installation of electronics, piping, electrical, data lines and concrete pad for the new system.

The bids were tabulated as follows:

Minnesota Petroleum Minneapolis, MN	\$756,342.71
Senecca Companies Inc. Des Moines, IA	\$780,000.00
Acterra Group Inc. Marion, IA	\$829,995.00
Engineer's Estimate	\$507,536.00

Based on the low bidder's prices, the estimated funding for the project is as follows:

State Grant Funds	\$500,000.00	66.2%
Airport Fund	\$256,342.71	33.8%
Total	\$756,342.71	100.0%

The project bids came in significantly over the Engineers estimate. This is likely the result several factors including a volatile aluminum and steel market, a significant number of similar projects taking place at primary airports, and tank removal costs being twice the amount estimated. It is recommended to award to the low bidder, Minnesota Petroleum.

The total project costs are as follows:

Construction	\$756,342.71
Engineering Design and Bidding	\$103,000.00
Total	\$859,342.71

Preliminary grant funding provided by the Minnesota Department of Transportation was for an estimated total project cost of \$600,000.00. This was at a 70/30% split with \$420,000.00 provided by MnDOT and \$180,000.00 provided by the City of Faribault. An attempt was made to have MnDOT fund the actual total project cost at 70/30%, those efforts were unsuccessful. MnDOT did offer to increase their contribution to \$500,000.00.

Construction on the project is scheduled to begin in July and be substantially completed by the end of November 2018. The removal of the old system is to occur in 2019. Given the current concerns with the fuel system, staff is diligently looking for an affordable, timely solution for replacement.

Council Member Cap asked who receives the profit from the fuel sales. Block explained that the FBO purchases the fuel and receives any profit from sales.

Motion by Rowan, seconded by Ross, to approve Resolution 2018-099 Accept Bids for Airport Fuel System Replacement and carried unanimously.

Boards and Commissions Reports, Announcements and Project Updates

The April Monthly Financial Update was provided to the Council by Finance Director Karla McCall. City Attorney Scott Riggs, provided the Council with an update on the Trails Edge Apartment Complex and Public Works site, the title work has been completed. Council Member Rowan stated that this was not in the City's hands and the Council has taken a lot of flak for it over the years. Mayor Voracek asked if there was a timeline on the 10,000 Drops patio as that is where he will be hosting the 2018 Mayor's Reception on June 14, 2018, Planning Coordinator Peter Waldock was not aware of the patio timeline. Mayor Voracek was invited to Germany in November 2018. Council Member Duchene

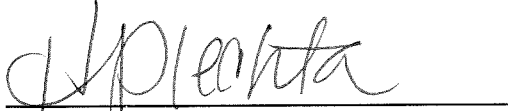
and Public Works Director Travis Block invited the public out to the Public Works building on Thursday night from 4:00 pm-7:00 pm for their annual open house.

Adjournment

Motion by Viscomi, seconded by Ross to adjourn the meeting at 7:32 pm and carried unanimously.

The meeting adjourned at 7:32 pm.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read 'H. Slechta', written over a horizontal line.

Heather Slechta
Assistant to the City Administrator