

Owatonna City Council Minutes

January 21, 2025

On Tuesday, January 21, 2025, at 7:00 p.m., Council President Raney 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, Burbank, Boeke, and Raney; Mayor Jessop; Public Works Director Murphy; Community Development Director Klecker; IT Systems Administrator O'Connor; Assistant City Administrator Tuma, City Attorney Walbran; City Administrator Busse and Administrative Coordinator Clawson. Council Members Dotson and McCann were unable to attend.

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

Mayor Jessop – Proclamation of Winter Salt Awareness Week - January 27-31, 2025

Mayor Jessop proclaimed the last week of January, as Winter Salt Awareness Week. Brad Rademacher, Water Quality/Stormwater Specialist requested this proclamation to raise awareness among residents, businesses and local government agencies about the responsible use of deicing salt to protect both public safety and the long-term health of our freshwater resources. Winter Salt Awareness Week provides an opportunity to educate our community about the responsible use of deicing salt, including environmental considerations and effective application methods. Promoting a sustainable approach to winter maintenance will maintain safety and reduce environment harm to present and future generations.

Consent Agenda Items

Council President Raney 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 – January 7, 2025

- HRA Minutes - October 28, 2024

- HRA Minutes - November 25, 2024

- Airport Commission Minutes - October 17, 2024

- Airport Commission Minutes - November 21, 2024

- EDA Minutes - November 20, 2024

- Human Rights Commission Minutes - December 10, 2024

- Brewer Off-Sale and Taproom On-Sale Licenses - Mineral Springs Brewery at 201 N Oak Avenue for the remainder of the current license period, June 30, 2025.

- Temporary Liquor Permit - St Mary's School of Owatonna - March 22, 2025

- Renew Contract - Electrical Work - Four Seasons Electric

 - Two-year contract for electrical services city-wide, original contract January 2022.

- Airport T-Hangar Lease Agreements

 - Kor, Katie, Montgomery MN – 1-year Building 4, Unit A

 - Kor, Katie, Montgomery MN – 1-year Building 4, Unit K

Leher, Joe, Faribault, MN – 1-year Building 1, Unit H

Petterson, Jason, Albert Lea, MN – 1-year Building 3, Unit B

Airport Non-Commercial Hangar Land Lease Agreement Renewal - JPF Ventures, LLC

The tenant wishes to renew the initial 20-year term of the existing private hangar land lease. The renewal term provided in the new lease agreement is for ten years. The premises are not needed for airport or other general aviation purposes and the hangar building is in good repair and suitably maintained. The land lease rental fee provided for in the agreement is \$1,088.00 for the first year of the lease. Thereafter, the rent payable under the lease is adjusted annually utilizing an escalator based on the Consumer Price Index (CPI).

Used Computer Donation - Riverland Community College

The Riverland Community College (RCC) Law Enforcement program coordinator solicited area law enforcement agencies for used police mobile computers to assist students learning with real life experience. Our police mobile data computers are replaced every five years. Fall of 2024, the city replaced 15 "rugged" squad car computers which are now ready to be recycled; Panasonic Latitude 5414 Rugged mobile computers. Ryan Brown, Information Technology Director, supports this donation and has removed the hard drive from each computer containing all law enforcement sensitive data,

Statement of Work & Scope of Services - Gallagher

In 2022, the city approved a Master Agreement for Professional Services with Gallagher. This Statement of Work & Scope of Services includes ongoing job evaluations and development of job descriptions in 2025. These ongoing services with Gallagher will be utilized to maintain class specifications in alignment with the Compensation Plan, cost will be \$12,500.

Council Member Svenby made a motion to approve these Consent Agenda items, Council Member Boeke seconded the motion; all members present voted aye for approval.

Finance Report

Council Member Voss recapped payments made for amounts greater than \$20,000 during this period.

\$ 47,268.76	Cargill Inc - deicer road salt
67,242.00	Coalition of Greater Mn Cities - 2025 general membership dues
57,898.00	Crysteel Truck & Equipment - utility box unit #24606
31,427.74	Heiman Inc - Fire department turn out gear
72,444.00	Integrated Process Solutions I - 26th St lift station control panel - Pay Est #1
23,854.00	League of Mn Cities - 2025 membership dues
68,239.16	Nero Engineering
	- WWTF upgrade & expansion project - December 2024 - \$58,619.16
	- PFAS Preventative Management Plan project - \$9,620.00
151,524.16	Open Gov - 2025 subscription

44,600.00	Owatonna Heating & Cooling Inc
	- Social Commons roof top heat & air conditioner replacement - \$22,700.00
	- Maintenance shop - installation of Make Up Air unit - \$21,900.00
	- maintenance prevention and service call - \$5,709.25
26,716.00	Short Elliot Hendrickson Inc - Airport 2024 roof replacement study
270,668.42	Steele County Auditor - LEC generator
23,533.60	WHKS & Co - staff augmentation for Nov 2024
<u>254,227.97</u>	Other Expenditures
\$1,139,643.81	TOTAL EXPENDITURES PRESENTED FOR APPROVAL

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

First Reading Proposed Ordinance 25-01: Amend Section 93.029 - Noise in Public Parks and First Reading Proposed Ordinance 25-02: Amend Chapter 95, Noise Control

City Administrator Busse requested action on these proposed ordinances be tabled to the next meeting. Council Member Voss made a motion to table both proposed ordinances, Council Member Boeke seconded the motion, all members present voted aye in approval.

First Reading Proposed Ordinance 25-03: Adjust Sanitary Sewer Rates

Public Works Director Murphy requested approval of the first reading of Proposed Ordinance 25-03 to change the rates for sanitary sewer related to Chapter 35 of the 2015 Ordinance Code of the City of Owatonna related to Appendix A Fee Schedule, (C) Sewer Rates, charges,, and fees, (2) Industrial sewer rates and charges established, (3) Domestic sewer rates and charges established.

Annual adjustments of the sanitary sewer rates are necessary to maintain adequate funding for future operations and to fund the costs of the wastewater treatment facility expansion. Staff and Consultants from Nero Engineering and AE2S presented information at the January 7th Study Session. Their presentation was included in tonight's meeting packet and the proposed rates in the attached draft ordinance reflect what was presented. We discussed some of the CIP projects that were identified in our 2023 Collection System Study and their contributions to the rate increases. There was discussion on a new component to our treatment process that can increase non-rate payer revenue, Renewable Natural Gas or RNG. This is not currently accounted for in our rate model and staff will be working Nero Engineering and another consultant to help maximize our return on RNG on a year-to-year basis. Council Member Boeke made a motion for approval, Council Member Voss seconded the motion. With a roll call vote, voting aye were Council Members Svenby, Voss, Burbank, Boeke, and Raney; No Nays; the motion carried. The second/final reading will be heard during the next Council Meeting on February 4, 2025.

Resolution 5-25 2025 Street & Utility Project- Receive Report and Set Public Hearing

Public Works Director Murphy Requesting approval of Resolution 5-25 to approve the 2025 Street & Utility Project Feasibility Report and set a date for the Preliminary Assessment Public Hearing. The project involves work on the following streets:

- Linn Drive SW
- Oakdale Street SW - From Linn Drive to 2nd Avenue SW

The existing street improvements have exceeded their useful life. A Preliminary Assessment Public Hearing is requested for Tuesday, February 18, 2025. The 2025 Street & Utility Project will be financed through a combination of City Funds, OPU Funds, and Special Assessments. The total cost to be assessed is currently estimated at \$234,916.24 among 39 property owners. Council Member Svenby made a motion for approval, Council Member Boeke seconded the motion, all members present voted aye for approval.

Resolution 6-25 Premises Permit to Conduct Lawful Gambling at Train Station Bar & Grill, LLC - Owatonna Wrestling Association

City Administrator Busse requested approval of Resolution 6-25 to approve an application received from Owatonna Wrestling Association (OWA) to conduct lawful gambling (pull tabs) under a lease agreement with Train Station Bar & Grill, LLC at 137 W Bridge Street. Council Member Voss made a motion for approval, Council Member Boeke seconded the motion, all members present voted aye for approval.

26th Street Lift Station SCADA Programming Services

Public Works Director Murphy approval of an agreement with Advanced Engineering and Environmental Services, LLC (AE2S) for 26th Street Lift Station SCADA Programming Services. The 26th Street Lift Station has been undergoing rehabilitation to update panels and components that will allow for SCADA integration to improve efficiency in management of the collections system. As part of the upgrade and SCADA integration the panels will require programming. SCADA Programming Services consist of professional programming services for the Programmable Logic Controllers (PLCs), Operator Interface Terminal (OIT), cellular communications equipment, and SCADA software related to the Project. Services are not to exceed \$21,910 without prior authorization. Council Member Burbank made a motion for approval, Council Member Boeke seconded the motion, all members present voted aye for approval.

Purchase Property - 315 Lemond Road

Community Development Klecker requested approval to purchase the property at 315 Lemond Road for flood mitigation. The city has previously removed eight homes from the floodplain on Lemond Road following previous flooding events. Application for DNR flood grant funds to remove additional homes in the floodplain was submitted late last year. The City has a signed purchase agreement to purchase the property at 315 Lemond Road, the house is one of two homes remaining along Lemond Road that are within the floodplain. The purchase price is \$220,000 and is contingent on receiving the DNR grant.

Grant funds would be secured within the next few weeks and then close on the property on or before April 30th. The house would then be removed and the property restored for park land and become part of Morehouse Park. The total project costs are estimated at \$260,000. We have \$20,000 remaining from an existing grant to apply for this project. The new grant would then cover one half of the remaining project cost, \$120,000. The City's portion would be paid from the City's Match Grant Fund Account. Council Member Burbank made a motion for approval, Council Member Svenby seconded the motion, all members present voted aye for approval.

Single-Family Lot Incentive Program

Community Development Klecker presented a Single-Family Lot Incentive Program as an effort to encourage existing lots to be built upon. This program will address engineering costs associated with meeting stormwater requirements on existing lots that do not have an approved grading plan. Staff request the city contribute \$2,500 to each house constructed that meets this requirement. This amount should cover engineering costs for completing such grading plans for the lot which has been an obstacle to building single-family homes on existing lots. This is consistent with the discussions at a previous Council Study Session. Staff recommend this as a pilot program during 2025 which will be evaluated at the end of the year for future consideration. We would also allow any permit being issued since the study session last year be eligible for the program as was stated during the study session. We anticipate there will be 10 homes that would qualify for this program in 2025, an estimated cost of \$25,000 out of the 2025 budget. Council Member Voss made a motion for approval, Council Member Burbank seconded the motion, all members present voted aye in approval.

Renew Microsoft Agreement – SHI

IT System Administrator O'Connor requested renewal of the Microsoft License Agreement. This is a three-year agreement through January 31, 2028. Every three years we renew our Microsoft License Agreement; our reseller is SHI. This agreement helps us plan and budget at a known amount. This covers all the software licenses that we use, including Microsoft Teams, secure cloud storage, business email, and all Microsoft Office applications across devices, advanced cyberthreat protection and device management. Costs for this renewal agreement will be \$114,712.67 each year. Council Member Boeke made a motion for approval, Council Member Svenby seconded the motion, all members present voted aye in approval.

Pay Equity Compliance Report

Assistant City Administrator Tuma requested authorization to proceed submitting the Pay Equity Compliance Report to the Minnesota Management and Budget for preparation of the city's compliance audit. Information includes General Job Class Information, Statistical Analysis Test, Salary Range Test and Exceptional Service Pay Test. Council Member Burbank made a motion for approval, Council Member Voss seconded the motion, all members present voted aye in approval.

STAFF COMMENTS

IT Tim O'Connor commented IT staff has been busy setting up the new Records Office at the Law Enforcement Center, preparing for presentation of "The State of the City" during the Employee All Hands Meeting tomorrow afternoon and computer and server updates.

Community Development Director Klecker commented several renovations were just at the airport. The new roof on the dome hangar just needs trim to complete. Staff have been working to create more office space for Accelerated Aviation which they will lease. New carpet and lighting have been installed in the lobby. Additional projects in the 2025 CIP will be to update Airport Zoning to allow an extended runway, bi-fold door on the dome hangar, card reader access, expand and resurface the parking lot. The current lease with Accelerated Aviation is a 5-year lease, this is year five. During conversations, they have indicated they want to stay and want to consider offering a maintenance component which we would like them to provide and will begin negotiating a future contract for council consideration.

PUBLIC COMMENTS

Glen Wolf, 528 Truman Avenue requested synchronization of traffic lights in Owatonna. Most surrounding cities (Rochester, Mankato, and Faribault) have synchronized traffic lights. He lives on the east end of town and passes through eight traffic lights to get to work in the Industrial Park. Coming to tonight's meeting, he was stopped at four of five lights, causing a delay in his arrival. Saturday, while in Rochester, he drove through five of six lights with no red lights. Tonight, he spoke with another resident who is also frustrated that our city lights are slow, synchronized lights would bring gas savings and increase safety. He encouraged this to become a reality, we want to be a progressive city and we need to be more progressive with synchronized traffic lights.

Melissa Zimmerman, 2525 Stony Creek Drive commented that for the last 2 ½ years, she has been advocating for open dialog between Council Members and their constituents. She has learned a lot and questions when is community input is considered? When decisions hit your desk, it is too late. Our Community Development Projects include community input but in most council decisions, I feel the citizen is unheard and disconnected from the process? Can we create a regular forum to allow citizens opportunities to ask questions and receive feedback involving smaller everyday decisions? Let's build a city where voices can be heard, I have some ideas and would love to be heard if given some time to be heard.

Matt Sennett, 2519 Stoney Creek Drive commented he would echo what Melissa just said. For the last year and a half, we have craved information to collaborate with Steele County for a project in our area. With no collaboration, they did more studies at the expense of \$298,000-\$426,000 to backtrack and redo information. These studies would not have been needed if they had collaborated with those that have information. We presented a plan to move the proposed route of the East Side Corridor to the east just a bit. We hope the county listens and that you, as an equal partner, will listen and consider this hybrid plan.

Gary Jones, 995 Ridge Road distributed a photo of a deer stand close to a trail and a display of a Owatonna Trails Association (OWA) notice shown along the trails regarding Ongoing Maintenance Activities. He questioned the difference between a maintained wood

chipped trail and a paved trail? The wood chipped trail in the disc golf park should not be within 150' of mowed grass but a paved biking trail is maintained within 26' of a deer stand. There should also be a minimum of 150' between any type of trail and deer stands.

Annie Harmon, Editor of the Peoples Press, commented the Owatonna Business Women will host the 2025 Women of Achievement Celebration on March 15th. During this event, they will recognize the 2025 Woman of Achievement and nominees for this award, a Life Achievement Recipient, and a Young Careerist. Everyone is invited to attend this event; fund proceeds are used towards women scholarship opportunities.

MAYOR AND COUNCIL COMMENTS:

Council Member Voss commented he attended the Martin Luther King Jr. Day Event hosted by the Owatonna Human Rights Commission (OHRC). The luncheon, held at the History Center, was well attended. He appreciates the work of the OHRC and thanked them for hosting this event.

Mayor Jessop commented he also attended the OHRC event for MLK Jr. Day and agrees with Council Member Voss that it was a fantastic event. There was a good speaker with thought-provoking comments. The Human Rights Commission did a great job hosting this event.

At 7:51 p.m., Council Member Burbank made a motion to adjourn, Council Member Svenby seconded the motion and with no objection, the meeting ended.

Respectfully submitted,
Jeanette Clawson, Administrative Coordinator