

**CITY OF MARSHALL
CITY COUNCIL MEETING
M I N U T E S
Tuesday, July 23, 2024**

The regular meeting of the Common Council of the City of Marshall was held July 23, 2024, at City Hall, 344 West Main Street. The meeting was called to order at 5:30 P.M. by Mayor Robert Byrnes. In addition to Byrnes the following members were in attendance: Craig Schafer (via Zoom), Amanda Schroeder, Steve Meister, John Alcorn, James Lozinski and See Moua-Leske. Absent: None. Staff present included: Sharon Hanson; City Administrator; Pamela Whitmore, City Attorney (via Zoom); Jason Anderson, Director of Public Works/ City Engineer; Preston Stensrud, Park & Rec Supervisor; Katie Brusven, Adult Community Center Coordinator; Eric Hanson, Assistant City Engineer; Eric Luther, Liquor Store Manager; Ilya Gutman, Plans Examiner; Stephen Zimmer, City Administrator Intern; and Steven Anderson, City Clerk.

Consider Approval of the Minutes from the Regular Meeting and Work Session Held on July 9th

There were no requests to amend the minutes from the work session or regular meeting held on July 9th.

Motion made by Councilmember Meister, Seconded by Councilmember Schroeder to approve the minutes from July 9th. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

New On-Sale Liquor License for Sazon Catracho, LLC 1) Public Hearing for Liquor License; 2) Consider Granting Liquor License for Sazon Catracho, LLC

Clerk Anderson opened the public hearing. An application for an On-Sale Intoxicating Liquor License and Sunday Liquor was received from owners of Sazon Catracho, LLC. The application was for 1404 East College Drive, which was the former Four Seas Restaurant location. City ordinance required that any new application for an on-sale liquor license go through a public hearing and have council approval. State law also required that only one liquor license was allowed per address. Councilmembers commented that they were glad to see that the building was no longer vacant.

Motion made by Councilmember Lozinski, Seconded by Councilmember Meister to close the public hearing. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

Motion made by Councilmember Lozinski, Seconded by Councilmember Alcorn to approve an On-Sale Intoxicating Liquor License for Sazon Catracho, LLC located at 1404 East College Drive. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

Proposed Increase in Liquor License Fees 1) Public Hearing on Fees; 2) Consider Resolution Adopting Fees

MN Statute §340A.408 Subd. 3a. required a public hearing be held for fee increases for on-sale/off sale 3.2 percent malt liquor and intoxicating liquor and that all affected licensees of 3.2 percent malt liquor and intoxicating liquor be mailed a notice at least 30 days before the date set for the hearing. On June 12, 2024 the city clerk mailed all affected license holders notice of the fee increase and public hearing date. Liquor fees were last adjusted in 2018 to increase the Brewer Tap Room fee from \$250 to \$500 and to lower On-Sale Liquor from \$4,200 to \$3,000. A public hearing was not held regarding these adjustments in 2018 because Brewer fees did not fall under the requirements of §340A.408 and a decrease in fees also did not meet the requirements under §340A.408 Subd. 3a. Clerk Anderson went back 30 years and found that since the early 90s liquor license fees had only ever been decreased to stay in line with similar size cities. After the approval of Sazon Catracho 15 businesses had a intoxicating liquor license, 11 businesses held a 3.2 percent off-sale malt liquor license, 3 businesses that possessed a 3.2 percent on-sale malt liquor license, and 2 on-sale wine licenses. The Ways and Means Committee and Staff recommended the following increase: On-Sale Intoxicating Liquor: \$500 increase to \$3,500. 3.2% Malt Liquor Off-Sale: \$60 increase to \$150. 3.2% Malt Liquor On-Sale: \$50 increase to \$300 and Temporary Liquor License 1-3 Day: \$45 increase to \$75. Councilmember Lozinski questioned the increase in fees and Clerk Anderson showed comparable cities and explained most cities also had an

additional investigation fee while the City of Marshall did not. Councilmember Meister, Chair of the Ways and Means Committee also reiterated the comparable cities and that Marshall shouldn't be the highest or the lowest and these increases would put us at the average. Clerk Anderson received one communication from Matt Schnoor, owner of The Wooden Nickel, Varsity Pub and Pizza Ranch, voicing his concern with the increase.

Motion made by Councilmember Schroeder, Seconded by Councilmember Meister to close the public hearing. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

Motion made by Councilmember Alcorn, Seconded by Councilmember Schafer to adopt Resolution 24-067 increasing liquor license fees for 2025 licenses. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske. Voting Nay: Councilmember Meister, Councilmember Lozinski. The motion **Carried. 5-2.**

Franchise Agreement with Minnesota Energy Resources 1) Public Hearing for Natural Gas Franchise; 2) Consider Adoption of Ordinance Granting Franchise

Minnesota Energy Resources was approached by Duininck Inc. to receive service of natural gas to their location along North Seventh Street. Under Chapter 10 of the City Charter a franchise is required to "place or maintain any permanent or semi-permanent fixtures in, over or under any street or public place for the purpose of operating a public utility..." and could only be granted by ordinance. The Public Works Director and City Clerk had been in talks with Minnesota Energy Resources and had worked with Robert Vose of Kennedy and Graven along with City Attorney Whitmore to modify the current franchise agreement with Great Plains Natural Gas to fit the request of Minnesota Energy Resources. The franchise agreement proposal was nearly identical to the Great Plains Natural Gas agreement with the largest change being an authorized service area for Minnesota Energy Resources along North Seventh Street, instead of having access to the entire city limits. The service area could be reviewed and expanded if Minnesota Energy Resources received new requests for service that does not interfere with existing facilities.

Motion made by Councilmember Meister, Seconded by Councilmember Lozinski to close the public hearing. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

Motion made by Councilmember Meister, Seconded by Councilmember Lozinski to adopt Ordinance 24-014 Granting a Natural Gas Franchise to Minnesota Energy Resources and authorize summary publication of Ordinance 24-014. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

Approval of the Consent Agenda

There were no requests to remove an item from the consent agenda for additional discussion.

Motion made by Councilmember Meister, Seconded by Councilmember Schafer to approve the items on the consent agenda. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

- Preliminary Plat of Ag Plus Swenson Addition – Introduction of Preliminary Plat
- Project AP-003: Airport Snow Removal Equipment (SRE) Building - Consider Resolution Authorizing Execution of MnDOT Grant Agreement No. 1057504 (S.P. A4201-107) (AIG 3-27-0056-020-2024) for SRE Construction Site Development
- Consider Approval for a Temporary Liquor License for the VFW
- Consider Approval of a LG230 Off-Site Gambling Permit for the American Legion

- Transfer 3.2% Off-Sale and Tobacco License to 727 Inc. (Freedom Gas Station)
- Consider a Resolution Calling for a Public Hearing on Proposed Assessments for Unpaid Services, Ice, Snow and Weed Elimination
- Consider Approval of the Bills/Project Payments

Authorize the Advertisement of Bids for the New Proposed Marshall Aquatic Center

Administrator Hanson went over a brief history of the Marshall Aquatic Center from its opening in 1937 through the referendum vote in 2023. The successful referendum held on November 7, 2023, would provide \$18.3 million in funds through the extension of the sales tax in Marshall, but additional commitments would help support further amenities such as a body slide flume, lily pad water walk, climbing wall and more shade structures. All donations were being made to the Marshall Community Foundation, who was serving as the fiscal agent for the project and managing the aquatic center fund. To date, the fundraising committee had reported just over \$600,000 received or pledged towards the new aquatic center. The Aquatic Center Committee finalized the plan set and Stockwell had prepared bidding documents. David Locke, an architect from Stockwell briefly reviewed the bid cost estimates and upcoming timeline for the project. Construction costs were estimated at \$16,502,467.33 and with other items the base project bid amounted to \$18,954,783.78. Alternates to the bid which included body slides, lily pad walk, additional shade structures, climbing walls, privacy wall, water integration controls, and demolition of the old facility amounted to \$1,279,761.92.

Motion made by Councilmember Schafer, Seconded by Councilmember Moua-Leske to authorize the advertisement of bids for the proposed Aquatic Center. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

Adult Community Center Update

Katie Brusven, Adult Community Center Coordinator, presented to the council an overview of the happenings and goals of the Adult Community Center. Highlights of her presentation included: Marshall Area Senior Citizens membership, various groups who regularly rent space at the center, opportunities given to area seniors, grant funding projects and an open house with dueling pianos to be held on August 20th in the Adult Community Center parking lot. The Adult Community Center also partnered with Greenlite to provide LED lightbulbs to seniors and low-income housing.

Tall Grass Liquor Annual Report

Liquor Store Manager Eric Luther reported on the operations of Tall Grass Liquor over the past year. In 2023, the oversales of the liquor store were \$7,376,044 before transfers of \$1,158,807. Beer had the highest annual sales, but the lowest gross profit percentages, while THC products, while being relatively new, had the lowest sales but the highest profit margins. Non-alcoholic beverages were seeing a resurgence and the number of offerings had increased significantly and Ready to Drink cocktails were a newer trend that was a popular product. Councilmember Lozinski commented on the push by businesses to be able to sell strong beer with a 3.2% Malt Liquor License. Luther remarked that it was a concern for a lot of municipal liquor stores.

Tall Grass Agreements for Canning, Photograph Use, and Fiscal Agent

Tall Grass Municipal Liquor Store purchased beer from Brau Brothers Brewing (Brau) as part of their normal course of business in acquiring inventory. Brau offered to brew and can four types of beer labeled with a design/name unique to the City of Marshall to be sold exclusively at Tall Grass. City staff decided the four types to be brewed and canned with the local branding were Cultivate (pale ale), Brew 1872 (amber ale), Jiminey Jumper Juicy Apple (light apple lager), and Mustang Golden Ale. Tall Grass would purchase 200 cases of each type. Lauren Deutz, Economic Development Director, designed the three cans associated with the City and Tall Grass, while SMSU staff designed the can for Mustang Golden Ale. The city worked with a graphic designer from Henle Printing for design of the 12-packs. The can for Brew 1872 used a photograph of the train station provided by the Lyon County Historical Society. The Historical

Society agreed to grant permission for its use with no charge to or fee paid by the city. Tall Grass offered to donate \$1.00 to the SMSU Foundation from the sale of Mustang Golden Ale 6-packs and \$1.00 from the sale of the Tall Grass Fridge Pack (which included 3 cans of Mustang Golden Ale). The beer was expected to be available for sale at Tall Grass Municipal Liquor Store around the start of Sounds of Summer. City Attorney Pamela Whitmore provided the draft agreements.

Motion made by Councilmember Meister, Seconded by Councilmember Lozinski. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

Consider Adoption of Ordinance Amending the Salaries of Mayor and Councilpersons

The proposed ordinance amendment would be a 3% increase in salaries for 2025 and 2026 and by State Statute would not take effect until January 1 after the State General Election.

Motion made by Councilmember Schafer, Seconded by Councilmember Meister to adopt Ordinance 24-015 amending Chapter 2, Article III, Division 1, Section 53 Salaries of the Mayor and Councilpersons to increase salaries by 3% and authorizing its summary publication. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske. Voting Nay: Councilmember Lozinski. The motion **Carried. 6-1.**

Commission/Board Liaison Reports

Byrnes	Fire Relief Association reviewed their annual audit.
Schafer	No report.
Meister	No report.
Schroeder	Planning Commission reviewed the Ag Plus Preliminary Plat.
Alcorn	No report.
Moua-Leske	CVB reviewed a number of events that were planned in the city
Lozinski	No report.

Councilmember Individual Items

Councilmember Lozinski lamented the fact that MnDOT didn't work enough with local businesses on communication of projects and timing of events.

City Administrator

Stephen Zimmer, Administrator Intern, gave a brief presentation on what he had learned and done during his internship with the City of Marshall.

Director of Public Works/City Engineer

Project updates were given on Whitney Street and Lyon Circle. The street department was asked to assist the City of Windom to help with flood control clean-up and were given permission by Administrator Hanson to assist.

City Attorney

No report.

Information Only

There were no questions on the Information Only items.

Upcoming Meetings

There were no questions on the Upcoming Meetings.

Adjournment

At 6:59 PM Motion made by Councilmember Meister, Seconded by Councilmember Schroeder to adjourn the meeting. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

Attest:

Steven Anderson, City Clerk

Robert Byrnes, Mayor