

CITY OF MONTEVIDEO
CITY COUNCIL PROCEEDINGS
March 18, 2024

The city council met in regular session Monday, March 18, 2024 in the council chambers at city hall. Council President Schmidt called the meeting to order at 7:00 P.M. with the Pledge of Allegiance.

Council members present: Steve Sulflow, Beverly Olson, Bryce Curtiss, Dan Sanborn and Nathan Schmidt. Absent: None. Mayor Erich Winter present.

Also present were: City Manager Robert Wolfington, City Attorney Janice Nelson, City Engineer Mike Amborn and City Clerk Glennis Lauritsen.

It was moved by Sulflow, seconded by Sanborn and unanimously passed to approve the agenda, with the following modifications:

MODIFY: 5(A) **CONSIDER APPROVAL OF VERIFIED CLAIMS FOR THE PERIOD ENDING MARCH 14, 2024 IN THE AMOUNT OF ~~\$228,409.30~~ \$237,526.33.**

The revised list reflects the following additions:

UTILITIES

Hawkins - Chemicals	\$	6,797.73
Hawkins - Chemicals		2,319.30

DELETE: 7(E) **CONSIDER RESOLUTION PRESCRIBING RULES AND REGULATIONS FOR SUNSET MEMORIAL CEMETERY.**

ADD: 7(F) **CONSIDER APPLICATION FOR 2024 WINE LICENSE AND 3.2 ON-SALE LICENSE SUBMITTED BY FIESTA CITY RACING ASSOCIATION, LLC.**

It was moved by Curtiss, seconded by Olson and unanimously passed to approve the minutes of the regular meeting of March 4, 2024, as presented.

4. Notices/Communications/Announcements or Appearance of Interested Citizens.

4(A) 2023 BUILDING AWARDS PRESENTATION.

Mayor Winter presented a 2023 Building Award to the following:

- *Best Commercial Remodel/Renovation - 2023 - TeBeest Properties, LLC - Flowers From the Heart at 213 South 1st Street.*

5. Consent Agenda.

It was moved by Sanborn, seconded by Olson and unanimously passed to approve the following consent agenda items:

- 5(A) VERIFIED CLAIMS FOR THE PERIOD ENDING MARCH 14, 2024 IN THE (MODIFIED) AMOUNT OF \$237,526.33.
- 5(B) USE OF CITY PROPERTY FOR AN EASTER EGG HUNT AT SMITH PARK ON SATURDAY, MARCH 30TH FROM 8:00 A.M.- 12:00 P.M.
- 5(C) APPLICATION FROM THE CHIPPEWA COUNTY FAIR ASSOCIATION FOR AN EXEMPTION FROM LAWFUL GAMBLING LICENSE REQUIREMENTS TO ALLOW RAFFLE ACTIVITY ON AUGUST 4, 2024 AT THE CHIPPEWA COUNTY FAIRGROUNDS.
- 5(D) USE OF CITY PROPERTY FOR THE PROM DRIVE UP AND GRAND MARCH (BLOCKING ACCESS TO WILLIAM AVENUE AND A PORTION OF 17TH STREET) ON SATURDAY, MAY 4, 2024, 2:00-6:00 P.M.

6. Public Hearings.

- 6(A) 7:00 P.M. SMALL CITIES DEVELOPMENT PROGRAM GRANT APPLICATION AND ASSOCIATED SUPPORT MATERIALS.

To continue with the grant application for the Small Cities Development Program (SCDP), a public hearing is required to consider submission of the final application to the Department of Employment & Economic Development (DEED) and associated required documents. The following must be reviewed and discussed at the public hearing:

- Conflict of interest disclosure;
- Citizen input on identifying community development and housing needs of the community, including the needs of very low and low income persons;
- Proposed SCDP activities within the application and the benefitting locations;
- Overall costs and project financing;
- Implementation schedule;
- Past performance of staff proposed to carryout the project;
- Compliance with historic requirements, including whether or not there are or may be historic or potential historic buildings in the project area and how the community intends to address compliance with federal regulations governing historic properties.

Council members Schmidt and Sulflow stated that due to the nature of their work as construction contractors, they would be declaring a conflict of interest. Schmidt indicated, however, that he had no intention of participating in the multi-family grant project.

Council President Schmidt called a public hearing to order at 7:05 P.M. to consider a Small Cities Development Program Grant application and to consider approval of associated application support materials. The entire public hearing was recorded on a flash drive which will be kept in accordance with the city's adopted records retention schedule, after which time the media will be destroyed.

City Manager Wolfington informed the council that the Upper Minnesota Valley Regional Development Commission (UMVRDC) would be administering the grant. Their representative was unable to attend the hearing; however, written information had been provided to Wolfington who shared the following project specific information:

- Proposed is the rehabilitation of 42 multi-family housing units in the City of Montevideo;
- The maximum amount offered is \$12,500 per unit; therefore, the application would request \$525,000 in construction dollars and \$75,000 for administrative dollars, for a total of \$600,000.
- The full application is due April 17, 2024, with a projected start date of Summer 2025 and a 3-year window to use the funding.

- In regards to past performance of staff proposed to carry out the project, it was stated that the UMVRDC and Southwest MN Housing Partnership has been working on SCDP projects for over 20 years and have the capacity to implement this project.
- Each project would be submitted to Southwest Housing Partnership prior to construction, in order to be in compliance with historic requirements.

There was no one present to speak to this issue; therefore, the public hearing was closed at 7:08 P.M.

Additional discussion took place regarding the conflict of interest issue(s), and the city attorney was asked for advice on how to proceed. The information provided by the RDC stated that “Those with a conflict of interest or potential conflict of interest must recuse themselves from voting on the local government resolution to apply for funding and all other actions related to the grant.” Therefore, if they own, or part own, a multi-family housing unit, they should sign the form and recuse themselves. Further, the information noted that contractors likely will not be eligible even if they recuse themselves (won’t be able to work on a project), but if they want to try, they should.

City Attorney Nelson stated that the City Charter requires four (4) affirmative votes of the council in order for a resolution to be adopted. Based on the information provided by the RDC, two (2) council members have a potential conflict and, therefore, a resolution cannot be passed.

Due to this issue, the item was tabled to allow staff to obtain clarification from the RDC on how to proceed. Depending on their direction, a special meeting may need to be scheduled.

7. General Business.

7(A) CCM HEALTH CLINIC REMODEL PROJECT.

Brian Lovdahl, CEO of CCM Health, was present to discuss the CCM Health Clinic Remodel project. Prior to discussing the remodel, Lovdahl provided information on their preliminary audit numbers, indicating that the final audit will be available in May. He also updated the council on the activities surrounding the therapy department since contracting with Big Stone Therapy.

Lovdahl then discussed the remodel project, stating that because the clinic has seen such significant growth over the past three years, it is necessary to undergo an interior remodel of the clinic in the ongoing effort to provide optimal patient care. This includes adding 10-11 patient rooms, reorganizing/remodeling existing waiting room areas to develop 3 provider offices, 6 behavioral health offices and diabetic education rooms. The Hospital Commission has approved the building construction costs not to exceed \$2.6 Million on the project. Lovdahl provided a breakdown of the project and discussed the financial ramifications. He added that he would be presenting a similar request to the Chippewa County Board of Commissioners. This is a hospital project and no city funds will be utilized.

It was moved by Curtiss and seconded by Sanborn to authorize CCM Health to proceed with the project. Those voting in favor of motion: Curtiss, Sanborn, Olson and Schmidt. Those voting against motion: None. Council member Sulflow abstained. Motion passed 4-0-1.

7(B) SITE PLAN REVIEW - CITIZENS ALLIANCE BANK.

City Manager Wolfington reported that the Montevideo Planning Commission had met at 6:00 P.M. to conduct a site plan review for Citizens Alliance Bank, 1406 East Highway 7. The bank proposes to construct a new one-story 8,825 square foot building to replace the existing bank branch building at this location. The proposed building includes a coffee shop tenant and insurance agency tenant which seeks to increase traffic and attention to the site. There is a reciprocal easement agreement with neighboring property for parking spaces. Following its discussion, the commission unanimously recommend approval.

It was moved by Curtiss, seconded by Sulflow and unanimously passed to approve the site plan review, as recommended by the planning commission.

7(C) CITY ABATEMENT OF NUISANCE/106 NORTH 13TH STREET.

BRYCE CURTISS OFFERED RESOLUTION NO. 3934, A RESOLUTION AUTHORIZING CITY ABATEMENT OF A NUISANCE AT 106 NORTH 13TH STREET (BENAVIDEZ), AND MOVED ITS ADOPTION. MOTION FOR ADOPTION OF RESOLUTION NO. 3934 WAS SECONDED BY BEVERLY OLSON. THOSE VOTING IN FAVOR OF MOTION: BRYCE CURTISS, BEVERLY OLSON,

DAN SANBORN, STEVE SULFLOW AND NATHAN SCHMIDT. THOSE VOTING AGAINST MOTION: NONE. RESOLUTION PASSED 5-0.

7(D) PLANNING COMMISSION APPOINTMENT.

Vacancies exist on the planning commission, including two, 2-year terms and one, 3-year term. An application has been submitted by Stephen T. Cotter for the three-year term.

It was moved by Sanborn, seconded by Curtiss and unanimously passed to appoint Stephen T. Cotter to the Montevideo Planning Commission, term expiring January 2027.

7(E) SUNSET MEMORIAL CEMETERY RULES & REGULATIONS.

- Deleted.

7(F) FIESTA CITY RACING ASSOCIATION, LLC. LIQUOR LICENSE.

The Fiesta City Racing Association, dba/Fiesta City Speedway, has submitted applications for a 2024 Wine License (Monday- Saturday) and a 2024 3.2 On-Sale License (Monday-Saturday) for the racetrack concessions/restaurant. The combination of these licenses allows the sale of strong beer. It was noted that the city clerk will continue to work with the applicant on submission of all required documents and that no licenses will be issued until all needed materials are submitted.

It was moved by Curtiss, seconded by Olson and unanimously passed to authorize issuance of the 2024 Wine License and the 2024 3.2 On-Sale License for Fiesta City Racing Association, LLC, contingent upon receipt of all required documents.

8. Ordinances.

- None.

9. Discussion and Miscellaneous.

- ▶ City Manager Wolfington provided updates on two issues being reviewed by the Chippewa County Board of Commissioners - a moratorium on cannabis sales and a moratorium on solar gardens. Council member Sulflow added that there may also be future discussions/action on wind powered activity.

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Meeting adjourned at 7:30 P.M.

Glennis A. Lauritsen, Secretary

Approved by council April 1, 2024:

President - City Council