

The Owatonna City Council met in regular session on Tuesday, September 18, 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 Dotson, Schultz, Burbank, Okerberg, Raney, Svenby and Voss; Mayor Kuntz; Community Development Director Klecker; 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 Okerberg seconded the motion; all members voted aye for approval.

Jenny Wade, Senior VP Public Finance at Piper Jaffray in Minneapolis MN presented a request for the City to grant "host approval" for Capital Trust Agency to issue bonds to American Eagle Delaware Holding Company, LLC. This company has proposed to finance or refinance, including through reimbursement, the acquisition, construction, renovation, installation and equipping of various senior living facilities to provide independent living, assisted living and memory care facilities for the elderly. The Senior Living Facilities include Brookdale Owatonna, a senior living community located at 334 and 364 Cedardale Drive SE, this includes land, buildings and equipment, consisting of approximately 43 assisted living or memory care units. The approximate aggregate principal amount the loan proceeds will be \$275,000,000 to finance, among other things, the Owatonna Project. These Bonds will be issued as conduit revenue bonds of the Issuer secured solely by the revenues derived from the loan or other revenue agreements executed by the Borrower and from other security provided by the Borrower. The Bonds will not constitute a general or moral obligation of the City, will not be secured by or payable from any property or assets of the City, and will not be secured by any taxing power of the City. The Bonds will not be subject to any debt limitation imposed on the City and the issuance of the Bonds will not have any adverse impact on the credit rating of the City, even in the event that the Borrower encounters financial difficulties with respect to the Owatonna Project and the other Senior Living Facilities to be financed and refinanced.

At 7:05 p.m., a public hearing was opened for comments regarding the issuance of the bonds by the Capital Trust Agency. With no comments heard, at 7:06 p.m., Council Member Burbank made a motion to close the public hearing, Council Member Voss seconded the motion, all members voted aye for approval.

City Administrator Busse presented Resolution 79-18 approving the issuance of Senior Living Revenue Bonds to Capital Trust Agency. Council Member Raney made a motion to approve Resolution 79-18, Council Member Dotson seconded the motion; all members 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 Minutes: Council Meeting – September 4, 2018.
- Event Permit – CulturFest Parade - September 22, 2018.
- Event Permit – CulturFest Amazing Race - September 22, 2018.
- Event Permit – For a Day 5k – October 6, 2018.
- Event Permit – Brand Bash – Big Brothers Big Sisters – October 1, 2018.
- Minutes – Human Rights Commission Meeting – August 14, 2018.
- Weed/Nuisance Complaint Inspection Report – September 13, 2018.
- Crime Date Report – August 2018.
- Building & Inspection Monthly Report – August 2018.
- Lease Renewal – Little Theater of Owatonna.

Council Member Svenby made a motion to approve these Consent Agenda Items and Council Member Voss seconded the motion. All members voted aye for approval of these items.

Vice-President Raney recapped the expenses for the period. Bills presented for payment totaled \$908,410.72. Council Member Dotson made a motion to approve these payments; Council Member Okerberg seconded the motion; all members voted aye for approval.

Finance Director Moen requested Council set the proposed 2019 Levies and adopt the Proposed 2019 Budget as required to certify to the county auditor on or before September 30th. The proposed budget is consistent with the City's strategic plan and the proposed 2019 levy includes an increase of 6.5% which is the same as the increase in growth of the City's tax base. The total proposed levy for 2019 for the City would be \$13,189,533, this includes a City levy of \$12,839,533 and \$175,000 each for the EDA and HRA levies. Council receives detailed presentations from Department Heads during Study Sessions in September and October and during the September 4th Meeting with Police Chief Hiller and Community Development Director Klecker, there was discussion around some items that were excluded from the 2019 proposed budget such as body cameras and additional improvement at Lake Kohlmier. Council indicated they might want to increase this proposed levy to allow room to make adjustments as they evaluate the proposed budget. The final levy amount and budget will be presented on December 4th at 6:00 p.m. Council can approve a final levy amount that is lower but not greater than the proposed levy amount. Council Member Raney made a motion to approve a proposed levy with a 7% increase to allow additional consideration of these items; Council Member Okerberg seconded the motion. Council President Schultz requested verification the proposed levy could be decreased prior to approval. Council Member Voss stated he preferred the increase of 6.5%, which offers some improvements. Council Members Dotson and Svenby each commented they would support the proposed 7% knowing they will have opportunity to discuss and lower prior to final approval. Council Member Burbank added he too was in favor of a proposed 7% increase provided this would allow addition of body cameras for our police officers. With a vote taken at six to one, Council Member Voss voting nay; the motion passed approving Resolution 76-18 setting the Proposed 2019 levy at 7%.

Council Member Raney made a motion to approve Resolution 77-18, setting the 2019 HRA Levy at \$175,000. Council Member Burbank seconded the motion, all members voted aye in approval.

Finance Director Moen stated she would plan to proceed with the 2019 Budget Preparation as directed tonight. Council Member Raney made a motion to approve Resolution 78-18 approving the Proposed Budget for 2019. Council Member Burbank seconded the motion; all members voted aye in approval.

Community Development Director Klecker presented Resolution 80-18 approving the Preliminary Plat of the Owatonna Motor Company Addition. The Planning Commission held a public hearing for this and recommend approval with the following conditions:

- 1) The final plat shall be approved within one year of the date of approval of the preliminary plat.
- 2) The title opinion shall be approved by the City Attorney prior to recording of the final plat.
- 3) A joint access, parking, and maintenance easement agreement regarding all parking and access on the properties shall be recorded with the final plat.
- 4) The applicant shall cease encroachment into CSAH 45 Right of Way.

Council Member Svenby requested the fourth condition be removed, saying this is county right-of-way and not the City's responsibility. Council Member Svenby made a motion to approve Resolution 80-18 with the first three conditions recommended by the Planning Commission, Council Member Voss

seconded the motion, and all members voted aye in approval.

City Administrator Busse presented Resolution 81-18 declaring the costs to be assessed for unpaid weed and nuisance expenditures incurred by the City during 2018 to be \$3,740.68. Council Member Raney made a motion to approve resolution 81-18, Council Member Burbank seconded the motion, and all members voted aye in approval.

City Administrator Busse presented Resolution 82-18 setting a public hearing on Tuesday, October 16th to hear comments on the proposed assessments for unpaid costs of mowing weed and nuisance expenditures. Council Member Okerberg made a motion to approve Resolution 82-18, Council member Svenby seconded the motion, and all members voted aye in approval.

City Administrator Busse presented Resolution 83-18 approving application from Owatonna Wrestling Association (OWA) for a Premises Permit to conduct lawful gambling under a lease agreement with Lava Burger at 369 18th Street SE. This will be OWA's third location for pull-tabs as allowed by City Code Section 120.07. Council Member Voss made a motion to approve Resolution 83-18, Council Member Dotson seconded the motion; all members voted aye in approval.

Community Development Director requested council authorization to purchase property at 131 Lincoln Avenue. The property is located at the intersection of East Main Street and Lincoln Avenue. This is a four-way intersection but the north and south legs do not align. As staff looks at future street projects, there may be a possibility to construct a roundabout at this intersection and this property would be needed. The property is currently for sale and the City has a purchase agreement on the property contingent upon Council approval. The purchase price is \$135,000, which would be paid for by some funds set aside for future projects. Council Member Okerberg made a motion approving purchase of the property at 131 Lincoln Avenue, Council Member Dotson seconded the motion; all members voted aye in approval.

During Staff Reports, Finance Director Moen advised interviews are in process to fill the Accounting Technician position due to Diane Guse's retirement. Community Development Director Klecker stated as the end of the construction season nears, most of the projects are moving along well: Torey's plans to open in November; the apartment building on Vine Street has the first floor down and construction continuing on additional floors, this project should be completed next June; the second building for apartments on Allen Avenue is under construction as is the office building for TraLo; still waiting for plans for construction of the apartments on Pearl Street.

During Public Comments. Roger Wacek, 646 E Vine Street asked the City develop a Chemical Use Policy that not include use of herbicides. Nationally, there are instances of related health issues caused by use of herbicides and he believes the City's health insurance premiums are already high.

During Council Comments, Council Member Okerberg requested a controlled burn be held at the Leo Rudolph Nature Reserve, as temperatures are cooling and it is wet out so these are good conditions to hold a controlled burn. He also congratulated the OHS Football Team on their two wins this season and hopes for the win this week during the Homecoming Game. Council Member Raney congratulated Molly Hawkins, this year's OHS Homecoming Queen and then expressed frustration with two of the current improvement projects: the Downtown Alley & Parking Lot Project needs to be done as the alley has been torn up a long time and businesses are getting water in their basements. He is also upset with progression of the Mosher Project, the contractor has been spinning their excavator into the street with little concern

for traffic which is dangerous and disappointed with their pace to get this project completed. Mayor Kuntz hopes everyone will get out and enjoy the Homecoming parade and game later this week.

At 7:35 p.m., Council Member Raney made a motion to adjourn, Council Member Voss seconded the motion and the meeting adjourned.

Dated: September 28, 2018

Respectfully submitted,
Jeanette Clawson, Administrative Specialist