

Owatonna City Council Minutes

August 20, 2024

On Tuesday, August 20, 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, Svenby, Dotson, Burbank, Boeke, Voss and Schultz; Public Works Director Murphy, Community Development Director Klecker; Police Chier Mundale; Officer Hunt; IT Technician Specialist Enz; City Attorney Walbran; City Administrator Busse; Assistant City Administrator Tuma and Administrative Coordinator Clawson.

Following the Pledge of Allegiance, Council President Schultz welcomed everyone to the meeting and advised of two changes to the agenda: Item 2.4.4, a contract for consulting services for the WWTF Facility was removed and the work order for the airport roofing project was moved from the Consent Agenda to Action Items. Council Member Dotson made a motion to approve the agenda with these changes, Council Member Svenby seconded the motion, all members voted aye in approval.

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 – City Council Meeting – August 7, 2024

Weed/Nuisance Inspection Report - August 13, 2024

Exempt Permit - Raffle - Owatonna Soccer Association - September 14, 2024

Exempt Permit - Raffle - Exchange Club of Owatonna - December 12, 2024

Temporary Liquor Permit - Hunter A. Frank Memorial - Mineral Springs Brewery – September 14, 2024

Temporary Liquor Permit - Steele County Historical Society - October 25, 2024

Event Permit - Walk to End Alzheimer's - Owatonna - September 14, 2024

Facility Use Agreement - Owatonna Diving Club

Stormwater Facility Maintenance Easement Agreement - Kerncrest Storage, LLC

Stormwater Facility Maintenance Easement Agreement - Quarry Ridge Addition

Work Order No. 1 Airport Hangar #10 Roof Replacement Project - Short Elliott Hendrickson, Inc.

Resolution 82-24 Authorize Contract for Purchases - Fame Awards

School Resource Officer (SRO) Agreement - Independent School District #761

The School District agrees to reimburse the City \$89,730 per position for wages and benefits for the 2024-2025 academic year, a 5% increase from the previous contract year. In addition, the City also provides an SRO presence for special events and activities outside the normal school hours. As such, overtime reimbursement that is paid by the City that exceeds \$2,000 per SRO, is paid by the District. The overtime reimbursement for the 2023-2024 contract was \$3,706.89

Therapy & Counseling Services Agreement

Agreement with three local mental health professionals to provide services for police department personnel. They specialize in and understand the nature of emergency

service work and can continue this service for all staff Police Department Biennial Independent Audit – Body Worn Camera Program – Lynn Lembcke Consulting
An independent audit of the Owatonna Police Department’s Portable Recording System (body-worn cameras (BWCs)) was conducted on February 2, 2024. The objective of the audit was to verify Owatonna Police Department’s compliance with Minnesota Statutes §§13.825 and 626.8473. The Data elements the audit includes:

Minnesota Statute §13.825

- Data Classification
- Retention of Data
- Access by Data Subjects
- Inventory of Portable Recording System Technology
- Use of Agency-Issued Portable Recording Systems
- Authorization to Access Data
- Sharing Among Agencies

Minnesota Statute §626.8473

- Public Comment
- Body-worn Camera Policy

Council Member Boeke made a motion to approve these Consent Agenda items, Council Member Raney seconded the motion. Council Member Voss recused himself from vote, resolution included is for his business. All members voting, voted aye for approval.

Finance Report

Council Vice President Raney recapped payments made for amounts greater than \$20,000 during this period.

\$ 26,723.44	Central Farm Service - fleet fuel
78,289.70	Crane Creek Asphalt - asphalt
84,466.40	Innovative Masonry Restoration – masonry repair & tuckpointing pay est #1-2
582,577.20	Legence Subsidiary Holdings LLC - Merrill Hall pay est #8 - \$570,000.00 - Facility needs consulting \$12,577.20
24,352.34	Mohs Contracting Inc - LEC generator upgrade pay est #5
21,000.00	Moody's Investors Services Inc - 2024 bond rating
30,381.10	Near North Title Group - lot split - Fiske purchase -1304 Mineral Springs Pkwy
20,000.00	Owatonna Area Business Dev Center - EDA loan fees 2024
731,058.38	Rice Lake Construction Group - WWTP expansion pay est #26
49,438.89	Steve James Excavating Inc - overlay prep project pay est #1 - \$48,990.00 - dirt, propane and right of way permit refunds \$448.89
21,151.63	UKG Inc - Aug-Oct 2024 subscription fees; May-June 2024 over useage fee
23,507.07	W W Blacktopping Inc - hot mix overlay project

284,938.07 Other Expenditures
1,951,160.78 Total Expenditures presented for approval

Council Member Boeke made a motion to approve payment of all bills presented, Council Member Voss seconded the motion, all members voted aye for approval.

Proposed Ordinance 24-4 Oak Hill Planned Use Development

Community Development Director presented a request from Jolayne Mohs on behalf of Owatonna Hope Center, Inc. to change the zoning of the property located at 134 Southview Street SW. The property is currently zoned B-2, Community Business District and the request is change to a Planned Unit Development (PUD) for the purposes of opening a multi-use facility including shelters, clinics, offices and other spaces. The proposed Hope Centers goal is to provide a home for a number of non-profit agencies in one location as well as temporary housing facilities for those in need; the PUD will allow this combination of uses into one facility. The Planning Commission held a public hearing on this request, they contacted neighboring property owners to inform them of what is being proposed and recommend approval. Council Member Dotson made a motion for approval, Council Member Boeke seconded the motion. With a roll call vote, voting aye were Council Members Svenby Voss, Dotson, Burbank, Boeke, Raney and Schultz; there were no ayes, the motion was approved. The second/final reading of this proposed ordinance will be held during the next Council Meeting on September 3, 2024.

Resolution 83-24 Oak Hill Preliminary Plat

Community Development Director presented a request from Jolayne Mohs, on behalf of Owatonna Hope Center, Inc., for a preliminary plat of Oak Hill Addition, a one lot commercial plat. The plat will combine the existing four parcels that lie within two different plats into one plat and one lot. This will clean up the title of the property as also remove the property lines from the interior of the existing building. New perimeter drainage and utility easements will also be dedicated with this plat and also accommodate some existing utilities. The Planning Commission has recommended approval of this plat. Council Member Dotson made a motion for approval, Council Member Boeke seconded the motion, and all members voted aye for approval.

Resolution 84-24: Amend the Boundaries of TIF District No. 4-1 and Amend the TIF Plan – Oak Hill Project

Community Development Director requested amending the boundaries of Tax Increment Financing (TIF) District 4-1. The former hospital property on S Oak Avenue was placed in a TIF District for redevelopment for Fareway Foods. Mayo Clinic acquired the southern portion of the building and would receive some of the TIF towards their project costs. Six months ago, Mayo sold this property, and we modified the TIF agreement. This resolution will remove the portion of the building in the TIF District, the property is tax exempt and not generating increment so should be removed from the TIF District. took over the southern portion of the building which is included within the TIF District. Council Member Boeke made a motion for

approval, Council Member Burbank seconded the motion, and all members voted aye for approval.

Resolution 85-24: Set Public Hearing Date for TIF District 20-1: Modern Aire Apartments

Community Development Director Klecker requested approval of Resolution 85-24 to set the date for a public hearing date for consideration of Redevelopment TIF District 20-1. Staff have been working with a developer on redeveloping the Modern Aire Apartments property along Bixby Road. The proposed project includes demolition of the 12-unit apartment building and construction of a 73-unit apartment building with first floor parking. The new apartment building would consist of 53 market rate apartments and 20 affordable units. City Council previously approved the application for a grant for this project which we are still waiting to hear back on. The developer is requesting tax increment financing due to the demolition and site development costs and the 20 affordable units within this project. This resolution will set the date for the public hearing on October 1st. Council Member Voss made a motion for approval, Council Member Svenby seconded the motion, and all members voted aye for approval.

Resolution 86-24: Donation to the Police Department – Knights of Columbus

Police Chief Mundale requested approval of Resolution 86-24 to accept a cash donation issued to the Police Department. The Police Department has received a cash donation from the Knights of Columbus Council #945 in the amount of \$3,000.00. The gift was presented to the Owatonna Police Department for the specific use of wellness programming. Council Member Raney made a motion to approve Resolution 86-24, Council Member Dotson seconded the motion, and all members voted aye for approval.

Resolution 87-24: Donation to the Police Department – Fred & Diane Ventura

Police Chief requested approval of Resolution 87-24 to accept a cash donation from Fred and Diane Ventura in the amount of \$1,000.00. The gift was given as discretionary spending and will be used to benefit all employees in ways such as employee recognition, culture and team building events, safety equipment or uniform apparel. Council Member Boeke made a motion for approval, Council Member Dotson seconded the motion, and all members voted aye for approval.

Council President Schultz expressed gratitude in receipt of these donations and requested Chief Mundale pass on comments of appreciation from the City Council on behalf of the City.

Soil Boring Agreement - WWTF Retaining Wall - AET

Public Works Director Murphy presented an agreement with American Engineering Testing to amend the Proposal for Geotechnical Exploration and Engineering Services at the Wastewater Treatment Facility. The city is considering rebuilding the existing retaining wall on the northeast side of the Owatonna Wastewater Treatment Facility site. Staff has requested

additional engineering services following geotechnical engineering including field exploration, soil laboratory testing and classification and a final geotechnical report. The additional scope of service includes geotechnical engineering support related to the design of a Reinforced Soil Slope (RSS) wall between the Owatonna WWTF and the North Straight River Parkway. This will include signed drawings detailing the construction of the RSS wall, including material types for use in the project. This amendment is for AET to furnish final drawings to the design team is estimated to total \$10,000. The initial proposal cost was \$18,575. Council Member Boeke made a motion for approval, Council Member Raney seconded the motion, and all members voted aye for approval.

WWTP Facility Expansion Change Order #13 - Rice Lake Construction Group

Public Works Director Murphy presented Change Order #13 for the Wastewater Treatment Facility Expansion Project. The prices of drywall and aluminum store front materials that will be installed in the Wastewater Treatment Facility Administration Building have escalated, \$9,276.28 over the duration of the project. Rice Lake Construction Group is the contractor and was awarded the bid with acknowledgement products included in the bid would change as they would not be ordered until needed. If products were all ordered upfront, the cost to store them until needed would have exceeded the product's price increase.

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

WWTP Facility Expansion Change Order #14 - Rice Lake Construction Group

Public Works Director Murphy presented Change Order #14 for the Wastewater Treatment Facility Expansion Project. This change order is for four Work Change Directives (WCDs) are created as a means to address construction issues, design clarifications, and interdisciplinary coordination, or errors and/or omissions.

WCD 88 - MBR Grating Modifications

WCD 89 - FO 31 - RWC Electrical Gear Relocation

WCD 91 - PB Generator Feed Reroute

WCD 92 - Secondary Digester Interior Coatings

Cost of this change order is \$47,854.80. Council Member Svenby made a motion for approval, Council Member Boeke seconded the motion, and all members voted aye for approval.

WWTP Facility Expansion Change Order #15 - Rice Lake Construction Group

Public Works Director Murphy presented Change Order #15 for the Wastewater Treatment Facility Expansion Project. This Work Change Directive (WCD) covers price escalation of Ductile Iron Pipe (DIP) for areas of the MBR, STB, AB, RWC, and PC. Certain sections of piping need to be ordered after the equipment is set and field measurements can be obtained. All the piping and fittings that could be ordered without field measurement was done so as soon as possible after the project bid. Since then, there has been price escalation for DIP and this WCD is for the spools that required field measurement. Additional project cost for this

change order is \$22,008.91. Council Member Raney made a motion for approval, Council Member Voss seconded the motion, and all members voted aye for approval.

Public Works Director Murphy commented approximately \$6 million dollars was included in plans for the WWTP Plant for adjustments. Most projects of this type, average 3-10% adjustments; currently, our project has used only \$500,000, which is about 2.5%. The contractor, Rice Lake Group has been very diligent in pricing and ordering products when necessary.

Work Order No. 1 - Airport Roof Project - Short Elliott Hendrickson, Inc.

Community Development Director Klecker To approve Work Order No. 1 with SEH, Inc. for design, bidding, and construction engineering services for the Dome Hangar (Hangar #10) roof replacement. The project is identified in the 2024 Capital Improvement Program (CIP) to fully replace the existing roof on the approximately 8,800 square foot hangar with new materials including new adhered membrane, sub-roofing panels/barrier, insulation, and other minor repairs as needed. MnDOT Aeronautics grant funding participation is anticipated for this project. Work Order No. 1 architectural and engineering costs total \$37,800.00, these costs are eligible for 70% MnDOT state funding reimbursement. The local share is anticipated to be 30%, 11,340.00. Council Member Boeke made a motion for approval, Council Member Burbank seconded the motion, and all members voted aye for approval.

Service Proposal - Interim Financial Director - Abdo Financial Services

City Administrator Busse requested approval of an Accounting Service Proposal from Abdo Financial Solutions. The League of Minnesota Cities (LMC) recommends this vendor to provide interim finance director services. For over 60 years, they have worked exclusively with government entities in municipal accounting. With the departure of Finance Director Moen, the city has a need to contract for supplemental financial services. These duties will vary according to the workload. The contract fees range from \$190-\$510 per hour. These fees are based on the experience and level of the individuals assigned to the task the city requests. This provides the most flexibility in selecting the appropriate level of person to assist the city, which results in high quality service at the most economical cost. Council Member Boeke made a motion for approval, Council Member Dotson seconded the motion, all members voted aye for approval.

STAFF COMMENTS

Public Works Director Murphy commented the WWTP Project continues to make progress and on track for completion. The 2024 Street and Utility Project began last week, and the overlay project and CHIP project are also in process and almost complete.

Community Development Director Klecker commented it has been a good construction season this year. Valuation of new construction permits issued through July has been \$64 million. There have been more permits issued this year, but last year we had some really big projects with more valuation. Anticipate the number of building permits will slow down over the next few months as it usually does during the year of a Presidential Election,

everyone becomes a bit conservative as the election approaches. We are starting to receive inquiry and lining up projects for next year.

Police Chief Mundale commented that at the end of the year Steele County hopes to move of the Law Enforcement Center. Will need to fill three positions for Record Division and will be working with Human Resources on these job descriptions and postings. Anticipated one of the positions will be filled from within. The Post Board Audits will be held on September 9th.

Council Member Boeke asked if candidate has been selected for the officer training grant. Chief Mundale commented a candidate has been identified and in the testing process for the contract with Hennepin Tech for their 6-month course and testing for a new Field Officer.

PUBLIC COMMENTS

Gary Jones, 995 Ridge Road commented the City of Rochester offers a deer management program similar to the City of Owatonna. He was provided a list of the Rochester City Parks and went to see the parks used for this, he found most of the park areas were in fields, very remote and not easily accessible to the public. He likes that they are doing it safely around the perimeter of their city.

COUNCIL & STAFF COMMENTS:

Council Member Raney commented the 2024 Steele County Fair went well and thanked Scott Kozelka, SCFF Director, Board of Directors and volunteers who helped. The weather wasn't the best, but everyone pitched in to keep everyone safe. Our next Council Meeting is on the first day of school, please be mindful of the little ones. Also, congratulations to Jenna Tuma for being named our new Assistant City Administrator.

City Administrator Busse also congratulated Jenna Tuma, she will fit well into the position of Assistant City Administrator and looking forward to working together in Administration.

Administrative Coordinator Clawson commented she has received several requests about obtaining a Solicitor's Permit and reminded everyone the application form is available on the City's website. Anyone going door-to-door within the city limits to sell goods, must have either a Solicitor's Permit or a Transient Merchant's Permit. If someone knocks at your door, demand to see their city issued permit and if they do not have one, ask them to file for a permit and contact City Administration if they have any questions.

At 7:53 p.m., Council Member Voss made a motion to adjourn, Council Member Boeke seconded the motion, and the meeting ended.

Respectfully submitted,

Jeanette Clawson, Administrative Coordinator