

Owatonna City Council Minutes

October 1, 2024

On Tuesday, October 1, 2024, at 7:00 p.m., Council President Schultz called the regular session of the Owatonna City Council to order in the Chambers of the Charles S. Crandall Center. Present were Council Members Svenby, Voss, Dotson, Burbank, Boeke, Raney and Schultz; Mayor Kuntz, Public Works Director Murphy; Community Development Director Klecker; IT Technician Specialist Enz; City Attorney Walbran; City Administrator Busse; Assistant City Administrator Tuma and Administrative Coordinator Clawson.

Following the Pledge of Allegiance, Council President Schultz welcomed everyone to the meeting. Council Member Boeke made a motion to approve the agenda as presented, Council Member Svenby seconded the motion, all members voted aye in approval.

Public Hearing – Proposed Assessments – Properties with Delinquent Account – Owatonna Public Utilities

Council President advised there will be a public hearing for comments regarding the proposed assessments on properties with delinquent utility bills at Owatonna Public Utilities. Administrator Busse introduced Toni Van Esch, Customer Service Advisor at Owatonna Public Utilities. Van Esch confirmed requirements met for total assessment of \$18,17348.

At 7:03 pm, the public hearing open. With no comments heard, at 7:04 Council Member Raney made a motion to close the public hearing. Council Member Burbank seconded the motion, and all members present voted aye in approval. Council Member Raney asked why the Notice of Public Hearing showed an assessment amount of \$21,719.48, Van Esch explained ownership changed of one parcel during the assessment process and the current property owner is not responsible for delinquent utility account.

Resolution 99-24: Adopt Assessments – OPU Delinquent Accounts

Council Member Dotson made a motion to approve Resolution 99-24 adopting the proposed assessments with an annual interest rate of 5.5%. Term of payment for an assessment per City Ordinance for a delinquent utility account is within one year if less than \$1,000 and within three years if more than \$1,000. Council Member Voss seconded the motion, all members voted aye in approval.

Recommendations for Appointments: West Hills Commission and Human Rights Commission

Mayor Kuntz advised application process recently completed with panel phone interviews to fill current openings on two commissions. He made recommendation that

Sara McKay be appointed to the West Hills Commission and Sherry Hill to the Human Rights Commission. These appointments will fulfill the remainder of the previous member's terms to expire April 30, 2025, when they will be eligible for reappointment to a new three-year term. Council Member Boeke made a motion for approval, Council Member Raney seconded the motion, all members voted aye for approval. Sherry Hill was present to receive the Oath of Office administered by Mayor Kuntz.

Proclamations

Mayor Kuntz commented recent proclamations have been issued for:

Domestic Violence Awareness Month – October 2024

Owatonna Foundation Week – October 1-4, 2024

Ben Staska Day – October 10, 2024, the 2024 Firefighter of the Year

Pregnancy & infant Loss Remembrance Day – October 15, 2024

Consent Agenda Items

Council President Schultz explained council members review the Consent Agenda items prior to the meeting for approval in one motion. Consent Agenda items for this meeting include:

Minutes – Council Meeting – September 17, 2024

OPU Commission Meeting - August 27, 2024

Weed/Nuisance Inspection Report - September 25, 2024

Exempt Permit - Owatonna Fire Relief Association - Bingo - November 16, 2024

Exempt Permit - Early Edition Rotary Club - Bingo - November 15, 2024

Event Permit - Mn Snap Low Cost Spay-Neuter Clinic - October 13, 2024

Proposal - Revised City Hall CIP Generator Replacement Scope and Design - ICS
Correction in proposal approved July 2, 2024, agreement for electrical design review for generator to power the Crandell Center was not included.

Donation - Owatonna Youth Hockey Association Gambling Fund

Park and Rec Department to receive \$1,000 donation.

Resolution 106-24 Authorize Contract for Purchases - Fame Awards

Letter of Agreement - Patent/Trademark City Brand - Greenberg Traurig, LLP

To prepare and submit application to the United States Patent and Trademark Office to protect the intellectual property assets developed through the adoption of a new brand. Cost will be split with the Owatonna Area Chamber of Commerce.

Council Member Dotson made a motion for approval, Council Member Svenby seconded the motion. Council Member Voss recused himself from voting, the resolution included is for purchases from his business; all members voting, voted aye for approval. Council Member Voss commented this will be the last payment to Fame Awards requiring approval by resolution, he just finalized the sale of the company and is no longer the business owner.

Finance Report

Council Vice President Raney recapped payments made for amounts greater than \$20,000 during this period.

53,384.00	Baker Tilly - 2023B Gen Obligation Street Reconstruct Bond Fees
86,130.02	Cyber Advisors - Fortinet hardware/project
114,529.00	League of MN Cities Ins Trust – 4 th Qtr 2024 Workers Comp Premium
580,579.87	Legence Subsidiary Holdings LLC dba ICS Consulting LLC
	- Merrill Hall pay est #9 - \$574,244.70
	- Facility needs consulting \$6,335.17
114,377.02	Nero Engineering - WWTF Upgrade & Expansion project - August 2024
28,276.62	Owatonna Area Chamber of Commerce - Lodging Tax July 2024
1,083,361.86	Rice Lake Construction Group - WWTP Expansion Est 27
137,172.58	Southeast Service Cooperative - Aug 2024 health ins premiums
271,606.76	US Bank
	- GO Street Reconstruction Bond, Series 2023B: Bond Interest Pymt \$103,361.13
	- GO Street Reconstruction Bond, Series 2021A: Bond Interest Pymt \$37,630.00
	- GO Street Reconstruction Bond, Series 2020A: Bond Interest Pymt \$19,000.00
	- GO Improvement Bond, Series 2019A: Bond Interest Pymt \$28,200.00
	- GO Street Reconstruction Bond, Series 2018A: Bond Interest Pymt \$49,950.00
	- GO Bond, Series 2017A: Bond Interest Pymt \$10,096.88
	- GO Bond, Series 2016A: Bond Interest Pymt \$19,868.75
	- GO Bond, Series 2015A: Bond Interest Pymt \$3,500.00
21,631.25	US Bank - Entire organization monthly credit card purchases July-Aug
288,671.75	Wencl Construction - 2024 Street & Utility Pay Est #2
<u>264,531.88</u>	Other Expenditures
\$ 3,044,252.61	Total Expenditures Presented for Approval

Council Member Boeke made a motion to approve payment of all bills presented, Council Member Svenby seconded the motion, all members voted aye for approval.

Resolution 100-24: 18th Street SE Trail Project - Accept Bids & Award Contract

Public Works Director Murphy advised a Pedestrian and Bicycle Trail running along the South side of 18th Street SW and the North side of 18th Street SE is planned for

construction. This extension of the 18th Street Trail is a phased project supported by many businesses, organizations, and Steele County. Transportation Alternatives Program (TAP) funds have also been awarded for 2026 to complete the trail from Austin Road to Bixby Road (CSAH 48). Bids were received on August 29, 2024, for the 18th Street SE Trail Project. Bids were received from five (5) companies.

Ulland Brothers Inc - Albert Lea, MN	\$911,296.47
Steve James Excavating, Inc - Owatonna, MN	\$922,114.83
Wencl Construction, Inc - Owatonna, MN	\$965,904.50
Heselton Construction, LLC - Faribault, MN	\$1,094,000.00
ICON, LLC - Dodge Center, MN	\$1,099,242.02

The Engineer's Estimate for this project was \$989,626.80. The contractor submitted Disadvantaged Business Enterprise participation records to the MNDOT Office of Civil Rights (OCR). The submittals met OCR's criteria and approvals have been obtained. Due to Federal Process and State Aid review concurrence and lengthy contract timelines, the project will not be constructed until spring 2025. Council Member Svenby made a motion to accept the bids and award the project to the low bidder, Ulland Brothers Inc. of Albert Lea, MN at \$911,296.47. Council Member Voss seconded the motion, all members voted aye in approval.

Resolution 101-24 Declare Costs – Delinquent Snow Removal Accounts

Public Works Director Murphy requested approval of Resolution 101-24 to declare costs of the Delinquent Snow Removal Account and propose assessments for unpaid sidewalk snow clearing fees incurred during the 2023-2024 Winter Season. Pursuant to City Ordinance 94.005, property owners or occupants are responsible for removing snow and ice from sidewalks adjacent to their property within 24 hours of accumulation.

Inspections are completed on a complaint-received basis. Written notices are mailed to the property owners of the addresses found to be non-compliant, additional inspections are completed and properties that have not been cleared are subject to snow removal under the direction of the City Engineer. Contractor and administrative fees are billed to the property owner.

Two properties have outstanding costs to collect assessments in the amount of \$834.80 as reimbursement for expenses incurred. Council Member Raney made a motion for approval, Council Member Boeke seconded the motion, all members voted aye for approval.

Resolution 102-24: Set Public Hearing Date - Delinquent Snow Removal Accounts

Public Works Director Murphy requested approval of Resolution 102-24 to set a Public Hearing Date for comments regarding the Delinquent Snow Removal Account proposed for assessment for unpaid sidewalk snow clearing fees incurred during 2023-2024

winter season. A Public Hearing Date will be held on November 6, 2024. Council Member Voss made a motion for approval, Council Member Svenby seconded the motion, all members voted aye for approval.

Resolution 103-24: Execute MN Department of Transportation Grant Agreement for Hangar #10 Roof Replacement Design Services

Community Development Director Klecker requested approval of Resolution 103-24 authorizing the acceptance of the MnDOT Aeronautics Grant Agreement for design services for the roof replacement project. After bids are received and the project is tentatively awarded, this design grant will then be amended to include funding for all eligible construction costs based on the bid amount. This grant agreement is for \$27,160, 70% of the eligible costs. The local share is anticipated to be 30% at \$11,640. Council Member Boeke made a motion for approval, Council Member Dotson seconded the motion, all members voted aye for approval.

Resolution 104-24 Award 2024 Demolition Quotes

Community Development Director Klecker presented Resolution 104-24 to approve the quotes received for the 2024 Fall Demolition projects and award the project. There are four sites included in this project:

- 1) The EDA purchased the house at 139 Pearl Street E for future downtown development. All structures on the site will be demolished and all of the utilities removed from the property. The property will then be filled, graded and seeded until the time a project is started.
- 2) The City purchased the house at 506 Maple Drive through a Repetitive Loss Flood Grant. All structures will be demolished, and all the utilities removed. The property will then be filled, graded and seeded for perpetuity. The City is unable to build on the property as it is located within the floodplain. The City will be reimbursed for all costs associated with this property.
- 3) The City purchased the house at 1370 Cherry Street for future park development. All structures on the site will be demolished and all utilities removed to the curb. The property will then be filled, graded and seeded until the time a project is started. Projects and details will be determined at a future date.
- 4) The City also has an existing building located within Dartt's Park which is located within the flood plain. The structure is being demolished to remove a building from the flood plain.

Bids were received from three companies:

Company	139 Pearl St E	1370 Cherry St	506 Maple Dr	Dartt's Park	Total
JJD Companies	\$33,825	\$29,850	\$23,700	\$ 8,650	\$96,025
Steve James					
Construction	\$41,500	\$40,000	\$35,500	\$12,500	\$129,500
Wencl					
Construction	\$33,500	\$31,500	\$25,000	\$11,500	\$101,500

The low bid (all four sites) is \$96,025; EDA will pay \$33,825, the City will be reimbursed \$23,700 for Maple Drive and balance to be paid from the General Fund. Council Member Raney made a motion for approval, Council Member Voss seconded the motion, all members voted aye for approval.

Resolution 105-24: Appoint Election Judges - 2024 General Election

City Administrator Busse requested approval of Resolution 105-24 appointing Election Judges for the 2024 General Election planned for Tuesday, November 5, 2024. This resolution appoints judges and also authorizes staff assignment of Election Judge substitutes if needed. All judges serving are required to attend training to become a Certified Election Judge prior to serving. July 1st was the beginning of the current 2-year biennial period for Judge Certification. Jennifer Mueller, Director of the Steele County Property Tax and Election Office, held nine Election Judge Training Sessions in July prior to the August Primary Election and one training session is offered next week, October 10th. Election Day poll assignments will be prepared with the 129 judges listed. The polls will be open from 7:00 a.m. to 8:00 p.m. with the judges beginning at 6:00 a.m. and finishing around 9:00 p.m. Council Member Voss made a motion for approval, Council Member Burbank seconded the motion, all members voted aye in approval.

Merrill Hall Lease - Little Theatre of Owatonna

Assistant City Administrator Tuma requested approval to renew a lease with the Little Theatre of Owatonna's (LTO) for space (12,467 square feet) in Merrill Hall. LTO, a community theater, has been leasing space at Merrill Hall for several decades. Due to recent building improvements, some spaces are required for the HVAC system. This presented an opportunity to collaborate with another building tenant, Wee Pals, to adjust the space to benefit both tenants. Under the proposed lease agreement, a dust collector is required if LTO uses power saws in the workshop area, and LTO will cover the unit and installation costs. Additionally, the lease allows the City to use the auditorium for City business, provided advance notice is coordinated.

The proposed lease is for five years with annual rent increases:

- January 1, 2025 – December 31, 2025: \$10,800 per year/\$900.00 month
- January 1, 2026 – December 31, 2026: \$14,400 per year/\$1,200.00 month
- January 1, 2027 – December 31, 2027: \$18,000 per year/\$1500.00 month
- January 1, 2028 – December 31, 2028: \$21,600 per year/\$1800.00 month
- January 1, 2029 – December 31, 2029: \$24,000 per year/\$2000.00 month

Council Member Dotson made a motion for approval, Council Member Boeke seconded the motion, all members voted aye in approval.

Merrill Hall Lease - Wee Pals Child Care Center, Inc

Assistant City Administrator Tuma requested approval to renew a five-year lease with Wee Pals Child Care Center, Inc. (Wee Pals) for spaces occupied in Merrill Hall (10,251 square feet) Wee Pals, a community childcare provider for infants through school-aged children has leased space at Merrill Hall for decades. Wee Pals is responsible for maintaining, inspecting, and replacing the outdoor playground and fenced-in green space. The annual term rent amount for 2025, is \$48,510.00/monthly installments of \$4,042.50. The rent will increase by:

- 3% for 2026
- 2% for 2027
- 2% for 2028
- 2% for 2029

Council Member Burbank made a motion for approval, Council Member Voss seconded the motion, all members voted aye in approval.

STAFF COMMENTS

Public Works Director Murphy commented staff is training on the MBR at the Wastewater Treatment Plant. They are waiting for some electronical components which has slightly delayed progress on the project. The 2024 Street & Utility Project is in process and the Street Department has completed the paving project. The Vine Street Project began yesterday and should be completed on or before November 15th. Be cautious when in the area, the street and sidewalks will be closed when surface demolition materials are being removed.

Community Development Director Klecker commented that Marthaler Honda Dealership held a groundbreaking event and dirt will soon be moving for their new facility on 26th Street. Renovation is underway at the former Holiday Inn to become a Double Tree Hote; this site provides one of the largest conference venues within the city. Scooters Coffee has started construction on their new building on 18th Street. Council Member Raney asked if use of the Bird scooters this year was lower than usage last

year. Klecker commented that the scooter usage was lower, the daily average number of rides was 58 compared to 80-90 last year. Usage amount is tracked, and he anticipates this will be a factor this winter when Bird considers a 2025 agreement.

PUBLIC COMMENTS

Gail Jorgenson, 249 E Main Street, commented she appreciated that the council has been listening to the concerns of the east side corridor residents and asked great questions during tonight's study session, which included presentation and evaluation of the alternative routes for the East Side Corridor. She thanked Mayor Kuntz for the proclamation for Pregnancy and Infant Loss Remembrance Day, she lost an unborn child 44 years ago and appreciates recognition of this date. When people say that in 30 years, the design of the east side corridor won't matter, because there will be a new set of rules, but it will matter, because children might get hurt that aren't born yet.

Keegan Jones, 517 S Cedar Avenue, thanked the council and the city on behalf of the Owatonna Little Theater (LTO) for their support for LTO with the building updates at Merrill Hall and the renewed lease agreement. The renovated space is a big improvement for the LTO and allow us to better serve our community. We look forward to continuing this partnership with the city.

Clarissa Dushek, Director at Wee Pals, thanked the council and city for investing in the Merrill Hall building and thankful for the interest and investment in the children of this community. Childcare is greatly needed within the community. This building project allowed the addition of more rooms within their center and potential future builds. They are looking forward to returning for operations on site.

Tyrel Alastair Hunter, 2595 Mossy Creek Drive, commented he is representing many concerned residents from his neighborhood in regard to the east side corridor. We have been persistent in attending town hall and county meetings seeking transparency and accountability for this project. Our community has been vocal in requesting clear information but have encountered avoidance, lack of transparency and at times what feels like deception from local officials. A recent memo sent to the Federal Government included in Figure 2, a map of a 1993 study which included three additional neighborhoods which were not part of the original documents from that study. This discrepancy raises doubts about the accuracy and integrity of the information presented to the public. We were told five alternative routes would be evaluated, however prior to the beginning of the study, two of these alternative routes were dropped with no explanation provided. Options 1 and Option 2 were included in the evaluation which had been previously dropped, these led to a study which was skewed for only one viable outcome. We are questioning the legitimacy of the evaluation, we want this process to be open, transparent, and fair for everyone to be impacted by this project.

Melissa Zimmerman, 2525 Stony Creek Drive, thanked council members for asking questions during the study session prior to tonight's meeting. Tonight, WSB confirmed the setback will be 17', that allows only 2' for mitigations, 2' from powerlines, how will a trail or noise wall fit in this space. Any encroachment onto my property will trigger eminent domain. HUD Guidelines state a road this close will result in condemnation, can you afford to relocate all of us and redesign the neighborhood? None of the proposed designs fit within a 100' footprint with mitigations, none of the proposed mitigations met MnDOT regulations or was avoidance included which should be the first step in the WSB Report. MnDOT requires 100' of mature trees or berms 20' high, not the inadequate mitigation proposed. WSB and the county also eliminated safer and more costly effective Options 4 and 5 without proper justification and have not provided an explanation of why this was done. We were denied a proper public comment period which allowed misleading information sent to the Federal Government. During the 90's 29th Avenue was moved out 1,200 feet to protect existing homes, why not move this route out farther also.

Matt Sennott, 2519 Stony Creek Drive, commented the city is partners in this project with the county which is important to our neighborhood. The County Engineer and WSB are proposing the route which was chosen 30 years ago. Now, houses exist in the area, and they hope to cram the roadway in the remaining right of way. In 2011, the proposed route was abandoned because 34th Ave was better but now it is back? Why this change? We ask the City Council and county to step up this joint project before more tax dollars are wasted. We need more space between our established houses and the roadway. MnDOT says spacing should be 1,200 feet for noise purposes. None of the routes proposed tonight included 1,200 feet so forcing our request for a noise wall to protect our children and homes from increased noises. This will also destroy our property values and safety zones, which is reckless. Your citizens need your help, you can create your own legacy to last the next 30-70 years.

Gary Jones, 995 Ridge Road, commented that during recent meetings I've been told ladders are gone and only climbing sticks are allowed. The City's Deer Management Application does state; no ladders allowed but it doesn't say that the climbing sticks must be moved every time. This is a critical point that should have been included. Also, hunters are asked to report each week how many days they went out and how many deer they have taken and how many deer they have seen. Asking hunters to report the deer count would be a good way to inflate the numbers, a third party should complete a count on one day to get an accurate of the deer population. I have received information on another city's deer management plan which I plan to share with all of you.

COUNCIL COMMENTS:

Council Member Voss thanked the Police Department and the Owatonna Foundation for the new street signs at the schools, these should cause traffic to slow down. He was pleased that the Vine Street Parking Lot Project has begun, this project began with the EDA five or six years ago. He thanked everyone who attended the neighborhood meeting to discuss speed control along Third Avenue NE. Approximately 65 people attended this meeting with Chief Mundale, Council Member Svenby and himself present. There is a smaller follow-up meeting planned next week; he hopes this will help mitigate the speeding problem in this area.

Council Member Raney commented that 24 years ago, Council Member Dotson was crowned the Owatonna Homecoming King. This year, Council President Schultz's granddaughter Isabella was honored to be in the top 12 of the Homecoming Court. This is Homecoming Week, and the Homecoming Parade will be Friday afternoon, if planning to attend, you will want to go early because parking may be particularly challenging this year now that the Vine Parking Lot Project is underway.

Council Member Svenby commented that last week he received an e-mail about a rooster within the city. He had advised them to file a Nuisance Complaint and request staff draft an ordinance for consideration like other cities have which prohibits roosters within city limits.

Mayor Kuntz commented he is pleased that two new board/commission members were appointed during tonight's meeting. Applications are currently being accepted for membership on the EDA, the application form is available on the city's website.

Council President Schultz commented that last night he attended the OHS Homecoming Coronation. His granddaughter Isabella is a member of the Homecoming Court, and he was proud to see her on the stage last night and she will also be in the parade on Friday. My mother was the OHS Homecoming Queen in 1954 and would have loved seeing Isabella in these Homecoming activities; unfortunately, my mother passed away a few months ago.

At 8:00 p.m., Council Member Svenby made a motion to adjourn, Council Member Dotson seconded the motion, and the meeting ended.

Respectfully submitted,
Jeanette Clawson, Administrative Coordinator