Owatonna City Council Minutes

Council President Schultz called the regular session of the Owatonna City Council to order on Tuesday, January 3, 2023, at 7:00 p.m. in Council Chambers at City Hall. Present were Council Members Boeke, Raney, Svenby, Voss, Dotson, Burbank, and Schultz; Mayor Kuntz; Assistant City Engineer Murphy; Community Development Director Klecker; Parks, Recreation & Facilities Director Tuma; Human Resources Director Thamert; Communications Manager Sheely; City Attorney Walbran; City Administrator Busse, and Administrative Specialist Clawson.

Agenda

Following the Pledge of Allegiance, Council President Schultz welcomed everyone to the meeting. Mayor Kuntz administered the Oath of Office to four Council Members re-elected during the 2022 General Election to serve 4-year terms effective 2023-2026:

Dan Boeke – Council Member-at-Large
Nathan Dotson - Council Member – Ward One
David C Burbank – Council Member – Ward Three
Brent Svenby – Council Member – Ward Five

Council Member Svenby made a motion to approve the agenda as presented, Council Member Dotson seconded the motion, all members voted aye for approval.

City Administrator Busse presented Resolution 1-23, designating depositories and persons authorized to sign order thereon. The Office of the State Auditor recommends the City annually designate depositories for the upcoming year and formally appoint individuals authorized to disperse funds. This resolution authorizes disbursements via check, electronic funds transfer, wire or ACH.

Designated as depositories for the deposits and safekeeping during 2023:

- US Bank
- Wells Fargo Bank
- Profinium, Inc.
- Bremer Bank
- United Prairie Bank
- Community Bank Owatonna
- West Bank
- Stifel
- RBC Wealth Management
- Wells Fargo Advisors
- Municipal Money Market Fund (LMC 4M Fund), hereinafter called "Financial Institutions and/or Brokers,"

Authorized signatories will be Thomas A. Kuntz, Mayor; Kris M. Busse, City Administrator and Rhonda L. Moen, Finance Director.

Authorization to the depositories to honor transfer of funds through wire, ACH, and electronic funds transfer by Thomas A. Kuntz, Mayor; Kris M. Busse, City Administrator; Rhonda L. Moen, Finance Director; JoAnn Matejcek, Accounting Technician or Holli Loken, Senior Accountant.

Council Member Raney made a motion to approve Resolution 1-23, Council Member Boeke seconded the motion; all members voted aye for approval.

City Administrator Busse presented Resolution 2-23, to reappoint City Administrator Busse as the Responsible Authority for Data Practices Compliance during 2023. Council Member Voss made a motion to approve Resolution 2-23, Council Member Burbank seconded the motion; all members voted aye for approval.

City Administrator Busse requested the Owatonna Peoples Press be reappointed as the City's Official Paper for 2023 Publications. The City's Charter requires a newspaper of general circulation in the city be designated as the official paper for publication of all matters required. Council Member Raney made a motion to designate the Owatonna Peoples Press as the 2023 Official Paper, Council Member Dotson seconded the motion; all members voted aye for approval.

City Administrator Busse requested reappointment of Fire Chief Ed Hoffman as the City's Weed Inspector during 2023. Appointing the Fire Chief to this position works well by offering a good point of contact for residents with concerns regarding weed and nuisance vegetation. Council Member Dotson made a motion to reappoint Fire Chief Hoffman as the City's Weed Inspector, Council Member Raney seconded the motion; all members voted aye for approval.

City Administrator Busse requested changing two 2023 Council Meeting Dates:
Tuesday, July 4, 2023, meeting changed to Wednesday, July 5, 2023.
Tuesday, August 1, 2023, meeting changed to Wednesday, August 2, 2023.
Busse also requested Council set the date of the 2023 Local Board of Appeal and Equalization for Tuesday, April 18, 2023, at 6:00 p.m. This meeting will be held in the Gainey Room at the Library as Council Meetings will be held there during the Council Chamber Renovation Project which will begin early this spring. Council Member Svenby made a motion to approve these meeting dates, Council Member Boeke seconded the motion; all members voted aye for approval.

Council reviewed their current assignments to various boards and commissions. Council Member Voss made motion members serve on the following boards during 2023:

Economic Development Authority (EDA) - Kevin Raney, Dan Boeke & Doug Voss

Owatonna Area Business Development Center (The Center) - Brent Svenby & Dan Boeke

Law Enforcement Center (LEC) Committee - Dave Burbank & Greg Schultz

Highway 14 Partnership - Kevin Raney

Joint Powers Board (911 Board) - Dave Burbank & Nate Dotson

Joint County/City Transportation Committee – Greg Schultz and Kevin Raney

Housing & Redevelopment Authority (HRA) – Nate Dotson

City/Owatonna Public Utilities (OPU) Joint Committee – Doug Voss and Nate Dotson

Council Member Burbank seconded the motion; all members voted aye for approval.

Mayor Kuntz made proclamation to recognize and congratulate Dylan M. Meiners and Trenton M. Lower on completing the requirements to obtain the rank of Eagle Scout. Both are members of

Boy Scouts of America Troop 253 of Owatonna. Eagle Scout is the highest rank in the Boy Scouts of America.

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 – December 20, 2022, Council Meeting
- OPU Meeting Minutes - November 22, 2022
- HRA Meeting Minutes - November 28, 2022
- Exempt Permit - Owatonna Area Chamber of Commerce & Tourism Raffle at SpareTime Entertainment - February 18, 2023.
- Software Subscription - DebtBook - software used to track all city leases and their different lease terms to assist with GASB 87 reporting requirements.

Council Member Voss made a motion to approve these Consent Agenda items, Council Member Dotson seconded the motion, all members 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 $3,840,381.62. Council Member Boeke made a motion to approve payment of these bills, Council Member Svenby seconded the motion, all members voted aye for approval.

Ordinance 22-14: Vacate Potion of Utility Easement 3720 24th Avenue NW

Community Development Director Klecker requested approval of proposed Ordinance 22-14 to vacate a portion of a drainage and utility easement for Curt's Truck and Diesel. Curt Johnson on behalf of the Johnson Family Revocable Trust requests a portion of a drainage and utility easement at 370 24th Avenue NW be vacated to allow combination of two lots and construction of a new cold storage building to the north of the existing building. Council approved the first reading of this proposed ordinance during the December 20, 2022, meeting and there have been no changes since. Council Member Dotson made a motion for approval, Council Member Raney seconded the motion. With a roll call vote, voting aye were Boeke, Raney, Svenby, Voss, Dotson, Burbank, and Schultz; the motion carried. This will be known as Ordinance 1641 effective upon publication.

Ordinance 23-01: Electric Franchise Agreement – Northern States Power

City Attorney Walbran presented the first reading of proposed Ordinance 23-01, an Electric Franchise Agreement with Northern States Power (NSP). The current franchise agreement with NSP expired last April and was extended thereafter to December 31, 2023, pending the negotiation and adoption of the new franchise ordinance. The new ordinance grants NSP the right to provide electric energy for 20 years within certain areas of the city not served by OPU, currently NSP serves 35 customers. Council Member Burbank made a motion for approval, Council Member Raney seconded the motion. With a roll call vote, voting aye were Boeke, Raney, Svenby, Voss, Dotson, Burbank, and Schultz; the motion carried. The second reading of Proposed Ordinance 23-01 will be heard during the January 17, 2023, Council Meeting.

Ordinance 23-02: Electric Franchise Fees – Northern States Power

City Attorney Walbran presented the first reading of proposed Ordinance 23-02, the Franchise Fees for the proposed Franchise Agreement with Northern States Power (NSP). The previous franchise fee was based on a cost per kilowatt hour (kWH). The rate of customers whose peak demand was less than 100 kWH was calculated at $.0016/kWH. Those using greater than 100 kWH was calculated at $0.0014/kWH. The new franchise fee is calculated at 3.5% of NSP's gross revenues. The fee approximates OPU's contributed services to the city. The new rate would become effective on May 1, 2023. Council Member Svenby made a motion for approval, Council Member Dotson seconded the motion. With a roll call vote, voting aye were Boeke, Raney, Svenby, Voss, Dotson, Burbank, and Schultz; the motion carried. The second reading of Proposed Ordinance 23-02 will be heard during the January 17, 2023, Council Meeting.

Resolution 3-23 Labor Agreement – IUOE – Local 70

Human Resources Director Thamert requested approval of Resolution 3-23 approving the 2023-2024 Labor Agreement with International Union of Operating Engineers, Local No. 70, AFL-CIO. Summary of the changes include:

- **Wages** - Approval of a 3.25% increase on the approved wage scale for 2023 effective on January 1, 2023. Approval of a 3.25% increase on the approved wage scale for 2024 effective on January 1, 2024. Employees that have remaining steps on the wage scale will receive a step effective January 1, 2023, and January 1, 2024.
- **Insurance** - Monthly employer contribution for 2023 increased by $42 (single) and $117 (family). Monthly employer contribution for 2024 increased by $28 (single) and $80 (family).
- **Hours of work** - Increase on-call pay from $2.25 to $2.50 per hour effective January 1, 2024.

Council Member Burbank made a motion to approve Resolution 3-23, Council Member Voss seconded the motion, all members voted aye in approval.

Resolution 4-23 Labor Agreement – Minnesota Public Employees Association – Patrol Officers

Human Resources Director Thamert requested approval of Resolution 4-23 approving the 2023-2024 Labor Agreement with Minnesota Public Employees Association, Patrol Officers. Summary of the changes include:

- **Wages** - Approval of a 3.25% increase on the approved wage scale for 2023 effective on January 1, 2023. Approval of a 3.25% increase on the approved wage scale for 2024 effective on January 1, 2024. Employees that have remaining steps on the wage scale will receive a step effective January 1, 2023, and January 1, 2024.
- **Insurance** - Monthly employer contribution for 2023 increased by $42 (single) and $117 (family). Monthly employer contribution for 2024 increased by $28 (single) and $80 (family).

Council Member Raney made a motion to approve Resolution 4-23, Council Member Boeke seconded the motion, all members voted aye in approval.

Resolution 5-23 Labor Agreement – Minnesota Public Employees Association – Sergeants

Human Resources Director Thamert presented Resolution 5-23 to approve the 2023-2024 Labor Agreement with Minnesota Public Employees Association, Sergeants. Summary of the changes include:

Wages - Approval of a 3.25% increase on the approved wage scale for 2023 effective on January 1, 2023. Approval of a 3.25% increase on the approved wage scale for 2024 effective on January 1, 2024. Employees that have remaining steps on the wage scale will receive a step effective January 1, 2023, and January 1, 2024.

Insurance - Monthly employer contribution for 2023 increased by $42 (single) and $117 (family). Monthly employer contribution for 2024 increased by $28 (single) and $80 (family).

Council Member Voss made a motion to approve Resolution 5-23, Council Member Dotson seconded the motion, all members voted aye in approval.

Wage Adjustment – Non-Union Employees

Human Resources Director Thamert requested wage adjustments for non-union employees. Summary of the changes include:

Wages - Approval of a 3.25% increase on the approved wage scale for 2023 effective on January 1, 2023. Approval of a 3.25% increase on the approved wage scale for 2024 effective on January 1, 2024. Employees that have remaining steps on the wage scale will receive a step effective January 1, 2023, and January 1, 2024.

Insurance - Monthly employer contribution for 2023 increased by $42 (single) and $117 (family). Monthly employer contribution for 2024 increased by $28 (single) and $80 (family).

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

Purchase Agreement – 104 18th Street SW to Roosevelt Lake Holdings, LLC

Community Development Director Klecker requested approval of a Purchase Agreement for sale of the property at 104 18th Street SW. Staff have been working with Roosevelt Lake Holdings, LLC (Scooter's Coffee) to construct a drive-up facility at this location since February. A Letter of Intent was in place while Scooter's went through a due diligence period to finalize their plans. Council approved a conditional use permit for the drive-up lane during their December 20, 2022, meeting. There were some limitations to the property that affected the price. No direct access to 18th Street SW was desired by the City for better traffic flow in this area. The only access to the site would be the joint driveway with Hometown Credit Union and Hy-Vee and an agreement was needed with those parties, improvements to that driveway will be made as part of this project. The water service will be stubbed into the site from 18th Street, a number of years ago, the City constructed a sanitary sewer line to the site to make this site more developable. The purchase price is $130,000. The City will be retaining a triangular parcel at the corner of 18th Street and North Cedar to accommodate a trail crossing at that intersection. Scooters is looking to close on the property in January and begin construction sometime this spring. Council Member Raney made a motion for approval, Council Member Dotson seconded the motion, all members voted aye for approval.

Staff Updates

Mark Blando, Library Director commented during the Chamber renovation project, City Council meetings will be held in the Gainey Room at the Library. The Library Board currently meets on the third Tuesday of each month and will change their monthly meeting date to not conflict with Council Meetings. They will change their meetings to the third Thursday of each month beginning with the February or March meeting. Last year, a grant was received to develop

a Maker Space at the library and the project is taking shape. Items received include the Podcast equipment, laser engraver and vinyl fabric cutter. They are waiting for delivery of the 3d printer and some furniture and then staff will receive training on equipment use. Hoping this space will be ready for public use by the end of March or first part of April. For winter programing, Darla will begin story time in a few weeks and the winter reading program will be kicked off next month. The library is open Mondays and Thursdays from 9 am to 8 pm, Tuesdays, Wednesdays, and Fridays from 9 am to 5 pm, Saturdays from 9 am to noon and closed on Sundays.

Emily Thamert, Human Resources Director commented the recent primary focus of the HR Department has been to finalize the union labor agreements. They have also been working with Police, Fire and P&R to fill some open positions, they are not quite ready to introduce new staff members but getting very close. They are assisting Kris, Deanna and the Culture Team prepare for the first State of the City Meeting for all employees later this month to view the State of the City presentation prior to sharing with other organizations.

Troy Klecker, Community Development Director commented staff has completed final tabulation of 2022 Building Permits. Last year, there were fewer number of permits issued but the valuation amount was higher as there were several large projects. Total valuation of permits issued was more than $82 million dollars which will be one of the city's higher annual amounts. Last year, there were permits for a lot of new apartment units and 16 new single-family homes. During 2021 there were 40 single family home permits issued and many completed constructions this last year. Several permits were issued for new restaurants Giliberto's Mexican Taco Shop opened last week on S Oak Avenue; waiting for some plans from Smokin Silverback BBQ on S Oak Avenue; we received interior building plans for Roma's Italian Restaurant in the former Jerry's building on N Cedar Avenue they hope to open mid-April; Jersey Mike's has requested a Conditional Use Permit which in on the Planning Commission's agenda next week so anticipate bringing this to the next Council Meeting; and tonight Council authorized the sale of property for a Scooter's Coffee on the corner of 18th Street and S Oak Avenue.

City Administrator Busse shared two flyers recently posted and published:

Indoor Walking Program at the Tennis & Pickleball Center by Owatonna Parks, Recreation and Facilities. This program is offered until August 31, 2023. Walking times are Monday, Wednesday, Friday from 6-10 am and Tuesday and Thursday from 6-8 am. A season pass can be purchased for $40 + tax, pass is included in Tennis/Pickleball and Adult Leisure Pursuit Memberships.

Morehouse Skating Update – The North Pond the River and the Rink on the South Pond are open for skating beginning at 3 p.m. on December 27, 2022. The chalet is open from 11 a.m. to 9:30 pm., December 27th through January 2nd. The Parks Crew is working to open the land rinks and will be clearing ice throughout the week.

Public Comments

Jim Gunderson, Vice-Chairman of the Owatonna Human Rights Commission (OHRC) invited everyone to the MLK Jr Day Breakfast on Monday, January 16th at the Plaza Morena Campestre Grill. Dr Charlotte Kunkel, Sociology Professor at Luther College in Decorah will be speaking about Dr King's legacy, "It's Time to Walk with MLK Jr". Doors open at 6:15 am with breakfast

served from 6:30 -7:00 am. The event is free to the public, sponsors are OHRC, Riverland Community College and Plaza Morena Campestre Grill.

Council/Administration Comments and General Information

Council Member Raney commented he was advised today there has not been an update in the double billing of some plumbing services in the N Cedar Avenue Project. He mentioned this during the last council meeting and hopes Block Plumbing & JJD, Inc. will correct this matter with the property owners involved.

Council Member Voss thanked P&R staff members for their work at Morehouse Park to prepare for ice skating, it will be fun when the ice is open.

Council Member Dotson wished everyone a Happy New Year

Council Member Burbank also wished everyone a Happy New Year

Mayor Kuntz commented Human Resources and Administration staff did a great job to finalize the labor agreements. He too is looking forward to the opening of ice rinks and the new land ice rink at Buecksler Park this year.

City Administrator Busse thanked the city's crews in Streets and Parks, Recreation and Gov't Buildings for their work in clearing the snow to keep the city's roads, sidewalks, and trails open.

Council President Schultz commented this was a good productive meeting and anticipates 2023 will be a busy year.

Adjournment

At 7:46 p.m., Council Member Raney made a motion to adjourn, Council Member Dotson seconded the motion, all members voted aye in approval.

Respectfully Submitted,

Jeanette Clawson, Administrative Specialist