

Owatonna City Council Minutes

November 7, 2023

On Tuesday, November 7, 2023 at 7:00 p.m., Council President Schultz called the regular session of the Owatonna City Council to order in the Chambers of the Charles S. Crandall Center. Present were Council Members Raney, Voss, Burbank, Boeke, Dotson, Svenby and Schultz; Mayor Kuntz; Community Development Director Klecker; Public Works Director Murphy; Human Resource Director Thamert; Park & Rec and Facilities Director Tuma; Communications Manager Sheely; IT System Administrator Sticken; City Attorney Walbran; City Administrator Busse and Administrative Coordinator Clawson.

Following the Pledge of Allegiance, Council President Schultz welcomed everyone and thanked staff and contractors for making this the first meeting held in the new renovated council chambers. There are several punch list items to be addressed prior to the Ribbon Cutting Event planned in two weeks on November 21, 2023 but it is good to be back in the Chambers. Schultz also thanked the Library staff for hosting the City Council Meetings during the renovation process over the last eight months. He then commented Item 2.4.8, a Settlement and Release Agreement with David Gerhartz has been added to the agenda. Council Member Svenby made a motion to approve the agenda with this item added; Council Member Voss seconded the motion; all members voted aye in approval.

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

Public Hearing – Proposed Assessments – 2022 Street and Utility Project

Public Works Director Murphy advised the 2022 Street and Utility Project included improvements to 15th Street NE, Linn Avenue SW and Selby Avenue SW. The total cost of the project was \$2,402,651.97 of which \$363,616.76 has been proposed as assessments. At 7:04 p.m., a public hearing was opened for comments on these proposed assessments. With no comments heard, at 7:05 p.m., Council Member Raney made a motion to close the public hearing. Council Member Dotson seconded the motion, all members voted aye in approval.

Resolution 106-23: Adopt Proposed Assessments – 2022 Street and Utility Project

Public Work Director Murphy requested approval of Resolution 106-23 to adopt the assessments proposed for the 2022 Street and Utility Project. The assessments will be paid over a 10-year period with an interest rate of 6.0%. The interest rate is based on the 2023 bond issue true interest costs of 3.99%. Council Member Boeke made a motion for approval, Council Member Dotson seconded the motion, all members voted aye in approval.

Public Hearing – Proposed Assessments – 2023 Havana Road Project

Public Works Director Murphy commented that the 2023 Havana Road Project made improvements from Truman Avenue SE to Smith Avenue SE. The total cost of the project was \$1,17,57.04 of which \$99,638.76 has been proposed as assessments. At 7:07 p.m., a public hearing was opened for comments on these proposed assessments. With no comments heard, at 7:08 p.m., Council Member Raney made a motion to close the public hearing. Council Member Dotson seconded the motion, all members voted aye in approval.

Resolution 107-23: Adopt Proposed Assessments – 203 Havana Road Project

Public Work Director Murphy requested approval of Resolution 107-23 to adopt the assessments proposed for the 2023 Havana Road Project. The assessments will be paid over a 10-year period with an interest rate set at 6.0%. Council Member Svenby made a motion for approval, Council Member Boeke seconded the motion, all members voted aye in approval.

Proclamation – Dedication of the Owatonna Veteran's Memorial

Mayor Kuntz commented he will present a proclamation during a memorial dedication service this Saturday, November 11th proclaiming the day as the Owatonna Veteran's Memorial Day. The Moonlighter's Exchange Club has created a permanent memorial near the Steele County History Center dedicated to our community's veterans. Special thanks go to Mike and Trudie Pearce for their persistence towards this project over the several years. Unfortunately, Mike passed away this summer so he wasn't able to see the finished project and a marker will be placed at the site in his memory.

Recommendation to the Housing and Redevelopment Authority (HRA) – Julie Fiske

Mayor Kuntz recommended Julie Fiske be appointed to fill a current seat open on the Housing and Redevelopment Authority (HRA). Council Member Raney made a motion for approval, Council Member Svenby seconded the motion, all members voted aye in approval. Ms. Fiske was present to receive the Oath of Office from Mayor Kuntz. This appointment ends April 30, 2027. Mayor Kuntz commented that applications are currently being accepted to fill another opening on the HRA and an opening on the Park Board.

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 – October 17, 2023
- Minutes – Airport Commission Meeting – September 14, 2023
- Minutes - OPU Commission Meeting – September 26, 2023
- Minutes - Human Rights Commission Meeting – October 10, 2023

Minutes – Shade Tree Commission Meeting – October 16, 2023

Fire - Monthly Dashboard and Activity Report - September 2023 F

Building Inspections Monthly Report- October 2023

Police Dashboard Reports - September and October 2023

Event Permit - Owatonna Veteran's Memorial Dedication - November 11, 2023

Event Permit - Lighted Holiday Parade - December 1, 2023

Event Permit - Canadian Pacific Holiday Train - December 6, 2023

Engagement Letter for Actuarial Services - GASB 67/68 with Van Iwaarden Associates

GASB 67/68 requires the Volunteer Relief Association to have their plan valued by an actuary for purposes of the City's annual audit. This is a two-year contract for Fiscal Years 2022-2023 and 2023-2024. The annual fee will be either \$1,300 or \$2,900 depending on if it is an off-year or a full report year, these alternate each year.

Engagement Letter for Actuarial Services - GASB 75 Other Post-Employment Benefits with Van Iwaarden Associates

GASB 75 requires the City to have their Other Post-employment Benefits valued by an actuary for purposes of the City's annual audit. This is a two-year contract for Fiscal Years 2023 and 2024. The annual fee will be either \$1,800 or \$5,700 depending on if it is a roll-forward year or a full report year, these alternate each year.

Software Subscription Renewal – DebtBook

The City began utilizing DebtBook software in 2022 in order to comply with Governmental Accounting Standards Board (GASB) Statement 87, accounting for leases. GASB Statement 96, accounting for subscription-based information technology arrangements, will be implemented in 2023 and DebtBook software will also be utilized to comply with this standard. The annual costs will range between \$9,500 and \$12,500 over the three years of this agreement.

Service Fee Agreement - North Risk Partners

A contract for advisory services related to management of risk of loss generally covered by property and casualty insurance. The City has its insurance coverage for property and casualty insurance with the League of Minnesota Cities Insurance Trust as do most municipalities. Locally, the City has an insurance agent of record to assist and advise on the City's risk management activities. This agreement provides for an annual fixed fee, the annual fees for 2024 and 2025 are \$16,500 and \$17,000 respectively.

Proposal Land Survey & Civil Engineering Services - West Beltline Stormwater Pond - Jones, Haugh and Smith

An agreement to as-built and provide hydraulic analysis of the West Beltline Stormwater Pond. Jones, Hugh and Smith (JHS) previously provided a hydraulic review of the pond in 2016 for evaluation on drainage area extents and treatment capacity for 2010 rules and 2016 rules. Results were given based on an approximated full build out of the watershed. Since the study was completed,

several landowners within the drainage boundary of the pond have inquired about purchasing water quality treatment from the pond. This was the intended use of the pond, to provide regionalized treatment and assist in providing embankment for the CSAH 7 (39th Avenue) overpass of the railroad. In reviewing construction plans and comparing them to what exists today, staff believe the drainage area of the pond analyzed in the previous report may not be conveyed to the pond. The purpose of the as-built and further hydraulic analysis is to confirm what portion of the pond watershed is being conveyed to the pond. If conveyance improvements are required, the hydraulic analysis will outline the deficiencies and provide the option to prepare construction documents to resolve any conveyance issues. Cost will be \$13,080 with optional add-on services for an additional \$10,080.

Contract for Services - Speaker Fee - 2024 MLK Jr. Day Event - Humanize My Hoodie
The Owatonna Human Rights Commission (OHRC) is planning for the 2024 MLK Jr. Day Event on Monday, January 15, 2024. This event will be held at midday at the Steele County Historical Society. This agreement secures the event speaker, Seema Pothini, representing Humanize My Hoodie with payment of the \$2,000 fee.

Change Order 1 - Airport Fencing and Gates Project - Century Fencing Company
An agreement to change the type of gates. The automated barrier arm type gate that lifts an arm up and down in place of the slide type gate in an alley location that accesses the ramp may be more functional due to concerns regarding snow and ice that funnels through that area and may gather and drift on chain link mesh or prohibit a slide gate from opening and closing. The second automated gate at a secondary access location is in a clear area and would remain a chain link slide type automated gate per plan. Additionally, the contractor will install two additional lockable personnel gates in location between the commercial area hangars and associated hardware and posts. The construction contract will increase \$9,007.48; it is anticipated that the additional cost will be eligible for existing grant funding participation already in place for this project providing 95% FAA and state funding leaving an anticipated local share of approximately \$450.00.

Council Member Boeke made a motion to approve these Consent Agenda items, Council Member Burbank seconded the motion, all members 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 \$2,676,348.22. Council Member Dotson made a motion to approve payment of all bills presented, Council Member Voss seconded the motion, all members present voted aye in approval.

Resolution 108-23: Accept RFP Proposals and Award Policy - 2024 Medical Insurance

Finance Director Thamert requested approval of Resolution No. 108-23 to accept the RFP

proposals and award a policy for 2024 medical insurance to Medica-Service Cooperative (MHC). National Insurance Services (NIS), the City's agent of record for medical insurance received three proposals and completed an analysis to present to the City's Insurance Committee. They recommend the City stay with their current medical insurance carrier, Medica - Service Cooperative (MHC) which is offering a 13.5% increase. This allows the City to continue its relationship with the Southeast Service Cooperative, which has helped minimize fluctuations in premiums. Council Member Boeke made a motion for approval, Council Member Dotson seconded the motion, all members voted aye in approval.

Resolution 109-23: VAR-8 Side Yard Accessory Building - 1815 Greenhaven Lane NE

Community Development Director Klecker requested approval of Resolution 109-23 for VAR-8. This is a request received from Gene Nelson to allow a 12' by 10' accessory building in the side yard where the City Code only permits an accessory building to be in the rear yard. The shed will be approximately 15' from the side property line and 1' from the existing garage. This property at 1815 Greenhaven Lane NE, backs to the golf course and if the shed is built in the rear yard, it would block the view and there is sufficient space in the side yard. The Planning Commission held a public hearing on this request with no objections heard and recommend approval provided the accessory building shall be compatible with the house. Council Member Dotson made a motion for approval, Council Member Svenby seconded the motion, all members voted aye in approval.

Resolution 110-23: VAR-9 Duplex Lot Size - 144 Selby Ave SW

Community Development Director Klecker presented Resolution 110-23 for approval. This will authorize VAR-9, a request by Troy & Lisa Johnson for a lot size variance on a 9,825 square foot lot where 10,000 square feet is required for the minimum lot size for a two-family dwelling in the R-3, Single- and Two-Family Residential District. The property at 144 Selby Avenue SW is a duplex, the rental license lapsed and renewal requires complying with current zoning requirements. The Planning Commission held a public hearing on this request with no objections heard and recommend approval with these provisions:

- 1) The units shall be registered with the Rental Registration program.
- 2) The property shall not contain more than 2 units at any one time.
- 3) 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 Boeke made a motion for approval, Council Member Burbank seconded the motion, all members voted aye in approval.

Resolution 111-23: Award 2023 Fall Demo Contract - JJD Companies

Community Development Director Klecker requested approval of Resolution 111-23 to accept the quotes received and award the 2023 Fall Demo Contract to JJD Companies. The City purchased 126 Fremont Street E earlier this year which has been used for

numerous Police and Fire training exercises. Last month, the final exercise was held by performing live burn training. The house ash and foundation need to be removed, services disconnected at the mains, and the rear fencing and landscaping will also be removed. Last year, the City obtained the former Monson Eye Clinic building which has also been used for police and fire training. This property will be demolished as a whole and brought back to grade with a gravel finish to be reconstructed with the Vine Street parking lot construction. Utilities will be capped on the property at this time and will be disconnected by the future contractor with the Vine Street Parking Lot Project. Two quotes were received with the low quote from JJD Companies at \$50,000 for the demolition and restoration of both properties. Council Member Raney made a motion for approval, Council Member Voss seconded the motion, all members voted aye in approval.

Resolution 112-23: Name 2024 Polling Sites

Administrative Coordinator Clawson requested approval of Resolution 112-23 designating polling sites for public elections held during 2024. Three elections planned next year are:

- 1) Presidential Nominating Primary (PNP) Election - March 5, 2024
- 2) Primary Election - August 13, 2024
- 3) General Election - November 5, 2024

The city does have the ability to change a polling location mid-year for an emergency or if the polling place becomes unavailable. The 2024 Polling Site locations will be:

Ward1/Precinct 1 Trinity Lutheran Church, 609 Lincoln Avenue
Ward 1/Precinct 2 Associated Church, 800 Havana Road
Ward 2/Precinct 1 Owatonna Public Library, 105 N Elm Avenue
Ward 2/Precinct 2 Bethel Church, 1611 Hemlock Ave
Ward 3/Precinct 1 Charles S. Crandall Center, 540 West Hills Circle
Ward 3/Precinct 2 Emmanuel Lutheran Church, 750 Jeffrey Street
Ward 4 /Precinct 1 Sacred Heart Parish Center, 739 S Cedar Avenue
Ward 4/Precinct 2 Christ Community Covenant Church, 540 SE 18th St
Ward 5/Precinct 1 Grace Baptist Church, 265 26th St NE
Ward 5 /Precinct 2 Our Savior's Lutheran Church, 1909 St Paul Road

Two of these sites will be new next year:

W3/P1 previously in the Owatonna Arts Center will now be in the newly renovated Chambers at the Charles S. Crandall Center. This site is more accessible for voters with ground-level entry and no stairs.

W4/P2 previously in the Steele County History Center will now be at Christ Community Covenant Church. The History Center was unavailable for the August Primary Election because of Steele County Free Fair activities.

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

Change Order #8 - Wastewater Treatment Facility Expansion - Rice Lake

Construction Group

Public Works Director Murphy requested approval of Change Order #8 for the Wastewater Treatment Facility Expansion Project. Certain sections of piping need to be ordered after equipment is set and field measurements can be obtained. All the piping and fittings that could be ordered without field measurement were done as soon as possible after the project bid. Since then, there has been price escalation for ductile iron spools (DIP) and this work change directive (WCD) is for the spools in the MBR building that require field measurement. This will increase the contract with Rice Lake Construction Group by \$25,919.20. Council Member Raney made a motion for approval, Council Member Svenby seconded the motion, all members voted aye in approval.

Change Order #9 - Wastewater Treatment Facility Expansion - Rice Lake

Construction Group

Public Works Director Murphy requested approval of Change Order #9 for the Wastewater Treatment Facility Expansion Project. The order is Work Change Directives (WCD) No. 23, 38, 39, 40, 42, 43, 44, 45, 49, 50, 52, 53, 54, 56, 57, 60. WCDs are created as a means to address construction issues, design clarifications, and interdisciplinary coordination, etc. 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 and required for the contractor to stay ahead of the critical path and limit the length of time a component of our WWTF process was/will be offline. This change order increases the contract \$85,144.89 which is only half a percent of the project's contingency. Most projects use 5-10% for contingency and 5% was used on the City's PPFA application. The price escalation allowed in the bidding process has mitigated \$3.6 million of the \$6 million included in the contract and we now anticipate only 1.5% of the contact contingency will be used. Council Member Raney made a motion for approval, Council Member Svenby seconded the motion, all members voted aye in approval.

Traffic Engineering Services Proposal - Short Elliott Hendrickson Inc.

Public Works Director Murphy requested approval of a Traffic Engineering Services agreement on an as-needed basis with Short Elliott Hendrickson Inc. (SEH). SEH will aid staff in the analysis and operational review of the City's traffic signal system. This proposal aims at expediting review time and the resulting solution to traffic signal issues. SEH has been working with the City on our traffic signal system for over 30 years and has intimate knowledge of our traffic operations and has been a part of nearly every signal system design. The Steele County Highway is supportive of this agreement as many of our signals are on the County Highway System. This is an agreement for a maximum expenditure of \$10,000. The County participates in signal maintenance on any signal they have a cost share responsibility on. Discussions regarding this professional service

and all other maintenance conducted on any shared signal are to be split between the City and County based on the agreed upon cost share. The overall system has a rough cost split of 60% City and 40% County. Staff anticipate the breakdown of this contract to be close to the same split; but may vary depending on what signals the work is performed on. Council Member Raney made a motion for approval, Council Member Boeke seconded the motion, all members voted aye in approval.

On-Sale Liquor License - Inside Swing LLC - 685 W Bridge St #5

City Administrator Busse presented application for an On-Sale Liquor License with Sunday Sales for Inside Swing, LLC. This new establishment at 685 W Bridge Street #5 plans to open later this month offering an indoor golf experience and a full-service bar and also featuring food from Basilleos. They hoped to open during August, but renovations took longer and the Certificate of Occupancy was just issued; a \$500 refund, an overpayment of the liquor license fee will be processed. Council Member Dotson made a motion for approval, Council Member Burbank seconded the motion, all members voted aye in approval.

STAFF COMMENTS

Human Resources Director Thamert commented enrollment begins this week for 2024 benefits. There will be staff meetings on Thursday to begin the Open Enrollment Period which ends next Thursday. Ten employees completed Mental Health First Aide Training at Riverland Community College, this will be a good resource for staff and the community. Currently several staff members are participating in the Riverland Training Cohort which was approved during the last City Council Meeting. This week, Katie Ritter and Sid Conway began as Library Assistants.

Community Development Director Klecker commented that the year-to-date Building Permit Valuation at the end of October is \$103 million, he anticipates the annual record of \$104 million will be broken. This year permits for fourteen single-family homes have been issued and seven are currently pending; last year sixteen permits were issued. He then gave a brief recap of the development projects in process.

Public Works Director Murphy commented the 2023 Steet and Utility Project is underway, all three streets involved have their first asphalt lift on and anticipating this project will be completed this year. The CIPPS Project should start lining sewer lines later this week. The WWTP Project is well underway and all buildings are now enclosed, Rice Lake Construction has been doing a good job to keep this project moving forward.

Park & Recreation and Facilities Director Tuma commented exterior lights at the Library, City Hall and the Carpenter Shop are currently green to honor Veterans. Today's meeting is the kickoff for use of this space. The team worked together to pull this off, this is a good display of pride in their work and their stewardship involved. She asked Facilities Manager Fitzloff to join her and thanked him for his dedication to this project.

PUBLIC COMMENTS

Melissa Zimmerman, 2525 Stoney Creek Dr commented City Council Members are elected to make decisions. She and her neighbors agree that an east side corridor is needed but believe another road should be considered. They are disappointed they haven't been able to participate in an open discussion to state what they want. She asked Council Members to represent their neighborhood and participate in a meeting with an open conversation.

Matt Sennott, 2519 Stoney Creek Dr thanked Council Members for representing their constituents in other matters. Twenty plus years ago, a route was proposed as the east side corridor. In a 1995 study includes comments that the route should allow growth and not affect current residents. They ask the plan prepared in 2004 be abandoned as it is not feasible, some of the Right-of-way has been sold for residential planning and growth.

Seth Ayers, 2551 Mossy Creek Drive thanked council members for serving and then thanked Melissa and Matt for representing their neighborhood in regard to the proposed east side corridor project. He agrees the east side corridor is needed but he doesn't believe 29th Avenue is the best road for this use.

Andrew Adams, 2543 Stoney Creek Drive, commented he purchased his property and built a new home. The use of 29th Avenue as the east side corridor will make a big impact on his property. He has been disappointed with the lack of communication from the county and city about this proposed project.

MAYOR AND COUNCIL COMMENTS:

Council Member Burbank commented it was good to be back in the Chambers for meetings.

Council Member Boeke thanked staff for the work done on the chamber renovation project, this was a large project and done well. .

Council Member Raney commented he didn't believe Director Tuma's when she committed to hold tonight's meeting here in chambers. There was a lot of work completed within the last two weeks and he thanked Tuma and Fitzloff for pushing the project along. He then congratulated first-time grandma, City Administrator Busse, on the birth of her grandson Finch.

Council Member Svenby also thanked Tuma and Fitzloff for their work on the renovation project and then encouraged everyone to attend the memorial dedication this Saturday morning, November 11th which is also Veteran's Day.

Council Member Voss commented Fitzloff did a good job and put forth an extra effort to get the job done. He then thanked everyone for all the support he received for the recent loss of his sister-in-law.

Council Member Dotson commented he saw a lot of work done today to prepare the Chambers for this meeting. He was glad to see there were members of the public attending tonight's meeting and hopes good attendance will continue.

City Administrator Busse commented she agrees with the Council Member's comments that Director Tuma and Facilities Manager Fitzloff really pushed hard to get things completed on the Council Chamber Renovation Project and she also thanked them for their efforts. There has been a lot of discussion about the anticipated east-side corridor and if you want information or have questions, the county has a great website will all sorts of information about this proposed project. The website address is "www.eastsidecorridor.com".

Council President Schultz commented it is nice to be back in the Council Chambers and reminded everyone the official Ribbon Cutting Event will be held at 4:30 pm prior to the next Council Meeting on November 21st.

Adjournment

At 8:07 p.m., Council Member Boeke made a motion to adjourn, Council Member Raney seconded the motion and with no objection, the meeting ended.

Respectfully submitted,

Jeanette Clawson, Administrative Coordinator