

**Owatonna City Council Minutes**  
**February 21, 2023**

Council Vice President Raney called the regular session of the Owatonna City Council to order on Tuesday, February 21, 2023, at 7:00 p.m. in Council Chambers at City Hall. Present were Council Members Raney, Svenby, Voss, Burbank, and Boeke; Mayor Kuntz; Community Development Director Klecker; Human Resources Director Thamert; City Attorney Walbran; City Administrator Busse, and Administrative Specialist Clawson. Council Members Dotson and Schultz were unable to attend.

**Council Agenda**

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

**Mayor Kuntz**

Nothing requiring action, will make comment later during the meeting.

**CONSENT AGENDA ITEMS**

Council Vice President 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 – February 7, 2023

Minutes - Human Rights Commission Meeting - January 10, 2023

Minutes - Planning Commission Minutes - February 14, 2023

Police Monthly Activity Reports - January 2023

Temporary Liquor Permits - Mineral Springs Brewery:

1) April 29 at Souba Greenhouse Open House - 4003 Crane Creek Rd

2) June 16 at Federated Insurance Co Celebration - Steele Co Fairgrounds

3) September 22 & 23 at OktoberFest at Mineral Springs Brewery - 111 N Walnut Ave

Gallagher: Ongoing Project Agreement and Scope of Work

Council Member Voss 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 Boeke recapped payments made for amounts greater than \$20,000 during this period, total amount of bills presented was \$1,239,713.02. Council Member Burbank made a motion to approve payment of all bills, Council Member Voss seconded the motion, all members present voted aye for approval.

**Resolution 18-23: Increase Fire Fighters Pension**

City Administrator Busse presented Resolution 18-23 authorizing a \$1,000 increase to the annual benefit level for 2023 to \$10,500. Annually, the Relief Association reviews the percent funded of their pension account in accordance with guidelines previously approved by council. With this increase, the fund will be more than 160% funded, the fund requires a minimum of 120% funded with additional fund percentages available to increase the pension lump sum. Justin Brown, President of the Owatonna Fire Fighters Relief Association was available for questions. Council Member Boeke made a motion to approve Resolution 18-23, Council Member Svenby seconded

the motion, all members present voted aye for approval.

**Resolution 19-23: RZ-1, Add PUD Overlay Zone to 3325 9th Street NW**

Community Development Director Klecker requested approval of Resolution 19-23 for approval of Application No. RZ-1 received from Stephanie Hansen, on behalf of Owatonna Cheer LLC. They have a pending 1-year lease agreement with 8<sup>th</sup> Street Owatonna LLC for use of property at 3325 9<sup>th</sup> Street NW as a practice facility. This property is located in the Industrial Park and zoned I-2, Heavy Industrial District, the building offers the space needed for stunt practice and they will continue to look for another site for future use.

This request will rezone the property and add an Overlay PUD for the purpose of allowing a competition cheerleading program to train and practice. The Planning Commission held a public hearing on this request with no objections heard from neighboring property owners. Owatonna Cheer, LLC plans to use the building from 5 pm – 9 pm six days a week. There offer two classes, with 15 students each so there is sufficient parking space available. The Planning Commission approved this PUD with a vote of 4-1; there was concern this is not appropriate use for this site. The Planning Commission and staff recommend approval with these conditions:

1. The west side of the parking lot shall be striped to designate the parking stalls.
2. No events shall be held at the facility, only practices.
3. No other uses shall be permitted in this building during the hours of 5-9 pm when the cheerleading program is practicing.
4. Any additional uses in this building shall be approved by the City to ensure proper separation of traffic and the interior of the building to keep all occupants safe.

If this use is permitted, it will allow for this Competition Cheerleading program to be permitted in this building as part of the overlay PUD for this property. This overlay district will not allow any other commercial type uses in this building. All other permitted uses will revert back to the I-2 uses.

Council Member Voss asked if approved, could the PUD be authorized for a specific length of time. Klecker explained it would be ongoing but could be changed by future action if needed.

Council Member Boeke commented he understands options are limited and he would approve this PUD request but doesn't believe this is an appropriate use for on-going concern and hopes they can find another location.

Council Member Raney commented he would not support this PUD request; the building is located in the Industrial Park and should be occupied by an industrial business.

Council Member Svenby commented a portion of the building could be used, Klecker commented this part is currently unoccupied.

With no additional comments, Council Member Voss made a motion to approve Resolution 19-23 authorizing this PUD, Council Member Boeke seconded the motion. The motion was approved with a vote of 4 to 1, Council Member Raney cast the nay vote.

**Resolution 20-23: Set Date for Public Hearing to Approve Street Reconstruction Plan**

City Administrator Busse requested approval of Resolution 20-23 to set a public hearing on Tuesday, March 21, 2023, for comments on the City's Street Reconstruction Plan and intent to Issue Bonds. The City is authorized under Minnesota Statutes, Section 475.58, subdivision 3b (the "Street Reconstruction Act"), to prepare a plan for reconstruction of streets in the City over the next five years, which includes a description of the affected streets and estimated costs (the "Street Reconstruction Plan"), and to issue general obligation bonds to finance the cost of street reconstruction activities described in the Street Reconstruction Plan (the "Street Reconstruction Bonds"). Prior to approving a Street Reconstruction Plan or issuing Street Reconstruction Bonds, the City Council is required to hold a public hearing regarding the Street Reconstruction Plan and issuance of the Street Reconstruction Bonds. Under the proposed Street Reconstruction Plan, the City will issue Street Reconstruction Bonds to finance a portion of the costs described in the

Street Reconstruction Plan. Council Member Burbank made a motion for approval, Council Member Svenby seconded the motion, all members present vote aye in approval.

### **Letter of Intent to Purchase US Bank Parking Lot**

Community Development Director Klecker requested authorization for a Letter of Intent to purchase property from US Bank. The City is pursuing a parking lot reconstruction project along West Vine Street this year. The City previously acquired the Monson Eye Clinic building to be part of this project. The Monson Eye Clinic will occupy the building until their new building is completed and they can move, the current lease agreement allows occupancy up to May 31, 2023. The US Bank parking lot is also needed for the reconstruction project. Staff has been in negotiations with US Bank since the fall of 2021. With the US Bank parking lot, the City will have one main large parking lot for downtown.

The sale price is \$200,000 for the US Bank parking lot along West Vine Street and the open lot west of the US Bank building. This open lot will be used as a public walkway to connect the public parking lot to the businesses on Broadway. The City will need to construct 3 or 4 parking spaces on the back of the US Bank building off of the alley as part of the agreement. US Bank would also like to keep their free-standing parking on Vine Street. The parking lot will be designed to accommodate the sign and an easement would need to be recorded for the sign.

Council Member Raney asked if the new parking lot will have similar signage and time restrictions as the current city parking lots. Klecker commented the new lot will create more parking spaces and signage and time restrictions will be similar. There will be a good mix of parking options, some long term, some short term, and some 30-minute parking spaces on Broadway Street. Council Member Boeke made a motion to authorize this Letter of Intent to purchase this property. Council Member Voss seconded the motion, all members present voted aye for approval.

### **Personnel Policy Revisions**

Human Resources Director Thamert commented additional time is needed to communicate proposed changes with staff and requested these proposed revisions to the Personnel Policy be tabled until the next Council Meeting on March 7th:

7.2 Paid Time Off (PTO) Policy

7.3 Part-Time PTO

7.8 Medical Leave of Absence Without Pay

7.9 Personal Leave of Absence Without Pay

Council Member Burbank made a motion to table these proposed changes, Council Member Boeke seconded the motion, all members present voted aye in approval.

Director Thamert requested approval of these revisions proposed to the Personnel Policy:

#### **Chapter 12 Non-DOT Drug and Alcohol Testing and Drug and Alcohol-Free Workplace**

- Clarify that employees may not be under the influence of cannabis, legal or otherwise, while at work.

#### **Chapter 13 DOT Drug and Alcohol Testing Policy**

- Revise to align with current Federal Motor Carrier Safety Administration's (FMCSA) Commercial Driver's License (CDL) Drug and Alcohol Clearinghouse requirements.

Council Member Voss made a motion to approve these changes proposed to Chapters 12 and 13 of the Personnel Policy, Council Member Boeke seconded the motion, all members present voted aye in approval.

### **Compensation Plan**

Human Resources Director Thamert requested approval of a City of Owatonna Compensation Plan. The City utilized Gallagher to conduct a comprehensive classification and compensation

study in 2015-16. A result of that study included the City adopting a salary structure establishing pay ranges for City of Owatonna employees based on their Decision Band Method (DBM) rating. An approved Compensation Plan is best practice for administering and maintaining fair, reasonable, and cost-effective compensation for employees. This Compensation Plan will also serve as a guide for Councils and Administration in the future. Language regarding performance management is included in the plan so policy 3.7 Performance Evaluations would be repealed upon approval of the Plan.

Council Member Boeke asked if the plan allows the City to remain competitive amongst employers. Thamert commented the plan provides the philosophy on how we compensate our employees and how to proactively maintain that plan.

Council Member Burbank asked if this plan would be revised every five years. Thamert responded this is not a compensation study, a compensation plan should be approved or adopted when a study is completed to confirm this as a best business practice. Approval of this plan will complete a current gap in our process. Council Member Boeke made a motion for approval, Council Member Voss seconded the motion, all members voted aye in approval.

### **STAFF COMMENTS**

Community Development Director Klecker commented 2023 is off to a good start with accumulated value in excess of \$25 million dollars for new construction permits issued. After a brief status of current commercial projects, Council Member Burbank asked how many businesses would be located in the new Monson Eye Clinic. Klecker commented there will be one additional tenant in this new building. Council Member Burbank asked what is planned for the former Campesino building on Hoffman Avenue; Klecker responded the property will be conveyed to the developer of the ASCEND riverfront project. The current structure and contents will be the developer's responsibility, Scot Mohs is currently fielding inquiry calls on this property. The building has been vacant for more than five years, there has been some interest from parties wanting to restore the property, but they dropped this idea when they looked at the property and realized the cost of renovations needed. Staff just walked through the building with representative of the Historical Society and some pieces could be saved for historical value, they will be contacting the developer about these items.

Human Resources Director Thamert commented applications are currently online for paid on call and resident fire fighters, the application deadline is this Thursday for these positions. There are also applications open for seasonal summer employment. Rachel Boss, HR Specialist has been working with Park and Rec staff to update our seasonal application process through NeoGov for some additional efficiencies during this seasonal hiring process. We will plan a City orientation for seasonal employees, so they have all the necessary steps for success as they start their new positions. Recent hires include Kurt Stangler, Recreation Supervisor at Brooktree Golf Course, and three Park and Recreation Facility Assistants: Hannah Fisher, Madison Rysavy, and Don McCann. Thamert then thanked all city employees working to keep us safe during the winter storm expected within the next few days.

### **PUBLIC COMMENTS**

None were heard.

### **COUNCIL COMMENT AND GENERAL INFORMATION**

Council Member Svenby asked everyone to patient to allow staff opportunity to get the roadways cleared from the heavy snowfall predicted over the next few days.

Council Members Voss and Burbank commented motorists should also be mindful to stay back from the snowplows, so they have room to their jobs done.

Council Member Boeke commented the streets will become narrower as snow accumulates and this storm is expected bring a lot of snow and asked everyone to park off the street if

possible. Also, many are starting to utilize the trails and dog waste is horrible; if your dog makes a mess, please clean it up.

Mayor Kuntz commented there are just two more City Council Meetings in the current chambers, beginning April 4th, Council Meeting will be held at the Library during the council chamber renovation project.

Council Vice President Raney commented the City's odd/even parking restriction does allow legal parking on one side of the street but if there is an option to park in a driveway, please do so, so the streets can be kept clear for emergency vehicles.

### **Adjournment**

At 7:34 p.m., Council Member Boeke made a motion to adjourn, Council Member Voss seconded the motion and with no objection, the meeting ended.

Respectfully submitted,

Jeanette Clawson, Administrative Specialist