

Owatonna City Council Minutes October 17, 2023

On Tuesday, October 17, 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 Manager Kruschke; Fire Chief Hoffman; Park and Rec, and Facilities Director Tuma; Communications Manager Sheely; IT System Administrator Sticken; City Attorney Walbran; and Administrative Coordinator Clawson.

Council Agenda

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

Council President Schultz explained the process for the public hearing planned during this meeting.

Public Hearing – Proposed Assessments for Mowing and Nuisance Compliance Costs

Fire Chief Hoffman presented the proposed Assessment Roll of properties owing for outstanding mowing and nuisance compliance costs totaling \$2,060.98. The amount varies from the amount declared for assessment by Resolution 90-23 approved during the September 19, 2023 City Council Meeting as payments were received for two outstanding invoices.

At 7:02 p.m., a public hearing was opened for comments on the proposed assessments. With no comments heard, at 7:03 p.m., Council Member Raney made a motion to close the public hearing. Council Member Svenby seconded the motion, all members voted aye in approval. Council Member Boeke commented that the City doesn't do this to make money but is required to follow the City Ordinances. Violation Notices were sent and if not complied to costs incur in the property owners have not taken care of their property.

Resolution 103-23: Adopt Proposed Assessments for Mowing and Nuisance Compliance Costs

Council Member Dotson made a motion to approve Resolution 102-23 to adopt the proposed assessments setting the term of repayment at one year with an interest rate of six percent. Council Member Svenby seconded the motion, to all members voted aye for approval.

Mayor Kuntz commented that the City's procedure for proclamations was changed this spring. Mayor's Proclamations will be listed on Council Agenda, shared in the Council Packet, and posted on the City's website; but will not be read in full during the Council Meeting. Tonight, acknowledging the proclamation for Red Ribbon Week from October 23-27, 2023 with a kickoff event at the Owatonna High School next week on October 24th.

CONSENT AGENDA

Minutes – City Council Meeting – October 3, 2023

Minutes - OHRC Meeting - September 12, 2023

Building Inspection Monthly Report- September

Weed & Nuisance Inspection Report - September 27, 2023

Temporary Liquor License - Owatonna Arts Center Wine Tasting Event - November 8, 2023

Temporary Liquor License - Two Rivers Habitat for Humanity - April 6, 2024

Temporary Liquor License - Mineral Springs Brewery at Kibble Equipment - November 16, 2023

Facility Use Agreement - Owatonna Church of Christ – multipurpose room at West Hills Social Commons – 2024 agreement

Lease Agreement - Steele County Healthy Seniors - office and storage space on the 3rd floor of West Hills Social Commons - 2024 agreement

Yoga Instructor Agreement - Denise Stewart - provide yoga instruction for the City's Adult Leisure Pursuits Yoga program at West Hills Social Commons or West Hills Fitness Center during 2024.

Facility Use Agreement – AARP at West Hills Social Commons during 2024.

Stormwater and Facility Maintenance Agreement - Owatonna Apartments LLC new facility located at 2575 Cedar Avenue North, The City requires that on-site stormwater management must be maintained by the property owner to meet the requirements of the MS4 permit held by the City. The property owner agrees to the terms and conditions as outlined in this agreement.

Proposal 26th St Pond - North Cell Survey and Restoration Plan - Jones Haugh & Smith will provide professional surveying and engineering services for the 26th Street Pond - North Cell. The pond serves as the stormwater treatment system for multiple City neighborhoods, north of 26th Street, as well as a significant amount of agricultural land to the north and east (~1,000 Acres). Significant deposition of topsoil has been observed throughout the conveyance system connecting the upstream drainage ditch to the pond. Collection crews have since cleaned out the NE pond inlet culverts and the Streets Department has conducted vegetation mitigation in the area. After further inspection, the pond appears to need dredging in the NE quadrant. Conducting the survey will evaluate the extent of the dredging. Treatment review will be performed to learn the pond's overall treatment capacity and ensure it meets the latest design requirements outlined by the MPCA. Modifications will be implemented where feasible and cost effective, cost of services will be \$13,800.00.

Training Contract - Riverland Community College

The City partnered with Riverland Community College's Customized Training and Education team to design a 'Fundamentals of Supervisory Leadership' certificate program for City leaders in 2022. The certificate program was delivered in a six-month cohort format for City of Owatonna employees. The City is continuing this partnership with Riverland to offer a second cohort November 2023 - April 2024. The program outline will include foundations of supervisory management, communication strategies, accounting for non-financial managers, conflict management, critical thinking/problem solving, change management, and team building. The cost for twelve participants in the six-month cohort will be \$6,480.

Lease Agreements - Club Car/DDL Finance (Fleet and Utility Carts)

Two lease agreements with DDL Finance LLC for rental carts and utility vehicles provided by Club Car Minnesota to Brooktree Golf Course. Vehicles provided are 35 Gas and 5 Electric Golf Fleet Carts (all with GPS) for \$49,244.90 annually and two Electric Utility Carts for \$5,188.74 (plus tax) annually.

2023 City Administrator Performance Evaluation Proposal and Engagement Plan

The City has partnered with Employee Strategies on workplace culture initiatives since 2022; the City Council will use this service to guide them through the City Administrator's 2023 performance evaluation. The project outline will include a combined (electronic survey + 1:1 interviews) evaluation based off the organization core values. Employee Strategies will compile data and summarize in a written report to be delivered at a Closed Council Executive Session. The cost for this service will be \$8,750.

Council Member Voss made a motion for approval, Council Member Dotson seconded the motion, all members voted aye in 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 \$731,291.46. Council Member Boeke made a motion to approve payment of all bills presented, Council Member Burbank seconded the motion, and all members present voted aye in approval.

Resolution 99-23: Resolution 99-23 Merrill Hall HVAC Project Agreement

Parks, Trails, Recreation and Facilities Director Tuma requested approval of Resolution 99-23 regarding the Merrill Hall building upgrades. ICS was contracted in 2019 to produce a Facilities Assessment and Project Plan for all City-owned facilities. This plan was presented to the City Council in July 2020 detailing deferred and upcoming maintenance needs. A Buildings Task Force was formed in April 2022 comprised of City staff and elected officials who toured 21 core City buildings with immediate capital needs including Merrill Hall. In July 2022, the Task Force findings were presented at a City Council Study Session. The City Council unanimously agreed to support retaining and investing in Merrill Hall. The Council expressed support for developing a strategic, long-term plan for capital improvements for all City-owned buildings along with a funding plan. In March 2023, the City entered into an agreement for ICS to identify the preliminary scope of work for Merrill Hall.

The first phase will include electrical and lighting upgrades, HVAC equipment, asbestos removal, fire sprinkler system and roofing. The second phase will be defined at a later time. Details for phase one project scope:

- Replace the indoor and outdoor lighting with modern LED lighting (theater space not included).
- Upgrade the building's electrical service and main distribution panel to accommodate added cooling electrical load.
- Install two high-efficiency boilers, hot water pumps with Variable Frequency Drive (VFDs), hydronic specialties and insulated hot water supply/return piping to serve all new heating equipment in the daycare portion of the building (theater space is not included).
- Install a ducted Variable-Air-Volume (VAV) ventilation system with hot water heating and direct expansion (DX) cooling/dehumidification. The air handling unit will be installed on the lower level. An air-cooled condensing unit will be located on the ground behind the building. Terminal VAV boxes with hot water reheat will be provided for each zone of the daycare portion of the building (theater space not included). Install a dedicated heating and ventilation-only air handling unit to serve the theater scene shop. Page 121 of 281
- Remove existing Asbestos Containing Materials (ACM), boiler, condensate handling equipment, steam/condensate piping, cast iron, radiation, chiller, chilled water pumps/pipe, unit ventilators, fac-coil units, residential gas/DX units.
- Install an addressable fire alarm system with voice notification and fire sprinkler system to protect the entire building. A dry system will be required in the attic and a new water service will be needed to serve the system.
- Install automatic Direct Digital Controls (DDC) and a facility management system to efficiently operate the building's HVAC system with optimal indoor environment comfort and control. This includes theater space HVAC.
- Replace the existing roofs. The project timeline will start this fall with developing the plans and design and ordering equipment.

The on-site construction is expected to begin in January 2024. Due to the AC equipment availability, the overall completion will be in the fall of 2024, with the AC completed by spring 2025. Asbestos removal (ACM) is part of the overall project. The cost is included in the project budget; however, it is not part of the ICS agreement. The City will bid and procure this specialized work independently. This ICS HVAC Agreement has a guaranteed maximum price of \$5,297,847 with no change orders within the project's scope. Energy Saving Rebates available through OPU are expected to help partially fund the renovations. The City intends to issue bonds next year to finance this project. The 2024 levy has been increased to account for this project. The bonds will be repaid over 20 years with a debt

service levy. The City Council declares its official intent to reimburse itself for the cost of these improvements from the proceeds of tax-exempt bonds.

Director Tuma commented Aaron Fitzloff, Building and Grounds Manager and Teresa McCormack, CRW Architect were present to answer any questions. Council Member Boeke commented that this project will be disruptive to the businesses within Merrill Hall and if the City would cover the cost to relocate during project renovation. Tuma responded the City would not set up storage for current tenants but if they relocate during this period, we will forgo their monthly rent payments. Council Member Dotson commented this is a large investment in this facility and hopefully there will be additional ways to utilize this building when this project is complete. Council Member Raney made a motion for approval, Council Member Burbank seconded the motion, all members voted aye for approval.

Resolution 104-23: VA-7 Lot Size Variance – 218 Phelps Street E

Community Development Manager Kruschke presented Resolution 104-23 for VAR-7 at 218 Phelps Street E. This was a request by Malaika Barlow for a lot size variance on a 7,536 square-foot lot where 10,000 square feet is the required minimum lot size for a two-family dwelling in the R-5, Medium Density Residential District. The building was previously registered and sold during 2021. The Planning Commission held a public hearing on this request and recommend approval with these conditions:

- a) The units shall be registered with the Rental Registration program.
- b) The property shall not contain more than 2 units at any one time.
- c) All units shall be inspected and approved within the Rental Registration process. If any repairs are needed, they shall be completed to be in full compliance with the Rental Registration License.

Council Member Dotson made a motion to approve Resolution 104-23 with conditions as recommended by the Planning Commission. Council Member Svenby seconded the motion, all members voted aye in approval.

Resolution 105-23: Adopt New City Brand and Logomark

Communications Manager Sheely commented the City partnered with the Chamber and other community stakeholders to provide funding, secure a contract with North Star Place Branding + Marketing and form an advisory committee to research and launch a community-wide brand.

Sam Preston, Director of Project Management was introduced to recap the city's process and show how the community brand will be used. A brief summary of the full 300+ page presentation, currently available on the City's website, was shown. North Star received 2,348 unique survey responses from residents, entrepreneurs, companies and visitors. Their research was conducted inside and outside the community to uncover perceptions, attitudes and what's unique about Owatonna. They presented their research findings across the community in August to accurately portray Owatonna. North Star lead the advisory committee through the process of crafting a narrative, graphic elements and a logomark that reflects the research findings. The committee unanimously approved a community-wide logomark on September 13 which will be utilized across the community by multiple stakeholders. Five partner logos were then developed to customize the community-wide brand for the City of Owatonna, Owatonna Partners for Economic Development, the Owatonna Area Chamber of Commerce, Visit Owatonna and Main Street Owatonna. This research-driven, community-wide identity initiative will help Owatonna stand out in the marketplace, increase interest and investment in the community from residents, entrepreneurs, companies and visitors.

Sheely requested the Council approve Resolution 105-23 adopting the new city brand and logomark. Council President Schultz commented the Council did review the full presentation during the Study Session prior to this meeting. Council Member Boeke made a motion for approval, Council Member Raney seconded the motion, all members voted aye in approval. Sheely thanked Council

President Schultz for serving on the advisory committee. Council President Shultz also thanked all the committee members and members of the community who participated including Brad Meier, Glenda Smith and Lisa Cochran from the Owatonna Chamber of Commerce.

STAFF REPORTS

Fire Chief Hoffman commented that the annual Fire Fighter Banquet was held last week honoring Mitch Terpstra, a Paid-on-Call Fire Fighter as the Fire Fighter of the Year. The Fire Department partnered with the Park & Rec Department for a prairie burn at Leo Rudolph Nature Reserve last week. Seven new paid-on-call fire fighters just completed their state testing and their final test will be a live burn planned on Fremont Street this Sunday. The City is partnering with Riverland Community College to offer an online Fire Fighter course at Owatonna High School; this semester there are 22 students participating. The Canadian Pacific Railroad Holiday Train will be stopping in Owatonna on December 6th. He is working through the hiring process with the Human Resources Department for the Assistant Fire Chief/Marshall position.

Park and Recreation and Facilities Director Tuma commented that a neighborhood ice rink will be placed in the Country View area this winter. She is working with contractors to complete the Council Renovation Project; the next City Council Meeting will be the first meeting held in this new space and she thanked Library Director Blando and staff for accommodating meetings over the last seven months.

Community Development Manager Kruschke introduced Planning Specialist Sydnee Stroeing. Sydnee has been working for several months in the Community Development Department. She has been working requests for Variances and Conditional Use Permits and Council will see her Staff Reports so Kruschke he wanted to formally introduce her to the Council and Mayor.

Human Resources Director Thamert thanked Council for renewing the agreement with Riverland Community College for the Supervisor Training cohort. This group will meet one morning each month for six months and be similar to the training offered last year which included participants from every department. The Human Resources Department is focusing on a people system, Core Values have been identified and they are now working to embed these into our employee handbook and resource materials. Staff is preparing for the annual employee benefit enrollment period and working through the hiring process with the Fire Department for an Assistant Fire Chief and with Public Works for engineer staff.

Communications Manager Sheely commented she has seen a lot of progress with other entities when collaborating. A news release was just issued regarding closure of Rice Lake Street for railroad maintenance next week. She has been working with Steele County Public Works to provide information to mutual stakeholders regarding the work planned for the county's east side corridor project. She is also preparing to send information about the City's Winter Parking Ordinance which goes into effect November 15th.

PUBLIC COMMENTS

Gale Jorgenson, 249 E Main Street commented that the new logo design reminds her of a roundabout and suggested additional art designs be considered. She then suggested the City assist Wee Pals relocate to another location during renovation of Merrill Hall.

Lisa Cochran, Owatonna Chamber Main Street Director thanked the City and Council Members for approving the 2023 Downtown Thursday Events. City Staff members helped with the permit approval process, set-up and during events if needed. She greatly appreciates the relationship between the Owatonna Chamber and the city and is looking forward to future events.

John Havelka, 1580 Woodcrest thanked Greg Kruschke, Community Development Manager for recently speaking to the Owatonna Early Edition Rotary about the Owatonna 2050 Plan. He then commented several clients recently commented about anticipated property tax increases. He believes the proposed 9.1% levy increase is high, this would be a 27% compounded increase over

the last three years. Businesses and citizens have all seen increased costs, he asked Council Members do a deep review of the proposed levies and budgets to lower this amount during the budget process.

Melissa Zimmerman, 2525 Stoney Creek Dr commented she represents the North County neighborhood and she contacted the Steele County Engineer's office regarding the proposed east side corridor project. In 2000, a 150-foot Right-of-Way was established on the official map for the future East Side Corridor. Structures have been built within this area and these property owners do not want to lose their property if the road were constructed with the use of 29th Avenue.

Matt Sennott, 2519 Stoney Creek Dr spoke on behalf of residents in the North Country subdivision and additional properties north of this area. They are not against an east side corridor, they oppose the location currently proposed by the City and County. We have a petition signed with 200+ signatures against the use of 29th Avenue and recommend 32nd Avenue be used for this purpose.

Adam Warnke, 2510 Timberwood Lane NE, commented he and many others in their neighborhood appreciate the hard work Melissa and Matt have done to ask for reconsideration of the proposed East Side Corridor. They want the best for Owatonna and hope there will be a thoughtful decision for location of this long-term plan which will be detrimental to their neighborhood.

Scott Limberg, 422 S Cedar Avenue commented he has heard both sides of the argument for location of the East Side Corridor at both City and County Meetings. He also believes that 32nd Avenue would be a better use for the east side corridor than 29th Avenue. He thanked the City and Council Members for investing in the city's older buildings so they will be preserved for future use. He concluded with a comment about the new City Logo saying everyone will have their own first impression of the new design. When he first saw this design, he saw a solid core that reminded him of Central Park surrounded by green neighborhoods and did not see a roundabout.

COUNCIL COMMENT AND GENERAL INFORMATION

Council Member Boeke thanked Officer Oeltjenbruns for attending tonight's meeting. It was good to hear of Park and Rec plans to build a neighborhood ice rink in the Country View neighborhood this winter. Hopefully, this will be the start to developing a park in this area.

Council Member Svenby thanked IT System Administrator Sticken and Administrative Coordinator Clawson for setting up the Gainey Room for the Council Meetings over the last seven months.

Council Member Voss thanked the Owatonna Exchange Club for hosting the Fire Fighter Banquet last week and congratulated Mitch Terpstra as the 2023 Fire Fighter of the Year. He then thanked Glenda Smith, Tourism Director for coordinating the Governor's Pheasant Season Opening Event last weekend, with two rainy days the events were moved to the Beer Garden at the Steele County Fair Grounds and everything turned out great.

Mayor Kuntz commented he received a letter from Congressman Brad Finstad, expressing congratulations to Owatonna for being named the Minnesota Retail Association's Retail Community of the Year.

Council President Schultz commented it has been nice to hold the City Council Meetings at the Library during the Council Chambers Renovation Project and looking forward to meeting in the new Council Chambers.

ADJOURNMENT

At 8:11 p.m., Council Member Raney made a motion to adjourn, Council Member Boeke seconded the motion, and with no objection heard the meeting ended.

Respectfully submitted,
Jeanette Clawson, Administrative Coordinator