

Owatonna City Council Minutes

Council President Schultz called the regular session of the Owatonna City Council to order on Tuesday, October 4, 2022, at 7:00 p.m. in Council Chambers at City Hall. Present were Council Members Burbank, Boeke, Raney, Voss, Svenby, Dotson and Schultz; Mayor Kuntz; Community Development Director Klecker; Assistant City Engineer Murphy; Park and Rec Director Tuma; Human Resource Director Thamert; City Attorney Walbran; City Administrator Busse, and Administrative Specialist Clawson.

Agenda

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

Public Hearing - Proposed Assessments - N Cedar Avenue Streetscape Project

Council President Schultz explained the process used for a public hearing held during a Council Meeting and then recused himself as he owns property within the project area. Vice President Raney took over the meeting and thanked the property owners for their patience during the construction process over the past two-year period. With a large-scale and complicated project such as this, there are many unknown factors. These factors have led to some discrepancies in the process of calculating assessments that will be charged to downtown property owners. Individual assessment amounts will be reviewed and may need adjusting to determine final amounts. Public Works Department staff is working with our ISG consultant to ensure assessed values accurately reflect the assessable improvements completed on each parcel. No final decisions will be made tonight regarding these proposed assessment amounts. Tonight's public hearing will not be closed but will be continue at the November 1st Regular City Council meeting.

At 7:03 pm, Council Member Burbank made a motion to open the public hearing, Council Member Voss seconded the motion and all members voted aye in agreement. Assistant City Engineer Murphy introduced ISG Civil Engineers Reese Studtelgte and Becky Guenther who served as the Project Consultants. They explained the project covered three blocks on North Cedar Avenue. A lot of infrastructure work was completed to replace the original sanitary sewer and watermain from the late 1800's. The alleyways were closed to traffic to provide access to the city's parking lots and addition of lighting and pedestrian enhancements.

Al Martin commented he had several questions about how he was billed but believes most of his questions have been answered and he will wait for the recalculation of his proposed assessment. One of his properties includes an alleyway and he asked if a park is assessed when the road around the park is improved because he believes these alleyways in the downtown area have been changed to parks.

Dale Fairbanks, 460 Willow Creek, commented he believes street assessments based on location and not usage would be more equitable. He believes properties in the downtown area currently receive more assessments than residential areas do.

Shawn McCarthy, owner of Irish Eyes Studio at 320 N Cedar Avenue commented his property is one of the smaller properties so he has one of the smaller proposed assessment amounts. He hopes Council will consider extended repayment options for a project which they did not have much say in during the decision process. He believes some of the amenities included in this

project were not needed. He wished business owners would have been given more opportunity during the planning stages for this project. The project was presented to provide a more walkable environment, but the new sidewalk space is only 2 ½ feet wide. Yes, he thinks it looks beautiful but now the business owners are going to have to figure out how to help pay for it. He doesn't have any objections to being assessed for necessary repairs but questioning why there will also be an interest expense; he doesn't believe other cities charge interest on approved assessments. He hopes Council will consider an extended period for repayment as some businesses are still trying to recover from slow business during the Covid Pandemic and unable to pay within a 30-day period.

City Administrator Busse commented everyone will be given an opportunity to pay assessments over an extended period. Council sets terms of repayment when assessments are adopted.

Dan Kubista, 805 Lancer DR NE owner of Wagner's Lunch at 222 N Cedar Avenue commented he would have also appreciated more upfront involvement in the project. He isn't familiar with the assessment process and doesn't understand the \$52.00/foot charge. He also didn't realize he would have an opportunity to pay over an extended period and believed payments would be due within 30 days. The current proposed assessments are more than the preliminary assessments and wish there would have been better communication when large projects are planned. He requested recalculation of assessments that are appropriate for everyone and hopes there will be improved communication with business owners in the downtown area. He also commented he would prefer meetings during the day so he could attend.

Greg Olson commented he owns a building in the 100 block of North Cedar. He was anticipating a proposed assessment at \$52.00/foot; but addition of water service and connection fees increased this amount by more than four times. He wasn't planning for this large assessment amount and doesn't want to increase rent to cover the additional cost, one of his two renters closed their business during the Covid pandemic.

With no additional comments, Council Member Dotson made a motion to adjourn the public hearing to recommence during the regular City Council Meeting on November 1, 2022, at 7:00 pm for additional consideration of Resolution 81-22, Adoption of the Proposed Assessments for the North Cedar Avenue Project. Council Member Voss seconded the motion and all members voted aye in approval.

Council President Schultz returned to his seat and directed the meeting.

Proclamation – National Domestic Violence Awareness Month

Mayor Kuntz proclaimed the month of October as National Domestic Violence Awareness Month. The crime of domestic violence violates an individual's privacy and dignity, security, and humanity, due to systematic use of physical, emotional, sexual, psychological, and economic control and/or abuse including abuse to children and the elderly. He urged all citizens to actively participate in activities and programs that work toward improving victim safety and holding perpetrators of domestic abuse accountable for their actions against individual victims and our society as a whole.

Proclamation – Owatonna Foundation Week

Mayor Kuntz proclaimed the week beginning Sunday, October 2 through Saturday, October 8, 2022, as Owatonna Foundation Week. The Owatonna Foundation has goals to improve the quality of life for present and future generations of Owatonna residents by funding projects and scholarships to help further education goals.

Proclamation – Jason Karsten Day – 2022 Firefighter of the Year

Mayor Kuntz proclaimed Tuesday, October 11, 2022, as Jason Karsten Day. Jason was chosen as the Firefighter of the Year and will be recognized for this honor during the Firefighter Banquet next Tuesday at the VFW.

Proclamation – Pregnancy & Infant Loss Awareness Day

Mayor Kuntz proclaimed October 15, 2022, as pregnancy and Infant Loss Awareness Day. Infants Remembered In Silence, Inc. (IRIS) and many other non-profit organizations work with parents who have experienced the death of a child during pregnancy through early childhood. Many bereaved parents annually remember their lost child on October 15th each year by lighting a candle at 7 p.m. to unify with other parents in tribute to their children. .

Consent Agenda

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 20, 2022
- Minutes - OPU Meeting - August 25, 2022
- Minutes - Airport Commission Meeting - September 8, 2022
- Minutes - Park Board Meeting - September 12, 2022
- Minutes - Human Rights Commission Meeting - September 13, 2022
- Minutes - EDA Meeting - September 21, 2022
- Minutes - HRA Meeting - September 26, 2022
- Minutes - Planning Commission Meeting -September 27, 2022
- Weed/Nuisance Inspection Report – September 30, 2022
- Event Permit - OFD Chili Feed – Sunday, October 9, 2022
- Use Agreement - Owatonna Diving Club
- Training Contract - Riverland Community College
- Stormwater and Facility Maintenance Agreement - Festal Place, LLC

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

Finance Report

Council Member Raney recapped payments made more than \$20,000 for this period. Bills presented for payment total \$1,805,885.44. Council Member Voss made a motion to approve payment of these bills, Council Member Burbank seconded the motion and all members voted aye for approval.

Resolution 82-22: CUP-1 Cemstone Batch Plant Building Height CUP

Community Development Director Klecker requested Council adopt Resolution 82-22 approving the Conditional Use Permit for Cemstone Concrete. They are relocating and plan to construct a 75-foot-tall building for their batch plant and operations at 315 32nd Avenue. The conditional use permit is requested for the height on the batch plant building, the proposed building has a 24' tall precast tip up structure and contains an additional 50' tall steel structure to get to the 75' of height. The front setback required to be 45', they are proposing 191'. The side setback is required to be 45', they are proposing 127'. The application shows a future driveway on the south end of the site, 115' to the north of the existing driveway. The City Engineer is recommending the southernmost driveway be removed if/when a future driveway is added due to its proximity to the other driveway. Viracon uses this for access and that continued use was a condition of the sale. If it were to move, then an agreement will need to be worked out with Viracon. A fuel island is being proposed in the center of the site. The applicant is showing some stockpiles in an existing utility easement on the east side of the property. OPU & SMMPA have a concern with the clearance between these piles and the transmission lines coming into Owatonna; no permanent obstructions may be allowed in the electric transmission line easements. Aggregate pile along the east side of the property is allowed if the pile can be moved should access to the electric transmission line be needed. Any obstructions in the electric transmission line easement must maintain a 30ft clearance to any part, vertically or horizontally, of the electric transmission line. There are no height concerns with the airport due to the height of these structures. The Planning Commission held a public hearing and recommended approval with the following conditions:

- 1) No permanent obstructions may be allowed in the electric transmission line easements. Aggregate pile along east side of property is allowed if pile can be moved should access to the electric transmission line be needed. Any obstructions in the electric transmission line easement must maintain a 30ft clearance to any part, vertically or horizontally, of the electric transmission line.
- 2) All permits shall be issued by the City of Owatonna prior to work commencing for that item.

Council Member Raney made a motion to approve Resolution 82-22 which includes these recommendations from the Planning Commission. Council member Boeke seconded the motion; all members voted aye in approval.

Resolution 83-22: Resolution 83-22 2023 Life and Long-Term Disability Insurance - Accept Proposals and Award Policies

Human Resources Director Thamert approval of Resolution 83-22 to accept the proposals and award policies for the 2023 Life and Long-Term Disability Policies. National Insurance Services formally bid the life and long-term disability plan in compliance with MN Statute 471.6161 on behalf of the City. The RFP's received and accepted were compared and analyzed for recommendation the City stay with their current life insurance carrier, Minnesota Life. Minnesota Life is offering a 3-year rate guarantee and an overall 28% increase. It is also recommended that the City stay with their current long-term disability

carrier, Madison National. Madison National is offering a 3-year rate guarantee and no change to current rates. Council Member Burbank made a motion to approve Resolution 83-22, Council Member Dotson seconded the motion, all members voted aye in approval.

Tobacco and 3.2% Malt Liquor Licenses - Holiday Stationstore #2746519

City Administrator Busse requested approval of the applications received from Holiday Stationstores, LLC for a new Tobacco License and an Off-Sale 3.2% Malt Liquor Permit. Construction is nearing completion at their new store located at 330 W North Street with plans to open November 10, 2022. Licenses will become effective with receipt of the Certificate of Occupancy to be effective to the end of the current license periods. Council Member Voss made a motion to approve these license applications, Council Member Boeke seconded the motion, all members voted aye in approval.

Tree Trimmers License - David Schroht for Tree Masters, LLC

City Administrator Busse presented application received from David Schroht, Tree Masters, LLC located at 2598 NW 82nd Avenue, Owatonna MN for a Tree Trimmers License. Council Member Raney made a motion to approve this license application, Council Member Boeke seconded the motion, all members voted aye in approval. This license will be effective immediately for the remainder of the current licensing period which expires March 31, 2023.

2021 Bridge Street Project - Change Order #6

Assistant City Engineer Murphy requested approval of Change Order #6 for the 2021 Bridge Street Project. This Change Order is required as part of the Federal Aid process: Liquidated Damages will not be pursued for substantial completion as most delayed work was due to material availability (light poles, signals). The Engineer has determined the contract needs to be revised in accordance with specification 1402.1 Alteration of Work - Specification Change. Council Member Burbank made a motion for approval, Council Member Svenby seconded the motion, all members voted aye in approval.

Amending and Assigning Purchase Agreement with KAMP Automation / KAB Properties LLC

Community Development Director Klecker requested approval of an amendment and assignment of the Purchase Agreement with KAMP Automaton/KAB Properties, LLC. The City entered into a purchase agreement with KAMP Automation for Lot 4, Block 1, Ebeling Addition on April 18, 2022. This agreement allowed for 6 months of due diligence to close on the property by October 15, 2022. Due to contractor timing, supply chain and numerous other items the company is not planning to start construction until Spring of 2023. For record keeping, they prefer to close on the property for this project in 2023 and requests an amendment to the purchase agreement to close by February 1, 2023. In addition to the extension, KAMP has created an LLC that will own the property. The City Attorney as well as the applicant's attorney are requesting that the agreement be assigned from KAMP Automation LLC to KAB Properties LLC, their company which will complete the purchase transaction and hold all the development and business subsidy agreements. Council Member

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

Staff Updates

Human Resources Director Thamert welcomed the City's new law enforcement officer, Leonel Garcia Pina who started his duties on September 26th. HR Department is excited about the Training Contract with Riverland Community College for supervisory training over the next six months which will be great for staff development. Staff is preparing for Open Enrollment for employee's 2023 Benefits that will begin in November. She has been working with Deanna Sheely, Communication Manager to create an internal newsletter for staff. Last week, she and Rachel Boss, HR Specialist completed a Mental Health Certification to provide support of our employees.

Community Development Director Klecker gave a brief update advising most current construction projects should be complete by year end. Current year-to-date valuation of Building Permits is \$71 million which is more than the amount for all of 2021. We received plans for more projects within the last two weeks, we are currently in the process of hiring a new Building Inspector and Administrative Technician. Council Member Boeke asked if the new permit software is helping, Klecker advised use of the on-line permit process for Building and Inspection has been delayed as staff is unable to train and continue processing current requests.

Assistant City Engineer Murphy commented public works staff members are working to close out 2022 street improvement projects with follow-up on a few punch list items. Staff is also making progress on preparation of 2023 Street and Utility Project plans. There has been 400 yards of concrete poured in the foundation footings for the WWTP project. Public Works has been using the new permit software process through OpenGov for four months and have seen improvement on efficiency in staff response time. A survey was just sent for comments on the new process for the Grading Permit which received a good number of responses received which are now being reviewed for suggestions to continue increase efficiency. Council Member Raney asked why the crosswalk was closed between the 200 and 300 blocks today? Murphy commented there were markings in the concrete in the 200 and 300 blocks and in the alley area in the 200 block which are on the project punch list and should be repaired this week. Council Member Voss asked about the traffic flags currently posted on N Elm Avenue. Murphy responded the 4-way stop signs at the corners of Elm/Vine and Elm/Pearl are in process of changing to 2-way stop signs as approved by Council during June to be converted when the N Cedar Avenue Project was completed. The signs will be changed during the two-week period following procedure required by the state.

Parks and Rec Director Tuma thanked the Owatonna Foundation for their donation towards the Central Park Fountain. Yesterday, there was a ribbon cutting and rededication of the fountain and she thanked those who attended. Yesterday, there was also a kick-off meeting with the contractor for the capital improvement project at the River Springs Water Park for completion prior to next season. Staff has placed new sod on the Brooktree tee box on hole #9, this was one of the items requested in a recent survey and staff was able to complete this construction this fall. Next Monday, OFD will assist our grounds crew with a prairie burn at Leo Rudolph Nature Reserve. OFD uses this as a training session as they conduct an open burn for one half of the

reserve each year. We held several listening sessions for Senior Use and staff is now organizing the feedback from our senior population and now organizing comments for short term and long-term plans to present to our Park Board and then recommendations to council. Update to the Master Park Plan has been ongoing, we will have a tent at Central Park during the N Cedar Streetscape ribbon cutting event on Thursday for public comments. Also, tuckpointing at Fire Hall is done and City Hall should be done within the next few weeks. Mayor Kuntz commented the fountain looks beautiful at night when the lights are on; the paint used was the same paint used 40 years ago so hoping this will now last for another 40 years.

Public Comments:

Dale Fairbanks, 630 Willow Creek Drive commented a previous survey showed residents wanted more parking in the downtown area, but we were given is more sidewalk space and now the city plans to spend a million dollars to tear down a downtown building to increase parking availability near downtown main streets. Also, you are raising our property taxes, raising sewer rates, and just read in the paper that you will using \$3 million dollars from the sewer fund to pay for the parking and things done in the N Cedar Streetscape Project. Council Member Schultz and City Administrator Busse commented this is incorrect, sewer funds are not being used to complete the N Cedar Avenue Streetscape Project. Fairbanks also commented he hopes the city doesn't turn the sales of THC items into a monopoly, there has been recent state legislation and we also need to address this at the city level.

Nate Finholdt, 425 N26th Street requested follow-up to his previous concerns of the stormwater storage on 26th Street. There has been discussion for plans to renovate the retention pond on 26th Street and wanted to know if any decisions have been made. City Administrator Busse commented repair options received are quite expensive and Council plans to review at a study session prior to the November 1 Council Meeting.

Council/Administration Comments and General Information

Mayor Kuntz invited everyone to the ribbon cutting for the N Cedar Streetscape Project on Thursday, October 13th at 5:30 pm.

Council Member Voss cautioned everyone to watch for the new stop signs on North Elm.

Council Member Burbank commented traffic needs to pay attention to the signage at Selby and Mound and slow down.

Council Member Boeke thanks to the Public Works staff for making improvements in the traffic flow patterns and is also glad to see the tuck-pointing project is done at the Fire Hall

Council Member Raney commented he is glad the scaffolding has been removed from the Fire Hall as the tuckpointing project is completed. He is disappointed that the utility company has decided to raise gas rates by 40% effective January 1, 2023. Hoping due diligence was done, this is a utility commission decision and hopefully, there will be a way to lower those rates.

Council Member Svenby thanked everyone involved with the Homecoming Parade last Friday it was great to see the parade back in the downtown area.

City Administrator Busse reminded everyone of the OFD Chili/Wild Rice Feed this Sunday, October 9th from 4-7 pm.

Council President Schultz commented it was great to see the crowd for the homecoming parade and his most favorite thing today was to see the scaffolding removed from the sidewalk at the fire hall.

Mayor Kuntz reminded everyone the 2022 General Election is in early November and he encouraged everyone to get to know their candidates. The Owatonna Businesswomen and the Rotary Club and Chamber are hosting Candidate Forums for opportunities to get to know your candidates to be informed to vote.

Adjournment: At 8:07 p.m., Council Member Raney made a motion to adjourn, Council Member Boeke seconded the motion, and all members voted aye in approval.

Respectfully Submitted,

Jeanette Clawson, Administrative Specialist