

## Owatonna City Council Minutes - Draft Copy

The Owatonna City Council met in regular session on Tuesday, January 23, 2018 at 7:00 p.m. in Council Chambers. Council President Schultz called the meeting to order and welcomed everyone in attendance. Attending were Council Members Voss, Schultz, Dotson, Burbank, Raney and Okerberg; Community Development Director Klecker; Public Works Director Skov; Police Chief Hiller; Assistant City Attorney Furness; City Administrator Busse and Administrative Specialist Clawson. Council Member Svenby and Mayor Kuntz were not present.

Following the Pledge of Allegiance, Council Member Raney made a motion to approve the agenda as presented, Council Member Okerberg seconded the motion; all members present voted aye in approval.

Chief Hiller introduced new Patrol Officers Travis Johnson and Luke Selvik. Assistant Chief Judge Joseph A. Bueltel administered the Oath of Office and their badges were pinned to their uniforms.

City Administrator Busse advised Ibrahiem Huesien requested he be removed from the Human Rights Commission because of schedule conflicts. Council Member Dotson made a recommendation to accept his resignation; Council Member Okerberg seconded the motion; all members present voted aye in approval. City Administrator Busse recommended Jamie Vanoobree be appointed to serve on the Human Rights Commission for a term to expire April 30, 2021. Council Member Burbank made a motion to appoint Ms. Vanoosbree to the Human Rights Commission: Council Member Okerberg seconded the motion; all members present voted aye in approval

Council President Schultz explained council members review the Consent Agenda Items prior to the meeting for approval in one motion. Consent Agenda Items for approval include:

Minutes – City Council Meeting – January 8, 2018.

Event Permit – Jim Gleason Benefit – March 3, 2018 with a Temporary Liquor Permit for the Knights of Columbus.

Exempt Permit – Steele County Purple Ribbon Club – Raffle - February 5, 2018.

Exempt Permit – Steele County Purple Ribbon Club – Raffle – August 9, 2018.

Temporary Liquor Permit - Habitat for Humanity of Steele-Waseca Area – April 7, 2018.

Temporary Liquor Permit – St Mary’s School of Owatonna – April 14, 2018.

Temporary Liquor Permit – Owatonna Business Women – March 9, 2018.

Renew Lawful Gambling Permits to expire June 30, 2018.

Minutes – Park & Rec Board Meeting – January 9, 2018.

Minutes – OPU Commission Meeting – December 20, 2018.

Minutes – Human Rights commission Meeting – December 12, 2017.

Monthly Activity & Dashboard Report – Fire Department – December 2017.

2018 Agreement – Institution Community Work Crew Program Contract.

Council Member Okerberg made a motion to approve these Consent Agenda Items, Council Member Voss seconded the motion; all members present voted aye in approval.

Vice President Raney recapped the expenses for the period. Bills presented for payment from 2017 Budget totaled \$456,060.16 and \$131,550.43 from the 2018 Budget. Council Member Dotson made a motion to approve these payments; Council Member Voss seconded the motion; all members present voted aye for approval.

Community Development Director Klecker presented the first reading of Proposed Ordinance 18-1 to amend Code Section 157.028(B) Height Restriction in the B-3 District. Current ordinance allows a three-story building as a permitted use and structure over three stories by a conditional use permit. Staff is recommending a six-story building within the B-3, Central Business District be permitted by right. The

Planning Commission held a public hearing for comments to change from 35 feet or 3 stories to 75 feet or 6 stories. With no objections heard, the Planning Commission is recommending this amendment for approval. Council Member Okerberg made a motion for approval, Council Member Burbank seconded the motion. With a roll call vote, voting aye were members Raney, Voss, Okerberg, Dotson, Burbank, and Schultz; no one voted nay; the motion carried. The second reading of this proposed ordinance will be heard during the next council meeting on February 5<sup>th</sup>.

Public Works Director Skov requested approval of Resolution 4-18 receiving the Feasibility Report and setting a date for a public hearing regarding the 2018 Street and Utility Project. The project includes bituminous pavement reconstruction repair on Hemlock Avenue, Caleta Place and Mill Street. A Public Hearing for comments was set to be held on February 5, 2018. Council Member Raney made a motion to approve Resolution 4-18, Council Member Burbank seconded the motion; all members present voted aye in approval. Staff will meet with property owners during a neighborhood meeting on Tuesday, January 30<sup>th</sup> to discuss plans for this project.

Public Works Director Skov requested approval of Resolution 5-18 receiving the Feasibility Report and setting a date for a public hearing regarding the 2018 Downton Parking Lots and Alley Project. The project includes pavement and storm sewer reconstruction on the alley between Cedar Avenue and Oak Avenue, south of Vine Street; Parking Lot 5 (West of the Chamber of Commerce Office); Parking Lots 6 & 7, (behind the former Bubba's Bar) and Parking Lots 17 & 18 (behind Tone Music). A Public Hearing for comments was set to be held on February 5, 2018. Council Member Raney made a motion to approve Resolution 5-18, Council Member Dotson seconded the motion; all members present voted aye in approval. A Neighborhood Meeting will be held on January 30<sup>th</sup> to discuss project plans.

City Administrator Busse presented Resolution 6-18 setting the date for a public hearing to adopt a street reconstruction plan and to issue general obligation bonds to finance the cost of street reconstruction activities described in the street Reconstruction Plan. Prior to adopting the street reconstruction plan, the City is required to hold a public hearing. Council Member Okerberg made a motion to approve Resolution 6-18 setting the public hearing for Monday, February 5, 2018; Council Member Voss seconded the motion; all members present voted aye in approval.

Public Works Director Skov presented Resolution 7-18 receiving the Feasibility Report and setting a date for a public hearing regarding the 2018 Park Drive Project. The project includes concrete pavement reconstruction repair on Park Drive from St John Drive to 21<sup>st</sup> Avenue NW and from 24<sup>th</sup> Avenue NW to 32<sup>nd</sup> Avenue NW. The report was prepared by Project Engineer, Reese Sudtelgte, Civil Engineer at ISG in Faribault, MN. A Public Hearing was set to be held on February 5, 2018 for comments regarding this proposed project. Council Member Voss made a motion to approve Resolution 7-18, Council Member Burbank seconded the motion; all members present voted aye in approval. Property owners will be invited to meet with staff during a neighborhood meeting on Tuesday, January 30<sup>th</sup> to discuss the project plans.

Public Works Director Skov requested approval of Resolution 8-18 to proceed with advertisement for bids for the 2018 Crack Sealing and sealcoating project. Approximately 7.8 miles are planned for crack sealing and sealcoating during 2018. Bids will be received on Wednesday, February 14, 2018 at 10:00 a.m. and presented to Council during their meeting on February 20, 2018. Council Member Dotson made a motion to approve Resolution 8-18, Council Member Voss seconded the motion; all members present voted aye in approval.

City Administrator Busse presented Resolution 9-18 for approval. The Highway 14 Partnership is requesting a resolution from the City confirming support of Corridors of Commerce funding to complete the US Highway 14 Expansion Project. One of the categories in MnDOT's Project Selection process is "Community Consensus". Under this category, MnDOT will award points to project that have unanimous support from the communities that will be impacted by a proposed Corridors of Commerce Project. Council Member Burbank made a motion to approve Resolution 9-18, Council Member Okerberg seconded the motion; all members present voted aye in approval.

Community Development Director Klecker requested approval of Resolution 10-18 setting the date for a public hearing to consider establishment of Development District No. 11 and Tax Increment Financing District No. 11-1. This will be the redevelopment of the old Ace Hardware Store property on Cedar Avenue. Torey's Restaurant is proposing to renovate the building for an expanded restaurant on the main level and an event space on the upper level. Council Member Voss made a motion to approve Resolution 10-8 setting a public hearing for Tuesday, March 6, 2018 at 7:00 p.m. Council Member Dotson seconded the motion; all members present voted aye in approval.

Community Development Director Klecker requested approval of Conditional Use No. C-1396 received from Perry and Deb Kytola to relocate a house to 745 Crestview Lane NE. The house will be set on a full basement and have a four-car garage attached. The Planning Commission held a public hearing for comments and recommend approval with these conditions:

- 1) A deposit of \$16,200 shall be submitted to the City prior to any permits being issued.
- 2) The applicant shall obtain all building, moving, plumbing, electrical and any other permits that are required for his project.
- 3) The house shall not have additional units and shall be occupied as a single family residential unit.
- 4) All construction activities shall be completed by January 3, 2019 unless the City Council grant an extension.

Council Member Dotson made a motion to approve Conditional Use No. C-1396 as recommended by the Planning Commission; Council Member Burbank seconded the motion; all members present voted aye in approval.

Community Development Director Klecker presented a Letter of Understanding with Deacon's Quest, LLC and HK Hospitality Management, LLC for a proposed downtown development. Approving this Letter of Understanding would allow the developers to do their due diligence to determine if their development project is feasible. This due diligence period would be for 6 months and could be extended if needed. The developers ask the City not sell the old theater property or the parking lots east of the Jerry's building during this six-month period. The Letter states the City is agreeable to working with the developers on PACE Equity and other State and Federal funding and use of tax increment financing for the project. Council Member Okerberg made a motion to approve the Letter of Understanding; Council Member Raney seconded the motion; all members present voted aye in approval.

City Administrator Busse presented request from the Owatonna Fire Fighters Relief Association to increase their retirement pension by \$350. This increase is funded by receiving a 2% insurance premium funding from the State of Minnesota and association investments. Council Member Burbank made a motion to approve this pension increase, Council Member Voss seconded the motion; all members present voted aye in approval.

Community Development Director Klecker requested approval of Variance No. V-1397, a request from Dan and Shannon Karsten for an addition to their home at 412 Selby Avenue. They hope to build a two-

story addition to the north side of their home to be construction five feet from a side property line where a ten-foot side setback is required by Code. The Planning Commission held a public hearing on this request and recommend approval with the following conditions:

- 1) The proposed structure shall not be expanded beyond its proposed footprint without the City Council amending the variance approval.
- 2) The siding and roofing on the addition shall match the existing structure.

Council Member Dotson made a motion to approve the variance as recommended by the Planning Commission; Council Member Burbank seconded the motion; all members present voted aye in approval.

During Public Comment, Brad Meier, Owatonna Chamber President thanked Council and Steve Judd, President of Deacon's Quest, LLC for their continued support in promoting development within the downtown area. Tom Brick, 585 W Holly Street, complimented the city street department and Clark Fell, Street Superintendent for doing a great job clearing the snow today and last night; the City received a reported 17 inches of new snow within the last 24 hours. Roger Wacek, 464 E Vine Street suggested health insurance costs could be controlled if the provider charged according to risks and offered a plan which included a high deductible and Health Saving Accounts.

During Council Comments, Council Members thanked the Street Department for working long hours pushing snow and asked residents to be patient as the streets are cleared. Council Member Voss congratulated the new officers recognized during the meeting. Council Member Okerberg reminded everyone of the City's snow ordinance to avoid vehicles being towed. Council Member Dotson asked everyone to be nice to the group who recently notified the local paper they plan to protest outside several churches on Sunday, February 4<sup>th</sup> and at the high school on Monday, February 5<sup>th</sup>. City Administrator Busse reminded everyone the Park & Rec Department will be hosting Winter Weekend activities later this week.

At 7:53 p.m., Council Member Raney made a motion to adjourn the meeting. Council Member Dotson seconded the motion, all members voted aye and the meeting adjourned.

Dated: January 25, 2018

Respectfully submitted,  
Jeanette Clawson, Administrative Specialist