Owatonna City Council Minutes
August 2, 2023

On Wednesday, August 2, 2023, at 7:00 p.m., City 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, Boeke, and Schultz; Mayor Kuntz; Public Works Director Murphy; Community Development Manager Kruschke; Park and Recreation and Facility and Grounds Director Tuma; Police Chief Mundale; Human Resource Director Thamert; IT System Administrator Sticken; Kurt Stangler, Recreation Supervisor; City Attorney Walbran; City Administrator Busse and Administrative Specialist Clawson. Council Member Dotson was unable to attend.

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

Public Works Director Murphy advised fifteen invoices are outstanding for sidewalk snow removal costs incurred during the 2022-2023 winter. Property owners received statements, publication made, and notices sent advising assessments were proposed against their property for these unpaid services. Two invoices were recently paid, the current amount proposed for assessments is $2,926.00. At 7:03 p.m., a public hearing was opened for comments on these proposed assessments. With no comments heard, at 7:04 p.m., Council Member Raney made a motion to close the public hearing, Council Member Svenby seconded the motion; all members present voted aye in approval.

Public Works Director requested approval or Resolution 70-23 to adopt the proposed Assessments for the Delinquent Snow Removal Fees setting repayment over a one-year period with a four (4) percent interest fee added. Council Member Boeke made a motion to approve Resolution 70-23, Council Member Burbank seconded the motion; all members voted aye in approval.

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 18, 2023
- Minutes – OPU Commission Meeting - June 27, 2023
- Weed/Nuisance Inspection Report – July 26, 2023
- Exempt Permit - Raffle - Owatonna Soccer Association - October 3, 2023
- Exempt Permit - Raffle - Open Arms Suicide Prevention - September 9, 2023
- Outdoor Public Fireworks Permit – Steele County Free Fair - August 17, 2023
- Event Permit - Governor's Pheasant Hunting Season Opener Celebration - October 13, 2023
- Event Permit – Churchill-Truman Block Party - September 9, 2023
- Accept Owatonna Foundation Grant - Owatonna Fire Department
  Grant of $8,115.00 to purchase a forcible entry training prop.
- Accept Donation from Sharon and Harvey West for Dam Preservation

Donation of $10,000 towards the City's dam preservation fund.

GIS Maintenance Service Agreement - Leica Geosystems

A one-year Zeno Basic maintenance contract covers software upgrades and support on a Leica Geolocator antenna used with ArcGIS and Cartegraph

Council Member Voss made a motion to approve these Consent Agenda items, Council Member Burbank seconded the motion, and all members present voted aye for approval. Council Member Boeke commented on the generous donations received from the Owatonna Foundation and Sharon and Harvey West.

Finance Report

Council Member Raney recapped payments made for amounts greater than $20,000 during this period. The total amount of bills presented was $3,205,714.48. 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.

First Reading Proposed Ordinance 23-13: Moratorium for Sale of Cannabis Products

City Attorney Walbran requested approval of the first reading of Proposed Ordinance 23-13, an interim ordinance imposing a moratorium on the operations of cannabis businesses within the City and authorizing a local legislative study relating to the operation of cannabis businesses, including the review and analysis of the state Office of Cannabis Management (OCM) model ordinances, when available, and to consider the adoption of reasonable restrictions on the time, place, and manner of the operation of a cannabis business. The interim ordinance pertains to cannabis businesses and does not affect the legislation permitting lawful possession of certain cannabis product which goes into effect on August 1, 2023.

Legislation approved this year legalized adult-use cannabis in Minnesota and created a regulatory framework for cannabis businesses. (Cannabis Laws). Possession, use, and the ability to grow cannabis at home will be legally effective August 1, 2023 subject, however, to the limitations as set forth in the statute itself and other state regulations. However, legal sales are not expected to begin until January of 2025 at which time the Office of Cannabis Management (OCM) will start issuing business licenses. At this time, there are "many unknowns" with the 2023 Cannabis Laws. The state statute on Cannabis expressly authorizes cities to adopt interim ordinances to regulate, restrict, or prohibit the operation of cannabis retail businesses until January, 2025.

Council Member Raney made a motion to approve the first reading of Proposed Ordinance 23-13 and Council Member Boeke seconded the motion. With a roll call vote, voting aye were Council Members Voss, Burbank, Boeke, Raney, Svenby, and Schultz; no nay votes were cast, and the motion carried. The second/final reading of this proposed ordinance will be heard during the next Council Meeting on August 15, 2023.

First Reading Proposed Ordinance 23-14: Prohibit Use of Cannabis Products in Public Places

City Attorney Walbran requested approval of the first reading of Proposed Ordinance 23-14 to prohibit use of cannabis products in public places. Public places include city parks, trails, streets and sidewalks, playgrounds, and other public places. Public places do not include:

(1) a private residence, including a person's yard;
(2) private property not generally accessible by the public unless the person is explicitly prohibited from consuming cannabis products on the property by the owner of the property; or
(3) on the premises of an establishment or event licensed to permit on-site consumption of cannabis products.

In 2023, the Legislature passed a group of laws legalizing adult-use cannabis in Minnesota. Among those laws is a provision which authorizes cities to adopt an ordinance establishing a petty misdemeanor offense for using cannabis products in a public place. The statute authorizes the city to designate a violation of the Ordinance as a petty misdemeanor. I recommend that any violation be regarded as an administrative offense under our Ordinance Code which provides for the position of a civil fine as we have done in the case of violations of the tobacco ordinance which provides for an administrative fine of $100 and where minors would be subject to the applicable juvenile law statutes.

City Attorney Walbran commented the proposed ordinance will be amended to include additional public places including the Steele County Fairgrounds, golf courses, the West Hills, the Owatonna Public Library, Owatonna Public Utility facilities, and the United States Posts Office.

Council Member Raney commented he spoke with Scott Kozelka, SCFF Manager, he commented he was contacted by City Attorney Walbran regarding this proposed ordinance to prohibit cannabis use in public places. This afternoon, during a SCFF Executive Board met they approved to support this proposed ordinance 100%.

Council Member Raney made a motion to approve the first reading of Proposed Ordinance 23-14 and Council Member Burbank seconded the motion. With a roll call vote, voting aye were Council Members Voss, Burbank, Boeke, Raney, Svenby, and Schultz; no nay votes were cast, and the motion carried. The second/final reading of this proposed ordinance will be heard during the next Council Meeting on August 15, 2023.

Resolution 71-23: VAR-4 Side Yard Setback Variance – 171 Park Drive

Community Development Manager Kruschke presented Resolution 71-23 for approval. This is a request by Robert Seykora of Rocon Inc. on behalf of Tyler Jay Company for a side yard setback variance of 20' where 30' is the requirement for the purpose of a primary structure addition at 171 Park Drive. The applicant is proposing to construct an addition on the west side of the principal structure that will allow protected forklift movement of materials from the building to the temporary storage units. The proposed addition is 20' by 24' and encroaches 10' into the 30' side setback. The addition includes a 10' by 10' roll-up door in the existing west wall of the principal structure that allows travel into the new cold building area.

The Planning Commission held a public hearing on this request and recommend approval with one condition:

1) The appearance of the addition shall be compatible with the principal building.

Council Member Voss made a motion for approval as recommended by the Planning Commission, Council Member Boeke seconded the motion, all members present voted aye in approval.

Personnel Policy Revisions

Human Resources Director Thamert requested Council adopt the following revised sections to the Personnel Policy and Procedures Manual:

1) Chapter 1.1 Mission Statement
   Update language to reflect the Organization's Purpose and Values drafted by the Cultural Team following a recent Employee Cultural Assessment. Our Organization Purpose is: We create a better tomorrow and Organization Values are: Better together, Community Stewardship and Pride in our Work.
2) Chapter 12 Non-DOT Drug and Alcohol Testing and Drug and Alcohol-Free Workplace
   Update language to align with the recently amended Drug and Alcohol Testing in the Workplace Act to include testing for cannabis usage.

Council Member Burbank made a motion to approve these changes to the Personnel Policy, Council Member Boek seconded the motion, and all members present voted aye in approval.

Independent Contractor Agreement - Food and Beverage Services - Lacey's at Brooktree LLC

Park and Recreation Director Tuma requested Council's approval of an Independent Contractor Agreement for food and beverage services at the Brooktree Golf Course. This is a 41-month food and beverage lease with Lacey's KC, LLC to do business as Lacey's at Brooktree. Owner, Steve Lacey, brings 30 years of experience, 16 of which were at high-end golf courses, currently operates Lacey's Kitchen & Cocktails in Kenyon, Minnesota.

We plan to temporarily close the Clubhouse at the end of the golf season and no food or beverage services will be available during that time. During this off-season period, clubhouse improvements and renovations will be undertaken to enhance the clubhouse's entryway, kitchen, and pro shop. These renovations will be completed before the start of the 2024 golf season. Staff will collaborate with Lacey's to explore the viability and logistics of extending their services throughout the year starting in 2024. Exploring the potential for year-long operations aligns with our dedication to meeting the community's needs and maximizing the facility. The lease is a 41-month lease, ending at the end of the 2026 golf season. The lease payments start March 1, 2024, allowing Mr. Lacey time to get established at Brooktree and finish the 2023 golf season.

Kurt Stangler, Recreation Supervisor as Operations Manager at the Brooktree Golf Course commented he previously hired Mr. Lacey to work for him at a golf course in Edina. Steve provided 10 years of excellent service; he knows golf, food and hospitality. I proposed this agreement with Steve as Kenyon is only 15 miles away and I believe this is a good fit for the City of Owatonna. Everyone has been very welcoming, and the transfer of service has been going well. Council Member Boeke made motion to approve this agreement, Council Member Svenby seconded the motion, all members present voted aye in approval.

STAFF REPORTS

Public Works Director Murphy commented Melisa Maxa will begin her duties on September 1st as a Forewoman at the Wastewater Treatment Plant. Melissa previously worked at MetCom which operates facilities in several metro areas. Interviews for two senior positions in the street department were completed this week and there were several good applicants; these are going to be some difficult decisions and we will have some good employees in these positions. Several street projects are in process, Wencl is doing a good

job on the Havana project and the final lift should be completed next week. The 15th Street NE Project has the first lift complete, and the final lift should also be done next week. Cedar Avenue was fully opened as of today. Construction continues at the Wastewater Treatment Plant; they are getting a lot of material delivered as this project is moving forward. This year the Street Department has used more than 10,000,000 pounds of asphalt hot mix for patching, skims and etc. This is the most pavement we have put down within a single year and this has been done when we have been very short staffed so a lot of credit to those getting this work done.

Council Member Raney asked for an update on the roundabout being built on the corner of 18th Street SE and Bixby Road. Director Murphy commented they are waiting for a third-party review of documents for the railroad prior to issuance of the building permits. When the permits are issued, installation of gas, water and electric service lines can begin.

Greg Kruschke, Community Development Manager commented there are currently a lot of development projects in process. Imagine Owatonna 2050, the city's proposed comprehensive plan is now in the community involvement phase. Stantec, the City's consultant for this project, will be present during the Downtown Thursday event tomorrow night. They want to hear what community members want to see in Owatonna 30-40 years from now. If you aren't able to attend the community events, there is a short survey available on the City's website. This project will evolve over the next 15-18 months. The Owatonna community is putting in a lot of energy into this and everyone is encouraged to participate.

Emily Thamert, Human Resources Director commented there is always something going on in Human Resources as they partner with every department for staffing concerns. The Finance Department will be fully staffed as of next week. They are working on policies and procedures to update and refine to be sure we are operating as efficiently and effectively as we can. This spring we worked with Park & Rec to on-board seasonal staff members and now will be working through the off-boarding process. Today, was our annual employee picnic which the Culture Team organized. The picnic was held at Brown's Park with Torey's serving close to 150 employees. All employees, full-time, part-time and seasonal were invited to attend.

Police Chief Mundale commented last night was Night to Unite and 39 parties were registered. Council Members Dotson and Voss and City Administrator Busse rode along with officers to attend several of these parties. Julia Hansen was just hired as a police officer; she began with the department as an Explorer when she was in the 8th Grade. She has also served as a Community Service Officer and completed her secondary education. We have one officer position left to fill; most law enforcements are struggling to fill their positions open. There are currently 170 openings in Minnesota, we want to be patient as we want a good worker and we may be one officer short but currently able to provide all services. In August, the 2022 state statics will be out; last year we were ranked #4 for departments of our size and Owatonna had the lowest crime rating within our region. Staff is looking at militaristic style vests, they offer some health and comfort benefits so you will see officers wearing this type of vest during an exploratory/evaluation period.

Park and Recreation, Buildings and Grounds Director Tuma commented construction of the Charles S Crandall Center is on schedule to be completed by the end of September. Park & Rec will have a booth at the Steele County Free Fair in the Real Outdoors Center. The season will end at River Springs Water Park on August 20th and Lake Kohlmier Beach and rental ends on September 4th. Planning to partner with the Fire Department for the annual Leo Rudolph Prairie Burn on October 9th. Brooktree Golf Course has been busy, we challenged Operations Manager Spangler to increase the

number of rounds of golf by 30,000 over last year and to also improve the overall golfing experience at our course. In 2021, there were 423,421 rounds of golf, last year 485,805 and this year-to-date there have been 555,925. Kurt has been instrumental in updating the golf carts, making some overall facility condition improvements and has helped improve customer relations. She thanked the Council for their support and trust in the staff. Mayor Kuntz commented the grounds crew is doing a great job keeping the grounds in good condition.

PUBLIC COMMENTS

Lance Perkins, owner of Southern SODA Wellness at 216 W Bridge Street commented they opened their business in Owatonna last year and would love the opportunity to continue operating in this community. He doesn't agree with a lot of the bill approved by the state legislators this spring and they are doing their best to stay within compliance regulations. He believes operating a licensed business keeps everyone inline and would like to work with the City to allow his company to be permitted to sell cannabis products in the City of Owatonna.

COUNCIL COMMENT AND GENERAL INFORMATION

Council Member Voss commented he attended the Employee Picnic today and thanked Human Resource Director Thamert, Human Resource Specialist Boss and the Culture Team for organizing the event. He sat with many employees during lunch and enjoyed their conversations. He thanked Chief Mundale for participating in the National Night to Unite; last night, he rode along with Sergeant Oltenjenbruns. He thought it was fun and encouraging to meet people at their neighborhood parties.

Council Member Raney commented he would echo Council Member Voss's statements and also thanked everyone who assisted with planning the Employee Picnic. It isn't often we as the Council get to see all staff members and it was fun to see, social, and visit with them. We wanted to be there; our employees are valuable to how the city operates. Also, we truly appreciate the Downtown Thursday Events. The July event was the largest one held and Main Street Director, Lisa Cochran said today that there are more vendors planning to attend the event tomorrow. Hopefully, everyone will get the chance to attend, it's supposed to be beautiful weather tomorrow.

City Administrator Busse commented she too would echo Council Member Voss's comments. She rode along with Police Chief Mundal during the Night To Unite event and stopped at several neighbor gatherings. She then thanked the Council Members and Mayor Kuntz for attending and assisting at the Employee Picnic today.

Council President Schultz commented he, Council Members Raney and Boeke, Mayor Kuntz and City Administrator Busse attended the CGMC Summer Conference last week. The CGMC, the Coalition of Greater Minnesota Cities, is the City's lobbying group and there was a lot of discussion on pending legislation they are following. Tomorrow night is the August Downtown Thursday and hope to see everyone there.

ADJOURN

At 7:58 p.m., Council Member Raney made a motion to adjourn, Council Member Boeke seconded the motion, with no objection heard the meeting ended.

Respectfully submitted,

Jeanette Clawson, Administrative Specialist