

Owatonna City Council Minutes - Draft Copy

The Owatonna City Council met in regular session on Wednesday, March 4, 2020 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, Burbank, Raney, Voss, Okerberg, Svenby and Schultz; Mayor Kuntz; City Attorney Walbran; Community Development Director/Interim Parks and Recreation Director Klecker; Public Works Director Skov; Police Chief Hiller; City Administrator Busse and Administrative Specialist Clawson.

Following the Pledge of Allegiance, Council President advised two items were added to the agenda after posting: #1.3-Presentation of Award from the Association of Minnesota Building Officials and #1.4.3- Update from Jeff Elstad, ISD#761 Superintendent. Council Member Svenby made a motion to approve the agenda with these two items added, Council Member Raney seconded the motion and all members voted aye in approval.

Council President explained the protocol for public hearings held during Council Meetings. Tonight, two public hearings will be held, Public Works Director Skov advised the 2020 Curb and Gutter and Bituminous Project includes construction on Country Creek Lane NE and Evergreen Place NE which are currently graveled surfaces. Property owners petition for these improvements and will be assessed 100% of the project costs, estimated costs are \$96,864. At 7:05 pm a public hearing was opened for comments regarding this proposed project.

Peter Drilling, 2035 Evergreen Place asked when the project would begin. The property owners petitioned for this repair last summer and hope it will begin as soon as possible.

Mike Kerr, 2035 Evergreen Place NE stated the road is muddy, the mail truck got stuck in the mud. He asked if gravel could be put down until the project begins to improve the current muddy conditions.

With no additional comments, at 7:08 pm Council Member Raney made a motion to close the public hearing, Council Member Dotson Seconded the motion, all members voted aye in approval.

Council Member Okerberg made a motion to approve Resolution 25-20 to receive the report and order the improvement of the 2020 Curb and Gutter and Bituminous Project. Council Member Svenby seconded the motion; all member voted aye for approval.

Public Works Director Skov commented the street department will review condition of Evergreen Place when the frost is gone. Project bids will be advertised, and plans made when the contract is awarded.

With no additional comments, at 7:08 pm Council Member Raney made a motion to close the public hearing, Council Member Dotson Seconded the motion, all members voted aye in approval.

Community Development Director Klecker advised during 2016, the City approved utilizing Tax Increment Financing for Cybex to fund a warehouse expansion. A Development Agreement was entered into requiring 50 jobs be added within a two-year period following the building completion; however, due to market conditions and sale of the business, Cybex is now requesting an extension to the time frame to add the jobs specified in the original Development Agreement Cybex is now planning a project investing \$2.48 million into the facility and addition of at least 75 jobs with wages

and benefits of at least \$17.23/hour over the next two years. To meet business subsidy law, the City is required to hold a public hearing to amend the Development Agreement with Cybex.

At 7:09 p.m., Council President Schultz opened a public hearing for comments on the proposed amendment to the Cybex Development Agreement. With no comments heard, at 7:10 pm Council Member Raney made a motion to close the public hearing, Council Member Voss seconded the motion, all members voted aye in approval. Council Member Dotson made a motion to approve the Amendment to the Development Agreement with Cybex, Council Member Raney seconded the motion; all members voted aye in approval.

Jim Williamette, Chairman of the Association of Minnesota Building Officials (AMBO) presented the 2019 AMBO Building Department of the Year Award to the City of Owatonna. He explained this is award given to only one city within the state each year after consideration of services each department provides within their community. He complimented Building Official Ken Beck for providing excellent coaching for his team members and the positive influence they have on builders and surrounding communities. Last year, this department serviced 29 single home and 204 commercial inspections. Building Official Ken Beck thanked Mr. Williamette for the award, saying it was an honor to be selected; he appreciates the learning opportunities offered within the City and the support he and staff members receive from Mayor Kuntz, Council Members, City Administrator Busse, Community Development Director Klecker and all staff members. Members of the Building/Inspection Department were introduced: Mark Schwanke, Plan Examiner/Building Inspector, Larry Houn, Building Inspector and Jennifer Nelson, Administrative Technician and acknowledgement and thanks were also given to of Sandra Rickerl, Administrative Technician who retired during 2019 after working 43 years in the Building/Inspection Department Council President Schultz thanked all members of the Building/Inspection Department for their service to the City and Owatonna community.

ISD #761 Superintendent Jeff Elstad gave a brief update on the new high school construction project. Last week, bonds were sold at 2.46% which was lower than the 4% rate estimate used during the referendum projection; this lower interest rate, will save taxpayers 26 million dollars. An average home's additional tax was estimated at \$211/year but will now be only \$145/year. During the Moody Rating Call, the collaborative partnership between the school district and the City and the volume of current development projects within Owatonna were discussed which helped lower the interest rate of the bonds. Currently, plans for the new school to accommodate 1,600-1,700 students are being prepared. Superintendent Elstad thanked the City for their input and advised he will return in 3-4 months with another project update.

Mayor Kuntz made proclamation for March 2020 as Colorectal Cancer Awareness Month which provides a special opportunity to offer education on the importance of early detection and screening. If the majority of people age 50 or older were screened regularly for colorectal cancer, half of all cases could be prevented.

Mayor Kuntz made proclamation for March 2020 as Business and Professional Women's Month. Businesswomen have made significant and increasing contribution to the growth and strength of Owatonna. The Owatonna Businesswomen help women build their careers and expand their skills; promote assistance to women volunteers in professional organizations, and support those who have leadership roles within our community.

Council President Schultz explained council members review the Consent Agenda items prior to the meeting for approval in one motion. The Consent Agenda items for approval include:

Council Minutes: - Council Meeting – February 18, 2020.

Event Permit – From the Heart Run – May 2, 2020.

Temp Liquor Permit–Knights of Columbus-Corky’s Early Bird Tournament,
April 30 to May 3, 2020.

Temp Liquor Permit – Two Rivers Habitat for Humanity – April 4, 2020.

2020 Retail Fireworks Permit – Mills Fleet Farm.

Exempt Permit – Raffle - Ducks Unlimited Steele County – September 24, 2020.

Minutes - Owatonna Public Utilities Meeting – January 28, 2020.

Minutes - Library Board Meeting – February 18, 2020.

Change Order #3 – 2018 Park Drive Project.

2020 Farm Agreements at \$225.00/acre

Bob Cole:	50 acres	\$11,255.00
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	15 acres	3,375.00
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	20 acres	4,500.00
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John Ihlenfeld	23 acres	5,175.00
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Duane Schroeder	20.5 acres	4,612.50
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Bob Swedberg	89 acres	20,025.00
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Andy Michaletz	8 acres	1,800.00
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16 acres rented to Paul Maas located near the airport and east of 135 has areas that are consistently wet and produce low yields. Rent for this parcel will be \$190/acre.

Paul Maas	16 acres	\$3,040.00
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Council Member Dotson made a motion to approve these Consent Agenda items and Council Member Voss seconded the motion. Council Member Svenby advised he is involved with organizing the From the Heart Event; This acknowledgement was noted, all members voting, voted aye for approval.

Vice President Raney recapped expenses for the period. Bills presented for payment totaled \$634,525.22. Council Member Dotson made a motion to approve payment of these bills, Council Member Burbank seconded the motion; all members voted aye in approval.

Police Chief Hiller requested approval of Resolution 26-20 approving an extension to the Joint Power Agreement (JPA) with the State or Minnesota, Department of Public Safety, Bureau of Criminal Apprehension (BCA) to combat human trafficking and sexual exploitation of children with use of prevention, education and enforcement. Council Member Raney made a motion to approve Resolution 26-20, Council Member Okerberg seconded the motion; all members voted aye in approval.

Public Works Director Skov requested approval of Resolution 27-20 approving the plans, specifications and authorizing advertisement for bids for the 2020 Street & Utility Project. The proposed bid date will be April 20, 2020. The project involves various levels of reconstruction on Greenhaven Lane, Shady Avenue and Cherry Street. Council Member Okerberg made a motion to approve Resolution 27-20, Council Member Dotson seconded the motion; all members voted aye in approval.

Public Works Director Skov requested approval of Resolution 28-20 approving the plans, specifications and authorizing advertisement for bids for the 2020 Bridge Street Project. Bridge Street has been designated for reconstruction from I-35 to 24th Avenue, construction includes stormwater improvements, a new concrete street, replacement of the signal at Park Drive and a

roundabout will be constructed at 24th Avenue. Work is expected to be completed in 2020. Council Member Dotson made a motion to approve Resolution 28-20, Council Member Svenby seconded the motion; all members voted aye in approval.

Community Development Director Klecker requested approval of Resolution 29-20 setting a public hearing on April 7, 2020 to consider modifying Development District 3 and establishing Tax Increment Financing (TIF) District 3-14. Bosch is proposing construction of a 266,000 square foot warehouse facility located in the Industrial Park behind the Owatonna Energy Station on Bridge Street. The project has a total capital investment of \$15 million and would create 50 new jobs. Council Member Okerberg made a motion to approve Resolution 29-20, Council Member Raney seconded the motion; all members voted aye in approval.

Community Development Director Klecker requested approval of Resolution 30-20 authorizing the City apply for a Business Development Infrastructure Grant on behalf of the Bosch Warehouse expansion project. Part of the project will be construction of a public cul-de-sac, on Festal place. To assist with these costs, application for a DEED Business Development Infrastructure Grant. The grant could pay for up to 50% of the street costs which is estimated at \$386,420. Council Member Raney made a motion to approve Resolution 30-20, Council Member Burbank seconded the motion; all members voted aye in approval.

Council Member Raney acknowledged Bosch representatives present to thank them for their company's commitment to Owatonna. Kimberly Feagin, Government and Community Affairs Manager for the Midwest Region, David Luepke, Facility Manager and Chuck Miklich, Vice President Operations were introduced. Ms. Feagin commented there are currently more than 600 employees working at Bosch in Owatonna. They appreciate the leadership and partnership they have received from the City and excited about wanting to expand their footprint in Owatonna.

Council President thanked Bosch representatives for their company's continued commitment to the Owatonna community.

City Administrator Busse requested Council not waive the monetary limits on municipal tort liability with the League of Minnesota Cities Insurance Trust (LMCIT). Each year when the City renews its property and liability insurance policy with LMCIT, a decision is made on whether or not to waive the statutory tort liability limits to the extent of the coverage purchased. Currently Minnesota Statute limits a city's tort liability to a maximum of \$500,000 per claimant and \$1.5 million per occurrence. The limits apply whether the claim is against the City, against an individual officer or employee or against both. These limits only apply to claims in which the statutory tort limits apply. The LMCIT gives cities options to structure their liability coverage. The City can choose either to waive or not to waive the monetary limits provided by Minnesota Statutes 466.04. If the City does not waive the statutory tort limits, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory tort limit applies. If the City waives the statutory tort limits, a single claimant could potentially recover up to \$2.0 million. It is in the best interest of the City not to waive the statutory tort liability limits. Council Member Dotson made a motion to not waive the monetary limits on municipal tort liability as recommended by Finance Director Moen, Council Member Voss seconded the motion, all members voted aye in approval.

Public Works Director Skov requested approval to proceed with hiring SRF Consulting Group to complete a Transportation Plan for the City. The plan will be completed in conjunction with Steele County and ISD #761. The City currently does not have a Transportation Plan, Steele County is

wanting to update their plan and the school district also needs a plan for the new high school project. Development of the plan will identify street hierarchy, access management guideline and evaluate present and future transportation needs. The east side corridor will also be included. Council Member Svenby made a motion for approval, Council Member Dotson seconded the motion; all members voted aye in approval.

During Staff Comments, Police Chief Hiller advised a new patrol officer will begin on March 16th and two officers are currently in the hiring process so will be planning a Swearing-In and Commendation Ceremony; several officers have transferred to new assignments; Captain Mundale will attend professional development training at the FBI Academy during the next few months; staff is evaluating a new in-car camera system; almost done setting up a lobby and printer surveillance system within the police department; almost finished setting up new squad units and the K9 unit is doing well as he continues to train and bond with his officer handler so very pleased with the progress being made; overall it seems all is going well within the Police Department. Community Development Director Klecker commented the Building Inspection Department will process a very high valuation of building permits this year; the year-to-date property valuation just surpassed \$52 million, last year's value was \$54 million which wasn't reached until November so anticipating the 2020 construction year will be very good. Public Works Director Skov commented the weather forecast is nice so hoping this will allow a nice slow warm-up and the remodeling project at the City Shop should be finished by the end of the month. Council Member Dotson asked if any additional road salt will be received for use, Public Works Director Skov responded the salt supply is getting low and no additional deliveries are expected, sand will be mixed in if needed on the roadways.

During Public Comment, Roger Wacek, 464 E Vine Street requested City Administrator Busse provide him a report detailing the 2019 Operating Costs for Brooktree Golf Course which he plans to use for Public Comment during a future Council Meeting and he also asked City Administrator Busse to review what the City of Duluth did to reduce their tax subsidy.

During Council Comments, Council Member Raney commented he is looking forward to the warmer spring weather and hopes the City's Pollinator Garden at Lake Kohlmier will be off to a good start and be thick by April; last week he attended a press conference in Nicollet regarding new federal funds available for the Highway 14 Project; he plans to testify at the House and Senate Transportation Committee Hearings to promote completion of Highway 14 4-Lane Project. Mayor Kuntz thanked Bosch for their company's continued investment in the community. City Administrator Busse reminded everyone the LMC Legislative Action Day is next Wednesday, March 11th which she, Mayor Kuntz and several Council Members plan to attend. Council President Schultz said he plans to attend the LMC Legislative Action Day as it is a great opportunity to meet with the state legislators and discuss pending items.

At 7:47 p.m., Council Member Raney made a motion to adjourn the meeting, Council Member Dotson seconded the motion, all members voted aye in approval.

Dated: March 12, 2020

Respectfully Submitted,

Jeanette Clawson, Administrative Specialist