

Owatonna City Council Minutes

September 17, 2024

On Tuesday, September 17, 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; IT Technician Specialist Enz; Sergeant Satre; 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. Council Member Boeke made a motion to approve the agenda as presented, 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 20, 2024

- Minutes - City Council Meeting - September 3, 2024

- Minutes - Joint Powers Board Meeting - August 7, 2024

- Minutes - HRA Meeting - August 26, 2024

- Minutes - Planning Commission Meeting - August 27, 2024

- Building Inspection Monthly Report - August 2024

- Weed/Nuisance Inspection Report - September 11, 2024

- Event Permit - Owatonna Fire Department Open House/Chili Feed - October 6, 2024

- Event Permit - Trick or Trunk at Trinity Church - October 30, 2024

- Resolution 98-24 Authorize Contract for Purchases - Fame Awards

- Great River Greening Agreement

 - A Memo of Understanding to allow Great River Greening to work on public property in one census tract that qualifies as a disadvantaged area, with the goal of increasing tree canopy.

- Limited Use Agreement - ROW at 212 & 216 Bridge Street W - Stadheim Properties of Owatonna, LLC

 - Stadheim Properties of Owatonna, LLC wishes to use a portion of City right-of-way at 212 and 216 Bridge St W for accessing the property of 216 Bridge St W and meeting accessibility requirements. The improvements include stairs, railing, two landings, and a raised sidewalk. A copy of the Easement Infinitely Stadheim Properties, LLC has with Lynal Torabpour, owner of 212 Bridge Street W was provided.

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.

\$ 22,742.82	Central Farm Service - fleet fuel
301,886.17	Crane Creek Asphalt - asphalt
37,133.60	Innovative Masonry Restoration - masonry repair & tuckpointing, Pay Est #3
110,558.20	Motorola Solutions Inc - 20 portable radios, accessories, 3 yr service
246,457.95	Pearson Brothers Inc - Street Maintenance Pay Est #1
144,072.86	Southeast Service Cooperative - Aug 2024 health ins premiums
45,125.85	Steve James Excavating Inc
	- overlay prep project - Pay Est #2 - \$37,825.00
	- dirt, rock, sanitary repair, curb replace & sump line repairs \$7,300.85
132,764.40	Wencl Construction - 2024 Street & Utility- Pay Est #1
128,371.97	Other Expenditures
\$ 1,169,113.82	Total Expenditures presented for approval

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

Resolution 93-24 Proposed 2025 City Budget and Levy

City Administrator Busse requested approval of Resolution 93-24 to set the Proposed 2025 City Levy and 2025 Proposed Budget. The Proposed Levy includes an increase of 8%; the current year's estimated growth rate is 7.2%, the city strives to have its levy increase follow growth. The primary drivers of the levy rate are related to personnel, which accounts for 74% of the general fund operating costs. Low unemployment rates and strong competition for the workforce requires the city to provide employees compensation and benefits that encourage retention. As several items have not been finalized, labor contract negotiations and insurance selections, the Preliminary Levy was prepared with an 8% increase. The total proposed City levy is \$19,671,155.

The proposed budget is consistent with the City's strategic plan. With the city's growth, staffing additions are also included in this budget. There is also an annual increase in wages and advancing satisfactorily performing employees on their pay scales.

The City Council is required to adopt a proposed budget for the following year and certify its proposed property tax levy to the County Property Tax and Elections Office on or before September 30th. The final levy amount and budget will be presented on December 3rd at 6:00 p.m. Council can approve a Final Levy amount that is lower but not greater than the Proposed Levy amount.

Council Member Raney made a motion for approval, Council Member Boeke seconded the motion. Council Member Raney commented he will support this proposed 8% levy increase but considers this a starting point and hopes that when the current unknowns are resolved, the proposed levy will be adjusted to include only a 7.25% increase. Council

Member Voss commented that he agrees with Council Member Raney. Council Member Svenby commented he understands the need to plan at the higher amount with current variables unknown; the original budget drafted required a 7.5% levy increase so he also hopes the final levy will be lower than this proposed 8% increase. City Administrator Busse commented that is what she and staff will be working for. With no additional comments, six members voted aye, Council Member voted nay, and the motion carried.

Resolution 94-24 Proposed 2025 HRA Levy and Budget

City Administrator Busse requested approval of Resolution 94-24 setting the proposed 2025 HRA (Housing and Redevelopment Authority) Levy and Budget. The HRA is considered a special taxing district, and its levy is adopted separately from the City levy. The City Council is required to adopt a proposed budget for the following year and certify its proposed property tax levy to the county auditor on or before September 30th. An overview of the proposed 2025 budget was presented to council on August 27. A more detailed presentation of the HRA budget and levy was presented to council on September 10.

The 2025 budget for the HRA includes the addition of a .7 FTE housing specialist to aid in the increasing number of vouchers that are being managed. The amount of the levy shall be an amount approved by the governing body of the city but shall not exceed 0.0185 percent of estimated market value. Per the County Auditor & Assessor, the 2023 estimated market value was \$2,741,293,500. The final levy amount and budget will be presented on December 3rd at 6:00 p.m. Council can approve a final levy amount that is lower but not greater than the proposed levy amount. Council Member Raney made a motion for approval, Council Member Boeke seconded the motion, all members voted aye for approval.

Resolution 95-24 Set Public Hearing Date for TIF District 20-1, Modern Aire Apartments

City Administrator Busse presented Resolution 95-24 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.

On August 20, 2024, City Council approved Resolution 85-24 setting the date for this public hearing on October 1st; however, more time is needed to prepare the TIF Plan. Council Member Dotson made a motion for approval, Council Member Boeke seconded the motion, all members voted aye for approval.

Resolution 96-24 Declare Costs to be Assessed - Weed and Nuisance Compliance

City Administrator Busse requested approval of Resolution 96-24 declaring cost to be assessed and order preparation of the Proposed Assessments for unpaid weed and nuisance expenditures incurred by the City during 2024. The Owatonna Fire Department enforces the city codes for mowing of weeds and grass, other harmful vegetation, and other services by using a mowing service to bring noncompliant properties into compliance. The total assessment amount, \$1,844.15, will reimburse the city for the cost of weed and nuisance enforcement. The City's share of these costs will be \$0. Council Member Boeke made a motion for approval, Council Member Burbank seconded the motion, all members voted aye for approval.

Resolution 97-24 Set Date for Public Hearing - Proposed Assessments - Weed and Nuisance Compliance

City Administrator Busse requested approval of Resolution 97-24 setting the date for the public hearing to consider the Proposed Assessments for weed and nuisance expenditures incurred by the City during 2024. This hearing will be held on Tuesday, October 15th at 7:00 p.m. in Chambers of the Charles S. Crandall Center at City Hall. Council Member Voss made a motion for approval, Council Member Dotson seconded the motion, all members voted aye for approval.

STAFF/PUBLIC COMMENTS

Melissa Zimmerman, 2525 Stony Creek Drive, commented that last month there was an accident on 3rd Ave with speed in excess of 95 mph. Last week, there was a high-speed chase into Mineral Springs Park in excess of 85 mph and another driver was ticketed for driving 114 mph on 26th Street. Understandably, there is nothing we can do to control other's speed but if 29th Avenue is used as the city's East Side Corridor, the children currently living and playing in this area will be at risk. If the corridor is built using 34th Avenue, there will be buffer protecting these children. During the Study Session tonight, a council member said, "If we don't have good roads, safe clean water, we don't have anything". Consider safety and quality of life of our residents before making any decision on the which route to use.

Matt Sennott, 2519 Stony Creek Drive, commented he has frequently heard elected city officials say the East Side Corridor is a County Project and the city won't be making the decision on which route is used. The city has a \$2.2 million dollar influence in this project, and he believes this does give the city a voice in the selection of the route. 29th Avenue is 30 years old with establishes homes within 15 feet of the roadway. He is looking forward to the soon-to-be-release of the completed study documentation showing proposed alternate routes. He asks for council members to represent their community with their power to influence the decision of which route will be chosen.

Gary Jones, 995 Ridge Road, commented there are currently a lot of bugs in Mineral Springs Park and when the weather changes and bugs are gone, many will want to enjoy more time in the city's parks. Last year, the temperatures on the opening days of the City's Deer Management Program were 78 and 82 degrees but parks couldn't be enjoyed by everyone because there were bow hunters present. The City of Rochester doesn't use parks for their deer management program if they have a potential entry from the public. He requests the City of Owatonna remove Manthey Park & Mineral Springs Park for the list of parks available within the Deer Management Program, and available to everyone.

COUNCIL COMMENTS:

Council Member Raney commented there was an article in the Owatonna People's Press today about the Health Care Needs within our community. It was a good article to read and hopefully a solution can be found staff and Council Members have been working with two private companies which also offer services. Hopefully, this will open eyes of the two larger medical providers, Allina Hospital and Mayo Clinic. He expressed condolences to the family of Keith Bangs, the OHS Golf Coach for many years who passed away last week.

Council Member Voss commented that he and Council Member Svenby will attend a neighborhood meeting late tomorrow afternoon with Police Chief Mundale present to discuss speed control along Third Avenue NE.

Council President Schultz commented the final item on the agenda is a meeting the City Attorney Walbran. This will be a closed-door meeting pursuant to Minn. Stat. §13D.04 Subd. 5 and §13D.05 Subd. 3 (b). for the purpose to discuss anticipation of a civil legal action pertaining to the failure of some of the materials used in the North Cedar Avenue Streetscape Project. The need for absolute confidentiality of discussions between the Council and the City Attorney is necessary to consider available legal options to avoid litigation, review possible legal remedies, and possible litigation strategies. At 7:24 p.m., Council Member Dotson made a motion to recess with intent to reconvene in closed session after the room has cleared. Council Member Svenby seconded the motion, all members voted aye in approval.

At 7:33 p.m., Council President Schultz called the closed-door meeting to order. Present were Council Members Svenby, Dotson, Boeke, Schultz, Raney, Voss, and Burbank; City Attorney Walbran; Assistant City Administrator Tuma; City Administrator Busse and Public Works Director Murphy.

At 8:05, Council President Schultz ended the closed-door session. Council Member Boeke made a motion to adjourn, Council Member Dotson seconded the motion, and the meeting ended.

Respectfully submitted, Jeanette Clawson, Administrative Coordinator