

Owatonna City Council Minutes

July 18, 2023

Tuesday, July 18, 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, Svenby, Dotson, and Schultz; Mayor Kuntz; Public Works Director Murphy; Park and Recreation and Facility and Grounds Director Tuma; Communications Manager Sheely; IT System Administrator Sticken; City Attorney Walbran; City Administrator Busse and Administrative Specialist Clawson. Council Member Boeke was unable to attend.

Following the Pledge of Allegiance, Council President Schultz welcomed everyone to the meeting and read a prepared statement, "Speaking on behalf of the Owatonna City Council specifically regarding public statements made by the mayor recently about Owatonna's LGBTQ+ Community. I want to recognize this incident is deeply hurtful and concerning for valued members of our community. The City Council is elected to serve everyone in the community and will continue to treat everyone with respect. We are sworn to uphold the Constitution of the United States, the Constitution of the State of Minnesota and the laws of the City of Owatonna and we remain committed to continuing to serve all Owatonna citizens. The City of Owatonna's policies prohibit any type of harassing or discriminatory behaviors. The City Council does not support any statements that may be perceived as supporting any specific political party, religious denomination, individual's beliefs or statements against any group of community members. This includes the recent comments made by Mayor Thomas Kuntz as they have been reported through the media. We have many things to be proud of and will not let the vice of rhetoric to interfere with our important mission to provide valued services to all members of our community."

President Schultz then advised Item 3.5.5, an application for an On-Sale Liquor License with Sunday Sales for Lacey's KC, LLC has been added to tonight's agenda. Council Member Svenby made a motion to approve the agenda with this item added. Council Member Burbank seconded the motion, and all members present voted aye for approval.

Public Hearing – Naming City Council Chambers and New Building at City Hall

Park and Recreation and Facility and Grounds Director Tuma commented consideration to name City Council Chambers and the new building was the topic of discussion during the Council Study Session held on June 6, 2023. Anne Peterson and Nancy Vaillancourt, representing the West Hills Commission, provided information during the Study Session and are also here tonight to answer any questions.

Anne Peterson commented Charles S. Crandall was a community leader instrumental in bringing the State School Orphanage to the City of Owatonna. He was passionate and charitable to the children at the orphanage and wanted to get things done in this community. He lived in Owatonna until 1927 when he passed away at the age of 87 years old.

Nancy Vaillancourt commented she has been asked why she hopes this facility will be named the Charles S. Crandall Center in honor of Mr. Crandall. Mr. Crandall was the father of the State School, he was working from a position of idealism and the city would not be what it is today if the state school was not here. Children were better off from their stay at the state school.

At 7:07 pm, Council President opened a public hearing for comments regarding the City Council Chambers and the new building at City Hall. With no comments heard, at 7:08 pm, Council

Member Raney made a motion to close the public hearing, Council Member Voss seconded the motion, and all members present voted aye in approval.

Director Tuma requested approval of Resolution 67-23 naming the renovated Council Chambers and the new addition of the Charles S. Crandall Center. Council Member Raney made a motion for approval, Council Member Dotson seconded the motion. Council Member Raney thanked Ann and Nancy for researching and preparing this information to substantiate their naming request. Council Member Voss commented there will be a display with information regarding Mr. Crandall on site when completed.

Consent Agenda Items

Council President Schultz explained council members review the Consent Agenda items before the meeting for approval in one motion. Consent Agenda items for this meeting include:

Minutes – Council Meeting – July 5, 2023

Minutes – Airport Commission Meeting – June 8, 2023

Building Inspections Monthly Report – June 2023

Weed/Nuisance Inspection Report – July 12, 2023

Temporary Liquor License - Juan Villarreal Jr Memorial - September 9, 2023

Event Permit - Downtown Thursday - MainStreet Owatonna - August 3, 2023

Event Permit - Fly-In/Drive-In Breakfast - Owatonna Civil Air Patrol - August 27, 2023

Event Permit – RetroFit Recycling Event - September 9, 2023

Event Permit – Oktoberfest Celebration - Mineral Springs Brewery - September 22-23, 2023

Event Permit - OHS Homecoming Parade - OHS National Honor Society - September 29, 2023

Havana Road State Aid Project Change Order #1 – Wencil Construction

The amount of Class 5 aggregate base needed for the project was miscalculated in the original quantity. Also, a shallow gas main was discovered, and the street section was shortened to avoid the gas main from entering into the street section. The Class 5 aggregate base was changed from 6" depth to 9" depth and the quantity was reduced by 1,940 cubic yards. This Change Order reduces the contract amount by \$31,634.81.

Council Member Voss made a motion to approve these Consent Agenda items, Council Member Dotson seconded the motion, and all members present 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 \$15,586,798.46. Council Member Svenby made a motion to approve payment of all bills presented, Council Member Dotson seconded the motion, and all members present voted aye in approval.

Resolution 68-23: Declare Cost of Outstanding Costs for Sidewalk Snow Removal 2022-2023 Winter

Public Works Director Murphy commented the City is in charge of maintaining sidewalk clearance. He explained the process of notifying property owners when a complaint is received that their sidewalk has not been cleared of snow. City ordinance requires sidewalks to be cleared within 24 hours of a snow event. Letters are sent advising they must clear their sidewalk within 72 hours of notice, or the City will contract services which cost will be billed to them. Currently, there are 17 outstanding invoices totaling \$3,212.00 to reimburse these costs paid. Council Member Burbank made a motion to approve Resolution 68-23 declaring these costs to be assessed to the respective property owners. Council Member Voss seconded the motion, and all members present voted aye in approval.

Resolution 69-23: Set Date for Public Hearing - Proposed Assessments – Outstanding Costs for Sidewalk Snow Removal 2022-2023 Winter

Public Works Director Murphy requested approval of Resolution 69-23 setting a public hearing for Wednesday, August 2nd at 7:00 pm for comments on the proposed assessments for outstanding costs incurred for sidewalk snow removal last winter. Council Member Burbank commented one proposed assessment includes an administrative fee of \$60 and all others are at \$40. Director Murphy explained this was the second time snow removal was completed at this property within 12 months and the City's Fee Schedule increases the Administrative Cost amount when multiple incidents are incurred. Council Member Raney made a motion for approval, Council Member Voss seconded the motion, and all members present voted aye in approval.

Public Works Director Murphy commented four change orders will be presented during this meeting. Eric Meester, Consultant at Nero Engineering is here to provide a brief project update and answer questions. Mr. Meester commented the project is about 50% complete, the \$4,896,690.93 payment included in tonight's Finance Report to the contractor, Rice Lake Construction Group (RLCG) was mostly for equipment that has been delivered. RLCG has been very good to work with and brings suggestions on how to maximize the value of the project for the benefit of the City of Owatonna.

Change Order #3 - Wastewater Treatment Facility Expansion Project

Public Works Director Murphy commented Minnesota State Laws require that wages conform to the applicable minimum wage rate. The change order modifies the existing contract language to conform to the latest wage adjustments. The contractor and current subcontractors are paying at rates higher than the minimum wage amount so this change order has no financial impact on the contract amount and will ensure wage compliance during the duration of this project. Council Member Raney made a motion to approve Change Order #3, Council Member Burbank seconded the motion, and all members present voted aye in approval.

Change Order #4 - Wastewater Treatment Facility Expansion Project

Public Works Director Murphy explained the original quantity estimates for contaminated soil were based on soil borings performed as part of the project. Borings can only provide so much data and extrapolation of estimated contaminated soil is based on the number of borings included and the individual results of each boring. Unfortunately, the extent of contamination was larger than estimated and resulted in additional costs. The additional cost for contaminated soil removal and additional granular fill is \$265,957.79. Council Member Voss made a motion for approval, Council Member Svenby seconded the motion, and all members present voted aye in approval.

Change Order #5 - Wastewater Treatment Facility Expansion Project

Public Works Director Murphy requested approval of Change Order #5, a \$3,535.00 cost escalation for the Sludge Mixing system. Before finalizing the contract, some costs were unknown and language was included to review cost escalation during the construction for materials, not contractor costs. The original contract included \$18.8 million for materials subject to an estimated cost escalation of \$6 million during the project; we believe \$3.6 million has been mitigated out of the original \$6 million estimate. This is the second cost escalation made, the contractor, Rice Lake Construction Group (RLCG) has been way ahead of cost escalation and very mindful of tax dollars spent. The team was alerted on March 20th by the vendor of the sludge mixing system that the system would be subject to a \$15,000+ price escalation. RLCG worked to limit the increase as much as possible and was able to negotiate term dates for monetary increases to the system. If the order was released by June 30, 2023, the resulting increase would be reduced by over 75%. RLCG approached this the same way they have for any other potential increases over the past year, they are ahead of any possible increases and work to order and store materials on-site to avoid cost increases. Council Member Svenby made a motion for approval of Change Order #5, Council Member Dotson seconded the motion, and

all members present voted aye in approval.

Change Order #6 - Wastewater Treatment Facility Expansion Project

Public Works Director Murphy explained Change Order #6 is an accumulation of various Work Change Directives (WCDs). WCDs are created as a means to address construction issues, design clarifications, and interdisciplinary coordination, just to name a few. WCDs, which are approved administratively, serve as changes to the contract. Due to the nature of the project and the current shipping and manufacturing climate, administrative approval is required to reduce delays and lock in shipping dates and prices. Administrative approval follows all requirements outlined by City audit procedures. WCDs in Change Order 2 are outlined in the WCD Log and supplemental attachments. For additional information regarding any of the work change directives, please contact the Engineering Department. This change order will increase the contract price by \$116,244.44 to \$56,268,938.09. Council Member Burbank made a motion for approval, Council Member Randy seconded the motion, and all members present, voted aye in approval.

Application - On-Sale Liquor License w/Sunday Sales – Lacey’s KC, LLC

City Administrator Busse advised a transition in the lease for food and beverages at Brooktree Golf Course has occurred, Tavern Nine will no longer be providing these items. She requested approval of the application for an On-Sale with Sunday Sales Liquor License received from Steve Lacey for Lacey’s KC, LLC to do business as Lacey’s at Brooktree. A background verification was completed and Chief Mundale has no objections to the issuance of this license. Staff request council approval contingent on receipt of an insurance certificate and payment of license fees totaling \$3,350. This license will become effective upon receipt of these items for the duration of the current licensing period which expires June 30, 2024. Council Member Raney made a motion for approval contingent on receipt of insurance and payment of fees, Council Member Dotson seconded the motion, and all members present voted aye for approval.

Staff Comments

Community Parks & Recreation and Facilities & Grounds Director Tuma commented staff has been busy trimming the trees on the West Hills Campus. Attendance at River Springs Water Park is setting records this season; this week it has cooled a bit and attendance is lower but anticipating higher numbers next week when it will be hot again. Last year, 249 equipment rentals were made at Lake Kohlmer, this year, there have already been 237 equipment rentals completed.

Public Works Director Murphy commented staff is busy with three active improvement projects. The Street & Utility Project and Havana Road Project should both be completed within the next few weeks. Demolition is beginning on the Riverfront Project and traffic has been diverted on Hoffman Avenue and Vine Street.

Communications Manager Sheely commented it has also been a very busy time in the Communications Office as the Communication Task Force is getting the word out about projects and issues across the city and all departments. One big project is the Community Wide Branding Initiative, she and Council President Schultz are on this committee that involves many others from within the community; more than 2,000 people responded to a survey with comment about what the brand should look like. Consultant for the proposed Comprehensive Plan, Stantec, will be present at Downtown Thursday on August 3rd; if you attend, talk with representatives from Stantec and tell them how you want Owatonna to look. The Riverfront Project is just beginning, traffic lanes have closed, and this project is very visible. Night to Unite is planned for two weeks from tonight, this is usually a good night to contact your neighbors, our police officers, and fire fighters. Also, we are now publishing a weekly E-newsletter, sign up to receive this every week to know what is happening.

Public Comments

Jim Satterlund, 2530 Lamade Place, commented he has lived in Owatonna for 24 years, has owned a business in the downtown area and raised four kids in this community. He volunteered for many events and contributed to churches and many things over the years. Currently, there is a lot of things going on; he has never spoken to the Council before tonight. All of you are elected to represent community and make decisions for the best of our community. I publicly want to say thank to our mayor. I haven't always agreed with him, but I admire the mayor; it's refreshing to see someone who stands up for their faith. There's a time to speak out and it's okay to disagree, that's a democracy.

Pastor Judson Bartels, 1300 N Elm Avenue, commented he loves Owatonna. His family is a recent transplant to Owatonna, he grew up in the Twin Cities and spent most of the last twenty years in the Seattle metro area. They knew it was time to come home to Minnesota and they choose Owatonna as their new home. As a father of seven, husband of one, pastor of a church, a business owner, and a new member to this community he thanked Mayor Kuntz for his comments which support his traditional values. This is a defining moment for our city, we don't hate anyone. There is a narrative going around that people with traditional values hate people, but I want to debunk that myth. We don't hate anyone, we love everyone. A big part of a democracy is the ability to have a community with people we can disagree with. I welcome the opportunity to be a part of a community that includes people that believe differently and vote differently than myself.

Julie Wesley-Smith present with Leroy Smith commented she is appalled by what has happened. She believes faith needs to stay out of here. I don't believe the city has apologized for this and it seems to be being brushed under the rug. This is a protected class of people, and this made national news. Owatonna is supposed to be an inclusive community, and this is the least thing to being inclusive.

Mayor and Council Comments:

Council Member Svenby reminded everyone Night to Unite is Tuesday, August 1st. Register your neighborhood party with the LEC so city officials can visit your gathering.

Mayor Kuntz thanked everyone for their public support saying it has been challenging times and we need to work through them.

City Administrator Busse commented the next Council Meeting will be on Wednesday, August 2nd; this will allow city officials to participate in Night to Unite activities on Tuesday, August 1st.

Adjournment

At 7:50 p.m., Council Member Raney made a motion to adjourn, Council Member Burbank seconded the motion, with no objection heard the meeting ended.

Respectfully submitted,

Jeanette Clawson, Administrative Specialist