

Owatonna City Council Minutes

The Owatonna City Council met in regular session on Tuesday, July 17, 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 Schultz, Burbank, Okerberg, Raney, Svenby and Voss; Mayor Kuntz; Community Development Director Klecker; City Attorney Walbran; City Administrator Busse and Administrative Specialist Clawson. Council Member Dotson was not in attendance.

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

At 7:05 p.m., a public hearing was held to consider the proposed assessment at 148 W Main Street. City Attorney Walbran explained damage occurred during a heavy rainstorm in July 2016 with an emergency repair made to the building during December 2017. The cost for the repair and fees incurred at this property are \$13,373.47. With no comments heard, at 7:06 p.m. Council Member Raney made a motion to close the public hearing, Council Member Burbank seconded the motion, all members present voted aye in approval.

City Attorney Walbran presented Resolution 66-18 to adopt the proposed assessment at 148 W Main Street. The term of repayment will be one year with an annual interest rate set at four and one-half percent (4.5%). Council Member Svenby made a motion to approve Resolution 66-18; Council Member Voss seconded the motion, all members present voted aye in approval.

Mark Fritsch, General Manager at Owatonna Public Utilities (OPU) gave a brief update on activities at OPU. A major upgrade in their customer information system is in process to offer better security for payments received via credit cards. Capital Improvement Project this year included a \$5 million expansion of service territory to acquire areas annexed into city limits during the last 15-20 years. Current power demands are being met, last week; a record 80-megawatt usage was recorded with no issues. Currently, five homes in Owatonna use solar power; next year, OPU will be providing solar opportunity for residents to purchase subscriptions to solar panels. Renewable energies currently provide 15-20% power needs, which exceeds the renewable requirement. SMPA (Southern Minnesota Power Association) will be adding wind power so anticipating this will continue to increase the amount of renewable energy used. Mr. Fritsch plans to retire at the end of the year and thanked Council, Mayor and City Administrator for working with him; City Administrator Busse thanked Mr. Fritsch for being a great leader to the community. Council President Schultz also thanked Mr. Fritsch noting there have been many needed improvements made to OPU during his tenure.

Shane Zahrt, Attorney/Lobbyist at Flattery & Hood was present to provide an update on the activities of the Coalition of Greater Minnesota Cities (CGMC). During the 2018 Legislative Sessions, the four priorities of CGMC included:

- 1) Wastewater Funding and educating legislators of city's needs for funding.
- 2) LGA and Property Taxes
- 3) Corridors & Commerce including completion of Highway 14 between Rochester and Owatonna and city streets.
- 4) Child Care – availability and affordability.

CGMC will continue to push for the BDPI (Business Development Public Infrastructure) Program; the City of Owatonna used this type of funding for expansion of Bushel Boy. This is an election year; there will be a candidate forum next week during the 2018 CGMC Summer Conference in

Mankato. Council Member Raney thanked Attorney Zahrt for the lobbying done to promote completion of Highway 14 between Owatonna and Rochester as the Greater Minnesota areas would be facing additional challenges without their help.

Mayor Kuntz made proclamation for Tuesday, August 7, 2018 to be Night to Unite in Owatonna. Night to Unite is designed to get to know one another in your neighborhood, build neighborhood involvement by bringing police and communities together. This awareness to crime prevention and local law enforcement efforts will provide opportunity to celebrate the ongoing work of law enforcement and neighborhoods by working together to fight crime and victimization and increase public safety for all citizens.

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 – July 3, 2018.
- Event Permit – Crazy Days – July 26-28, 2018.
- Event Permit – Night Market – Owatonna Chamber of Commerce – August 2, 2018.
- Event Permit - Pirate Festival – August 11-12, 2018.
- Event Permit – Steele County Free Fair – August 14-19, 2018.
- Event Permit – STRIVE Wellness Run – Walk – August 18, 2018.
- Event Permit – Federated 5K Run – September 8, 2018.
- Event Permit – OHS Homecoming Parade – September 21, 2018.
- Event Permit – Friends of the Poor Walk/Run – September 29, 2018.
- Exempt Permit – Raffle at SCFF – August 14-19, 2018 – NWTf Steele Spurs Chapter.
- Temporary Liquor Permit – Knights of Columbus for the 50th Anniversary of Owatonna Hockey – September 22, 2018.
- Minutes – Human Rights Commission Meeting – June 12, 2018.
- Minutes – Shade Tree Commission Meeting – April 25, 2018.
- Minutes – Airport Commission Meeting – June 14, 2018.
- Building & Inspection Report – June 2018.
- Nuisance/Compliance Report.
- T-Hangar Lease Agreement – Mike Noland.
- Change Order #1 –Downtown Alley & Parking Lot Project – R.A.W. Construction, LLC.
- Change Order #1 – Downtown Stormwater Project – James Brothers Construction, Inc.
- Amend Sewer Call Policy.

Council Member Okerberg made a motion to approve these Consent Agenda Items and Council Member Voss seconded the motion. Council Member Svenby requested his involvement as a member of the Steele County Fair Board be noted, he abstains from voting on the Event Permit for the SCFF. All members present voted aye to approve these items with the exception of Council Members Svenby's vote noted.

Vice-President Raney recapped the expenses for the period. Bills presented for payment totaled \$930,515.83. Council Member Svenby made a motion to approve these payments; Council Member Burbank seconded the motion; all members present voted aye for approval.

Community Development Director Klecker requested Resolution 67-18 be tabled per request from the applicant Troy Johnson. This is a request for a major automobile repair facility at 1221 S Oak Avenue. Council Member Raney made a motion to table this item; Council Member Voss seconded the motion; all members present voted aye for approval.

Community Development Director Klecker presented Application V-1405 received from Harvey Sign Company on behalf of KFC. This is request for a variance to allow 100 square feet of wall signage

where only 50 square feet of wall signage is required for the property located at 135 Allan Avenue. The Planning Commission held a public hearing for this request with no comments heard. The Planning Commission is recommending approval with the following conditions:

- 1) The applicant shall apply for sign permits on all of the exterior wall signs.
- 2) No additional signage shall be permitted on the signs beyond the signs approved in this request.

Council Member Okerberg made a motion to approve V-1405 as recommended by the Planning Commission; Council Member Voss seconded the motion; all members present voted aye for approval.

Community Development Director/Interim Park Director Klecker requested approval of the Agreement with Club Car, LLC to lease 40 golf cars for use at Brooktree Golf Course and to sell the 45 golf carts currently owned by the City. When reviewing the Park and Rec Vehicle Replacement Plan, staff believes leasing vehicles rather than owning vehicles will be more cost effective. The City currently owns 45 carts, which we maintain and store. Most of these carts were purchased during 2000–2005, five electric carts were purchased in 2007 and 15 carts were purchased in 2014. Staff estimates a minimum of \$10,000 spent for staff time to maintain these golf carts in addition to parts and batteries for the electric carts can cost up to \$1,000. The Vehicle Replacement Fund includes \$13,250 for new carts that will require the City to keep each cart for over 15 years. In addition, staff estimates the depreciation of the carts is a minimum of \$15,000 annually based on what we own today. We requested quotes from EZ-Go, Yamaha and Club Car, LLC to lease carts for the remainder of this year and the next five-year period. Club Car, LLC offered the lowest cost for rental and the best maintenance plan. All proposals received included storage of the vehicles off-site. The City's Capital Improvement Plan currently includes expansion of the golf maintenance storage building in 2020 at a cost of \$100,000, which we would no longer need to do. We do not have space to store all 45 carts indoors so some sit outside during the winter and then require clean up in the spring. Storing carts off-site will allow our mowers to be stored in the cart shed during the winter months rather than in the storage building Dartt's Park, which is in the floodway. Currently, this equipment is susceptible to damage if Dartt's Park were flooded. We would sell our carts this season to get the most for them and estimate we should get \$100,000 based on what golf carts have been selling for online which would cover the lease for three years and we would begin to budget the Vehicle Replacement Fund for the annual lease expense.

Council Member Raney made several comments regarding this lease option. He attended the Park & Rec Board Meeting where the Board Member's questions were answered to support this lease option. He thanked staff, Troy Klecker, Jessie Wilker and MJ Knudson for doing their homework and researching this option to lease carts. Several months ago, there was consideration to add an Inclusive Playground and Miracle Field at Dartt's Park but chose not to because of potential flooding and for that same reason, Dartt's Park should not be used to store equipment. One constituent contacted me with a question about the lease program and this was answered tonight. Today, I asked 15 golfers about this and their main concern was that carts were available; they were excited about newer carts with hookup for their digital devices.

Council Member Voss asked if a few carts should be kept for staff use to "ranger" the course. Director Klecker explained the City has seven utility carts used for this, which will be kept. Council Member Svenby questioned storage of the leased carts, Director Klecker explained the agreement includes storage provided by Miner's Outdoor & Rec in Blooming Prairie with an annual fee of \$1,500; he will confirm this is for the full term of this five-year lease.

Council President Schultz recommended this item be included in the proposed 2019 Budget. Council Member Raney made a motion to approve the lease with Club Cars, LLC to lease 40 golf carts; Council Member Burbank seconded the motion; all members present voted aye for approval.

Community Development Director Klecker requested approval of the contract with ISG to design the future soccer fields on Willow Avenue. The City purchased the former Nass property at the corner of Willow Avenue and Rice Lake Street last year with funds from the Owatonna Soccer Association with the intention for use as future soccer fields. The Owatonna Soccer Association has raised some funds for this project and we would like to proceed with designing plans for the property. With completed plans, we can get cost estimates for the project for fundraising efforts and we can meet with the neighbors about the plan for the property. Tasks 1-4 on the proposal would be for \$46,000 to be paid by the Owatonna Soccer Association. Council Member Svenby made a motion to approve the agreement with ISG, Council Member Okerberg seconded the motion; all members present voted aye for approval.

During Staff Comments, Community Development Director Klecker gave a brief update on commercial and multi-family projects Building Inspection is currently working on:

- 1) 25 new home construction permits have been issued this year and two more are currently in review.
- 2) Two townhome projects have been permitted for four units.
- 3) South Pointe Apartments are starting final inspections on some of the units; the final inspection is scheduled for July 25th. They have 35 of the 37 apartments have been leased with plans to open August 1st.
- 4) Park Plaza Apartments on Allan Avenue has footings and foundation nearing completion on their second building and the full building permit has been issued.
- 5) Yesterday, Vine Street Apartments held a groundbreaking ceremony; a Footing Permit has been issued so they will begin footings soon, and we just received partial updated drawings for the building for plan approval.
- 6) Nicolai Apartments on Pearl Street is delayed due to the death of their architect, they have a new architect and currently discussing plan amendments required for a full permit.
- 7) A full permit has been issued for the Steele County Maintenance Building but they have not started construction.
- 8) Torey's alteration is in the framing stage at their new location in the downtown area, they are moving along well.
- 9) Self Storage of Owatonna alteration on the corner of Hoffman and I-35 for climate controlled storage units has started interior and exterior renovations.
- 10) TraLo Trucking Office building on County Road 45 has plan review complete and the permit is ready. They do need to finalize a few things for the plat and annexation prior to issuing the permit.

Council President Schultz thanked Mr. Klecker for his report.

During Public Comments, Brad Meier, President and CEO of the Owatonna Chamber of Commerce gave a brief update on activities. The MS Bike Tram is in town today and camping at the SCFF grounds tonight with all going well; approximately 500 bicyclists are participating in the ride. He thanked Council President Schultz for attending a recent meeting of the Chamber Policy Committee Meeting for collaboration between the county, city, school and chamber. He spoke with the developer during the groundbreaking ceremony who commented it had been nice working with city staff on this project. He attended the Highway 14 Commission Meeting last week and hope to continued efforts to complete this construction of this highway. The Chamber, Noon Rotary, Peoples Press and the Owatonna Country

Club will partner to host candidate forums every Monday in October for local contests on the General Election ballot.

During Council Comments: Council Member Raney commented he passed the fairgrounds this afternoon and pleased the city served as a site for the MS Bike Tram as he believes this to be a very worthy cause. Council Member Raney also encouraged everyone to participate in the Night to Unite activities planned for Tuesday, August 7th. Council Member Voss commented he thought the 4th of July fireworks were really good this year and he thanked the Morning Rotary Club for hosting this event. Mayor Kuntz commented it was good to see many bike riders taking in the sights of Owatonna today. Mayor Kuntz thanked staff members, in particular Troy Klecker, Community Development Director and Greg Kruschke, Community Development Manager, for their continuous work on development projects; during the groundbreaking event, he heard good comments about their work promoting the city and ease of working with them. City Administrator Busse reminded everyone the date for the next council meeting will be Monday, August 6th; August 7th is Night to Unite; there is a retirement celebration planned for Tuesday July 31st for Keith Kiel and Ron Knutson at the City Department Garage from 10:30 a.m. to 12:30 p.m. and the Filing Period for City Offices on the 2018 General Ballot begins Tuesday, July 31st and ends at 5:00 p.m. on Tuesday, August 14th in the City Administration Office.

At 8:09 p.m., Council Member Raney made a motion to adjourn, Council Member Voss seconded the motion and the meeting adjourned.

Dated: July 23, 2018

Respectfully submitted,
Jeanette Clawson, Administrative Specialist