

CITY OF SAINT PETER, MINNESOTA
OFFICIAL PROCEEDINGS
MINUTES OF THE CITY COUNCIL MEETING
SEPTEMBER 13, 2021

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Saint Peter was conducted in the Governors' Room of the Community Center.

A quorum present, Mayor Zieman called the meeting to order at 7:02 p.m. The following members were present: Councilmembers Ed Johnson, Shanon Nowell, Keri Johnson, Brad DeVos, Emily Bruflat and Mayor Chuck Zieman. Absent was Councilmember Stephan Grams. The following officials were also present: City Administrator Todd Prafke, City Attorney James Brandt and City Engineer Jeff Domras.

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 (K), seconded by Bruflat, to approve the minutes of the August 23, 2021 regular City Council meeting. With all in favor, the minutes were approved. A complete copy of the minutes of the August 23, 2021 regular City Council meeting is contained in the City Administrator's book entitled Council Proceedings 20.

Consent Agenda – In motion by Johnson (E), seconded by Nowell, Resolution No. 2021-126 entitled "Resolution Approving Consent Agenda" was introduced. Councilmember DeVos questioned the after the fact license applications for Rock Bend Folk Festival. City Administrator Prafke indicated the City Code doesn't provide deadlines by which license applications must be submitted prior to an event and the Council has previously allowed latitude for the Administrator to approve soft drink and show licenses. Prafke noted that Rock Bend was a little disorganized due to the absence of one of their leaders and they will be encouraged in future years to apply and receive licenses well in advance of the event. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2021-126 is contained in the City Administrator's book entitled Council Resolutions 23.

Call For Tax Increment Financing Hearing (1-24) – Community Development Director Wille requested a public hearing be scheduled for October 25th regarding establishment of a Tax Increment Financing housing district (#1-24) encompassing a planned development on Municipal Lot #5 by Old Town Development LLC. In motion by Nowell, seconded by Johnson (E), Resolution No. 2021-127 entitled "Resolution Calling Public Hearing On The Creation Of Tax Increment Financing District No. 1-24 Within Municipal Development District No. 1 And The Adoption Of A Tax Increment Financing Plan Relating Thereto" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2021-127 is contained in the City Administrator's book entitled Council Resolutions 23.

2021 Tax Levy/Payable 2022 – Finance Director Vogel presented the preliminary tax levy for 2021 (payable 2022) that would maintain the tax rate at 51.70 which would mean, for properties with no change in valuation, there would be no property tax increase. Vogel noted once the preliminary levy was adopted, the final levy could be equal to or less, but not more. Vogel reviewed the details of the proposed levy and recommended adoption. In motion by DeVos, seconded by Johnson (K), Resolution No. 2021-128 entitled "Resolution Adopting Preliminary 2021 Tax Levy Collectible In 2022" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2021-128 is contained in the City Administrator's book entitled Council Resolutions 23.

Mortgage Subordination Request: River Rock Kitchen and Bakery – Community Development Director Wille presented the Economic Development Authority (EDA) recommendation for approval of a request to subordinate the City's revolving loan mortgage for River Rock Kitchen and Bakery to a new bank line of credit not to exceed \$37,000. Wille noted the EDA's review of the request showed sufficient value to the mortgaged property to protect the City's interests. In motion by Nowell, seconded by Johnson (E), Resolution No. 2021-129 entitled "Resolution Approving Subordination Of City Held Mortgage Securing Revolving Loan Made To River Rock Kitchen And Bakery To A New \$37,000 Home Equity Line Of Credit 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. 2021-129 is contained in the City Administrator's book entitled Council Resolutions 23.

Revolving Loan Request: Malin Halal Meat and Grocery Store – Community Development Director Wille presented the EDA’s recommendation for approval of a revolving loan in the amount of \$3,834.98 to Malin Halal Meat and Grocery Store at 3.25% “profit” amortized over three years and secured by a personal guarantee and security agreement. Wille indicated the loan, which would be used to purchase store fixtures and furnishings, had been structured to provide a “profit” versus “interest” payments in a way that would be compliance with the Sharia law of the Muslim faith and still provide repayment in an amount that would be equal to the regular rate of interest charged on revolving loans. In motion by Bruflat, seconded by Johnson (K), Resolution No. 2021-130 entitled “Resolution Approving \$3,824.98 Revolving Loan to Malin Halal Meat And Grocery Store, LLC To Partially Finance The Acquisition Of Commercial Fixtures And Furnishings” was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2021-130 is contained in the City Administrator’s book entitled Council Resolutions 23.

Revolving Loan Request: Hotel 221 (MNO Real Estate, LLC) – Community Development Director Wille presented the EDA’s recommendation for approval of a \$74,500 revolving loan to MNO Real Estate, LLC (John Mayer and Timothy Bartelt) for conversion of the property at 221 West Park Row into a boutique hotel with two rooms. Wille noted the City’s loan would be subordinate to a mortgage from Hometown Bank and the 3.25% interest 20 year amortized loan with a balloon payment at five years, would be secured by personal guarantees by Mr. Bartelt and Mr. Mayer and his wife Tamara Mayer. Wille also noted that payments would be for interest only until such time as a Certificate of Occupancy is issued for the property. In motion by Johnson (K), seconded by Bruflat, Resolution No. 2021-131 entitled “Resolution Approving \$74,500 Revolving Loan To MNO Real Estate, LLC To Partially Finance Renovation And Repurposing Of Building At 221 West Park Row As Boutique Hotel” was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2021-131 is contained in the City Administrator’s book entitled Council Resolutions 23.

City Assistance Request: Oktoberfest – City Administrator Prafke recommended approval of a request from the St. Peter Ambassador’s for City assistance for their October 22-26, 2021 Oktoberfest event in Municipal Lot #5. Prafke indicated the request was similar to previous years with the exception of a new request for a formal parade to be held along South Third Street between West Broadway Avenue and West Mulberry Street. In motion by Johnson (E), seconded by Nowell, Resolution No. 2021-132 entitled “Resolution Approving City Assistance For St. Peter Ambassador’s Oktoberfest Event” was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2021-132 is contained in the City Administrator’s book entitled Council Resolutions 23.

2021 Equipment Certificate Bids – Finance Director Vogel recommended acceptance of the bid from Pioneer Bank at an interest cost of \$13,813.80 for \$546,000 in 2021 Equipment Certificates. Vogel noted four bids were received ranging in cost from the low bid up to \$31,122. Councilmember Johnson (E) asked if the amount of issuance would be reduced as the pickleball court construction was completed at less cost than expected. City Administrator Prafke indicated that any funds remaining when projects funded by an equipment certificate are routinely reallocated to pay off older debt. In motion by Johnson (K), seconded by Bruflat, Resolution No. 2021-133 entitled “Resolution Awarding The Sale Of \$546,000 General Obligation Equipment Certificates Of Indebtedness Of 2021; 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. 2021-133 is contained in the City Administrator’s book entitled Council Resolutions 23.

Construction Standard Detail Plate - Driveway – Public Works Director Moulton reported staff had been working with owners of single family homes with three-stall garages who wished changes to the City’s construction standard detail plates regarding driveways and curb cuts. Moulton noted the current standard is for a maximum 24’ curb cut and 24’ access at the right-of-way line which was the standard used by MnDOT to control roadway access points and reduce conflict for drivers and pedestrians. After staff review of options, Moulton recommended adoption of a standard that would only be available to single family homes with three-stall garages and would maintain the 24’ curb cut, but allow up to 30’ at the property line.

Moulton pointed out that any change to the current standard that would increase the amount of impervious surface in the right-of-way would have drawbacks such as conflict with utility installation/replacement and increased stormwater runoff.

Councilmembers discussed design considerations, aesthetics, environmental impact, safety issues, impact to on-street parking, and reduced access to fire hydrants and mailboxes.

Mayor Zieman questioned if one of the property owners in the audience, whose driveway was installed against policy, would have to remove the concrete. Public Works Director Moulton indicated staff would work with the property owner to solve the issue.

In motion by Johnson (E), seconded by DeVos, Resolution No. 2021-134 entitled "Resolution Adopting Construction Standard Detail Plat #7021R-3 – Residential Concrete Apron" was introduced. Upon roll call, with all in favor, the Resolution was declared passed and adopted. A complete copy of Resolution No. 2021-134 is contained in the City Administrator's book entitled Council Resolutions 23.

Reports

Mayor's Report – Mayor Zieman commented on reduced attendance at the Rock Bend Folk Festival for the first year after COVID restrictions, but reported the event was busy nonetheless.

City/County Meeting Report – Councilmember Bruflat reported on discussion at the City/County meeting which included the use of American Recovery Plan funding and Library funding. City Administrator Prafke indicated additional topics of discussion included the intersection control evaluation study at the intersection of West Broadway Avenue/Sunrise Drive; Township 361 improvements; solid waste composting; development activities and much more. Prafke noted the joint committee meeting continues to be more cordial than in the past.

August 30th Goal Session Report – City Administrator Prafke informed Councilmembers he will have a written report on discussion at the August 30th goal session as part of the next regular City Council meeting packet.

There being no further business, a motion was made by Johnson (E), seconded by Bruflat, to adjourn. With all in favor, the motion carried and the meeting adjourned at 8:15 p.m.

Charles Zieman
Mayor

ATTEST:

Todd Prafke
City Administrator