

Owatonna City Council Minutes

September 3, 2024

On Tuesday, September 3, 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 Svenby, Voss, Dotson, Burbank, Boeke, Raney and Schultz; Mayor Kuntz; Public Works Director Murphy; Community Development Director Klecker; 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 one change to the agenda: Item 2.5.2, a contract for consulting services for the WWTF Facility was removed. Council Member Svenby made a motion to approve the agenda with this change, Council Member Dotson seconded the motion, all members voted aye in approval.

Council President advised of a proclamation declaring September 19th as the 2024 Quilt of Valor Day in Owatonna. Quilts given to veterans represent a three-part message from the givers to those receiving the quilt: Honor; Freedom is Not Free; and Comfort. This year, the Owatonna Exchange Club will honor these nine veterans with quilts:

Russell Cumberland Jr. - US Marines

Joe Falteysek - US Air Force

Stanley Honsey - US Navy

Harold Kerkvliet - US Army

Eugene Kispert - US Navy

Thomas Kuntz - US Air Force

Jim Leonard - US Army

Roger Ruehling - US Air Force

Robert Spatenka - US Army

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:

EDA Minutes - July 17, 2024

Human Rights Commission Meeting - July 30, 2024

Planning Commission Minutes - August 13, 2024

Human Rights Commission Meeting - August 26, 2024

Fire - Monthly Dashboard and Activity Report - July 2024

Weed/Nuisance Inspection Report - August 28, 2024

Event Permit - Relay for Life - Steele County 5K - September 21, 2024

Temporary Liquor Permit - Owatonna Country Club - September 19, 2024

Extension of Airport Land Lease (Commercial) - Langer Aviation, Inc.

The City entered an airport Commercial Land Lease with Langer Aviation in April of 2004 for services including aircraft maintenance throughout the term of the agreement. This original twenty-year land lease has expired and Langer Aviation has submitted notice of intent to exercise the option to extend the Lease for an additional five years expiring on April 25, 2029.

Resolution 92-24 Authorize Contract for Purchases - Fame Awards

Council Member Dotson made a motion to approve these Consent Agenda items, Council Member Boeke seconded the motion. Council Member Voss recused himself from vote, the 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.

\$ 20,724.53	Amps Future Inc - sanitary sewer repair - 610 School Street E
22,971.48	Crane Creek Asphalt - asphalt
2,317,798.61	Minnesota Public Facilities Authority
	- 2/20 MPFA principal interest payment 2010 G.O. Bonds - \$582,224.43
	- 2/20 MPFA principal & interest payment 2023 G.O. Bonds - \$1,735,574.18
96,845.00	Nero Engineering - WWTF Expansion Services - July 2024
31,043.81	Owatonna Area Chamber of Commerce - Lodging Tax June 2024
25,000.00	Robert & Sarah Schmidt
	- EDA tier 1 loan \$5,000.00
	- EDA tier 2 loan \$20,000.00
33,879.65	Stantec Consulting Services Inc - Owatonna 2050 Comprehensive Plan
56,959.50	Steele County Auditor - 2nd qtr 2024 LEC expenditures
22,757.36	US Bank - Entire organization monthly credit card purchases June/July 2024
<u>238,814.04</u>	Other Expenditures
\$2,866,793.98	Subtotal
<u>103,700.06</u>	HRA housing assistance payments
\$2,970,494.04	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 the second/final reading of Proposed Ordinance 24-4 for a Planned Use Development (PUD) for Oak Hill. Jolayne Mohs on behalf of Owatonna Hope Center, Inc. requested a change in the zoning of the property located at 134 Southview Street SW from B-2, Community Business District to a Planned Unit Development (PUD). They plan to open a multi-use facility including shelters, clinics, offices, and other spaces in the former South Mayo Clinic building. Council approved the first reading

of this proposed ordinance during their last meeting on August 20, 2024, and there have been no changes since. Council Member Raney made a motion for approval as recommended by the Planning Commission; Council Member Burbank 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. This will be known as Ordinance 1663 to become effective upon publication.

Resolution 88-24 - Set Date for Public Hearing on Proposed Assessments - Delinquent Utility Accounts

City Administrator Busse requested approval of Resolution 88-24 to set a date for a public hearing on proposed assessments for delinquent utility accounts. Toni Van Esch, Customer Service Supervisor at Owatonna Public Utilities (OPU) advised of nine delinquent utility accounts they will propose assessments against for a total of \$21,719.48. This resolution sets a date of the public hearing for Tuesday, October 1, 2024, to allow for timely public notice and property owner notifications. Council Member Raney made a motion for approval, Council Member Voss seconded the motion, and all members voted aye for approval.

Resolution 89-24 - Accept Bids and Award Contract - Vine Street Parking Lot Project

Public Works Director Murphy requested approval of Resolution 89-24 to accept the bids and award the contract for the Vine Street Parking Lot Project. Bids were received on August 29th from five (5) companies. The low apparent base bidder is ICON, LLC at \$1,074,915.80. The next bidder is Wencil Construction, Inc at \$1,086,477.00.

Under Section 31 of Special Provisions (2564) Traffic Control – G states the project shall be constructed in 2 phases to allow for continual parking throughout the project, more or less. In the notice to bidders the instructions state “The Owner is requesting if there will be alternate lump sum deduction if the project were to be constructed in one phase rather than two. Providing an alternate lump sum deduction is not a requirement.” Proceeding with the alternate included will result in the project being completed in one phase. This option would not allow for continuous parking at the current lot. However, it increases the likelihood that the project will be finished in its entirety by the end of the 2024 Construction Season.
ICON Construction, LLC - lump sum deduction of \$0.01 = total bid of \$1,074,915.79.
Wencil Construction, Inc - lump sum deduction of \$15,000 = total bid of \$1,071,477.00.

Staff recommends awarding this project to Wencil Construction, Inc. with completion during 2024. Council Member Dotson asked if Wencil Construction, Inc can meet this deadline and Murphy responded yes. Council Member Dotson made a motion to accept the bids and award the contract to Wencil Construction, Inc. with requirement the project be completed during 2024. Council Member Burbank seconded the motion.

Council Member Boeke asked if the Owatonna Chamber and downtown business were advised of this and if they agree that this would be the best option for completion of this project. Lisa Cochran, Main Street Director at the Owatonna Chamber commented she has met with many of the downtown business owners about this project. Many business owners said it would be great to have parking available during this project but more expressed a

desire to have the project completed in one phase. She offered to assist communicating parking options available during construction and is looking forward to a more pleasing aesthetic for this lot in the downtown area.

Council Member Burbank commented plans were to use American Rescue Plan Act (ARPA) Funds towards this project. Murphy confirmed this project was allocated \$1,000,000 ARPA Funds and any remaining balance due would be paid using Capital Improvement Funds. City Administrator Busse confirmed this project will receive the remaining balance of the ARPA Funds which must be spent this year. With no additional comments, all members voted aye for approval of awarding the project to Wencil Construction, LLC.

Resolution 90-24 - Vine Street Parking Lot Parking Hour Restrictions

Community Development Director Klecker presented Resolution 90-24 to set parking hour restrictions for the newly constructed Vine Street Parking Lot. During the August 27th Planning Commission Meeting, the Commissioners discussed changing the proposed two-hour parking recommendation on the east half of the lot to four hours. Concerns stated were that two hours may not be enough time for meetings or to shop and eat. Four hours felt more accommodating for this lot as all the streets surrounding it are two-hour parking. The Commission has made a formal recommendation for 4-hour parking on the east half of this lot. The west half of the lot will be 24-hour parking spaces for employees and downtown residents.

Council Member Raney asked how much notice is given prior to lot maintenance. Murphy responded would be similar as now, a 24-hour notice.

Council Member Voss thanked Community Development Director Klecker for listening to the business owner's requests and making this change. With no additional comments, Council Member Raney made a motion for approval, Council Member Boek seconded the motion, all members voted aye for approval.

Resolution 91-24 - Final Plat - Oak Hill Addition

Community Development Director requested approval of the Final Plat for the Oak Hill Addition. Jolayne Mohs, on behalf of Owatonna Hope Center, Inc., asked four existing parcels be combined to create a one-lot commercial plat. 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 Voss made a motion for approval, Council Member Svenby seconded the motion, and all members voted aye for approval.

On-Sale Liquor License - Home2Suites, 230 Allan Avenue

City Administrator Busse requested approval of the On-Sale Liquor License application received from Bruce Kinseth, Managing Member of Owatonna Hotel Associates, LLC. They will operate as Home2Suites at 230 Allan Avenue in Owatonna.

During the March 19, 2024 Council Meeting applications for an On-Sale Wine License and On-Sale Liquor License were contingently approved for the new hotel upon completion of construction and receipt of a Certificate of Occupancy. The hotel opened and during the final process of the liquor license approval by the Minnesota Alcohol and Gambling Enforcement Division, they advised the hotel should be issued on On-Sale Liquor License and not the Wine and Beer licenses. Council Member Dotson made a motion for approval, Council Member Burbank seconded the motion, and all members voted aye for approval.

City Administrator Benefits Package

Mayor Kuntz requested City Administrator Busse's benefit package increase the deferred compensation employer match through payroll deduction from \$10,600 to \$12,000. City Council completed Ms. Busse's 2023 performance review in February, the deferred match component of her benefit package has not changed since January 1, 2021, this change will be effective January 1, 2024. Any salary increases will follow non-union employees through the approved salary structure. Council Member Raney made a motion for approval, Council Member Dotson seconded the motion, and all members voted aye for approval.

STAFF COMMENTS

Administrative Coordinator Clawson commented she often receives calls which can be answered during review of information on the city's website. Within the last few days, she has received several calls asking if recreational fires are allowed within city limits; the answer to this question is available on the Fire Department page. Another function offered on the website is "Report a Concern"; everyone is encouraged to use this online reporting platform for concerns such as potholes, broken playground equipment, ordinance violations, and stormwater issues.

PUBLIC COMMENTS

Todd Boettger, 2045 NE 3rd Avenue, commented he and his wife Mary, have lived on 3rd Ave North since May 1999 and this street has become a racetrack. There are a lot of kids living in our neighborhood, and cars love the curves and the hills so there is a lot of speeding. He asked for this matter be addressed so there isn't an accident. City Administrator Busse commented she would follow-up with the Police Department.

COUNCIL & STAFF COMMENTS:

Council Member Dotson commented the 2024 School Year has begun and asked everyone to be mindful when driving and watch out for the little ones walking.

City Administrator Busse commented the Owatonna Human Rights Commission will be hosting two events this week in celebration of Welcome Week. A Human Book Library will be offered during the Downtown Thursday event this week in Central Park. The goal of a Human Library is to foster conversations with someone which might be uncomfortable. A soccer

game, the Meeting on the Fields, is planned for Saturday night beginning at 6:30 pm at the Daiken Soccer Complex.

Mayor Kuntz encouraged everyone to shop locally as small local businesses need community support them. He recently spoke former owner of the Urban Loft, she recently closed her shop as her annual revenue was about half of last year's.

At 7:34 p.m., Council Member Burbank made a motion to adjourn, Council Member Raney seconded the motion, and the meeting ended.

Respectfully submitted,

Jeanette Clawson, Administrative Coordinator