

Draft Council Minutes

City Adm. Bldg. Owatonna, Minnesota Tuesday, March 17, 2009 7:00 o'clock P.M.

City Council met in regular session in the Council Chambers of the City Administration Building, with Council President Thompson presiding. Present were Council Members Ellingson, Svenby, Falk, Abraham, and Thompson. Absent, Council Members Moen and Wittrock. Also present, Mayor Kuntz, City Administrator Busse, City Attorney Walbran, City Engineer Johnson, Community Development Director Strand, Director of Parks and Recreation McKay, Finance Director Svenby, Housing Coordinator Bokelmann, and Assistant City Clerk Hill.

Following the Pledge of Allegiance and welcome by Council President Thompson, Council Member Svenby moved approval of the agenda for March 17, 2009. Council Member Abraham seconded the motion. All five (5) council members present voting aye, the motion passed.

During *Public Comment*, Monty Mitchell (Pool Together co-chair) updated Council on the status of the aquatic center pledges and funds. He reported a total of 1216 pledges, 662 of which have been paid in full, 538 are making payments, 10 are waiting for completion of facility, and 6 have rescinded. Mr. Mitchell further reported that of an estimated \$3.7 million funds available, \$981,000 are left to collect. Mr. Mitchell stated that they were budgeting for a pledge shrinkage of \$50,000. He also summarized the construction costs incurred and estimated remaining construction spending. He noted that two critical key issues will be to limit the amount of contingency spending as well as pledge shrinkage. Pool Together members have been contacting individuals and businesses still making payments and also intend to request that the employers of individuals recently laid off pay the shortfall for those individuals. In response to a question from Council Member Falk, Mr. Mitchell responded that they hope to start tapping into funds that the City was going to loan in May and are on track with collection of pledges made in 2007.

During *Bills and Financial Report*, Council President Thompson summarized expenses for the period. On motion by Council Member Falk, seconded by Council Member Svenby, bills totaling \$425,646.90 were accepted. All five (5) council members present voting aye, the motion passed.

Council Member Abraham moved, and Council Member Falk seconded approval of the *consent agenda* items. Council Member Falk requested the county name in the t-hangar lease renewal be corrected. All five (5) council members present voting aye, the following list of consent agenda items was approved with the correction to the lease:

- **Minutes of City Council meeting held March 3, 2009.**
- **Retail Fireworks Permit renewal for Mills Fleet Farm Inc. #30** for in-store display at 2121 West Bridge Street.
- **Temporary on-sale liquor license from Knights of Columbus** for fundraiser event at St. Joseph Church, 512, South Elm Avenue, on April 6, 2009.
- **Renewal Applications for Tree Trimmer Licenses from:**
 - **ASPLUNDH Tree Expert Co.**, 4501 103rd Court NE, Suite 180, Blaine.
 - **David A. Gerhartz dba Dave's Tree Care**, 1350 Cherry Street.

- Kyle A. Johnson dba **Johnson Construction & Tree Service**, 630 Hwy 218 S., Blooming Prairie.
- Terry McClune dba **McClune Tree Service**, 416 11th Avenue NE, Waseca.

• **Minutes and Reports:**

- ✓ Human Rights Commission Minutes of February 9, 2009.
- ✓ Planning Commission Minutes of March 10, 2009.
- ✓ Fire Department Monthly Activity Report through February 2009.
- ✓ Investment Report for 2008.

• **T-hangar lease renewal with Truair LLC.**

During *Miscellaneous Actions*, City Administrator Busse presented a new application for taxicab license from Access Direct Company Inc., (Ron Gamradt) dba White Dove Limousine, 1333 South Trail Drive/PO Box 6, Faribault, through December 31, 2009. She reported that Mr. Gamradt has provided the required insurance and forms. Council Member Ellingson moved approval of the taxicab license, and Council Member Abraham seconded the motion. All five (5) council members present voting aye, the motion passed.

City Engineer Johnson explained that every year the City requests bids for road materials from suppliers and concrete related construction service from area contractors, both of which are necessary for the maintenance and repair of city infrastructure. Johnson stated that bids were taken and opened on February 20, 2009. He further explained that the materials and services are part of the approved operating budget and recommended approval of the following low bids.

READY MIX CONCRETE:

Owatonna Concrete Products	3000 psi Mix	\$	<u>111.00</u>	Cu.Yd.
PO Box 294	4000 psi Mix	\$	<u>118.00</u>	Cu.Yd.
Owatonna, MN 55060	(No charge for less than 3 yards.)			
507 451-5347				

CONCRETE PAVEMENT REHABILITATION:

Rocon, Inc.	Joint Repair, Type SA-A2	\$	<u>3.15</u>	L.F.
Box 484	Adjust/Install Frame & Ring Casting	\$	<u>130.00</u>	ea.
Owatonna, MN 55060	Expansion Joint (spec.), Type C-3BS	\$	<u>48.00</u>	L.F.
507 451-8810	Crack Repair, Type SA-A3	\$	<u>3.00</u>	L.F.
	Partial Depth Repair, Type SA-BA	\$	<u>16.30</u>	L.F.
	Full Depth Repair SA-CD	\$	<u>19.40</u>	S.F.

CURB, GUTTER, SIDEWALK REPAIR:

Welker Custom Homes Inc.	Remove 6" or 7" Concrete Driveway	\$	<u>18.00</u>	S.Y.
Kurt Welker	Place 6" Concrete Driveway	\$	<u>37.80</u>	S.Y.
3750 9th Street NW	Place 7" Concrete Driveway	\$	<u>40.25</u>	S.Y.
Owatonna, MN 55060	Remove 4" Concrete Walk	\$	<u>1.50</u>	S.F.
	Place 4" Concrete Walk	\$	<u>3.59</u>	S.F.
	Place 4" Exposed Aggregate Conc. Walk	\$	<u>5.49</u>	S.F.

Remove Curb & Gutter	\$	<u>4.99</u>	L.F.
Place Curb & Gutter	\$	<u>12.00</u>	L.F.
Adjust Frame/Ring Casting	\$	<u>250.00</u>	ea.

CRUSHED ROCK AND RIP RAP:

Southern MN Const. Co., Inc. Box 3069 Mankato, MN 56002-3069	Crushed Rock at plant	1500 Ton		
	loaded into city trucks.	3/4" w/fines	\$	<u>7.00</u> Per Ton
	Distance form Pit to Street	3/4" clean	\$	<u>11.00</u> Per Ton
	Dept. Yards <u>4 miles</u> .	1-1/2" w/fines	\$	<u>11.00</u> Per Ton
		1-1/2" clean	\$	<u>11.00</u> Per Ton
	Crushed Rock delivered	500 Ton		
	to Owatonna Street	3/4" w/fines	\$	<u>9.50</u> Per Ton
	Dept. Yards or on	3/4" clean	\$	<u>13.50</u> Per Ton
	city streets.	1-1/2" clean	\$	<u>13.50</u> Per Ton
		1-1/2" w/fines	\$	<u>13.50</u> Per Ton
	Rip Rap at plant loaded	300 ton	\$	<u>20.00</u> Per Ton
	into city trucks.			
	Distance from Pit to Street			
	Dept. Yards <u>4 miles</u> .			

SAND:

Don Loken Excavating 1954 County Rd 45 Owatonna, MN 55060	Sand FA-1 delivered to	4,000 Ton	\$	<u>8.00</u> Per Ton
	Owatonna Street Dept.			
	Distance from pit to Street			
	Dept. Yard <u>5 miles</u> .			
Southern MN Const. Co., Inc. PO BOX 3069 Mankato, MN 56002-3069	Sand FA-1 at plant loaded	4,000 Ton	\$	<u>4.75</u> Per Ton
	into city trucks.			
	Distance from pit to Street			
	Dept. Yard <u>10 miles</u> .			

GRAVEL:

Southern MN Const. Co., Inc. Box 3069 Mankato, MN 56002-3069	Gravel, Class 5, Per Ton			
	Delivered as specified.		\$	<u>9.50</u> Per Ton
Don Loken Excavating 1954 County Road 45 Owatonna, MN 55060	Gravel, Class 5, loaded at pit		\$	<u>5.50</u> Per Ton

Council Member Falk moved approval of the 2009 road materials bid awards; Council Member Svenby seconded the motion. Council Member Falk asked City Engineer Johnson how he determined

the low bids for curb, gutter, and sidewalk repair with so many different areas that are being bid. Johnson responded that the biggest cost to the tax payer is the assessable amount for replacing four inch concrete sidewalk. It is also the largest quantity of work that is actually done and is weighted heavily, which influences the selection of the low bidder. All five (5) council members present voting aye, the motion passed.

Kelly Harder, director of Steele County Human Services, presented for Council endorsement, *Heading Home Steele – A Plan to End Homelessness in Owatonna and Steele County*. Mr. Harder reported that the Steele County Board has approved and endorsed this plan and that homelessness does exist in the community. The strategic plan uses existing resources paid by tax dollars and donations in a more efficient way and is a business plan and model to understand team members and strengths. Mr. Harder introduced Housing Coordinator Nancy Bokelmann to go over the plan and also noted that she is a member of the 2008 subcommittee of the Steele County Community Services Coordination Team and is recognized and respected throughout the State of Minnesota. Ms. Bokelmann summarized the plan and explained that it is part of a larger state initiative to end homelessness and is encouraged by the Governor. She further explained that the plan, which the Housing and Redevelopment Authority has endorsed, is a compilation of existing resources in Owatonna and Steele County that work to provide housing and housing related services. The plan establishes six (6) goals and action steps to address the gaps in service for community needs. It is a working document between services agencies to look at housing households, preventing homelessness, providing additional services, and also providing outreach to the community around housing and homelessness. Council Member Falk requested clarification of and expressed his concerns about a couple of the goals and their future impact of possibly requiring the City to change the nuisance ordinance. He also wanted to look at the future costs of this program. Council Members Thompson and Ellingson spoke in favor of holding a study session in order to learn more. Mr. Harder reiterated that the homeless are already present in the community, and a work session would allow him the opportunity to present evidence based information showing this to be a wonderful civic policy and to discuss further. Pete Connor, 421 18th Street NE, founding member of Hospitality House of Owatonna and board member of the Greater Minnesota Housing Fund, expressed his support of the program and cited successful examples in other communities. Council Member Falk moved to table the plan to end homelessness for a study session, and Council Member Abraham seconded the motion. All five (5) council members present voting aye, the motion passed.

City Administrator Busse presented a memorandum of agreement for police officers' 2008 wage. She reminded Council that the City had underwent an arbitration proceeding with the Minnesota Teamsters Local 320 representing the police sergeants and corporals. The police patrol officers have requested and have a legal right to proceed to arbitration as well. She explained that this would involve additional legal and other costs associated with arbitration proceedings for the City. Therefore, in light of the supervisors' award and all circumstances, it would be advisable for the City to provide the same 3.25 percent wage increase since there is a high likelihood that they would receive a similar award. Busse explained that the approximate amount of retroactive pay back to January 1, 2008, is \$47,028, three percent of which was included in the 2008 budget. The net impact to the 2009 budget would be minimal at approximately \$3800. Council Member Falk moved approval of the police officers' 2008 wage memorandum of agreement; Council Member Ellingson seconded the motion. All five (5) council members present voting aye, the motion passed.

During *Board and Commission Recommendations*, Community Development Director Strand presented a request from Hy-Vee Food Store to vacate a 10-foot utility easement at 1620 South Cedar Avenue. He explained that the utility easement was placed along the previous property lines before the property was replatted and the new store was constructed. The utility easement was left on the new plat to accommodate an existing water line that serviced the old store. Strand stated that now that the old store has been demolished and this water line has been cut off, the utility easement can now be vacated. After holding public hearing, the Planning Commission recommended Council approval of this utility easement vacation. Council Member Abraham introduced Proposed Ordinance No. 1/09, "An Ordinance Pursuant to Section 6.2 of the Home Rule Charter of the City of Owatonna, and Section 675 of the 1992 Ordinance Code of Owatonna, Vacating a Street, Alley, or Public Right-of-Way, or Any Part Thereof, Herein Described, and Providing for Its Recording," and moved approval of it in its first reading. Council Member Falk seconded the motion. All five (5) council members present voting aye on roll call, the motion passed.

Next, Community Development Director Strand presented a request from the City of Owatonna to vacate a 20 foot utility easement that runs through the new O'Reilly's Auto Parts Store property at 755 State Avenue. Strand explained that the utility easement is not over the existing storm sewer line that runs through the property. He further explained that a new easement has been drafted that reflects the actual location of the storm line, and this will have to be signed by the property owner. Strand noted that Council could approve this utility easement vacation as recommended by the Planning Commission with the condition that it would not be recorded until the City has possession of the executed new easement. Council Member Falk introduced and moved approval of Proposed Ordinance No. 2/09, "An Ordinance Pursuant to Section 6.2 of the Home Rule Charter of the City of Owatonna, and Section 675 of the 1992 Ordinance Code of Owatonna, Vacating a Street, Alley, or Public Right-of-Way, or Any Part Thereof, Herein Described, and Providing for Its Recording," and moved approval of it in its first reading with the condition as noted by Strand. Council Member Abraham seconded the motion. All five (5) council members present voting aye on roll call, the motion passed.

Community Development Director Strand presented Variance No. V-1256, a request by AT&T/New Cingular Wireless to construct a third accessory building to house necessary mechanical equipment within a typical side yard on the site of a water tower within an R-1 Single Family Residential District at 306 14th Street NE. The proposed 10-foot by 16-foot building would house the necessary mechanical equipment to support an additional antenna on the water tower for better cell phone coverage. Strand explained that city ordinance code requires that no more than two accessory buildings be permitted on a single lot in residential districts. Strand reported that after holding public hearing, the Planning Commission did recommend approval of this variance request provided that arborvitae are provided for screening along the east and south sides of the building to match the screening that has already been used on the site and based on the following findings of fact:

1. The City would interpret that an antenna and supporting mechanical equipment for a cell phone provider is an essential service as defined in the zoning ordinance.
2. It is desired by the City that antennas be located on existing facilities wherever possible to avoid construction of new antenna towers.
3. There does not appear to be a location for the equipment building on the site that would meet the ordinance requirements and that the proposed location is the most logical location.

4. Since there are already two equipment buildings on the site, a third equipment building would not alter the essential character of the site provided that there is appropriate screening from the neighboring residential properties.

Council Member Abraham moved approval of this variance request as recommended by the Planning Commission, and Council Member Svenby seconded the motion based on the findings of fact. Council Member Falk asked if the new owners of the adjacent property not showing up to the public hearing would be an issue. Strand responded that the property apparently is in the process of being sold and staff made an effort to get the notice to the property owner of record and an additional notice was sent directly to the residence. All five (5) council members present voting aye, the motion passed.

Next, Community Development Director Strand presented Conditional Use Permit No. C-1308, a request from the City of Owatonna to construct two bike path bridges within the floodway of the Straight River north of North Street and south of 26th Street NW. Strand stated that the floodplain ordinance permits the placement of bridges in the floodway as a conditional use. He explained that the impact on the floodplain from this work would be a very slight increase of .03 feet in the flood elevation for a portion of the floodplain. After holding public hearing where no comments from the public were made, the Planning Commission recommended City Council approval of this conditional use request provided all Federal Emergency Management Agency (FEMA) and Minnesota Department of Natural Resources (DNR) permits are obtained. Director of Parks and Recreation McKay introduced Larry Wacker, vice president of Sanders Wacker Bergly Inc., Landscape Architects and Planners. He explained that they have been working with the City over the past four years with planning and permitting. Mr. Wacker described the project master plan, hydraulic studies submitted to FEMA, and an overview plan of the trail. He also showed Council a plan specifically related to the construction proposed for 2009. Mr. Wacker explained that the original plan was for three bridges, but to minimize the flood elevation increase, one of the bridges was eliminated. Council Member Thompson asked about the impact of eliminating the third bridge. Mr. Wacker responded that an access point at one end of the woodland area that would have provided linkage to the North Trail System would now be a loop. Council Member Svenby asked City Engineer Johnson if the planned bridge reconstruction on Cedar Avenue would accommodate a future bike trail underneath it. Johnson responded that staff had considered that and could not accomplish it because of the hydraulics of the channel of Maple Creek. However, the idea of a tunnel underneath North Cedar just north of the Maple Creek Bridge area is being pursued as a possible connection across North Cedar Avenue. Mayor Kuntz asked if the land owners and the Owatonna Foundation were aware that the third bridge had been removed from the master plan. Director of Parks and Recreation McKay responded that all parties that have donated to this project are aware and there will be a meeting on March 26th to discuss how to move forward. City Administrator Busse noted that construction will be funded through the Owatonna Foundation with the City providing matching in-kind services. However, with the recent budget discussion and elimination of part-time and seasonal help in Parks and Recreation Department, it might take longer to get the necessary work completed. McKay added that the department's first priority is to maintain what they have, and projects with in-kind services will be worked in around the routine maintenance that will now be picked up by the full-time employees. Council Member Abraham moved approval of Conditional Use Permit No. C-1308, and Council Member Svenby seconded the motion. All five (5) council members present voting aye, the motion passed.

During *Resolutions*, City Engineer Johnson presented Resolution No. 14-09, "A Resolution of Application to the Minnesota Public Facilities Authority for a Loan from the Clean Water Revolving

Fund,” for improvements to the municipal wastewater treatment system. Johnson explained that the City has been mandated by the MPCA to modify and upgrade its wastewater treatment facility to reduce the amount of phosphorus in its effluent to 1mg/L by December 31, 2011. The expansion and upgrade project is currently being advertised with a bid opening date scheduled for April 7, 2009. The City is trying to secure alternate sources of funding for the project with one possible source being a below market rate loan from the Clean Water Revolving Fund (CWRF). He further explained that this resolution is needed to complete the application process. If the CWRF loan is secured, the City can retain its current wastewater fund to be used for other needed wastewater improvements. Johnson noted that this loan is for the state fiscal year 2010 (July 1, 2009, to June 30, 2010), and so the City will likely be fronting some money to begin the project. Council Member Falk moved adoption of Resolution No. 14-09; Council Member Ellingson seconded the motion. Council Member Falk asked for the probability of securing the loan. City Engineer Johnson responded that this is one of several avenues they are pursuing for funding in addition to also pursuing economic funding from the stimulus package. All five (5) council members present voting aye, the motion passed.

City Engineer Johnson presented Resolution No. 15-09, “A Resolution Accepting Bid and Awarding Contract,” for 2009 bituminous pavement and bike path, concrete curb and gutter, driveways, aggregate base, storm sewer and appurtenances on 24th Avenue NW and 26th Street NW. Johnson reported that bids were received on March 3 for the 2009 street construction projects on 24th Avenue NW and 26th Street NW from 10 companies. The lowest responsible bidder was Niles Weise Construction Co. Inc. of Medford, Minnesota with a bid of \$265,810 or 11.7 percent under the Engineer’s estimate. Johnson stated that one million dollars of the cost for construction of 24th Avenue NW will be paid from the sales tax proceeds with the balance being paid with municipal state aid funding, and the construction of 26th Street NW will be paid primarily with county state aid funding (approximately \$330,000). Council Member Svenby moved adoption of Resolution No. 15-09; Council Member Abraham seconded the motion. All five (5) council members present voting aye, the motion passed.

Next, City Engineer Johnson presented Resolution No. 16-09, “A Resolution Approving Plans and Specifications and Ordering Advertisement for Bids,” for the construction of 2009 grading, gravel surfacing, sanitary, storm sewer, sump pump, and water main project. Johnson reported that this is the City’s annual underground utilities project and includes the extension of West Bridge Street from 32nd Avenue SW to 39th Avenue SW. He explained that the funding for this project comes from several sources to include the operating budget, the stormwater utility fund, the Owatonna Public Utilities, and sales tax. Johnson added that the bids will be received and opened on May 5, 2009, and awarded on May 19, 2009. Council Member Falk moved adoption of Resolution No. 16-09; Council Member Abraham seconded the motion. All five (5) council members present voting aye, the motion passed.

Finance Director Svenby presented the next item on the agenda, Resolution No. 17-09, “A Resolution Declaring the Official Intent of Owatonna to Reimburse Certain Expenditures from the Proceeds of Bonds to be Issued by the City.” Svenby explained that it has been common practice for the City to issue General Obligation Improvement Bonds to pay for current street construction and improvement projects. The City incurs expenditures, which are financed temporarily from sources other than tax exempt bonds and then reimburses itself from the bond proceeds. Svenby stated that the City currently does not intend to issue bonds to pay for the projects but rather to pay the 2009 street improvement project cost with other available sources (special assessments, city funds, and borrowing from the

future street project fund). He reported staff recommendation for approval of this resolution so that if the City decides to issue General Obligation Improvement Bonds in the future to pay for the 2009 street improvement project cost, all expenditures prior to the receipt of bond proceeds could be reimbursed from bond proceeds. Council Member Abraham moved adoption of Resolution No. 17-09; Council Member Ellingson seconded the motion. All five (5) council members present voting aye, the motion passed.

Next, Finance Director Svenby presented Resolution No. 18-09, "A Resolution Approving the Terms of an Internal Loan in Connection with 2009 Concrete Curb and Gutter, Base Course, Bituminous Surfacing, and Appurtenant Improvements." Svenby explained that due to the smaller project amount this year, the City has determined to finance the improvement project on a temporary basis from the future street projects fund, the balance of which is adequate to finance the cost. He further explained that the future street projects fund will be repaid the principal amount along with interest on the amount advanced from special assessments that will be levied against the benefited property owners in the project, and the interest rate will be the average rate of earning on the City's investments. Principal and interest will be paid semi-annually on each August 1st and February 1st following the receipt of the first tax levy proceeds. Council Member Ellingson moved adoption of Resolution No. 18-09; Council Member Falk seconded the motion. All five (5) council members present voting aye, the motion passed.

City Engineer Johnson presented Resolution No. 19-09, "A Resolution for Authorization to Execute Minnesota Department of Transportation Grant Agreement for Airport Improvement," for replacement of the Owatonna Degner Regional Airport rotating beacon. Johnson explained that the airport rotating beacon is a visual navigational aid operated at the airport that alternates white and green flashes to indicate the location of the airport. He further explained that the old 1960's era beacon gear set failed at the end of 2008 requiring the beacon to be put out of service. Based on the recommendation from MNDOT Aeronautics and the projected 80 percent grant funding participation, it was more economical to replace rather than repair the old beacon, which was replaced in early 2009. The MNDOT grant agreement represents 80 percent of the total project cost of \$7,270.79, and the local share of the project cost is \$1,454.16. Johnson stated that \$5,816.63 will be reimbursed to the City upon acceptance of the grant agreement and submittal of required documentation. Council Member Abraham moved adoption of Resolution No. 19-09, and Council Member Svenby seconded the motion. All five (5) council members present voting aye, the motion passed.

During *Council Comment*, Council Member Ellingson asked if any local vendors or service providers had offered to help the City out with the budget by offering a deal and expressed his frustration to people being critical of the budget cuts and yet local vendors are unwilling to help provide a solution. He noted this was brought up a few years back as well. City Engineer Johnson provided an update on the flood and stormwater project in the southeast flood mitigation area. He stated that the City had met with the Rypka family and their engineers last week and held a study session prior the Council meeting. The Rypka family proposed that the City consider an alternate design revising options one, three, and four from Bonestroo southeast study and investigate whether it would be hydraulically feasible and offer the same flood protection. City Administrator Busse reminded Council of the upcoming Board of Review training March 24 at 5:30 p.m. in Mankato. Council President Thompson suggested that those council members that want to car pool meet at the City Administration building at

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4:30 p.m. He wrapped up the meeting with a reminder to be mindful of the additional traffic from and people outside enjoying the nice weather.

There being no further business to come before the Council, Council Member Svenby moved to adjourn. Council Member Ellingson seconded the motion. All five (5) council members present voting aye, the meeting adjourned at 8:19 p.m.

Dated March 17, 2009

Respectfully submitted,

/s/ Deborah J. Hill, Assistant City Clerk