

Owatonna City Council Minutes

The Owatonna City Council met in regular session on Tuesday, June 19, 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 Schultz, Dotson, Burbank, Okerberg and Raney; Community Development Director Klecker; Public Works Director Skov; Finance Director Moen, City Attorney Walbran; City Administrator Busse and Administrative Specialist Clawson. Council Members Svenby and Voss and Mayor Kuntz were not in attendance

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

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 Minute – June 5, 2018

Renewal of Permits to Conduct Lawful Gambling:

American Legion Post #77

Eagles Aerie 1791 Owatonna

Elks Lodge 1395 Owatonna

Knights of Columbus Council

Owatonna Wrestling Association

Owatonna Youth Hockey Association

Steele County Snowmobile Trail Association

VFW Post 3723

Minutes Airport Commission Meeting – May 10, 2018

Minutes – Park Board Meeting – June 11, 2018

Building/Inspection Monthly Report – May 2018.

Nuisance Compliance Report – June 15, 2018

Extend Purchase Agreement – United Properties

Amend Commercial Use Lease Agreement – Great Planes Aviation

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

Vice-President Raney recapped the expenses for the period. Bills presented for payment totaled \$929,582.23. Council Member Okerberg made a motion to approve these payments; Council Member Dotson seconded the motion; all members present voted aye for approval.

Community Development Director Klecker presented the second reading of Proposed Ordinance 12-18 to amend Ordinance 1580, annexation of property located at 3525 County Road 45. Council approved the first reading during the June 5th meeting and there have been no changes since. This will annex the Ihlenfeld property with the same conditions previously approved. Council Member Raney made a motion to approve Proposed Ordinance 12-18 as recommended; Council Member Burbank seconded the motion. With a roll call vote, voting aye were Council Members Dotson, Burbank, Raney, Okerberg and Schultz, the motion carried. This will be known as Ordinance 1584 to be effective upon its publication and approval by the Minnesota Office of Administrative Hearings.

Finance Director Moen introduced Doug Green of Springsted Incorporated, the City's Municipal Advisor to present details of the five proposals received for the issuance Series 2018A of bonds offered at \$4,825,000. These bonds will finance the 2018 Street and Utility Improvements: downtown alley and parking lot repairs; Lake Kohlmier Drive Project, Park Avenue Project and the 18th Street & Trail Project.

Five bids were received with Robert W Baird & Company Incorporated awarded the bid at the price of \$5,195,097,95, a true interest rate of 2.6772%. Green advised during the bonding process, the City's AA2 credit rating was confirmed showing sound financial management. Council Member Dotson made a motion to approve Resolution 55-18 awarding sale of General Obligation Street Reconstruction Bonds, Series 2018A and Council Member Okerberg seconded the motion; all members present voted aye in approval.

Public Works Director Skov presented Resolution 56-18 to approve the plans and authorize bids for the 2018 Kohlmier Drive and Trail reconstruction project from the railroad tracks to the beach house parking lot. Plans include reconstruction of the entrance roadway to the beach parking lot, reconstruction of the trail adjacent to the roadway, removal of retaining walls and installation of a new outlet pipe for Lake Kohlmier with a permanent backflow prevention device on the outlet. The fishing pier will not be affected by the construction. Native wild flowers on the slope will become a pollinator area for bees and insects. Originally, plans also included an overlay for the existing parking lot; however, this was dropped to include water and sewer service lines to the beach house that currently uses a private well and septic tank. The utility connections will not be completed but including these service lines in this project offers considerable cost savings. This project will begin after Labor Day Holiday when the beach use will be lower and should be completed by November. Council Member Raney made a motion to approve Resolution 56-18, Council Member Burbank seconded the motion; all members present voted aye for approval.

Community Development Director Klecker presented Resolution 57-18 to approve the Final Plat for the Wildung North Addition. The Planning Commission recommends approval of this plat with these conditions:

- a) The final plat shall be recorded within 60 days of the City Council approval.
- b) The title opinion shall be approved by the City Attorney prior to recording of the final plat.
- c) The developers shall enter into a development agreement with the City prior to the recording of the final plat.
- d) The sanitary line shall remain a private main.
- e) The water main and all associated items shall be located on the land that is proposed to be annexed.
- f) The development shall meet all zoning requirement as required within the ordinance.
- g) Steele County has jurisdiction on all access decisions on County Road 45.

Council Member Dotson made a motion to approve Resolution 57-18 as recommended by the Planning Commission, Council Member Okerberg seconded the motion; all members present voted aye for approval.

City Administrator Busse presented Resolution 58-18 approving the proposed 2018-2019 Labor Contract with the International Union of Operating Engineers, Local 70. Summary of the changes include:

Wages:

- 1) A 2% increase on the approved wage scale for 2018 effective January 1, 2018 and a 1% increase effective June 24, 2018.
- 2) A 2% increase on the approved wage scale for 2019 effective January 1, 2019 and a 1% increase effective May 12, 2019.
- 3) Employees that have remaining steps on the wage scale will receive a step effective June 24, 2018 and May 12, 2019.

Insurance:

- 1) Increase the employer contribution for 2018 & 2019: \$21 (single) and \$60 (family).
- 2) Language changes made to part-time employee contributions.

3) Health Care Savings Plans are added to Personal Time Off (PTO) and vacation.

Council Member Raney made a motion to approve Resolution 58-18, Council Member Dotson seconded the motion; all members present voted aye for approval.

City Administrator Busse presented Resolution 59-18 declaring the costs of fees and repairs incurred at the property located at 148 W Main Street. A heavy rainstorm during July 2016 caused major damage to the roof and wall of the building. Last July, Council approved Resolution 72-17 ordering repair or razing of the building. Mohs Contracting repaired the wall and cost of the repair and fees incurred for filing fees, mailing notices and snow removal totaling \$13,373.47 can be assessed against the property. Council Member Raney made a motion to approve Resolution 59-18, Council Member Okerberg seconded the motion; all members present voted aye for approval.

City Administrator Busse presented Resolution 60-18 setting a public hearing on Tuesday, July 17, 2018 to hear comments on the proposed assessment for the costs incurred on the property at 148 W Main Street. Council Member Burbank made a motion to approve Resolution 60-18, Council Member Dotson seconded the motion; all members present voted aye for approval.

Public Works Director Skov requested approval for professional services related to the reconstruction of Bridge Street from 1-35 to 24th Avenue. This project planned to be completed during 2021 involves reconstruction of the roadway and intersection improvements at Park Drive and 24th Avenue. Project costs are estimated at \$2,900,000 and the City will receive \$1,900,000 Federal Highway funds towards these project costs. Two proposals for professional services were received and rated by City Administrator Busse and City Engineer Skov with recommendation to approve the proposal received from ISG of Faribault MN for approximately \$350,000. Council Member Raney made a motion to approve this recommendation for professional services for this project, Council Member Burbank seconded the motion; all members present voted aye for approval

City Administrator Busse requested authorization for the fire department to join a joint powers agreement with other Minnesota Fire Department and to purchase self-contained breathing apparatus (SCBA) under the joint powers agreement contract. The fire department's current SCBA's are over 11 years old and no longer meet industry standards for firefighters. Council Member Okerberg made a motion to approve the Joint Powers Agreement and to purchase SCBAs with funds included in the 2017 CIP and 2018 CIP for this purpose. Council Member Burbank seconded the motion; all members present voted aye in approval.

City Administrator Busse requested approval of the proposal received from WSB and Associates of Minneapolis MN for a Downtown Streetscape Improvements Study. Development of a Master Plan for downtown will revitalize the downtown area, which is a key goal of the City's Strategic Plan. Three firms submitted proposals for services and after review and consultation with the Brad Meier, Director of the Chamber of Commerce and Shirley Schultz, Main Street Director, the proposal of \$27,968 from WSB and Associates was selected because of their extensive experience in this area. Chamber President Brad Meier was present to thank Council for their continued support in development of the downtown area. Shirley Schultz, Main Street Director advised the Chamber has received a grant of \$5,000 from the Minnesota Main Street Program towards this study's cost. Council Member Raney made a motion to approve this proposal for professional services, Council Member Okerberg seconded the motion; all members present voted aye for approval.

Community Development Director Klecker presented Conditional Use 1402 (C-1402), a request to construct a drive-through financial facility at 150 18th Street SW from Hometown Credit Union which is currently two separate parcels. The Planning Commission held a public hearing on this request and recommend approval with these conditions:

- 1) The applicant shall combine the lots prior to a building permit being issued.
- 2) Prior to issuance of the building permit, the City and Owatonna Public Utilities shall approve all grading, drainage and utility plans.
- 3) When the western parking stalls are added, the applicant will need to add one additional tree along the street frontage.

Council Member Burbank made a motion to approve C-1402 as recommended by the Planning Commission; Council Member Dotson seconded the motion; all members present voted aye for approval.

Community Development Director Klecker presented Conditional Use 1403 (C-1403), a request received from JR Properties of Owatonna, LLC for a minor planned unit development to allow two primary uses /multiple buildings on one parcel. The applicant is requesting to construct two primary buildings with potential for additional buildings in the future. The Planning Commission held a public hearing on this request and recommend approval with these conditions:

- 1) All building shall be constructed to be compatible with each other.
- 2) All exterior signage shall meet all provisions of the sign ordinance.
- 3) Prior to issuance of the building permit, the City and Owatonna Public Utilities shall approve all grading, drainage and utility plans.
- 4) Joint access easement and maintenance agreements shall be provided on the private access drive prior to a building permit being issued.
- 5) The south fence and gate shall remain 25' from the south property line.

Council Member Dotson made a motion to approve C-1403 as recommended by the Planning Commission; Council Member Okerberg seconded the motion; all members present voted aye for approval.

Community Development Director Klecker requested approval of Application No. 269, a request for a lot split from JR Properties of Minnesota LLC for the property located at 3635 9th Street NW. The proposed split some of the parcels back to the original plat. The property is currently occupied by a mini storage facility, a contractor office and vacant land. The Planning Commission held a public hearing on this request and recommend approval with condition that no grading permit will be issued for any lot until the driveway and culvert issue is resolved to the satisfaction of the City Engineer. Council Member Raney made a motion to approve Application No. 269 as recommended by the Planning Commission; Council Member Dotson seconded the motion; all members present voted aye for approval.

City Administrator Busse requested approval of the application for an Off-Sale Liquor license received from Shriana LLC to do business as Best Budget INN – Hiway Liquor at 118 W Frontage Road. This license will be for the period July 1, 2018 to June 30, 2019. Council Member Burbank made a motion to approve this Off-Sale Liquor License, Council Member Okerberg seconded the motion; all members present voted aye for approval.

Public Works Director Skov gave a brief status report of the 2018 improvement projects:

- Park Drive Project: Water main installation at Park Drive and Bridge Street was completed last week. Rain and other factors have slowed the project and anticipating reconstruction to begin within a few weeks.

Downtown Parking Lot and Alley Project: The parking lots by the Chamber of Commerce Office and West of Cedar Avenue behind Bubba's are complete. The lot on the north side of US Bank is waiting for utility and we plan to keep the lot accessible during July for Crazy Day Events.

Library Parking Lot Project: Storm water improvements are complete and the last lift of asphalt should have been done yesterday but it rained so now we are hoping this will be done within the next few days. This project improved the lot to meet ADA compliance and added an additional handicap accessible parking spot; there are now four handicap accessible parking spots available.

SW 18th Street & Trail Project: Construction of the retaining wall has begun.

Hemlock Avenue Project: This project is just getting started. The project was awarded to the same contractor on the Park Avenue Project, which has incurred some delays. We hope this project will be completed prior to the start of school in September.

Skov concluded saying 'It will be a busy summer, additional projects also pending. Repairs on Roosevelt by McKinley will also be starting soon.'

Community Development Director Klecker reported construction for the second apartment building by the theater has begun. Demolition of the building at 115 E Vine was completed with a bit of excitement and construction for the new apartment building should begin soon, plans are in review. There are also various buildings which staff has contacted the property owners regarding needed repairs. Buildings in the downtown area include: Johnson Barber on North Cedar is working on their brickwork; Central Coffee is also working on their brickwork and they met with an engineer last week for additional structural repairs; the former Centro Campesino building has a potential buyer and another engineer just looked at the building on W Broadway next to the Chicago BBQ. Finance Director Moen reported the City's Annual Financial Report has been printed and distributed; a printed copy is available at the Library and can be viewed on the City's website.

During Public Comment, Liz Okerberg, 619 E School Street suggested raising the grade of the area under the railroad bridge on Hoffman Avenue and place a fence to allow continued use of the walking path when the river level is high and overflow requires the gates to be closed.

During Council Comments, Council Member Raney suggested a retaining wall might also be an option to consider on Hoffman Avenue and then thanked Kim Cosens, Event Director and all members of the Harry Wegner Marching Band Committee for a fantastic event last weekend. City Administrator Busse thanked the Police Department for their quick actions in apprehending a suspect in the recent robbery at the US Bank and then reminded everyone of the Movie in the Park planned for this Friday, June 22nd, "Wonder" will begin at dusk.

At 7:46 p.m., Council Member Raney made a motion to adjourn, Council Member Dotson seconded the motion and the meeting adjourned.

Dated: June 27, 2018

Respectfully submitted,
Jeanette Clawson, Administrative Specialist