

Owatonna City Council Minutes

June 6, 2023

Tuesday, June 6 2023 at 7:00 p.m. Council President Schultz called the regular session of the Owatonna City Council to order in the Gainey Room at the Owatonna Public Library. Present were Council Members Raney, Voss, Burbank, Boeke, Dotson, Svenby and Schultz; Mayor Kuntz; Community Development Director Klecker; Public Works Director Murphy; Park & Rec and Facilities Director Tuma; IT System Administrator Sticken; City Attorney Walbran; and Administrative Specialist Clawson.

Following the Pledge of Allegiance, Council President Schultz welcomed everyone to the meeting and advised Item 2.5.5, an Event Permit for a graduation party in Jaycee Park has been added to the Consent Agenda. Council Member Raney made a motion to approve the agenda with this item added, Council Member Burbank seconded the motion, all members 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 – May 16, 2023
- Minutes - Charter Commission Meeting - April 20, 2023
- Minutes - HRA Meeting - April 24, 2023
- Minutes - OPU Meeting - April 25, 2023
- Minutes - Human Rights Commission Meeting - May 9, 2023
- Minutes - Library Board Meeting - May 18, 2023
- Police Data - May 2023
- Weed/Nuisance Inspection Report - June 1, 2023
- Building & Inspection Monthly Report - May 2023
- Renew Ice Cream Vendor Permit - Sunny's Ice Cream, Albert Lea MN
- Event Permit - Ride for Hope - July 7, 2023
- Event Permit - Just One More Dance with Exception to City's Noise Ordinance - July 21, 2023
- Event Permit - TraLo Driver Appreciation Event with Exception to City's Noise Ordinance – August 12, 2023
- Event Permit - Pride in the Park - July 8, 2023
- Event Permit - Graduation Party in Jaycee Park – June 10, 2023
- Change next City Council Meeting Date and Time - June 20, 2023 at 1:00 pm
- Product Lease Agreement for Postage Meter at City Hall - Quidient Leasing
- Revised Fees Manual for the Parks, Recreation & Facilities Department - fee adjustments will be reflected in the 2023/2024 Fall/Winter Activity Guide
- 2023 Overlay Project Contract - \$53,256.00 quote from D&M Construction
- Club Car lease for Brooktree Golf Course for years 2024-2027
 - 35 gas golf carts - \$7,112.70 per month - \$42,676.20 per year - total lease - \$170,704.80
 - 5 electric golf carts - \$1,091.10 per month - \$6,546.60 per year - total lease - \$26,186.40
 - 2 electric utility carts - \$952.28 per month - \$5,713.68 per year - total lease - \$22,854.72

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

Finance Report

Council Member Raney recapped payments made for amounts greater than \$20,000 during this period. The total amount of bills presented was \$3,211,826.50. Council Member Svenby made a motion to approve payment of all bills presented, Council Member Voss seconded the motion, all members present voted aye in approval.

Table Second Reading Proposed Ordinances 23-03 and 23.04: Establish Chapter 121 – Sale of Cannabinoid Products and Fees

City Administrator Busse commented during the February 7, 2023 Council Meeting, the Council approved the First Readings of Proposed Ordinances 23-03 and 23-04 to establish code regarding the sale of cannabinoid products and licensing fees. During the same meeting, a motion was approved to table the second/final readings of these proposed meetings until this meeting, which would be after the end of the 2023 legislative session. This week, Governor Walz signed a bill into law that allows adults 21 and older to use recreational marijuana with regulation and purchase from state-licensed businesses throughout the state. Details for enactment of this new law have not been received. City Attorney Walbran requests additional time for review of the new legislation and state licensing procedures adopted. Council Member Raney made a motion to table the second reading of these proposed ordinances to the September 6, 2023 City Council Meeting; Council Member Boeke seconded the motion, all members voted aye in approval.

Resolution 45-23: Accept Bids & Award Contract Project #23001 Street & Utility

Public Work Director Murphy requested approval of Resolution 45-23 to accept the bids and award the contract to Wencil Construction, Inc. for the 2023 Street & Utility Project. Bids were received on May 31, 2023 from five (5) companies, Wencil Construction, Inc. was the lowest responsible bidder with a bid of \$1,112,754.35. Project costs will be financed through a combination of City Funds, OPU reimbursements, and Special Assessments charged thirty-one property owners. Council Member Dotson made a motion for approval, Council Member Burbank seconded the motion, all members voted aye in approval.

Resolution 46-23: Accept Bids & Award Contract Project #23006 Havana Road

Public Work Director Murphy presented Resolution 46-23 to accept the bids and award the contract for the 2023 Havana Road Project. Four bids were received with Wencil Construction, Inc submitting the low bid of \$1,043,136.21. The project will be financed through a combination of State Aid funds, City funds, OPU reimbursements, and Special Assessments charged to nine property owners. Council Member Raney made a motion for approval, Council Member Voss seconded the motion, all members voted aye for approval.

Resolution 47-23: Support Job Creation Fund Application for Daikin Applied

Community Development Director Klecker requested approval of Resolution 47-23 in support of a Job Creation Fund application for Daikin Applied. Daikin Applied is proposing to renovate and upgrade the interior office areas at their facility on Park Drive. They plan to bring the office area up to current design standards, provide necessary upgrades to become ADA compliant, make security improvements, increase the number of workstations, asbestos abatement, and an upgrade to the HVAC system. Daikin is estimating the costs of this project to be approximately \$2 million, and the project will result in the addition of twenty new jobs. Council Member Raney asked if the new jobs created would be full-time or part-time, Klecker responded there would be twenty new full-time jobs. Council Member Svenby made a motion for approval, Council Member Dotson seconded the motions, all members voted aye in approval.

Resolution 48-23: Memorandum of Agreement (MOA) - MN Public Employees Association - Patrol Officers

City Administrator Busse commented the State of Minnesota recently designated Juneteenth as a state holiday in 2023. The law was originally supposed to go into effect on August 1, 2023 but a provision to amend the effective date of the new law was recently adopted and signed by Governor Walz. No public business can be transacted on a state holiday, except in case of necessity (ex. Police, fire, etc.). The 2023 Juneteenth holiday will be celebrated on

Monday, June 19th. The short notice regarding this new law limits the options the City has in addressing this change with the four Unions represented within the City's work force. Tentative agreements to the proposed MOA for the duration of the 2023-2024 contracts to include Juneteenth as an additional paid holiday have been reached with each of the four unions. In alignment with our core value of community stewardship, the City intends to revisit the holiday benefit and negotiate in good faith with these Unions for next contracts that would begin January 1, 2025. Council Member Raney made a motion to approve Resolution 48-23 authorizing the MOA with the MN Public Employees Association, Patrol Officers for the Juneteenth holiday. Council Member Burbank seconded the motion, all members voted aye in approval.

Resolution 49-23: MOA - Minnesota Public Employees Association – Sergeants

Council Member Boeke made a motion to approve Resolution 49-23 authorizing the MOA with the MN Public Employees Association, Police Sergeants for the Juneteenth holiday. Council Member Voss seconded the motion, all members voted aye in approval.

Resolution 50-23: MOA - International Association of Fire Fighters, Local Union No. 1920

Council Member Boeke made a motion to approve Resolution 50-23 authorizing the MOA with Local Union No. 1920, the International Association of Fire Fighters for the Juneteenth holiday. Council Member Burbank seconded the motion, all members voted aye in approval.

Resolution 51-23: MOA - International Union of Operating Engineers, Local No. 70

Council Member Raney made a motion to approve Resolution 51-23 authorizing the MOA with the International Union of Operating Engineers, Local No. 70 for the Juneteenth holiday. Council Member Dotson seconded the motion, all members voted aye in approval.

Planning Grant for Stormwater, Wastewater, and Community Resilience – MCPA

Public Works Director Murphy advised the City of Owatonna has been selected to receive a Planning Grant for Stormwater, Wastewater, and Community Resilience from the Minnesota Pollution Control Agency (MCPA). The goals of this project are to:

- 1) identify improvements to stormwater infrastructure in flood risk priority areas within the Environmental Justice Areas under future rainfall events to protect economically vulnerable homes and businesses; and
- 2) develop a climate response plan for underserved portions of Owatonna to maintain access to integral community services during future flood events; and
- 3) provide scientific basis for an upcoming stormwater utility rate update, development of the next 10-year capital improvement plan, and state funding grant applications.

Eligibility for the grant begins upon contract execution. The expiration date of the grant is June 30, 2024 or when all obligations have been fulfilled, whichever occurs first.

The funds, \$88,380, can be used in various ways; staff intend to use this grant for consulting design services. Council Member Svenby made a motion for approval, Council Member Boeke seconded the motion, all members voted aye for approval.

Council Chamber Project Change Order #1 - Advanced Audio & Lighting

Parks, Trails, Recreation & Facilities Director Tuma requested approval of the change order received from Advanced Audio and Lighting for the Council Chambers Project. During the March 21, 2023 City Council meeting at City Hall, Advanced Audio & Lighting staff were on site to observe the existing audio/video operations. From this observation and review of our equipment, Advanced Audio & Lighting recommends five additional higher quality cameras and two properly sized wall mounted T.V's. to meet the expected standard. Change Order #1 will increase the Advanced Audio & Lighting contract by \$21,300. Council Member Raney

asked if current equipment could be sold. Council Member Burbank commented the Steele County Fair is planning to put big screen tv's in various buildings. Tuma said IT Director Brown will be disposing of the current equipment and asked inquiries be directed to him. Council Member Raney made a motion for approval, Council Member Boeke seconded the motion, all members voted aye for approval.

Purchase Property - 126 East Fremont Street

Community Development Director Klecker requested approval to purchase property at 126 East Fremont Street. The City has been pursuing a redevelopment project along the 100 block of East Fremont for many years and previously purchased properties at 122, 130, 134 and 140 East Fremont. Three of these houses have been demolished and the home at 140 East Fremont is currently being rented. The City now has a Purchase Agreement for 126 East Fremont, the one house amongst these City-owned properties. The proposed purchase price is \$50,000, which would be paid for by the EDA. The property has a small house built in 1875 and detached garage. The house and garage are in tough shape and will need to be demolished. The area is zoned B-3 Central Business District and is in a good location to redevelop. There are businesses in the area that would be interested in additional space. This block is in a good position to transition from residential to commercial. The EDA has approved and recommends purchase of this property. Council Member Voss made a motion for approval, Council Member Boeke seconded the motion, all members voted aye for approval.

Contingent Search Terms - Lawinger Consulting Inc.

City Administrator Busse requested approval of an agreement with Lawinger Consulting, Inc. (LCI), a professional recruitment firm. LCI will assist the Human Resources team with recruiting and placing a qualified candidate in the currently vacant Assistant City Engineer position. The agreement offers a 45-day guarantee period with a 100% refund. Council Member Svenby commented he would prefer a longer guarantee period. Public Works Director Murphy commented he was involved with a review of the proposed contract; the term of guarantee was originally offered for only 30 days and negotiated to include a period of 45 days. Two other companies offered contracts with longer guarantee periods, but their costs were quite a bit more. City Administrator Busse commented OPU has used LCI and were very satisfied with their services. Council Member Svenby commented he would support this agreement but if future services are required from LCI, he hopes better terms will be offered. Council Member Raney made a motion for approval, Council Member Dotson seconded the motion, all members voted aye in approval.

Personnel Policy Revision - Juneteenth Holiday

City Administrator Busse requested Section 7.1, Holidays of the Personnel Policy and Procedures Manual be revised to include the Juneteenth holiday to be celebrated on June 19th. Council Member Boeke asked if this will be the twelfth paid holiday city staff members receive each year. City Administrator Bussed responded yes. Council Member Raney commented he supports addition of this holiday but does not appreciate the short notice from the state, state legislation just approved this holiday to be effective this year with less than a month's time to the holiday. Council Member Raney made a motion for approval, Council Member Burbank seconded the motion, all members voted aye in approval.

Staff Comments

Public Works Director Murphy commented that construction of the new wastewater treatment project is on schedule. The MBR building is visible to traffic on Hoffman Avenue as precast panels are being added and it looks good. A new drone video will be added to the city's website showing progress on this project. Interviews have been completed for several positions in Public Works which

will be announced next week. The 2023 project contracts awarded tonight received some good bids and he thanked staff for their hard work preparing these project plans.

Community Development Director Klecker commented that the May Building and Inspection Report in the Consent Agenda tonight showed valuation of permits issued this year at \$49,500,000 so we are currently on pace for a million-dollar year. Kamp Automation will hold a groundbreaking ceremony next week on Wednesday, June 15th at 3:00 pm. The Riverfront Project should begin later this month. Each non-census year, we receive an estimate of population from the Minnesota State Demographic Center. We just received the 2022 estimate at 27,644, this is up 4.25% from the 2020 Census. We have housing needs, rents and home costs are up because there is a high demand. We have approved the addition several multi-family buildings: 135 new housing units should be available this year, 165 units during 2024 and an additional 120 units in 2025. There have also been permits issued for several single-family homes.

Parks & Recreation and Facilities Director Tuma commented last week was our kickoff to summer as Lake Kohlmier and the River Springs Waterpark opened. Safety Camp will be later this week. We will begin spraying mosquitoes next Monday, we begin in the parks and along the trails and then blanket cover the entire city. The golf course has been busy, the number of rounds of golf at Brooktree this year is currently more than it was last year at this time, which was more than it had been the previous year.

PUBLIC COMMENTS

Gale Jorgensen, 249 E Main St commented she is a new resident to Owatonna. She just moved here during November after purchasing a historic house on the corner of E Main and Grove Avenue. She recently heard the city plans to do a roundabout at her intersection with plans to take some of my property and wanted to know if this is a done deal. She does not like thinking about what is happening to my property and wants to confirm she will receive notice with the option to be part of the process that would possibly take away a portion of her property. Public Works Director Murphy advised the county is directing this project and confirmed project plans do include a roundabout at Grove & Main. If the city chooses to assess property owners within this project, there would be a public hearing. Currently, information is available on the county website with project updates. If assessments are levied, the amount collected will be paid to the City. Part of the initial design is based on traffic patterns which may change with the opening of the new high school. Currently, it is still a signaled intersection, but a roundabout was the preferred level of service shown in the Feasibility Report. Council President Schultz commented she should speak with the County Engineer, to which she responded she has, and he referred her to the City. Schultz commented that this is not meant to be a back-and-forth question time. Jorgensen commented that she wants it known she does not want her corner taken. Council President Schultz commented her comments would be noted.

Mike Conrad, 424 12th St SE commented the Owatonna/Steele County Amateur Radio Club will host their annual field event on Saturday, June 24 to Sunday, June 25 at McKinley school. He invited everyone to attend as their club will show what an amateur radio operator can do. This is their chance to demonstrate what they can do if needed. The event begins at 1:00 pm on Saturday and ends at 1:00 pm on Sunday so some participants will be operating through the night. He encouraged everyone to stop by for a brief demonstration.

Maggie McDonough, 517 S Elm, commented she is a member of the Bee Friendly Alliance and present at tonight's meeting to thank Mayor Kuntz and the City for the pollinator proclamation.

Scott Limberg, 422 S Cedar, commented that the Early Morning Rotary Club will be hosting a Family Feud at Trinity Lutheran Church next Sunday between the Owatonna and Medford Fire Departments. Proceeds from the event will benefit each of the fire departments.

Mayor and Council Comments:

Council Member Raney commented beginning next Monday, 18th Street & Highway 218 will be

closed as they begin construction of the roundabout at this intersection. Unfortunately, there was a murder in our community last week; thank you to the officers and deputies for their work on this case. There was not a lot of off time at the OPD last weekend as Officers went above and beyond the call of duty. The suspect was apprehended with no incident, we are fortunate to have a professional law enforcement team. Thank you!

Council Member Svenby congratulated the 2023 graduates and wish them well in the next phase of their lives.

Council Member Voss commented that two new OPD Bike Patrol were present at Downtown Thursday last week. Council President Schultz said Captain Drenth told him they handed out 80 to 90 Junior Police badges during this event.

Council Member Dotson also congratulated recent graduates and gave a special congratulation to his niece, Candy Carlson, who gave the commencement address. School is out so kids are out on bikes, scooters, rollerblades, please keep an out for them.

Council Member Burbank commented Officer Joe Dolly has been the only OPD officer ever who made a DWI arrest while walking the beat.

City Administrator Busse commented that several council members and Mayor plan to attend the Annual League of Minnesota Cities Conference in Duluth next week so the next city council meeting will be held on Tuesday June 20th at 1:00 p.m.

Council President Schultz commented it seems everything on the Agenda has been covered during this meeting.

Adjournment

At 8:09 p.m., Council Member Raney made a motion to adjourn, Council Member Boeke seconded the motion and with no objection, the meeting ended.

Respectfully submitted,

Jeanette Clawson, Administrative Specialist