

Draft Council Minutes

City Adm. Bldg. Owatonna, Minnesota Tuesday, September 15, 2009 7:00 o'clock P.M.

City Council met in regular session with Council President Thompson presiding. The meeting started three minutes late due to the study session, which was held just prior to the regular meeting. Council members present were Moen, Ellingson, Wittrock, Svenby, Falk, Abraham, and Thompson. Also present, Mayor Kuntz, City Administrator Busse, City Attorney Walbran, City Engineer Johnson, Community Development Director Strand, and Assistant City Clerk Hill.

Following the *Pledge of Allegiance* and welcome by Council President Thompson to the council candidates and audience, **the agenda for September 15, 2009 was approved on motion by Council Member Ellingson, seconded by Council Member Svenby. All seven (7) council members voting aye, the motion passed.**

During *Public Comment*, Dave Thul, 803 Truman Avenue, expressed his disappointment that the American Flag on city property was not lowered to half mast on September 11, which is designated as Patriot Day in memory of the 2,993 casualties in the September 11, 2001 terrorist attacks. He requested that next year the flag be lowered.

On motion by Council Member Wittrock, seconded by Council Member Moen, bills presented for payment totaling \$1,273,507.50 were accepted. Council President Thompson noted that the Crosswind Runway Project expenditure is reimbursed at 95 percent by the State. **All seven (7) council members voting aye, the motion passed.**

Council Member Svenby moved approval of the *consent agenda* items as listed; Council Member Abraham seconded the motion. All seven (7) council members voting aye, the following consent agenda items were approved. Council President Thompson informed the public that council members may call staff prior to the meeting with their questions about items on the consent agenda, which may be answered prior to the meeting.

- Minutes of City Council meeting held September 1, 2009.
- Licenses and Permits:
 - ✓ Application for temporary on-sale liquor license from St. John Lutheran Church for event on September 20 on north lawn at 1301 Lincoln Avenue.
 - ✓ Application for parade permit from St. Mary's to conduct parade on October 2, beginning at 9:00 a.m. at Morehouse Park. (pending certificate of liability insurance)
- Minutes/Reports:
 - ✓ Human Rights Commission May through August Summary.
 - ✓ Planning Commission Minutes of September 8, 2009.
 - ✓ Building Inspection Department Comparison Report through August 31, 2009.
 - ✓ Fire Department Monthly Activity Report through August 2009.
- Renewal lease agreement with Parent Provider Connection for rooms 207 (A), (B), (C), (D) and 209 in Merrill Building through September 30, 2010.

During *Miscellaneous Actions*, City Administrator Busse reported on the request for authorization to request proposals for group insurance benefits including health insurance, dental insurance, group term life and AD&D and group long-term care coverage. She explained that with the City's costs for health insurance steadily increasing, the Health Insurance Advisory Committee has reconvened and is working with Dave Effertz of TPS Insurance to explore various alternatives with a request for proposals (RFP). Mr. Effertz explained that he developed the RFP from a League of Minnesota Cities (LMC) template designed to protect the City's interests and secure a qualified broker. He stated that proposals will be accepted until October 9 and a recommendation brought back to Council on October 20. Council Member Falk asked whether the current healthcare bill in Congress would impact the proposals. Mr. Effertz responded that it would not. Council Svenby asked how metro area companies will know about the RFP, and Mr. Effertz responded that in addition to being posted in the local newspaper, it will be posted on the LMC website. Council President Thompson requested a study session to review the insurance proposals before the October 20 regular Council meeting. **Council Member Falk moved to send out the RFP for specified group insurance benefits, and Council Member Abraham seconded the motion. All seven (7) council members voting aye, the motion passed.**

Community Development Director Strand reported on the Memorandum of Understanding By and Between Economic Authority of the City of Owatonna and City of Owatonna and County of Steele and Three Corners, L.L.C. and Cabela's Venutures, Inc. Kallco, L.L.C., and Christian Family Church and World Outreach Center, Inc. (MOU). Strand gave a brief overview of the agreement and the background leading to it. He explained that Christian Family Church has an agreement to purchase Heritage Halls to be used as a church, school, and daycare, and as a church, the property would be exempt from the payment of property taxes. Strand further explained that the development agreement executed for the development of the Three Corners area stipulates that \$230,000 of the annual city and county taxes generated from Cabela's and the former Heritage Halls (Kallco property) is to be used for the payment of debt obligations incurred to pay for costs related to the project and provides that the City and County must approve any assignment of the responsibilities under the agreement insuring that the City has adequate dollars coming in to cover payment of this debt. Strand noted that a property tax exemption on the Kallco property would jeopardize the City's ability to make bond payments. Strand reported that the MOU provides for payment of \$248,000 by Kallco, which is necessary to cover lost tax revenues; payment of city and county attorney's fees; and assurances of payment of the 2010 taxes. Strand further reported that the proposal has been or is under review by all parties noting specifically that the County is still reviewing the agreement. After considerable discussion, **Council Member Ellingson moved approval of the MOU allowing staff under the direction of the city attorney to approve non-substantive changes and minor corrections that may arise prior to execution. Council Member Abraham seconded the motion. All seven (7) council members voting aye, the motion passed.**

City Administrator Busse presented an easement agreement for a trail with the DM&E Railroad to cross their "right of way" in order to connect the North Straight River Park Trail with the existing 26th Street NW trail. She reported that City Attorney Walbran has reviewed the agreement and the cost of the trail connection will be covered by the trail funding through the Owatonna Foundation, Inc. **Council Member Wittrock moved approval of this easement agreement; Council Member Falk seconded the motion. All seven (7) council members voting aye, the motion passed.**

City Administrator Busse presented the Cooperative Purchasing Agreement between the State of Minnesota and the City of Owatonna. She explained that the Materials Management Division acquires various supplies, commodities, equipment and services for state agencies and governmental units through competitive bidding and requests for proposals. Busse further explained that this agreement, at no cost to the City, allows the City to continue to utilize state contracts when purchasing items or services, which is one of the many areas checked in addition to locally for the best prices. **Council Member Svenby moved approval of execution of this cooperative purchasing agreement. Council Member Abraham seconded the motion. All seven (7) council members voting aye, the motion passed.**

Community Development Director Strand reported on a request to purchase the house at 318 Walnut Avenue, utilize city staff to demolish the house, and authorize city staff to sign a flood grant contract. He explained that Owatonna Public Utilities (OPU) would like to secure the additional property for their long term expansion plans. Strand reminded Council that last year the City assisted OPU in acquiring and demolishing the property at 312 Walnut Avenue utilizing a flood mitigation grant from the DNR. The property at 318 Walnut is needed to assemble a large enough parcel for an employee parking lot. Strand further explained that under this proposal, estimated total costs for the purchase and demolition of the house at 318 Walnut come to \$120,000, and the DNR has agreed to pay \$60,000 through the grant program. Estimated City contribution for project and grant administration and city crews to demolish the house would be about \$7,000, and OPU would pay the remaining estimated \$53,000. Strand noted that the City's contribution would be minimal, and the proposal would eliminate a house located in a designated floodplain. **Council Member Ellingson moved to authorize staff to purchase the house, utilize city staff for demolition of the house, and authorize staff to sign the grant contract with the DNR. Council Member Abraham seconded the motion** and asked if moving the building was a possibility. Strand responded that they always look closely at the property to determine whether it should be demolished or moved. He said in this case the house should be demolished, and OPU established a policy where they will donate anything salvageable to Habitat for Humanity. **All seven (7) council members voting aye, the motion passed.**

During *Board and Commission Recommendations*, Community Development Director Strand presented Variance No. V-1313 – a request from AmericInn of Owatonna, 245 Florence Avenue, to construct an overhang onto the entrance of the hotel resulting in a reduction of parking stalls below the minimum required. Strand reported that although replacement parking could be constructed, the applicant would like to keep this area as green space, because the additional parking is not needed and would help reduce the amount of stormwater coming from the site. Strand further reported that the Planning Commission had discussed updating the City's parking standards by reducing parking requirements as a way to implement low impact development and reduce storm water runoff. Strand stated that after holding public hearing, the Planning Commission recommended City Council approval of this variance request based on the fact that there is room within the existing parking lot to meet the required number of parking spaces and that the additional parking spaces can be constructed if there becomes a future need for additional parking. **Council Member Falk moved approval of Variance No. V-1313; Council Member Moen seconded the motion. All seven (7) council members voting aye, the motion passed.**

During *Ordinances*, City Administrator Busse presented in their final consideration two ordinances providing for licensing for ice cream vendors. She explained that Proposed Ordinance No. 10/09

provides for the licensing and sets out a number of regulations to include requirements for liability insurance, safety equipment, annual vehicle inspection, conducting of sales from the right side of the vehicle near the curb, and regulation of music broadcast from the vehicle. She further explained that Proposed Ordinance No. 11/09 establishes a fee of \$100 per year for the first vehicle and \$50 per year for each additional vehicle. **Council Member Falk introduced and moved adoption of Proposed Ordinance No. 10/09, which will be Ordinance No. 1446, "An Ordinance Amending Chapter IV of the 1992 Ordinance Code of the City of Owatonna, as Amended, Entitled 'Business Regulations and Licenses' by Adding Thereto Section 406 Providing for the Licensure and Regulation of Ice Cream Vendors," in its final consideration. Council Member Svenby seconded the motion. All seven (7) council members voting aye on roll call, the motion passed.**

Council Member Svenby introduced and moved to adopt in its final consideration Proposed Ordinance No. 11/09, which will be Ordinance No. 1447, "An Ordinance Amending Chapter V of the 1992 Ordinance Code of the City of Owatonna, as Amended, Entitled 'Fees, Charges, and Rates,' by Amending Section 510 Thereof, Entitled 'Business Licenses and Permits' Providing for Ice Cream Vendor Fee." Council Member Abraham seconded the motion. All seven (7) council members voting aye on roll call, the motion passed.

City Engineer Johnson presented the first reading of Proposed Ordinance No. 12/09, "An Ordinance Amending Chapter V of the 1992 Ordinance Code of the City of Owatonna, as Amended, Entitled 'Fees, Charges and Rates' by Amending Section 540:10." Johnson explained that OPU is upgrading their billing system relating to sewer and water charges and found a discrepancy between what was actually being billed and what the language in the ordinance says for vacant rental units. The monthly service charge for vacant rental units should be \$7.00 instead of \$3.00. **Council Member Ellingson moved approval of Proposed Ordinance No. 12/09 in its first consideration; Council Member Moen seconded the motion. All seven (7) council members voting aye on roll call, the motion passed.**

During *Resolutions*, City Engineer Johnson presented the next four resolutions relating to proposed assessments for the 2009 curb and gutter projects and the 2009 sidewalk repair project. Johnson reported that proposed assessment amounts were prepared for both projects and notices of the amounts and of the public hearings to take place at the regular City Council meeting on October 6, 2009 at 7:00 p.m. will be sent to the affected property owners. He further reported that the total estimated cost of improvement for the curb and gutter project is \$699,165.73 with the City paying approximately \$433,772.80 as its share and assessing \$265,392.93. The estimated total cost of the sidewalk project including curb and gutter is \$23,000.00 with the City paying approximately \$16,874.47 as its share and assessing \$6,125.53. **Council Member Falk introduced and moved adoption of Resolution No. 56-09, "A Resolution Declaring Cost to be Assessed and Ordering Preparation of Proposed Assessment," for the 2009 concrete curb and gutter, base, bituminous surfacing project. Council Member Wittrock seconded the motion. All seven (7) council members voting aye, the motion passed.**

Council Member Moen introduced and moved adoption of Resolution No. 57-09, "A Resolution for Hearing on Proposed Assessment," setting public hearing for October 6, 2009, for the 2009 concrete curb and gutter, base, bituminous surfacing project. Council Member Abraham seconded the motion. All seven (7) council members voting aye, the motion passed.

Council Member Abraham introduced and moved adoption of Resolution No. 58-09, "A Resolution Declaring Cost to be Assessed and Ordering Preparation of Proposed Assessment," for the 2009 sidewalk repair and reconstruction project. Council Member Svenby seconded the motion. All seven (7) council members voting aye, the motion passed.

Council Member Svenby introduced and moved adoption of Resolution No. 59-09, "A Resolution for Hearing on Proposed Assessment," setting the public hearing for the 2009 sidewalk repair and reconstruction project for October 6. Council Member Falk seconded the motion. All seven (7) council members present voting aye, the motion passed.

City Administrator Busse presented Resolution No. 60-09, "A Resolution Declaring Cost to be Assessed and Ordering Preparation of Proposed Assessment," for the 2009 mowing of weeds, grasses, other harmful vegetation and other services. Busse explained that this annual recertification declared the cost of weed and nuisance enforcement to be assessed to properties in violation of the City's weed and nuisance ordinance. She further explained that properties were notified of the violations on their property and given five days to correct. After five days the properties still in violation were mowed and nuisances removed by city staff. Finally, the property owners were sent an invoice for the expense of mowing and/or nuisance removal. Busse noted that those properties on the list have not paid their invoice, and assessments will reimburse to the City the cost of weed and nuisance enforcement. **Council Member Falk moved adoption of Resolution No. 60-09; Council Member Ellingson seconded the motion. All seven (7) council members voting aye, the motion passed.**

Next, **Council Member Svenby introduced and moved adoption of Resolution No. 61-09, "A Resolution for Hearing on Proposed Assessment," setting the public hearing for October 6, 2009 at 7:00 pm. for the 2009 mowing of weeds, grasses, other harmful vegetation and other services. Council Member Abraham seconded the motion. All seven (7) council members present voting aye, the motion passed.**

City Administrator Busse presented Resolution No. 62-09, "A Resolution Appointing Election Judges and Designating Polling Places for the City General Election and Independent School District 761 General Election of November 3, 2009." Busse explained that the Secretary of State (SOS) requires appointment of election judges and designation of polling places a minimum 25 days before elections and as recommended by the SOS, this resolution authorizes assignment of additional election judge substitutes as necessary. She further explained that the budgeted \$13,813.00 for election judge wages is adequate to also pay the extra judges assigned to precincts with the largest number of registered voters. **Council Member Abraham moved adoption of Resolution No. 62-09; Council Member Wittrock seconded the motion.** Council President Thompson noted that First Ward First Precinct has been moved to Trinity Lutheran Church this year. **All seven (7) council members voting aye, the motion passed.**

During *Flood and Stormwater Projects Update*, City Engineer Johnson reported that the southeast storm sewer improvement project is moving along with piping and excavation of the field pond.

During *Council Comment*, Council Member Ellingson thanked Council President Thompson for mentioning that council members do contact department directors regarding agenda items before the

council meeting and also requested stop signs and/or yield signs be considered at 25th Avenue during construction. Council Member Svenby announced Fire Prevention Week from October 4 through 10, 2009. Mayor Kuntz reported on the dedication that took place on the Crosswind Runway, which is now open to planes. City Administrator Busse announced that she will be scheduling a meeting with the city council candidates and department directors to provide an overview of city operations and provide an opportunity for questions. Mayor Kuntz asked the candidates to email any questions they might have ahead of time to allow staff to research and prepare.

There being no further business to come before the Council, **Council Member Moen moved to adjourn. Council Member Ellingson seconded the motion. All seven (7) council members voting aye, the meeting adjourned at 7:50 p.m.**

Dated September 15, 2009

Respectfully submitted,

/s/ Deborah J. Hill, Assistant City Clerk