

## Owatonna City Council Minutes - Draft Copy

The Owatonna City Council met in regular session on Monday, February 5, 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, Svenby, Raney and Okerberg; Mayor Kuntz; Community Development Director Klecker; Public Works Director Skov; Finance Director Moen; City Attorney Walbran; City Administrator Busse and Administrative Specialist Clawson.

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

Finance Director Moen introduced the five-year street reconstruction plan for adoption and consideration to propose issuance of general obligation bonds. A public hearing opened at 7:02 p.m. for comments. Steve Dornquest, 735 Caleta Place NE questioned the proposed repair on Caleta Place NE, Council President Schultz asked he wait and ask this during the next public hearing for the 2018 Street & Utility Project. With no additional comments heard, Council Member Dotson made a motion to close the public hearing at 7:04 p.m. Council Member Burbank seconded the motion and all members voted aye in approval. Council Member Okerberg made a motion to approve Resolution 11-18, approving the 5-Year Street Reconstruction Plan and preliminary approval to issue street reconstruction bonds in the maximum principal amount of \$6,000,000 to finance a portion of the costs described in the plan. Council Member Voss seconded the motion; all members voted aye in approval.

Public Works Director Skov introduced three improvement projects for consideration. Neighborhood meetings were held on Tuesday, January 30<sup>th</sup> with the property owners to discuss each of three project plans. The 2018 Street & Utility Project is proposed as a bituminous pavement reconstruction on Hemlock Street from 16<sup>th</sup> Street to 22<sup>nd</sup> Street, Caleta Place NE and Mill Street from Oak Avenue to Cedar Avenue. The Feasibility Report for this project estimated cost at \$1,269,736. During the Neighborhood Meeting, property owners questioned the condition of Hemlock Street and asked staff to review the street rating. After looking at the street, staff is recommending the project plan be amended for an overlay on Hemlock from 14<sup>th</sup> Street to 16<sup>th</sup> Street and from 20<sup>th</sup> Street to 22<sup>nd</sup> Street. This change would decrease the project cost by approximately, \$100,000. Preliminary Notices sent for this hearing would be reduced or negated as cost of overlays are not assessed to property owners. Also, a property on 16<sup>th</sup> Street was assessed for repairs made to their side street a few years ago and has since been replatted; Skov will review this parcel with the property owner in regards to the preliminary assessment amount. The ratings Caleta Place NE and Mill Street received were low indicating repairs are needed. At 7:10 p.m., a public hearing was opened for comments on this project. Steve Dornquest, 735 Caleta Place NE asked when the rating of Caleta Place NE was made, he hasn't seen a lot of cracks or potholes on this street. An improvement to his home two years ago required replacement of his sewer and water lines so a trench 14 foot wide was dug and a good portion of the caudal sac was repaved. He hopes he isn't going to be charged for another paving project. During his improvement project, the service line to his home was collapsed and connections needed to be replaced; the connections of his neighbors service lines are probably also needing replacements. Skov explained the main lines and connections will be viewed during this project but not the service line; however, the City adopted a policy last year requiring the City to replace the service lines when a repair is needed. Skov offered to review the street rating of Caleta Place NE. Mr. Dornquest asked what payment options would be available for the assessment. Council President Schultz and Skov explained the term of an assessment and payment options will be set during a public hearing after the project is completed. With no additional comments, at 7:20 p.m., Council Member Dotson made a motion to close the public hearing, Council Member Burbank seconded the motion, all members voted aye in approval.

Council Member Burbank made a motion to approve Resolution 12-18 to approve the 2018 Street and Utility Project and authorize advertisement for bids, Council Member Voss seconded the motion. Council Member Dotson asked if action could be delayed to allow review of the street rating and Feasibility Report. Skov recommended action on the resolution be tabled to the next council meeting to allow review of Caleta Place NE. Council Member Burbank withdrew the motion to approve this resolution and Council Member withdrew his second to the motion. Council Member Dotson made a motion to table action on Resolution 12-18 to the next council meeting, Council Member Svenby seconded the motion; all members voted aye in approval.

Public Works Director Skov advised several property owners attended the Neighborhood Meeting for the 2018 Downtown Parking Lots and Alley Project. Properties along the alley south of Vine Street from Cedar to Oak will be assessed for this project. Questions were mainly what the finished project would look like and how the businesses would be affected during the construction period. At 7:27 p.m., a public hearing was opened for comments. Jerry Besser, owner of property at 114 N Cedar Avenue asked several questions: When the project would begin and how long the project will take as many of his customers do park in the parking lot behind his business? Who is liable if damage to the building structure happens during the project? Will you be sure the project is not going to be scheduled during the last weekend in July so not during Crazy Days? Skov explained most of the project time will be to replace utilities and will depend on OPU's schedule. Skov thanked Mr. Besser for his comments and concerns and will be in contact as plans are being made. With no additional comments, at 7:33 p.m., Council Member Svenby made a motion to close the public hearing, Council Member Dotson seconded the motion; all members voted aye for approval.

Council Member Dotson made a motion to approve Resolution 13-18 to approve the repair and authorize advertisement for bids on the 2018 Downtown Parking Lots and Alley Project. Council Member Raney seconded the motion, all members voted aye for approval.

Public Works Director Skov explained the proposed 2018 Park Drive Project proposed was for concrete pavement reconstruction 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. There is an alternate construction for the base on 24<sup>th</sup> Avenue to 32<sup>nd</sup> Avenue NW to be bituminous as traffic is less on the street in this area. Most of the streets in the Industrial Park are concrete because of the heavy truck traffic. Several businesses were present during the Neighborhood Meeting with questions regarding access to maintain traffic to their businesses for trucks and employees. At 7:36 p.m., a public hearing was opened for comments on the 2018 Park Drive Project. With no comments heard, at 7:37 p.m., Council Member Raney made a motion to close the public hearing. Council Member Okerberg seconded the motion, all members voted aye in approval.

Council Member Dotson made a motion to approve Resolution 14-18 approving the 2018 Park Drive Project and authorizing advertisement for project bids. Council Member Voss seconded the motion, all members voted aye for 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 – Council Meeting January 23, 2018.

Event Permit – Husky Bullpen Salt Sale – April 21, 2018.

Exempt Permit – Minnesota Pheasants Raffle – March 22, 2018.

Minutes – HRA Meeting – November 27, 2017.

Building/Inspection Report – January 2018.

Correct Corporate Name - 3.2% Liquor License & Tobacco License – Walmart Inc.

Council Member Svenby made a motion to approve these Consent Agenda Items, Council Member

Burbank seconded the motion; all members present voted aye in approval.

Vice President Raney recapped the expenses for the period. Bills presented for payment totaled \$303,805.75. Council Member Voss made a motion to approve these payments; Council Member Dotson seconded the motion; all members voted aye for approval.

Community Development Director Klecker presented the second reading of Proposed Ordinance 18-1 to amend Code Section 157.028(B) Height Restriction in the B-3 District. Council approved the first reading during the January 20, 2018 meeting. It was noted the subscript is not applicable and will be removed from the amended height use of 75 feet or 6 stories. Council Member Okerberg made a motion for approval, Council Member Burbank seconded the motion. With a roll call vote, voting aye were members Svenby, Voss, Okerberg, Dotson, Burbank, Raney and Schultz; no one voted nay; the motion carried. This will be known as Ordinance 1574 and effective upon publication.

Community Development Director Klecker requested approval of Resolution 15-18. Equity Growth Owatonna, LLC is proposing to demolish the building at 115 East Vine Street and construct a 54 unit market rate apartment building. The building would be five stories tall with first floor indoor parking, a fitness room and community room with an outdoor terrace on the fifth floor. Preliminary estimates of the total investment into the property would be approximately \$8 million. Consulting fees for the TIF financing will be paid by the EDA. Administrative costs will be figured into the TIF plan so that consulting expenses can be reimbursed through the life of the TIF District. Resolution 15-18 sets a Public Hearing set for Tuesday, March 20, 2018 at 7:00 p.m. for comments regarding the establishment of Development District No. 12 and Tax Increment Financing District No. 12-1 and the proposed adoption of the Development District Plan and use of TIF. Council Member Raney made a motion to approve Resolution 15-18, Council Dotson seconded the motion; all members voted aye in approval.

Finance Director Moen Staff presented the 5-Year Capital Improvement Plan for approval. Staff updated the detailed 5-Year Capital Improvement Plan for 2018-2022 during the budget process and then again during Strategic Planning process. The 2018 capital projects were reviewed in detail with Council during Study Session on November 7, 2018 and the remaining four years were reviewed in summary. This 5-year CIP includes the projects as outlined in the City's Street Reconstruction Plan. This plan is designed to create, support, maintain, and finance the City's present and future infrastructure and equipment needs. The first year of the plan has already been appropriated by Council through the 2018 budget process. The remaining four years serve as a guide for planning purposes and will be subject for review on an annual basis. No project is guaranteed to occur in the year planned. Council will annually appropriate the future year's projects and adopt the 5-year CIP as part of their long term planning. Council Member Svenby made a motion to approve the plan, Council Member Burbank seconded the motion; all members voted aye in approval.

City Administrator Busse presented a proposal for deer management during the fall of 2018. It is our intention to cull the deer population by allowing a city council approved archery hunt similar to the 2016 hunt. Parks available for archers would be Cashman Park, Hammann Park, Kaplan's Woods, Leo Rudolph Nature Reserve, Manthey Park, Kriesel Park, Kaplan's Woods Parkway, Maple Creek Parkway, and the North Straight River Park Area. The deer management proposal will address or include the following:

- The culling of the deer is proposed to occur between 11/3/2018 – 12/21/2018, with no portable stands placed on city property until October 24, 2018. No permanent stands will be allowed.

- Registration deadline is September 14, 2018 at 4 p.m.
- Two sets of fifteen permits will be randomly awarded to those passing a proficiency test.
- Hunters must be at least 18 years of age.
- Only antlerless deer may be harvested. The bag limit is 5 deer per hunter. Once a hunter harvests one antlerless deer, they may earn-a-buck.
- All entrails of deer shot will be removed intact or in containers or plastic bags and shall be disposed of properly.
- All Minnesota DNR rules and regulations will apply.

The Parks and Recreation Department will administer, manage, and monitor the archery hunt this fall. A non-refundable application fee of \$12 to the City of Owatonna will be charged applicants to offset any costs associated with the archery hunt. Council Member Dotson made a motion to approve this proposal, Council Member Okerberg seconded the motion; all members voted aye in approval.

There were no comments heard during Public Comment.

During Council Comments, Council Member Voss thanked staff for holding the Neighborhood Meetings to discuss plans for the proposed improvement projects with the property owners. Mayor Kuntz thanked the Owatonna Partners for Economic Development on their continued efforts to draw businesses to the City; Cargill just announced they purchased ProPet and will become a part of the community. Mayor Kuntz also gave a brief report of his experience serving on Crew 52 at the Minneapolis Airport welcoming visitors and fans to Super Bowl 52. Council Member Svenby commented he also volunteered for Crew 52 and worked at Nicolett Mall during some of the pre-Super Bowl activities.

At 7:55 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: February 16, 2018

Respectfully submitted,  
Jeanette Clawson, Administrative Specialist