

## Owatonna City Council Minutes - Draft Copy

The Owatonna City Council met in regular session on Tuesday, May 15, 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; Airport Manager Beaver; 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 Okerberg seconded the motion; all members voted aye for approval.

Dave Beaver, Airport Manager Dave Beaver gave a summary of operations at the Owatonna Degner Regional Airport. Overall, he believes the airport currently meets the needs of the community and serves as an important tool in the City's economic development. During 2017, Council approved the airport's current Master Plan to provide long term planning. The Airport Commission provides direction of public relations, facility management and customer service. He invited everyone to attend the commission's monthly meetings on the second Thursday of each month.

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:

Council Minutes: Council Meeting – May 1, 2018.

Event Permit – Smokin 'n Steele – May 31<sup>st</sup> – June 3<sup>rd</sup>.

Event Permit – Eagle's Parking Lot Dance – June 9<sup>th</sup>.

Event Permit – 2018 Harry Wenger Marching Band Festival – June 16th.

Minutes - Airport Commission Meeting – April 12, 2018.

Building Inspection Report – April 2018.

Utility Disconnection Agreement: Heers Homes at 2460 Water Tower Lane &  
1425 Water Tower Lane

Utility Disconnection Agreement: Brandon & Janie Rolloff property at 710 Hickory Lane NE &  
165 Stoneridge Lane NE.

T-Hangar Agreement – Hangar #3, Unit I – John Swenson.

Beverage Sales Agreement – Pepsi-Cola of Rochester.

Council Member Dotson made a motion to approve these Consent Agenda Items, Council Member Voss 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 \$333,221.23. Council Member Voss made a motion to approve these payments; Council Member Okerberg seconded the motion; all members voted aye for approval.

Community Development Director Klecker requested authorization to transfer airport FAA Non-Primary Entitlement (NPE) Funds due Sauk Centre to the City of Hutchinson, MN. During May 2015, Owatonna received \$62,000 of transferred NPE Funds from the City of Sauk Centre. Sauk Centre has no immediate need for these funds and are requesting these funds be transferred to the City of Hutchinson, MN. This agreement will fulfill the city's repayment obligation without a direct repayment. Council Member Dotson made a motion to approve this transfer of the NPE funds to the City of Hutchinson, MN; Council Member Burbank seconded the motion; all members voted aye for approval.

Community Development Director Klecker presented the second reading of Proposed Ordinance 8-18, annexation of property located at 3525 County Road 45. Property owner, John Ihlenfeld has petition the City for annexation for the purposes of constructing an office building for their trucking business. The first reading of Proposed Ordinance 8-18 was approved during the May 1<sup>st</sup> Council Meeting with discussion to consider additional conditions for the existing billboard on the property. Staff is recommending approval of the proposed ordinance with these 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 upon transfer of ownership outside of the Ihlenfeld family.
- 3) A digital face shall be prohibited to be installed on this billboard structure.
- 4) As Section 153.09 of the City Code of Ordinances states the billboard sign/structure shall not be structurally altered or expanded nor reestablished after damage of more than 50% of the sign replacement costs.
- 5) The applicant shall resolve the green acres deferred taxes with Steele County.
- 6) The applicant shall plat the property and enter into a development agreement regarding the proposed development.

Council Member Svenby made a motion to approve Proposed Ordinance 8-18 as recommended; Council Member Dotson seconded the motion. With a roll call vote, voting aye were Council Members Dotson, Burbank, Raney, Svenby, Voss, Okerberg and Schultz, the motion carried. This will be known as Ordinance 1580.

Community Development Director Klecker presented Proposed Ordinance 9-18, a request by TJB Property LLC and Daybreak Building Co. to rezone property located at 1940 South Cedar Avenue. Council approved the first reading of this proposed ordinance during their May 12, 2018 meeting and there have been no changes since. Council Member Dotson made a motion to approve Proposed Ordinance 9-18 changing the zone classification of this property from I-1, Light Industrial District to B-2, Community Business District; Council Member Okerberg 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 known as Ordinance 1581.

City Attorney Walbran presented the first reading of Proposed Ordinance 10-18 to repeal the current \$500 annual tax collected for charitable gambling and replace it with a \$250 investigation fee. Code Section 120.11 entitled Local Gambling Tax will be entirely repealed and Code Section 120.09 will include assessment of an annual local investigation fee on organizations applying for an initial premise permit and organizations conducting lawful gambling at the site within the City's jurisdiction in the amount as provided in Minn Stat 349.161, subd. 8(2), as presently enacted or hereafter amended, Member Dotson made a motion to approve the first reading of Proposed Ordinance 10-18; Council Member Burbank 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 Attorney Walbran presented the first reading of Proposed Ordinance 11-18 to amend the City's Fees Schedule to include a \$250 annual Investigation Fee for organizations conducting charitable gambling within the City. Council Member Svenby made a motion to approve the first reading of Proposed Ordinance 11-18; Council Member Okerberg 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 requested approval of Resolution 50-18 to provide for the sale of \$5,235,000 General Obligation Street Reconstruction Bonds Series 2018A. Doug Green, Vice President/Client Representative of Springsted Inc. was present to answer questions; Springsted Inc. will solicit proposal for the sale of these bonds on June 18, 2108. Council Member Dotson made a motion to approve Resolution 50-18, Council Member Burbank seconded the motion; all members voted aye for approval.

Public Works Director Skov requested approval of Resolution 51-18 designating urban districts on portions of Dane Road and Bixby Road. Urban district designation allows the City to post lower speed limits without conducting a speed study. The following area will be designated as urban districts:

Dane Road (CSAH 35) from Woodcrest Avenue to Kenyon Road

Bixby Road (CSAH 48) from School Street to Rice Lake Street

Council Member Burbank made a motion to approve Resolution 51-18, Council Member Svenby seconded the motion; all members voted aye for approval.

Community Development Director Klecker requested approval of Resolution 52-18 approving the Preliminary Plat of the Wildung North Addition. The Planning Commission held a public hearing on this and recommend approval with the following conditions:

- 1) Final plat approval shall not occur until the annexation has been finalized.
- 2) The final plat shall be approved within one year of the date of approval of the preliminary plat.
- 3) The title opinion shall be approved by the City Attorney prior to recording of the final plat.
- 4) The developers shall enter into a development agreement with the City prior to recording of the final plat.
- 5) The sanitary line shall remain a private main.
- 6) The water main and all associated items shall be located on the land that is proposed to be annexed.
- 7) The access point shall be permitted by Steele County and will be finalized by the applicant with approval of the final plat.

Council Member Okerberg made a motion to approve Resolution 52-18, Council Member Voss seconded the motion; all members voted aye in approval.

City Administrator Busse requested approval of Resolution 53-18 setting a public hearing on granting host approval for facilities refinancing with the proceeds revenue obligations to be issued by the City of Bethel MN for the benefit of the borrowers, Second Century Housing and Owatonna Senior Living. The borrowers intend to apply a portion of the proceeds of the bonds to refinance Ecumen CountrySide, a 61-unit independent living and assisted living community located a 650 El Dorado Street. Council Member Dotson made to approve Resolution 53-18 set a public hearing on Tuesday, June 5<sup>th</sup> at 7:00 p.m. Council Member Voss seconded the motion; all members voted aye in approval

Mayor Kuntz requested revisions to the City Administrator's benefit package. Changes retroactive to January 1, 2018 include:

Increase Vehicle Allowance by \$50 per month

The City's match into an approved deferred compensation plan through payroll deduction will increase \$800 per year.

Any salary increases will follow non-union employees through the approved salary structure.

Council Member Burbank made a motion to approve these adjustments, Council Member Raney seconded the motion, all members voted aye for approval.

Council President Schultz explained staff will provide brief project updates during the meetings.

Community Development Director Klecker updated progress of projects in the downtown area:

Torey's Restaurant – renovation in process, hope to be complete late August to open in September.

Apartments on Pearl Street – Building plans under review, construction will begin within the next few weeks.

Apartments on Vine Street – Title issue was cleared during the first week of May and anticipating demolition of the current structure on the property within the next few weeks.

Hotel in the downtown area – discussion continuing but nothing finalized yet.

Downtown Parking Lot Project – project has started.

Amended ordinance regarding sidewalk usage have seen several garbage cans being removed from the sidewalks. There are several dumpsters in the alleyways and might consider a communal dumpster for some of the businesses; will bring request to Council for discussion/approval if needed.

City Administrator Busse reported on the progress of several street construction projects:

Library Parking – mass grading complete, working on installation of storm sewer. Expect storm sewer to be complete this week and reconstruction of parking lot to start next week.

Downtown Parking Lots – work has started on the Chamber of Commerce Parking Lot.

18<sup>th</sup> Street SW – Projected to start on street concrete later this week.

Three additional projects: Park Drive, Mosher Avenue and McKinley Street haven't started yet.

During Council Comment, Council Member Burbank said he like the new format for staff updates.

Council Member Raney expressed frustration with MnDOT and not the State Legislature on how funding has been allocated for road projects. Senator Jasinski and Representative Peterson have been pushing for completion of Highway 14, the session is still in and they are working on a bonding bill to increase the Corridors and Commerce Funding so hoping this project will still be included. Council Member Voss commented he attended the Exchange Club's event honoring Officer Ben Johnson as the Police Officer of the Year with Council Member Okerberg giving a nice presentation/speech. Mayor Kuntz thanked the Fire Department for the tour and information received prior to this meeting. City Administrator Busse advised Chat with the Council will be Thursday, May 31<sup>st</sup> at Central Park beginning at 6:00 p.m. and the grand opening of the North Straight River Parkway will be on Wednesday, June 6<sup>th</sup> at 6:00 p.m. near the south end of the trail off industrial Road. Council Member Schultz also thanked the Fire Department for the tour and for their service, which unfortunately is often taken for granted; Schultz asked City Administrator to consider a designated crosswalk near the former Washington School on Main Street as he has noticed a significant number of pedestrian traffic with young children.

At 8:02 p.m., Council Member Raney made a motion to adjourn, Council Member Dotson seconded the motion and the meeting adjourned.

Dated: May 29, 2018

Respectfully submitted,  
Jeanette Clawson, Administrative Specialist