

Owatonna City Council Minutes - Draft Copy

The Owatonna City Council met in regular session on Tuesday, May 1, 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, Okerberg and Raney; Mayor Tom Kuntz, Community Development Director Klecker; Public Works Director Skov; Library Director Mark Blando; Finance Director Moen; City Attorney Walbran; City Administrator Busse and Administrative Specialist Clawson.

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

Community Development Director Klecker presented Proposed Ordinance 8-18, annexation of property located at 3525 County Road 45. The property owner, John Ihlenfeld petitioned annexation to allow connecting with city sewer and water to construct an office building for his trucking business. The property is approximately 15.822 acres, including the County Road 45 and Interstate 35 right-of-ways. Community Development Klecker advised staff recommends approval of this first reading of this proposed ordinance for annexation with the following conditions:

- 1) The applicant shall submit the annexation fee of \$16,969.40 prior to the City filing the annexation with the State of Minnesota.
- 2) The billboard shall be removed prior to a building permit issued on the property.
- 3) The applicant shall resolve the green acres deferred taxes with Steele County.
- 4) The applicant shall plat the property and enter into a development agreement regarding the proposed development.

At 7:06 p.m., a public hearing opened for comments. John Ihlenfeld, 1320 12th NW, requested the billboard currently on this property be allowed to remain. The billboard is leased which he believes promotes and brings travelers to the city. He is opposed to staff's recommended annexation condition requiring the existing billboard be removed prior to issuance of any building permit. Community Development Director Klecker advised the billboard is non-conforming and additional conditions could be included in the second reading of this proposed ordinance. At 7:18 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 Raney commented the sign could hinder future business options in this area, he is not opposed to leaving the current sign but would not want it replaced if damaged or updated with a digital billboard. Council Member Dotson agreed he too is not opposed to the current billboard but would not want it replaced with an electronic sign and suggested that if the property were sold, it would require it become conforming. Council Member Dotson made a motion to approve Proposed Ordinance 8-18 with the conditions recommended by staff and two additional requirements: if the property were sold, the sign would be taken down and no electronic billboards would be allowed. Council Member Voss seconded the motion; Council Member Svenby requested clarification of the conditions proposed. Council Member Burbank asked if the title of the property was transferred to a member of the family, would this require the property to become conforming. City Attorney Walbran advised terms should be upon transfer of the title or interest therein to cover everything. With a roll call vote, voting aye were Council Members Dotson, Burbank, Raney, Svenby, Voss, Okerberg and Schultz, the motion carried. The second reading will be held during the next council meeting.

Library Director Mark Blando expressed condolences for the passing of Sharon Stark, a former employee and continued supporter of the Owatonna Public Library. The Annual Library Report was

presented with details of library usage and offered services.

Mayor Kuntz made Proclamation for residents to observe the National Day of Prayer on Thursday, May 3rd. The Owatonna Ministerial Association will host an event in front of the City's Administration Building beginning at 5:30 p.m.

Mayor Kuntz requested reappointment of these Board/Commission Members:

Todd Hale	Airport Commission
Daryl Bail	Downtown Parking Board
Michael Beckman	Fire Civil Service Board
Vickie Ovilio	Housing & Redevelopment Authority
Dave Emanuelson	Human Rights Commission
Ethan Cords	Human Rights Commission
Lee Kostelecky	Park & Rec Board
Josh Meillier	Planning Commission – First Ward
Matt Kottke	Public Utilities Commission
Kaye Fransen	Shade Tree Commission
John Simon	Shade Tree Commission
Earl Anderson	West Hills Commission

Council Member Svenby made a motion to approve these reappointments, Council Member Dotson seconded the motion; all members voted aye.

Mayor Kuntz recommended these new appointments:

- Nicholas Elsner to the Park & Rec Board
- Jan Mittlestead Tippett to the West Hills Commission
- Steven Jessop as an At Large Member on the Planning Commission

Council Member Raney made a motion to approve these three new Board/Commission Members. Council Member Dotson seconded the motion, all members voted aye in approval. Mr. Elsner was present to take the Oath of Office for his new appointment.

Mayor Kuntz presented recognition plaques to thank these previous board/commission members for their service:

- John Borsenberger, Airport Commission – three years
- Dean Smith, Charter Commission – 10 years
- Laura Dalland, Park & Rec Board - 5 ½ years
- Matthew Gillard, Planning Commission - 11 ½ years
- Edelgard Fernandez, Public Library Board - 3 years
- James Oelshlager, Wet Hills Commission - 9 years

Mr. Oelshlager was present to receive his plaque.

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

- Minutes - Council Meeting - April 17, 2018.
- Minutes - Local Board of Appeal and Equalization Meeting – April 24, 2018.
- Event Permit – Amend Permit – 2018 Farmer's Market – extend hours until 3:00 p.m.
- Event Permit – Graduation Party – Weston Wilson – June 9th.

Temporary Liquor License – Wedding Reception – Owatonna Eagles – June 16th at SCFF.

Temporary Liquor License – Eagle’s Parking Lot Dance – June 9th.

2018 Retail Fireworks Permit – Vapor of Smoke.

2018 Retail Fireworks Permit – Cash Wise.

Minutes – OPU Commission Meeting – March 27, 2018.

Minutes – Charter Commission Meeting – April 19, 2018.

Minutes – Planning Commission Meeting – March 13, 2108

Minutes – Planning Commission Meeting – April 10, 2018.

Minutes – EDA Meeting – March 21, 2018.

Minutes – HRA Meeting – March 26, 2018.

Minutes – Library Board Meeting – March 20, 2018 & April 17, 2018.

Minutes – Park & Rec Board Meeting – April 16, 2018.

2017 Dashboard Report – Finance.

ATV Loan Program Agreement – Police Department.

Airport Commercial Use Lease Agreement – Great Planes Aviation.

Refund Request for Unused Liquor License Fee – Sportsman’s Grille.

Council Member Okerberg made a motion to approve these Consent Agenda Items, Council Member Burbank seconded the motion; all members voted aye to approve these items.

Vice-President Raney recapped the expenses for the period. Bills presented for payment totaled \$506,366.96. Council Member Dotson made a motion to approve these payments; Council Member Voss seconded the motion; all members voted aye for approval.

City Administrator Busse presented license applications received from Chicago BBQ Ribs LLC for On-Sale Wine and On-Sale 3.2% Malt Liquor Licenses. The restaurant located at 114 W Broadway opened earlier this year. Ms. Busse recommended approval of these licenses contingent on receipt of a Certificate of Insurance for liquor liability. Council Member Dotson made a motion to approve these licenses as recommended; Council Member Svenby seconded the motion; all members voted aye for approval. The licenses will be effective for the remainder of the current licensing period to expire on June 30, 2018.

Community Development Director Klecker presented the first reading of Proposed Ordinance 9-18, a request by TJB Property LLC and Daybreak Building Co. to rezone property located at 1940 South Cedar Avenue. The property currently zoned I-1, Light Industrial would be changed to B-2, Community Business District. Dr. Tami Bauer advised the Owatonna Veterinary Hospital purchased this property and currently trying to remove the existing billboard, which is leased through 2026. She asked if a condition of this zoning ordinance could require removal of the billboard. Community Development Director Klecker explained this could not be a condition of a zoning change. The Planning Commission held a public hearing on this request, Z-337 and recommend approval of this zoning change. Council Member Dotson made a motion to approve the first reading of Proposed Ordinance 9-18; Council Member Raney seconded the motion. With a roll call vote, voting aye were Council Members Voss, Okerberg, Dotson, Burbank, Raney, Svenby and Schultz; there were no nays, the motion carried. This will be presented for second reading and approval during the next council meeting.

City Administrator Busse presented Resolution 45-18 approving the application for a Premises Permit from Owatonna Youth Hockey to conduct lawful gambling (pull-tabs) under a lease agreement with Bridge Street Tavern at 130 W Main Street. This will replace the current lease agreement between the Bridge Street Tavern and the Owatonna Wrestling Association effective June 1, 2018. Council Member

Dotson made a motion to approve Resolution 45-18, Council Member Voss seconded the motion; all members voted aye in approval.

Public Works Director Skov presented Resolution 46-18 to accept the bids and award the contract for the 2018 Hemlock Avenue Project, Project #180014. Bids were received from two companies with BCM Construction Inc. of Faribault MN as the lowest responsible bidder with bid of \$718,320.60. Council Member Dotson made a motion to approve Resolution 46-18 accepting the bids and awarding this project contract to BCM Construction Inc.; Council Member Svenby seconded the motion; all members voted aye in approval.

Public Works Director Skov presented Resolution 47-18 to accept the bids and award the contract for the 2018 Fuel System Upgrade Project. Three base bids and alternate bids for equipment allowing DEFT additive were received. Staff recommends approval of the base bid submitted by Pump & Meter Services Inc. of Hopkins MN for \$165,943.60. Staff believes the City's usage of DEFT additive is minimal and not cost efficient to be included in this project; the low Alternate Bid received was \$22,982.60. Council Member Dotson made a motion to approve Resolution 46-18 accepting the base bid and awarding this project contract to BCM Construction Inc. Council Member Svenby seconded the motion; all members voted aye in approval.

Finance Director Moen presented Resolution 48-18 to make no-fault sewer backup protection part of the agreement between the City and the sewer customer. This coverage is intended to:

- Reduce health hazards by encouraging property owners to cleanup backups as quickly as possible.
- Reduce the frequency and severity of sewer backup lawsuits
- Give cities a way to address the sticky political problems that can arise when a property owner learns the City and LMICIT won't reimburse for sewer backup damages because the City wasn't negligent and therefore not legally liable.

To qualify for this no-fault coverage, the City needed a policy and practice of inspecting and cleaning its sewer lines, a plan of addressing any problem areas, a system to address any backup in a timely fashion, a program to minimize I&I and a system to maintain records of its maintenance. This is the first year the City qualifies to offer this protection. The City makes every effort to maintain its systems and to prevent any backup from occurring. Based on history of past claims and the fact that this is "no-fault" coverage staff considers \$10,000 an appropriate limit amount. Council Member Okerberg made a motion to approve Resolution 48-18 amending the insurance policy with the League of Minnesota Cities Insurance Trust (LMCIT) to include no-fault sewer backup protection, Council Member Burbank seconded the motion; all members voted aye in approval.

Community Development Director Klecker presented Resolution 49-18 to accept the quote for the demolition of the structures at 134 Rose Street and 447 Mineral Springs Road. The HRA purchased the house at 134 Rose Street for future redevelopment opportunities. Costly repairs are needed to make the current structure useable so all structures on this site will be demolished and utilities removed. The property will be replaced with crushed rock and will be available as a temporary parking area. The house at 447 Mineral Springs Road will also be demolished and utilities removed. This property will be unbuildable because it was purchased with DNR Flood Grant funds requiring the property become Green Space. Bids were received from four companies to demolish these properties. Wencl Construction of Owatonna submitted the low bid of \$24,500. Council Member Svenby made a motion to approve Resolution 49-18 accepting the quotes and awarding this project to Wencl Construction, Council Member Voss seconded the motion; all members voted aye in approval

Community Development Director Klecker presented Application No V-1401 received from Gene Michaelson to construct a garage within his front yard. City Code requires detached accessory structures be constructed in a rear or side yard; however, this property has a large front yard and a small backyard, the front setback is more than 180' off the street. The Planning Commission held a public hearing on this request and recommend approval with two conditions:

- The applicant shall protect the slope during all phases of the construction project.
- The garage shall be constructed to coordinate with the house.

Council Member Dotson made a motion to approve V-1421 as recommended by the Planning Commission; Council Member Svenby seconded the motion; all members for approval.

Brad Meier, 1481 Mossy Creek, President/CEO of the Owatonna Chamber of Commerce expressed disappointment in the MNDot Corridors & Commerce Report released today which did not include funding for completion of the Highway 14 Expansion project. Meier then thanked everyone for supporting local businesses, this is Small Business Week, 80% of the Chamber's membership are small business owners.

During Council Comment, Council Member Raney encouraged everyone to make weekend plans at various events planned: Corky's Early Bird Softball Tournament, Run from the Heart Walk/run; the season's first Farmer's Market. Council Member Raney serves on the Highway 14 Coalition and gave a brief recap of MN Dot Corridors and Commerce Report released today. Unfortunately, funds to complete the expansion of Highway 14 were not included on their approved project list. Most of the projects approved are in the Greater Metro areas and anticipated plans included a 50/50 split between the Greater Metro areas and outstate areas. This year, MNDot used a new rating system which was challenged to allow more equability between these areas. Thanks go to Senator Jasinski and House Representative Peterson for advocating completion of the Highway 14 Project and hopefully, funding can still be allocated to complete this project, it has been discussed since the early 1970s. Mayor Kuntz advised the City received a plaque from the MN Judicial Branch during the Steele County Rededication Ceremony this afternoon thanking the City for use of space and furniture during their building renovation. Council President Schultz thanked Council Member Raney for his report on Highway 14 and encouraged everyone to get outdoors to enjoy the spring weather.

8:11 p.m., Council Member Raney made a motion to adjourn, Council Member Dotson seconded the motion and the meeting adjourned.

Dated: May 9, 2018

Respectfully submitted,
Jeanette Clawson, Administrative Specialist