

Owatonna City Council Minutes

Council President Schultz called the regular session of the Owatonna City Council to order on Tuesday, December 6, 2022, at 7:00 p.m. in Council Chambers at City Hall. Present were Council Members Boeke, Raney, Voss, Dotson, Svenby and Schultz; Mayor Kuntz; Assistant City Engineer Murphy; Finance Director Moen; Community Development Director Klecker; Parks, Recreation & Facilities Director Tuma; City Attorney Walbran; City Administrator Busse, and Administrative Specialist Clawson. Council Member Burbank was unable to attend this meeting.

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 Svenby seconded the motion, all members present voted aye for approval.

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 – November 15, 2022

EDA Meeting - October 19, 2022

OPU Commission Meeting - October 25, 2022

OPU Commission Budget Meeting - November 7, 2022

Owatonna Human Rights Commission Meeting - November 7, 2022

Event Permit - 2023 St Patty Celebration - March 17-19, 2023 - Mineral Springs Brewery

Temporary Liquor Permit - March 17-19, 2023 - Mineral Springs Brewery

Exempt Permit - Raffle - January 26, 2023 - Ducks Unlimited Steele County

Exempt Permit - Raffle at VFW - February 25, 2023 - NWTF Steele Spurs Chapter

Exempt Permit - Bingo - April 8, 2023 - Ducks Unlimited Steele County

Exempt Permit - Raffle - April 22, 2023 - Church of St Joseph

T-hanger Lease Agreements:

Lessee	Resident	Unit	Monthly Rent	Term
Kent Carders	Lakeville, MN	Building 4, Unit E	\$220.00	2 years
Hannah Drake	Oakdale, MN	Building 4, Unit K	\$220.00	2 years
High Tech Aero	Northfield, MN	Building 4, Unit B	\$220.00	2 years
Tim Johnson	Owatonna, MN	Building 4, Unit C	\$220.00	1 year
Korey Krause	Savage, MN	Building 4, Unit J	\$220.00	2 years
Chris Ludewig	Northfield, MN	Building 4, Unit I	\$220.00	2 years
Paul Ray	Rochester, MN	Building 4, Unit D	\$220.00	2 years
Jerry Pritchett	Lakeville, MN	Building 2, Unit K	\$180.00	2 years

Facility Use Agreement - Church of Christ
Facility Use Agreement - AARP
Yoga Instructor Agreement - Denise Stewart
Lease Agreement - Healthy Seniors of Steele County
Lease Agreement - SEMCAC Owatonna Contact Center
Renew Cleaning Service Agreements:
 Coverall – at the Library
 Vanguard Cleaning Systems of Minnesota – at West Hills Social Commons and at the
 Tennis/Fitness Center

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

Finance Report

Council Vice President Raney recapped payments made more than \$20,000 for this period. Bills presented for payment totaled \$3,306,468.70. Council Member Svenby Boeke made a motion to approve payment of these bills, Council Member Dotson seconded the motion, all members present voted aye for approval.

Resolution 93-22 Order Feasibility Report – 2023 Street & Utility Project

Assistant City Engineer Murphy requested approval of Resolution 93-22 ordering the preparation of the 2023 Street & Utility Project Feasibility Report. The 2023 Street & Project involves work on the following streets:

- McKinley Street SW – Oak Avenue to Lilac Avenue
- Butternut Avenue SW – McKinley Street to Riverview Place
- Riverview Place SW – Butternut Avenue to the West Circle
- School Street – Main Street East to Partridge Avenue SE

The project will involve various levels of reconstruction as needed. Council Member Raney made a motion to approve Resolution 93-22, Council Member Boeke seconded the motion, all members present voted aye in approval.

Resolution 94-22 Order Feasibility Report – 2023 Havana Road Project

Assistant City Engineer Murphy presented Resolution 94-22 ordering the preparation of the 2023 Havana Road Project Feasibility Report. This project involves reconstruction of Havana Road from Truman Avenue to Smith Avenue. Council Member Voss made a motion to approve Resolution 94-22, Council Member Svenby seconded the motion, all members present voted aye in approval.

Resolution 95-22 Set Date for Public Hearing – Establish Development District 19 and Tax Increment Financing District 19-1

Community Development Director Klecker requested approval of Resolution 95-22 setting a public hearing for comments on the establishment of Development District 19 and Tax Increment Financing District 19-1. Redline Development is proposing to redevelop property along the Straight River north of West Vine Street and west of north Oak Avenue. The proposed project includes the expansion of Mineral Springs Brewery, 20,000 square feet of commercial space, a

new bank building and 70 luxury apartments. Tax Increment Financing is being requested to assist with the costs of the project including reimbursing the City for property that is being contributed to the project. This would be a redevelopment TIF district which can last up to a maximum of 25 years. Council Member Dotson made a motion to approved Resolution 95-22 to set the public hearing for January 17, 2023, Council Member Boke seconded the motion, all members present voted aye in approval.

Resolution 96-22 Authorization of Intent to Provide Full Funding, if needed, for Wastewater Treatment Plant Project

Finance Director Moen requested approval of Resolution 96-22 provide assurance to the Public Finance Authorities (PFA) as it relates to the current amount of unfunded costs for the Wastewater Treatment Plant (WWTP) project. Earlier this year, the City began a multi-year expansion project of its WWTP plant. As the need for funding will be distributed throughout this three-year period, the funding will be determined in phases. The City has multiple financing options for this project as follows:

- Multiple grants through the PFA totaling \$8 million
- \$35 million loan through the PFA to cover costs through mid-2023
- State bonding funds
- Cash on hand

This resolution gives PFA the necessary confirmation of the city's intention to fully fund this project, if needed. There will more than likely be a second PFA loan issued next year. Council Member Raney made a motion to approve Resolution 96-22, Council Member Dotson seconded the motion, all members present voted aye in approval.

Change Order #3 - 2022 Street & Utility Project

Assistant City Engineer Murphy requested approval of Change Order #3 for the 2022 Street and Utility Project. This change is addition of hydroseeding on Linn Avenue, the additional cost will be \$3,200 paid to JJD, Companies, LLC. Council Member Svenby made a motion for approval, Council Member Boeke seconded the motion, all members present voted aye for approval.

2023 Airport Rates and Charges Schedules

Community Development Director Klecker requested approval of the 2023 Airport Rates and Charges Schedules as recommended by the Airport Commission. Several cost and market-based factors were considered, including a review of rates currently being charged at other airports in the area and region. The Airport Commission determined the rates to be comparably within the range and consistent with these findings and recommended adjustments as provided. Comparative airport rate data was obtained from a variety of sources included two recent rates and charges surveys. One survey provided data from nine medium to large airports in the three-state area (MN, IA,WI). The second survey was conducted by the Wisconsin Bureau of Aeronautics and published in 2022. This study gathered detailed rate information to include 60 comparable medium-to-large general aviation Wisconsin airports. Data collection also involved interviewing approximately ten neighboring airports via email and direct telephone calls to ensure an accurate as possible market-based rate assessment.

This schedule also reflects market pricing for the seven garage units situated at the ends of the four T-Hangar buildings. These are smaller units not suitable for aircraft storage. The use of these smaller units may include the accommodation of more non-aeronautical public storage, the rental fee is per square foot rate based on storage rates at similar local facilities.

Owatonna Degner Regional Airport - RATES AND CHARGES SCHEDULE

Description	2023 Rate
T-Hangar Rental	
T-Hanger #1 (2001 Building)	
Full Size Units	\$180.00/month
Half Units (\$0.30/SF)	\$220.00/month
Large End Bay	\$420.00/month
T-Hanger #2 (2005 Building)	
Full Size Units	\$180.00/month
Half Units (\$0.30/SF)	\$220.00/month
T-Hanger #3 (1995 Building)	
Full Size Units (North Facing)	\$140.00/month
Full Size Units (South Facing)	\$155.00/month
Half Units (\$0.30/SF)	\$220.00/month
T-Hanger#4 (2022 Building)	
Full Size Unites	\$220.00/month
Half Units (\$.46/SF)	\$325.00/month
Common Heated Hangar Based on Aircraft Footprint (LxW)	\$0.325/SF monthly (\$3.90 annual)
Private Hangar Land Lease	
Non-Commercial Standard Lot	\$0.17/SF annual
Commercial Lot	\$0.28/SF annual
Commercial Terminal Office Space	\$8.00/SF annual
Airport Farmland Lease Rate	\$235.00/acre (to be determined)
Keys	
Issuance	\$0.00
Lost Key (new)	\$25.00
Re-core	\$40.00
Aerial Applicator Permit Fee	\$200.00/applicant (waived w/100 gal.)

Services (Southern MN Flight Center)

Aviation Fuel

1000LL

Jet A

Aviation Oil

Phillips XC20W-50

Aeroshell 15W-50

Aeroshell W100

Determined by Load

Determined by Load

Cost + 15%

Cost + 15%

Cost + 15%

\$75.00

Heated Hangar (Daily Rate)

\$100.00

Single Engine

\$125.00

Light Twin (Baron, C-310, Seneca)

\$150.00

Cabin Twin (Airstair Type)

\$175.00

Turbo-Prop (King Air 90, Cheyenne)

\$200.00

Turbo-Prop (King Air 200, PC12)

Jet

\$25.00

Unheated Hangar (Daily Rate)

\$50.00

Single Engine

Twin Engine

Facility Fee Min. Gallons

Facility Fees

Aircraft Type (Typical Aircraft Class Description)

\$55.00

55 gal.

Turo Prop. (King Air, Cessna 425, Cessna 441,
Piper Cheyenne, Pilatus, etc.)

\$85.00

85 gal.

Light Jet (up to 8 Pas. Capacity – CJ21, Lear 35,
Beech jet, Cit. Encore, etc.)

\$105.00

105 gal.

Medium Jet (9-11 Pas. Capacity – Lear 60, City
Sovereign, Hawker 800 , etc.)

\$125.00

125 gal.

Heavy Jet (12+ Pas. Capacity – Challenger,
Falcon 50, 900, G4/G5, G.Exp., etc.)

Included

Ice/Coffee (Facility amenities)

\$1.50/bag

With Paid Facility fee

Without Paid Facility Fee – Ice

Ramp Fees

\$0.00

Tie Downs

\$50/00/month

Less than 30 days

\$15.00/daily

More than 30 days

Electrical Plug-In

\$50.00 (waived with 200 gallons)

Call-If Fees (After Hours)

\$0.00 up to 4 hours +\$ 0.00 each
additional hour

Conference Room

General

\$0.00

Tenants and Airport Organizations

+15% of order total

Catering Processing Order Request

Council Member Raney made a motion to approve these rates and fee schedule as recommended by the Airport Commission. Council Member Dotson seconded the motion, all members present voted aye for approval.

Staff Updates

Rhonda Moen, Finance Director commented staff is working to complete certification of the assessments approved this year. These assessments were for projects which started in 2021 and completed this year. She received payment from Steele County for current TIF projects. This payment of \$1.3 million is for 23 current TIF projects.

Troy Klecker, Community Development Director commented staff is preparing the annual Annexation Agreement with Owatonna Township for Council consideration during their next meeting. The agreement will be different this year. The township requests an increase in the length of repayment. We currently use 2.5 years, but they have requested 10 years which is consistent with other townships within the state. In exchange, there will be more land available. There was a press release last week about the Riverfront Project proposed on N Walnut Avenue. There will be a lot of items brought to Council for approval as this redevelopment project proceeds. The number of Building Permits issued this year is similar to the number issued last year, but the valuation amount is more. 2023 will be the second highest amount of new construction valuation issued at \$82 million. Staff is also beginning to work on a few 2023 projects.

Sean Murphy, Assistant City Engineer commented progress can be seen at WWTP Expansion. The consultant, Nero Engineering, prepared a drone video to show progression of the project which is currently posted on the city's website. Winter is here and the city's snowplows are out. He asked everyone to please be mindful of plows as they need space to do their jobs.

Jenna Tuma, Parks, Recreation & Facilities Director, commented usage at the indoor facilities is increasing, currently 30+ non-members are playing Indoor pickleball. A walking program kicked off this week for indoor walking at the tennis center. Winter skating at Morehouse Park is delayed, we need consistent cold weather to create ice. We need 3" of ice on the pond and 5" of ice on the river to allow the rinks to open. This year, we are trying to expand skating opportunities and have created a new rink at Buecksler Park. We placed a 5-mil tarp to flood out which will hold the water and protect the grass. Now we just need the cold weather to build our ice. Council Member Svenby asked for more information on the indoor walking program. Tuma commented this program is offered M-F 7 am -10 am. If you are a Sr Member, there is no additional cost and if not a Sr Member, you can get a pass with a \$40 annual fee.

Public Comments

None were heard.

Council/Administration Comments and General Information

Council Member Boeke commented messages received during the TNT Meeting prior to this meeting about potential hardships has not fallen on deaf ears.

Council Member Raney thanked Steele County Commissioner Jim Abbe for attending the TNT Meeting tonight and then thanked Finance Director Moen for the informative presentation during the TNT Meeting.

Council Member Svenby commented it was nice to see many attending the TNT Meeting tonight. This was the largest crowd attendance he has seen during the last 17 years which confirms members of the public are concerned about the proposed budget and levies.

Council Member Voss commented the street crew is doing a great job clearing snow and ice from the roundabouts.

Council Member Dotson commented he won't say taxes are good, but they are necessary. Council will take comments received into consideration as budget approval is considered.

Mayor Kuntz thanked Sean and Public Works staff for clearing the streets. The downtown area looked great for the Lighted Parade last week. He attended the Junior Achievement Banquet, the 4-6 grade students created a Biz Town and assigned their mayor tasks. The T-hangar Rental Agreements approved during tonight's meeting show that we are pulling tenants from all over southern Minnesota.

City Administrator Busse commented the Lighted Holiday Parade was a fun event with many staff members participating. The Library, Public Works, Fire and Park and Rec departments each had an entry in the parade. This was a good time and great experience for staff.

Council President Schultz commented he has helped line up the floats for the Lighted Holiday Parade for many years and enjoys talking with everyone as they wait for their turn in the parade. This year there were 90 parade entries. He thinks this is one of the best events in our community. There are some bumps to work out, but this has become a good part of our community's activities.

Adjournment

At 7:53 p.m., Council Member Raney made a motion to adjourn, Council Member Dotson seconded the motion, all members present voted aye in approval.

Respectfully Submitted,

Jeanette Clawson, Administrative Specialist