

Owatonna City Council Minutes

March 7, 2023

Council President Schultz called the regular session of the Owatonna City Council to order on Tuesday, March 7, 2023, at 7:00 p.m. in Council Chambers at City Hall. Present were Council Members Raney, Svenby, Voss, Burbank, Boeke, Dotson and Schultz; Mayor Kuntz; Interim Public Works Director Murphy; Human Resources Director Thamert; Communications Manager Sheely, City Attorney Walbran; City Administrator Busse, and Administrative Specialist Clawson.

Council Agenda

Following the Pledge of Allegiance, Council President Schultz welcomed everyone to the meeting and advised Agenda Item 3.4.3 Social Media Policy has been removed from the agenda. Council Member Svenby made a motion to approve the agenda with this item removed, Council Member Boeke seconded the motion, all members present voted aye for approval.

Council President Schultz explained the process for the public hearings planned during this meeting. Two public hearings are planned with consideration of a resolution following after each.

Public Hearing – Havana Road Project

Interim Public Works Director Murphy commented the project proposed on Havana Road SE is a bituminous pavement reconstruction from Truman Avenue to Smith Avenue. This street section is deteriorating and in need of both pavement rehabilitation as well as utility (water, sanitary sewer and/or storm sewer) upgrade. The total cost is currently estimated at \$1,179,226.63; the total cost to be assessed is currently estimated at \$99,638.76 with nine property owners affected. Staff held a Neighborhood Meeting on March 1st week to discuss project details.

At 7:05 p.m., a public hearing was opened for comments on this proposed improvement project. With no comments heard, at 7:06 p.m., Council Member Raney made a motion to close the public hearing. Council Member Burbank seconded the motion, all members voted aye in approval.

Council Member Raney asked if any objections were heard during the Neighborhood Meeting, Murphy responded there were not any heard. Council Member Boeke asked what rate of assessment will be charged to the property owned by the school district within this project area, Murphy responded all proposed assessments were prepared in compliance with the city's assessment policy, properties will be assessed \$52.00/front footage.

Resolution 21-23 Authorize Plans and Specifications – Havana Road Project

With no additional comments, Council Member Dotson made a motion to approve Resolution 21-23 authorizing the improvement project proposed on Havana Road. Council Member Voss seconded the motion, all members voted aye in approval.

Public Hearing – 2023 Street and Utility Project

Interim Public Works Director Murphy advised the proposed 2023 Street and Utility Project will include these areas: McKinley Street SW from Oak Ave to Lilac Ave, Butternut Avenue SW from McKinley St to Riverview Place, Riverview Place SW from Butternut to the East cul-de-sac, and School Street E from Main St to Partridge Ave. The streets proposed for bituminous reconstruction have deteriorating bituminous pavements and are past being overlayed and also need utility (water, sanitary sewer and storm sewer) upgrades. The total cost is currently estimated at \$1,914,498; the total cost to be assessed is currently estimated at \$123,229.08. Approximately 31 property owners will be affected and were invited to the Neighborhood Meeting on March 1st week to discuss project details.

At 7:07 p.m., a public hearing was opened for comments on this proposed improvement project. Brad Ritter, 340 Riverview Place, commented he and his wife Allison are present with questions about the calculation of the preliminary assessment prepared on their property and why the proposed plan will narrow Butternut Avenue at the entrance into their cul-de-sac from 40 feet to 36 feet. He previously spoke with Interim Public Works Director Murphy about the city's assessment policy for properties within a cul-de-sac and advised a 30-foot setback is used to calculate the length of footage used for assessment calculation. Their Preliminary Assessment Notice was prepared based on 108 feet front footage, but his property has only 60 foot of street curb. There are five properties within their cul-de-sac, and all are similar in size, his next-door neighbor will be assessed an amount approximately one-third the amount they received and the neighbor across the street has more curb footage than his property but received a smaller Preliminary Assessment Notice because of the calculation used for corner lot assessments. He doesn't believe narrowing the street at the entrance into their cul-de-sac will help anything; there are frequently vehicles parked along the street and it is tight now at 40 feet wide.

Engineer Murphy commented that the plan to narrow the street wasn't just for uniformity, it is a low traffic area with minimal use from outside traffic. Decreasing the width of the street will lower the cost of the capital improvement and the on-going maintenance expense. This Preliminary Assessment was prepared per the City's Assessment Policy for a non-rectangular parcel. Council President Schultz commented assessments for some previous projects were prepared using an average cost for all property owners. Murphy commented final assessment amounts can be smaller than Preliminary Assessment amounts but not larger, if we modify this property's assessment, we would be reducing the total project assessment amount. Also, the average assessment calculation is not used for reconstruction projects.

Council Member Dotson commented he spoke with Mr. Ritter and reviewed map of his neighborhood during the Neighborhood Meeting last week, this lot isn't bigger than other lots and he believes it would be fair to consider an average assessment amount for this property. Murphy cautioned making this change because all properties would need to be reconsidered and the Preliminary Assessments were prepared using the current written assessment policy; changes should be made to the policy and not exceptions for individual parcels. Council Member Dotson asked if the policy could be changed prior to adopting this project's assessments or would a change not be eligible because the Preliminary Assessments Notices were sent. Council President Schultz asked if a Preliminary Assessment amount can be changed retroactively, Murphy commented all assessment amounts are finalized after the public hearing held after the project is completed and asked Council's additional questions be addressed to the city attorney.

Council Member Boeke commented that the policy appears to be unfair to this property owner and hopes this can be resolved. City Administrator Busse asked if the item should be tabled to the next meeting to allow additional time to consider alternate options. Murphy commented that a delay in ordering the project will also setback the project timeline. City Attorney Walbran added that the resolution proposed tonight for this project is to accept the report and order the project, it is not to finalize the property assessments. With no additional comments, at 7:18 pm Council Member Raney made a motion to close the public hearing, Council Member Boeke seconded the motion, all members voted aye in approval.

Council Member Raney commented that Butternut Place is in his ward, Ward 4. He was out of town last week and unable to attend the Neighborhood Meeting. He spoke with Mr. Murphy and Council Members Dotson and Boeke the next day after the meeting. He has asked to meet with Mr. and Mrs. Ritter to look at this area. Council Member Voss commented that the percentage of

the project costs eligible for assessment seems to have decreased over the years and suggested a review of the city's assessment policy.

Resolution 22-23 Authorize Plans and Specifications – 2023 Street and Utility Project

Council Member Raney made a motion to approve Resolution 22-23 authorizing the 2023 Street and Utility Project, Council Member Dotson seconded the motion, all members voted aye in approval.

Mayor Kuntz

Mayor Kuntz commented he will make comment later in this meeting.

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 – February 21, 2023
- Minutes - OPU Commission Meeting - December 27, 2022
- Minutes - Airport Commission Meeting - February 9, 2023
- Minutes - Human Rights Commission Meeting - February 14, 2023
- Minutes - West Hills Commission Meeting - February 15, 2023
- Minutes - Library Board Meeting - February 21, 2023
- Minutes - Park and Recreation Board Meeting - January 9, 2023
- Minutes - Joint Powers Board Meeting - February 1, 2023
- Fire Department Monthly Dashboard and Activity Report - January 2023
- Building & Inspection Reports - February 2023
- Exempt Permit - Steele County Purple Ribbon Club - Raffle - August 20, 2023
- Marketing Agreement - The Public Country Club - TwinCitiesGolf

Council Member Voss made a motion to approve these Consent Agenda items, Council Member Dotson seconded the motion. Council Member Boeke asked if the Excluded Gambling Permit requested by the Claremont Area Chamber of Commerce is a one-time event, Administrative Specialist Clawson confirmed this permit is for a benefit planned at the VFW on April 22nd. With no additional comments, all members voted aye to approve these Consent Items.

Finance Report

Council Member Raney recapped payments made for amounts greater than \$20,000 during this period. The total amount of bills presented was \$660,991.05. Council Member Boeke made a motion to approve payment of all bills, Council Member Burbank seconded the motion, all members voted aye for approval.

Proposed Ordinance 23-05: Amend Septage Rates - Section 35 Appendix A - Fee

Interim Public Works Director Murphy presented Proposed Ordinance 23-05 to amend septage rates. The Residential Septic Tank Discharge Fee has not been revised since 1991. Since then, the cost to ensure the septage is appropriately treated has increased. Andrew Fischer, Wastewater Treatment Facility Manager, discussed the septic discharge fees with multiple municipalities in the surrounding area. The proposed increased rate is in line with many of those municipalities. The recommended rate adjustment would increase the fee from \$50 per load to a rate of \$100 per 1,000 gallons. Council Member Boeke asked who pays these fees; Murphy responded rural residents cleaning their septic or owners of portable toilets. Council Member Voss

added this fee is not charged to individuals often seen dumping their camper reservoirs on Sunday afternoons, Murphy confirmed that is not included for fee in the current city ordinance. With no additional comments, Council Member Raney made a motion to approve this first reading of Proposed Ordinance 23-05, Council Member Svenby seconded the motion. With a roll call vote, voting aye were Council Members Voss, Dotson, Burbank Boeke, Raney, Svenby and Schultz, there were no nay votes, the motion carried. The second/final reading of this proposed ordinance will be heard during the next Council Meeting on March 21st.

Resolution 23-23 Application to Conduct Off-Site Gambling - Claremont Area Chamber of Commerce

City Administrator Busse requested approval of Resolution 23-23 to approve the application received from the Claremont Area Chamber of Commerce to conduct Off-Site Gambling. They have been asked to participate in a benefit planned at the Owatonna VFW #3723 on April 22, 2023. This event was originally planned to be held in Claremont, but many have asked to participate, and a larger venue is needed. Council Member Dotson made a motion for approval, Council Member Voss seconded the motion, all members voted aye in approval.

On-Sale Liquor License with Sunday Sales and Tobacco License - Reggie's Brewhouse

City Administrator Busse requested approval of the applications received from Derek Skala on behalf of Ronnie's Sports Bar LLC for an On-Sale Liquor License with Sunday Sales and a Tobacco License. Ronnie's Sports Bar, LLC is in the process of purchasing Reggie's Brewhouse, located at 218 & 220 N Cedar Avenue. They plan to close this sale on March 20th and hope for a smooth transition of operations; insurance coverage has been applied for and are now waiting underwriting approval; Mr. Skala believes the policy will be issued within the next week. Staff recommends license approval to be effective March 20th contingent on receipt of the required Certificate of Liability Insurance. Council Member Dotson made a motion for approval, Council Member Voss seconded the motion, all members voted aye for approval.

Personnel Policy Revisions

Human Resources Director Thamert requested these revisions to the Personnel Policy effective March 1, 2023:

7.2 Paid Time Off (PTO) Policy

- Update language to reflect current practice of per pay period accruals.
- Front load the first eight pay period PTO accruals in the first year of eligible service. The annual accrual in year one remains 144.
- Change the maximum PTO accrual from 920 to 720 as of March 12, 2023. The elimination period of the City paid long term disability benefit was reduced from 180 to 90 days effective February 1, 2022. Adjusting the PTO maximum accrual aligns with this change.

7.3 Part-Time PTO

- Remove not applicable language. In accordance with 7.2 when a part-time employee moves to a full-time position, their PTO accrual is simply no longer prorated.

7.8 Medical Leave of Absence Without Pay

- Clarify language. All other leave balances must be exhausted before unpaid medical leave may be granted.

7.9 Personal Leave of Absence Without Pay

- Clarify language. All vacation and PTO balances must be exhausted before a personal leave of absence may be granted.

Council Member Boeke asked if when the PTO benefit is front loaded and an employee is paid this benefit but leaves employment prior to actually earning it, is it lost? Director Thamert explained there is language written into employee agreements about prorating the PTO benefit and if they request payment prior to earning it and then leave employment, there will be an

adjustment made on their final paycheck.

Reducing the maximum number of PTO accrual hours does reduce the city's long-term liability but there will be a current expense of \$68,440. City Administrator Busse commented that she and Director Thamert met with the employees affected by this change. Council Member Raney made a motion to approve these policy revisions, Council Member Boeke seconded the motion, all members voted aye in approval.

Memorandum of Understanding – Engage Owatonna Committee

Communications Manager Sheely requested approval of a Memorandum of Understanding (MOU) with the Engage Owatonna Committee for use of community engagement platform as a two-way communication mechanism with members of the general public.

The Engage Owatonna Committee contracted with Granicus to pay \$5,000 annually, funding for the existing contract is covered by private fundraising. Representatives from the Owatonna Public Schools and the Owatonna Area Chamber of Commerce & Tourism have partnered with other committee members in the development and maintenance of the platform. The committee launched a community awareness campaign that included presentations at civic club meetings, churches, etc. As of December 2022, their platform had 1,571 registered users who agreed to the terms of using the site which includes a moderation policy.

The City's Comprehensive Communication Plan includes an action item to develop an online engagement platform to provide community members an opportunity to get information and share thoughts or concerns 24/7 from convenient, remote locations. The online platform will facilitate public consultation regarding projects and issues being considered by the City.

Last year, City staff assessed online engagement platforms. Five options commonly used by municipalities were evaluated and Granicus EngagementHQ (formerly called Bang the Table) was included. This platform is used locally as Engage Owatonna. This MOU is the complete agreement between the City of Owatonna and the Engage Owatonna Committee.

Council President Schultz commented this MOU was discussed in detail during the Study Session prior to this meeting. Council Member Raney thanked Sheely for the information received during the study session and also thanked her for pursuing this. There was discussion about the challenges of making this a valuable tool. Council Member Voss made a motion to approve this MOU, Council member Boeke seconded the motion, all members voted aye in approval.

STAFF COMMENTS

Interim Public Works Director Murphy commented that the consultant just posted a new video showing construction progress on the Wastewater Treatment Plant (WWTP). The video shows the Membrane BioReactor (MBR) building, and the fine screen building is now capped. Last week, he and City Administrator Busse met with the House Committee and today with the Senate to request passage of a bonding bill which includes funds for the City's WWTP. Senator Jasinski and Representative Peterson have been supporting our request, this would be a regional project as the City of Medford will connect with our new facility. The City of Medford is also requesting state funds for their part of the project.

Human Resource Director Thamert welcomed new police officer Matthew Tomsche, he just began his duties this week. There are a lot of temporary seasonal positions open, currently staff is focusing on the positions available at the Brooktree Golf Course. The Culture Team is planning an employee appreciation event on April 20th and also finalizing our Purpose Statement and Core Values.

Communications Manager Sheely gave a brief recap of activity on some recent social media posts on social media. The Fire Department reached over 24,000 people with a recent post about recently hiring five new fire fighters. This post also received 1,300 reactions, 126 made comments and it was shared twenty-three times. The Police Department posted a picture of a suspect in a case involving a stolen gun; their social media post reached 30,000+ people and did assist in

solving the case. Recent postings that have received attention include the posting about the Morehouse Skate Ice Rink, this was viewed 10,000+ times. There was a lot of activity on posts about using the Park and Rec Trails and the Snow Sculpture Contest. Participating in social media does meet one of the key goals of our key Focus Areas: Customer Focused Government for Efficient Effective Government.

PUBLIC COMMENTS

Annie Harmon commented she has been a member of the Engage Owatonna taskforce for about two years. She is excited the City will now also be participating on the platform and she welcomed the City. Anticipate community engagement will elevate the website and increase interaction within the community.

MAYOR AND COUNCIL COMMENT AND GENERAL INFORMATION

Mayor Kuntz commented that the application for various board and commission members is now online with application deadline date of March 31st. Looking to fill spots on the Airport Commission , Human Rights Commission, Library Board, Utility Commission, Shade Tree, Fire Civil Service and Fire Board of Appeals and Park and Rec Board.

Council Member Voss congratulated Mr. and Mrs. Skala on their new business venture, Reggie's Brewhouse.

Council Member Boeke asked anyone walking your dog on the City's trails, be mindful to pick up after your dog if needed.

Council Member Raney commented the matter of plumbing costs double billed to some property owners in the North Cedar Streetscape Project has not been resolved; he hopes this will be done within the next two weeks. Yesterday, Robert "Bob" Beussman, who previously served as New Ulm's mayor and was also previous President of the Highway 14 Partnership, passed away. I am the current President of the Highway 14 Partnership and Bob was a great mentor for me. He worked tirelessly for years to get the Highway 14 project going.

Council President Schultz commented the next meeting will be the last meeting in the current council chambers. There will be a groundbreaking event here on April 4th at 4:30 pm and then the Council Meeting will be held in the Gainey Room at the Library.

Adjournment

At 7:52 p.m., Council Member Raney made a motion to adjourn, Council Member Dotson seconded the motion and with no objection, the meeting ended.

Respectfully submitted,

Jeanette Clawson, Administrative Specialist