

Owatonna City Council Minutes

November 6, 2024

On Wednesday, November 6, 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; Finance Director Burns; Human Resource Director Thamert, Fire Chief Hoffman, Assistant City Administrator Tuma, IT Technician Specialist Enz; City Attorney Walbran; City Administrator Busse; 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 Voss seconded the motion, all members voted aye in approval.

Public Hearing – Proposed Assessments Unpaid Invoices Snow Removal 2023-2024

Council President advised a public hearing will be held for comments regarding proposed assessments for unpaid fees for snow removal last winter. He anticipates there will be few or no comments, the outstanding invoices were paid within the last two weeks. Public Works Director Murphy confirmed all fees for snow removal costs incurred during the 2023-2024 winter are paid.

At 7:03 pm, the public hearing opens. With no comments heard, at 7:04 Council Member Raney made a motion to close the public hearing. Council Member Dotson seconded the motion, and all members present voted aye in approval.

Resolution 112-24: Adopt Assessments Unpaid Snow Removal Invoices 2023-2024

No action taken on this resolution; all invoices have been paid.

Proclamation – DECA Week

Mayor Kuntz proclaimed the week of November 11 – November 15, 2024 as DECA Week. DECA is recognized by the United States Department of Education as a national career and technical student organization and an integral part of career and technical education. Owatonna High School is concerned with business education and training of students for productive, satisfying careers. Amanda Clubb, DECA President and members Andy Mitchell, Darian Stranksy, Finn Loveless, Joanna Haggerty, and Lexie Klecker were present to receive the proclamation. Ms. Clubb thanked Mayor Kuntz, City Council Members and their advisor, Brad Schraber, OHS Business Teacher for supporting their DECA program.

Accept Letter of Resignation – Park Board Member

Mayor Kuntz advised he received a Letter of Resignation from Park Board Member Johathan Douglas. Mr. Douglas is currently serving his second of three-year terms which

will end April 30, 2026. Council Member Boeke made a motion to accept his resignation, Council Member Burbank seconded the motion, all members voted aye. Application to fulfill the remainder of this term will be posted on the city's website.

Recommendations for Appointment - EDA

Mayor Kuntz advised applications were received and panel phone interviews completed to fill the current opening on the EDA (Economic Development Authority). He made recommendation that Brian Savage be appointed to a new six-year term to expire September 30, 2030. Council Member Raney made a motion for approval, Council Member Svenby seconded the motion, all members voted aye for approval. Mr. Savage was present and thanked the Mayor and Council for this opportunity to serve on the EDA. Mayor Kuntz then administered the Oath of Office to Mr. Savage.

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 – October 15, 2024

- OPU Commission Meeting – September 22, 2024

- Fire- Monthly Dashboard and Activity Report – September 2024

- Weed/Nuisance Inspection Report – October 29, 2024

- Senior Nutrition Program Lease Agreement – SEMCAC

- SEMCAC Senior Dining provides walk-in meals and deliveries to citizens of the community and surrounding communities. The organization utilizes the kitchen, a storage space next to the kitchen and an area for office space. SEMCAC pays the city a daily use fee, a percent of the monthly garbage service, and a percent of the water softener fees. To allow for efficiencies in budgeting and invoicing payments for monthly garbage service and water softener fees were eliminated in this agreement. The daily use fee was increased to off-set the amount currently being collected from SEMCAC for those services. Additionally, included in this agreement is SEMCAC being responsible for the annual hood cleaning and annual kitchen drain and drain trap cleaning service fees. The City will schedule those services and bill SEMCAC. This agreement is for a 4-year renewal, from 2025-2028.

- Facility Use Agreement – Owatonna Church of Christ

- Agreement for use of the multi-purpose room at the West Hills Social Commons for the purpose of church gathering on Sundays from 8:00 am – 9:00 am. There is no fee for use of this space during this time and pay rental fees for additional space and times.

Lease Agreement – Steele County Healthy Seniors

2025 agreement to rent 3rd Floor Office space and storage space at West Hills Social Commons. The annual rent is \$2,058 due in quarterly installments of \$514.50.

Donation – Corky's Early Bird Softball Tournament – May 2024

\$11,000 check received from Loren Dietz, Board Member of Corky's Early Softball, Inc. This year's donation will be added to the existing account for future softball field improvements or projects to enhance the softball experience for future years in Owatonna.

Photography Contract – Aaron Guzman Photography

A Commercial Photography Contract with Aaron Guzman Photography to obtain an inventory of photos that represent City services, amenities and facilities in all seasons. Current photos of City assets, services and amenities are outdated, poor quality or do not exist and photos needed for use. The contract agreement is for \$2,000.

Independent Contractor Agreement – Yoga and Pilates Instructor Denise Stewart

Independent contractor, Denise Stewart, provides yoga instruction for the City's Adult Leisure Pursuits program offerings at West Hills Social Commons and West Hills Fitness Center. The Contractor is paid 70% of the revenue for instructing the program and issued card access into the buildings, resulting in no additional City staff time for the program. This is an annual agreement, with a renewal date of January 1, 2025. Pilates classes will be added and an annual auto-renewal clause that was included to provide efficiencies in the agreement renewal process. The city provides a small storage area and manages all program registration. There are no other direct expenses.

Maintenance Agreement- City Wide – MEI Total Elevator Solutions (MEI)

The City has seven elevators and one lift within the government facilities. The Facilities Department manages each unit's annual inspections and service. Staff worked with MEI to combine all outstanding agreements into one except for the elevators at the LEC. This is a three-year agreement with a 90-day auto-renewal. This agreement includes:

- Art Center (1)
- City Hall (1) elevator, (1) lift
- Fire Hall (1) elevator
- Library (1) elevator
- Social Commons (1) elevator

This annual preventative maintenance agreement provides inspections twice yearly: for full service in the fall and inspection in the spring. The two elevators at the Law Enforcement Center (LEC) are not included, they are under a separate

three-year agreement for Parts Oil and Grease service agreement because of the age of the units and a lot of the equipment being obsolete.
Council Member Svenby made a motion to approve these Consent Agenda items, Council Member Dotson seconded the motion, all members voted aye for approval.

Finance Report

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

\$ 30,892.02	AvFuel Corp - Airport fuel for resale
20,314.34	Central Farm Service - Fleet fuel
116,942.45	Crane Creek Asphalt - Asphalt
53,833.00	Environmental Plant Services Inc - Merrill building - asbestos pay est #1
30,658.00	Hawkins - Chemicals
570,000.00	Legence Subsidiary Holdings LLC - Merrill Hall pay est #10
233,590.20	Near North Title Group - Purchase 401 Barney St
130,529.50	Nero Engineering - WWTF Upgrade & Expansion Services – September 2024
32,944.64	Owatonna Area Chamber of Commerce - August 2024 lodging tax
1,093,383.50	Rice Lake Construction Group - WWTP Expansion pay est #28
36,800.00	Right-Way Painting Inc - Merrill Hall painting
138,158.96	Southeast Service Cooperative - October 2024 health ins premiums
79,678.25	Steve James Excavating Inc
	- Council Chambers parking lot - \$42,650.00
	- Catch basin replacements - \$21,461.00
	- Vine Street alley repair - \$12,923.13
	- Misc. repairs & dirt work \$2,644.12
159,367.16	Truck Center Companies LLC - 2025 Western Star 47X Plow - Street Department
80,156.25	Turfwerks - (2) Jacobson mowers - golf course
22,505.71	US Bank - Entire organization monthly credit card purchases Aug/Sept 2024
24,597.36	Vessco - Auger assembly for bar screen compactor - WWTP
1,043,193.39	Wencl Construction
	- 23005 Vine Street lot pay est #1 - \$291,582.55
	- 24001 Street & Utility pay est #3 & 4 - \$751,610.84
<u>365,860.13</u>	Other Expenditures
\$4,263,404.86	<i>Subtotal</i>
<u>109,385.48</u>	HRA Housing Assistance Payments
\$ 4,372,790.34	Total Expenditures this period

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

First Reading Ordinance 24-5: Update Chapter 52, Storm Water Utility

Public Works Director Murphy presented the first reading of proposed updates to Chapter 52 of the City of Owatonna Code of Ordinances related to the City of Owatonna Municipal Separate Storm Sewer System (MS4) permit updating stormwater utility rates.

Timothy A. Hruska, P.E., L.S., Vice President at WHKS presented a Stormwater Utility Fee Update with detail of MS4 Pollutant Reduction Requirements, Storm System Capacity, Infrastructure Resiliency, Stormwater Utility Fee Update and recommendations. The current Stormwater Utility fee covers education and outreach, MS4 Best Practices, eight street sweeps per year and \$440,000 per year for Stormwater Improvements and Bond Payments. Items not covered within the current fee structure are maintenance, MS4 Pollutant Reduction Goals, Stormwater Program Improvements, and new Capital Improvement Projects.

The recommended rate increase will provide these stormwater improvements:

Maintenance of existing infrastructure – estimated \$200,000 additional annually

Pond sediment dredging - estimated \$283,200 additional annually

Add four street sweeps per year – estimated \$24,400 additional annually

The Stormwater Utility Fee takes three factors into account the equivalent residential unit (ERU), the intensity factor, and the current rate. The ERU is determined by dividing the parcel acreage by 0.33. The intensity factor is determined for each classification using runoff values including average rainfall totals, impervious surface percentages, and land use. The current rate is set annually by the adopted fee schedule. The current residential rate is \$4.66 per month. The proposed 5-year ERU increases are as follows:

2025 \$5.14

2026 \$5.68

2027 \$6.27

2028 \$6.92

2029 \$7.64

Owatonna's current rate is lower than surrounding cities:

Mankato (2023)	\$4.89/month	\$59 annually
Austin (2023)	\$5.50/month	\$66 annually
Waseca (2024)	\$7.00/month	\$84 annually
Faribault (2024)	\$8.75/month	\$105 annually
Rochester (2024)	\$10.30/month	\$124 annually
MN Median	\$6.29/month	\$75 annually
National Average	\$6.19/month	\$74 annually

Director Murphy commented this five-year plan will allow an opportunity to reach the city's 20-year goal. Owatonna's commercial rate is also lower than surrounding cities,

this shift is not going onto the business community. This plan does not address any future mandates; Owatonna is a MS4 which is evenly applied and regulated. As the city's population increases, there will be additional expectations for public outreach.

Council Member Dotson made a motion to approve the first reading of Proposed Ordinance 24-5, Council Member Boeke seconded the motion. With a roll call vote, voting aye were Council Members Dotson, Burbank, Boeke, Raney, Svenby, Voss and Schultz, No Nays, the motion carried. The second/final reading of this proposed ordinance will be held at the next City Council Meeting on November 19, 2024.

First Reading Ordinance 24-6: Amend Section 94.079, Underground Facility Maintenance and Repair

Public Works Director Murphy requested approval of the first reading of Proposed Ordinance 24-6 regarding underground facility maintenance and repair. The current ordinance specifies ownership of sanitary sewer service and cost responsibility; but does not address sump services. Sump services that are compromised within right of way can have significant impacts to infrastructure due to the mechanical pumping of water. Taking on ownership of repair and replacement within right of way will ensure a shorter timeline to correct issues and limit damage to infrastructure. Also, the financial responsibility for pavement replacement will be relieved from the property owners. This was a main factor in taking on repair responsibility for sanitary services within right of way. Amending the ordinance will provide consistency and clarification regarding ownership and cost responsibility for sump services. The City will be responsible for repairs within the right of way and will be paid for using sanitary sewer funds. Property owners will be responsible for repair costs for sump repairs on private property.

Council Member Voss asked if this happens often; Director Murphy responded yes, our sump services are fairly shallow and often in low lying areas.

Council Member Raney made a motion to approve the first reading of Proposed Ordinance 24-6, Council Member Burbank seconded the motion. With a roll call vote, voting aye were Council Members Dotson, Burbank, Boeke, Raney, Svenby, Voss and Schultz, No Nays, the motion carried. The second/final reading of this proposed ordinance will be held at the next City Council Meeting on November 19, 2024.

Resolution 113-24: Hazardous Property – 328 N Pine Avenue

Fire Chief Hoffman requested approval of Resolution 113-24 to designate the building located at 328 N Pine Ave as a hazardous building and order that the hazardous conditions be repaired. The City Fire Chief and City Building Official have determined the exterior stairs are unsafe in violation of codes and needs to be either repaired or razed pursuant to Minnesota State Fire Code Section 111.4, which provides: "The owner, the owner's authorized agent, operator or occupant of a building or premises deemed unsafe by the fire code official shall abate or cause to be abated or corrected such unsafe

conditions either by repair, rehabilitation, demolition or other approved corrective action." In the event it becomes necessary for the City to remedy the violations, the statute provides that the costs incurred may be assessed against the premises. Multiple repair requests have been made to the property owner, ViggCo II ,LLC over the last two years. City Attorney Walbran advised this resolution requires the property owner to submit plans from an accredited engineer for the repairs within 21 days from date of service and all repairs must be completed within 45 days. If the required repair is not done within this time, the city can repair, raze or remove the structure from the property at the expense of the property owner.

Council Member Svenby made a motion to approve Resolution 113-24, Council Member Boeke seconded the motion, all members voted aye for approval.

Resolution 114-24: Hazardous Property – 304 Highland Ave NW

Fire Chief Hoffman requested approval of Resolution 114-24 to designate the building located at 304 Highland NW as a hazardous building and order that the hazardous conditions be repaired. Staff has sent notices to property owner, Erin Gillespie, over the past fifteen months and several repairs were completed; however a structural repair to the front porch remains. A notice will be sent requiring engineering plans within 21 days from the date of service and repair completed within 45 days. Council Member Boeke made a motion for approval, Council Member Raney seconded the motion, all members voted aye. Council Member Boeke commented that the city's inspection process helps assure property owners and residents that properties are safe.

Resolution 115-24: Labor Agreement – Mn Public Employees Association – Patrol Officers

Human Resource Director Thamert requested approval of Resolution 115-24, staff have been in negotiations with the Police Officers. There are currently 26 positions covered under this agreement. The tentative agreement includes these proposed changes:

- Wages - General wage increase on the approved wage scale 5% effective January 1, 2025; 4% effective January 1, 2026; 4% effective January 1, 2027. Add a step to the top of the scale and remove the bottom effective January 1, 2026. Employees that have remaining steps on the wage scale will receive a step effective January 1 each year 2025-2027.
- Insurance - Monthly employer contribution towards premiums increased by \$18 (single) and \$50 (family) effective 2025; \$36 (single) and \$102 (family) effective 2026; \$26 (single) and \$72 (family) effective 2027. Annual employer contribution towards Health Savings Account increased by \$200 (single) and \$400 (family) effective 2026 and 2027.
- Shift Differential - Increase from \$0.69 to \$1.00 per hour for shifts scheduled to begin between 11:00 am and 5:59 pm. Increase from \$0.94 to \$1.50 per hour for shifts

scheduled to begin between 6:00 pm and 6:29 am.

- Holiday - Add Juneteenth holiday currently in MOU to body of contract
- MOU - Master Patrol Officer

City Administrator Busse commented city government is a service-based industry. Our employees serve our community, and we want to provide excellent service to the residents of Owatonna. This is the first time a 3-year agreement has been proposed during her tenure with the City which will save future staff time and assist when preparing annual budgets. Council Member Raney thanked staff and union stewards for working together to prepare this agreement. Council Member Schultz commented a three-year agreement will be a big help when working through the next budget preparation, there won't be so many unknowns. Council Member Voss made a motion for approval, Council Member Dotson seconded the motion, all members voted aye in approval.

Resolution 116-24: Labor Agreement – MN Public Employees Association – Sergeants

Human Resource Director Thamert requested approval of Resolution 116-24, staff have been in negotiations with the Police Sergeants, there are currently 8 positions covered under this agreement. The tentative agreement includes these proposed changes: The tentative agreement includes these proposed changes:

- Wages - General wage increase on the approved wage scale 5% effective January 1, 2025; 4% effective January 1, 2026; 4% effective January 1, 2027. Add a step to the top of the scale and remove the bottom effective January 1, 2026. Employees that have remaining steps on the wage scale will receive a step effective January 1 each year 2025-2027.
- Insurance - Monthly employer contribution towards premiums increased by \$18 (single) and \$50 (family) effective 2025; \$36 (single) and \$102 (family) effective 2026; \$26 (single) and \$72 (family) effective 2027. Annual employer contribution towards Health Savings Account increased by \$200 (single) and \$400 (family) effective 2026 and 2027.
- Shift Differential - Increase from \$0.69 to \$1.00 per hour for shifts scheduled to begin between 11:00 am and 5:59 pm. Increase from \$0.94 to \$1.50 per hour for shifts scheduled to begin between 6:00 pm and 6:29 am.
- Holiday - Add Juneteenth holiday currently in MOU to body of contract
- MOU - Master Sergeant

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

Resolution 117-24: Revised Personnel Policy Manual

Human Resource Director Thamert presented Resolution 117-24 for approval of the new revised City of Owatonna Personnel Policy Manual. The City of Owatonna and its legal counsel have developed and completed a new and revised Personnel Policy Manual for the City of Owatonna and its employees, to remain in compliance with all applicable state, federal, and local laws. The council and employees have been involved with these pending updates. Council Member Dotson made a motion for approval, Council Member Burbank seconded the motion, and all members voted aye for approval.

Compensation Adjustments – Non-Union Employees

Human Resource Director Thamert recommended the same wage and benefit adjustment for the non-union employees to maintain consistency and fairness. A summary of the proposed changes are as follows:

- Wages - General wage increase on the approved wage scale 5% effective January 1, 2025; 4% effective January 1, 2026; 4% effective January 1, 2027. Add a step to the top of the scale and remove the bottom effective January 1, 2026. Employees that have remaining steps on the wage scale will receive a step effective January 1 each year 2025-2027.
- Insurance - Monthly employer contribution towards premiums increased by \$18 (single) and \$50 (family) effective 2025; \$36 (single) and \$102 (family) effective 2026; \$26 (single) and \$72 (family) effective 2027. Annual employer contribution towards Health Savings Account increased by \$200 (single) and \$400 (family) effective 2026 and 2027.

Currently, 94 positions are non-union, 24 are at the top of their scales.

Council Member Raney made a motion for approval, Council Member Svenby seconded the motion, and all members voted aye for approval.

HealthiestYou Service Agreement

Human Resource Director Thamert advised HealthiestYou by Teladoc is a mobile virtual care app providing convenient access to high quality everyday health care services via phone or video. HealthiestYou provides a comprehensive suite of healthcare services including general medical, expert medical services, mental health, back care, dermatology, and nutrition. It is an affordable way for the City to enhance convenient care options for employees enrolled in the City's medical insurance. The cost to implement this HealthiestYou agreement in 2025 will be \$13,800. Council Member Voss asked if usage would be tracked and information available to review return on the investment. Thamert responded, no specific individual information would be provided but aggregate information will be available to share. Representatives from HealthiestYou and our company plan to meet with our employees on use of this program. Council

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

STAFF COMMENTS

Public Works Director Murphy commented that the new MBR Building has been fully facilitated into the process at the Wastewater Treatment Plant. This is a big step in the project with use of the newer technology. The project is approximately 84% complete and on track to be completed next summer. The 2024 Street & Utility project is done with the exception of some yard repairs. The Vine Street Project should have asphalt down by the end of this week with plans to open on November 15th; landscaping will be completed in the spring.

Fire Chief Hoffman commented there have been some recent structure fires, fortunately there haven't been any injuries, but this is a good reminder to check your smoke detectors to be sure they are working properly. He has been working with Human Resources to fill some open positions and they are getting close to completing this process.

Human Resources Director Thamert commented she has been busy with the labor negotiations and policy manual updates presented for approval during tonight's meeting. Over the last several months, HR Staff has completed conversion of personnel files to digital records, so these records are now completely paperless. The city's core values and purpose statement have been embedded into the performance management review process. She has been busy with interviews and believes several key positions will be filled before the first of the new year.

PUBLIC COMMENTS

Mark Breon, 1223 8th Avenue NE congratulated Council Member Voss on being reelected to serve as Council Member at Large. He was honored to run beside and grateful for those who voted for him and thanked those who encouraged and supported him during his campaign.

Melissa Zimmerman, 2525 Stony Creek Drive commented that motorists must slow down and be more attentive to the pedestrian traffic. This year, there have been six pedestrian/vehicle incidents within the city. A hit and run last Monday on Highway 45 took a life, a young child was hit on Rose Street this summer, there was an incident in Moorehouse Park, and a bicyclist was hit yesterday in the Hy-Vee parking lot. Traffic on the proposed East Side Corridor Project on 29th Avenue will be too close to existing homes and children playing outdoors, please take action to protect our neighborhood. The study completed contains skewed information and favors a biased choice. Alternative 4 wasn't explored, this route would disrupt one farm. Is one farmer's land more important than all of our homes? We need infrastructure that will be safe for the community's future.

Gary Jones, 995 Ridge Road, commented he encountered several upset disc golfers on October 23rd. They were not expecting bow hunters in their park area. The disc golfers have helped keep drug activities out of the park and shouldn't have their park used for deer management. The city owns eight parcels, approximately 95 acres on the north side of 26th Street which bow hunters could use three weeks before rifle season opens, everyone would be happier.

Kurt Welker, 2045 Deer Trail Road commented housing is a priority in the city's 2050 Comprehensive Plan, because there is a current lack of housing. There have been 15 building permits issued this year for single-family homes; the study says there should be 100. The city should limit excessive regulation, promote skills in the skilled trades, alleviate prohibiting roadblocks and allow builders to build. In March we received information about a program for developing new lots but haven't seen any progress on this, we need somebody to get things done which will allow builders to build.

COUNCIL COMMENTS:

Council Member Raney congratulated Council Member elect Don McCann, Mayor elect Jessop, and Council Member Voss on his successful re-election campaign. He believes elections are challenging and thanked his wife, his supporters and residents of Ward 4 for their votes allowing him another four years to represent them within the city and represent the city at the state level. This council is not a board which ducks challenges, we want to place things for the good of residents 50 years from now and then asked everyone to slow down, give pedestrians the opportunity to cross the street safely.

Council Member Voss also thanked all the candidates for putting their names on the ballot. He also thanked the voters for re-electing him, he is humbled and honored to serve them and encouraged anyone to call him when they have any questions or concerns.

Mayor Kuntz congratulated winners of our city's elected offices: Matt Jessop, Mayor; Doug Voss, Council Member at Large; Don McCann, Council Member – Ward 2 and Kevin Raney, Council Member – Ward 4. He thanked everyone for attending tonight's meeting, several other candidates have attended recent meetings, and it has been encouraging to see the interest in our Council Meetings.

Council President Schultz also congratulated the election winners. Don McCann will begin representing Ward 2 after the first of the year. He thanked everyone for attending tonight's meeting.

At 7:47 p.m., Council Member Dotson made a motion to adjourn, Council Member Svenby seconded the motion, and the meeting ended.

Respectfully submitted, Jeanette Clawson, Administrative Coordinator