

## Owatonna City Council Minutes – Draft Copy

The Owatonna City Council met in regular session on Tuesday, May 5, 2020 at 7:00 p.m. This was a virtual meeting compliant with Governor Walz’s Stay-at-Home Order for the COVID-19 Pandemic. The meeting was accessible by calling 507-242-3225, Conference ID 755 725 664#. Council President Schultz conducted the meeting from Council Chambers with Council Members Raney and Voss; City Attorney Walbran, City Administrator Busse and IT System Administrator Sticken present. Attending virtually were Council Members Dotson, Okerberg, Svenby, and Burbank; Mayor Kuntz; Library Director Blando; Community Development Director/Interim Parks and Recreation Director Klecker; Public Works Director Skov; Human Resource Director Gorski and Administrative Specialist Clawson.

Following the Pledge of Allegiance, Council President Schultz read the Meeting Determination Statement and reviewed the virtual meeting process requirement for all votes taken via a roll call vote. Council Member Voss made a motion to approve the agenda as presented; Council Member Dotson seconded the motion. With a roll call vote, all members voted aye for approval.

Mayor Kuntz presented recommendations for reappointment of these Board/Commission Members:

- Airport Commission: James Keltgen, Justin Lindee, and Sharon West
- Downtown Parking Board: Karly Ohnstad and Dawn Lindall
- Fire Civil Service: Kirby Knutson
- Fire Board Code of Appeals: Kirby Knutson
- Human Rights Commission: Suzie Effertz and Ryan Gillespie
- Park & Rec Board: Greg Posch and Jonathan Douglas
- Planning Commission: Rachel Springer and Kelly Rooks
- Public Library Board: Meredith Erickson and Christy Tyrhus
- Shade Tree Commission: Gary Schwartz

Council Member Okerberg made a motion to approve these reappointment recommendations; Council Member Dotson seconded the motion. With a roll call vote, all members voted aye for approval.

Mayor Kuntz requested recommendation of two new member appointments:

- Planning Commission: John Eickhoff
- West Hills Commission: Dan Gorman

Council Member Raney made a motion to approve these new member recommendations; Council Member Burbank seconded the motion. With a roll call vote, all members voted aye for approval.

Mayor Kuntz advised he is currently looking for new members for the Shade Tree Commission, OPU Commission and HRA. He is awaiting responses for these current openings but encourages anyone wanting to serve on a City Board/Commission to contact him and also asked Council Members to forward any recommendations they have.

Library Director Blando reported the Library staff began offering no-contact pickup for library materials yesterday (Monday, May 4<sup>th</sup>). Library materials can be requested on-line at the city’s website or by phone. Staff will organize the hold request and call the patron to arrange a pickup

appointment at the library's front door. Pick-up appointments will be offered on Mondays, Wednesdays and Fridays between the hours of noon to four. There will be a limited number of pickup appointments planned during each half hour segment to offer safe social distancing requirements for everyone. The number of hold requests received over the last few weeks has been great, there were more than 400 hold requests processed yesterday and an additional 200 new hold requests were received today. Staff has been busy, and everyone seems pleased that we are now offering this new service.

Library Director Blando also serves as the Chairperson for the 2020 Census Count Committee, he reported the State of Minnesota leads the nation with 67.4% responses received. Steele County at 71.7% which is the 57th highest in the country for counties reporting. The City of Owatonna has 72.8% responses received, he will continue to encourage participation in the 2020 Census campaign during the next several more months; hopefully, everyone will participate for an accurate population count.

Public Works Director Skov gave a brief update on current street improvement projects. Traffic changed to one lane of traffic each way on Oak Avenue between Rose Street to Holly as concrete updates for ADA compliance are being done. These updates will also be done on Rose Street later this next week leaving just the roundabout work on Rose Street, we are fortunate roundabout will be completed while school is out and less traffic in the area. The roundabout is currently at subgrade level and concrete should be laid next week. The original striping on Oak Avenue will be removed next week after the concrete work has been completed. The signal lights on Oak Avenue at the intersections of Vine and McKinley have been removed. A pedestrian study is planned to determine if there should be a flashing pedestrian beacon at the intersection of Vine and Oak, this study will occur when the current Stay-At-Home order expires for a more accurate count. Lane striping should be done next week after the concrete work is completed. Council Member Okerberg questioned when the West Bridge Street project would begin, Public Works Director Skov responded the project is currently behind schedule and may be delayed until next year; he is waiting for information from MnDOT and hopes to provide a current report during the next council meeting.

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:

Minutes - Council Meeting – April 21, 2020.

Minutes - Local Board of Appeal and Equalization Meeting (LBAE) – April 21, 2020.

Amend Date of Event Permit – OHS Baseball Team Salt Sale – May 15-16, 2020.

Annual Retail Fireworks Permit – Walmart #982..

Minutes – OPU Meeting – March 24, 2020.

Council Member Voss made a motion to approve these Consent Agenda Items. Council Member Dotson seconded the motion. With a roll call vote, all members voted aye for approval.

Vice President Raney recapped expenses for the period. Bills presented for payment totaled \$768,466.83. Council Member Dotson made a motion to approve payment of these bills, Council Member Svenby seconded the motion; with a roll call vote, all members voted aye for approval.

Community Development Director Klecker presented the second/final reading of Proposed Ordinance 20-5 for approval. The City of Owatonna and Cemstone requested a zone change for property located at 315 32<sup>nd</sup> Avenue NW from I-1, Light Industrial District to I-2, Heavy Industrial District. This City owned property will transfer to Cemstone for their new plant location later this week. Council approved the first reading of this proposed ordinance during the April 21, 2020 Council Meeting and there have been no changes since. Council Member Raney made a motion to approve Proposed Ordinance 20-5, Council Member Burbank seconded the motion. With a roll call vote, voting aye were members: Dotson Burbank, Raney, Svenby, Voss, Okerberg and Schultz. This will be known as Ordinance 1606 and in effect upon publication.

Community Development Director Klecker presented Resolution 63-20 to set a public hearing to consider establishing Development District 15 and Tax Increment Financing District 15-1. Schrom Construction has proposed to redevelop the commercial site at 660 Mound Street SW into a 36-unit market rate apartment building. They request use of tax increment financing to help with site development costs for the project which will include demolition of the existing building. Council Member Voss asked if a current housing study was available for review of the City's current housing needs. Klecker explained a City Housing Study is completed every three years by Maxfield and a new study should be available within a few weeks. Maxfield staff has commented the new study will show a continued need for more apartment structures. Council Member Burbank made a motion to approve Resolution 63-20, Council Member Okerberg seconded the motion; with a roll call vote, all members voted aye in approval setting the public hearing during the City Council Meeting on June 16, 2020 beginning at 7:00 p.m.

Community Development Director Klecker requested approval of Resolution 64-20 approving the Final Plat of the NewLife Addition. NewLife Community Church plans to construct a church on their property at 160 26<sup>th</sup> Street NE. The Planning Commission held a public hearing on this plat and received no comments. The Planning Commission recommends approval with these conditions:

- 1) The final plat shall be approved within 60 days of the approval.
- 2) The title opinion shall be approved by the City Attorney prior to recording the final plat.
- 3) The applicant shall provide the utility easements as shown on the proposed final plat drawing.

Council Member Svenby made a motion to approve Resolution 64-20 as recommended; Council Member Raney seconded the motion; with a roll call vote, all members voted aye for approval.

Public Works Director Skov presented Resolution 65-20 for authorization to accept a donation of right of way from the Minnesota Department of Transportation (MnDOT). In conjunction with the West Bridge Street Reconstruction Project, there is existing MnDOT Right of Way extending approximately 750 feet west of the I-35 interchange which MnDOT no longer needs and wants to transfer to the City. Council Member Voss made a motion to approve Resolution 65-20 accepting this donation; Council Member Dotson seconded the motion; with a roll call vote, all members voted aye for approval.

Community Development Director Klecker requested approval of Resolution 66-20 to accept MnDOT Grant Amendment #1 to MnDOT Grant Agreement #1033590 for funding participation of exterior painting of the airport's main hangar complex. The main hangar built in 1978 has steel siding and is showing significant wear and deterioration of the protective coating. The adjacent dome hangar attached to the terminal facility has matched paint and similar wear and it is recommended to prolong the life of the existing siding and avoid a more costly total replacement. Two quotes were received for this work and after review, the Airport Commission recommends the work be completed by Right-Way Painting of Owatonna for \$24,460. The work includes pressure washing, masking, priming and painting of the exterior of the main hangar and dome hangar at the airport. The MnDOT Grant amendment amount is \$16,730, approximately 70% of all eligible project costs and the City's share of costs will be \$7,730.00. Council Member Raney thanked Airport Manager David Beaver for continually looking for grant opportunities to save taxpayer's dollars. Council Member Raney made a motion to approve Resolution 66-20 accepting this grant; Council Member Burbank seconded the motion; with a roll call vote, all members voted aye for approval.

City Administrator Busse requested approval of Resolution 67-20 to adopt the 2020 Early Retirement Incentive Plan (ERIP). To address financial impacts caused by the current COVID-19 Pandemic, all expenditures are being reviewed for possible reductions including personnel costs. The ERIP plan provides employees who may be considering retirement an incentive to retire and to subsequently save the City money by reducing budgeted annual salary costs and benefits based on current and projected economic and fiscal circumstances. Eligible full-time employees who meet requirements described in the attached plan will receive \$4,000 in a Health Care Savings Plan (HCSP) and eligible part-time employees will receive \$2,800. The impact to the 2020 budget is dependent on the number of employees who choose to participate. Human Resource Director Gorski advised thirteen current staff members are eligible to participate. The City last offered an ERIP during 2010 when three employees choose to participate. Council Member Voss made a motion to approve Resolution 67-20 to approve the 2020 ERIP; Council Member Dotson seconded the motion; with a roll call vote, all members voted aye for approval.

Community Development Director Klecker requested authorization to purchase property at 221 N Elm Avenue, the current owner contacted staff about purchasing their property. The City previously purchased neighboring properties at 211 East Pearl Street, 215 East Pearl Street and 215 North Elm Avenue for a future parking lot for the Law Enforcement Center (LEC) and the downtown. A realtor appraisal appraised the property at \$142,000 and staff agrees this is a fair market value. The house is in good shape and can be rented in the short term until we are ready to proceed with a parking lot. The Housing and Redevelopment Authority (HRA) has approved paying for 1/3 of the purchase price, \$47,333, and will manage renting the unit provided the rent revenue will reimburse their investment first. The EDA also approved paying for 1/3 of the purchase price since the future parking lot would be a public parking lot for downtown use.

Council Member Burbank asked if this purchase commits the LEC footprint to this area or if a future LEC facility was built at another location, would this property be marketable? Klecker responded if the current LEC property were converted to a commercial site, parking would be needed, and this site will also provide needed parking for the downtown area. Council Member Okerberg made a motion to approve purchase of this property, Council Member Voss seconded the motion; with a roll call vote, all members voted aye in approval.

During Staff Comments, Public Works Director Skov reported the Street Crew is busy patching streets; Wastewater Treatment Plant staff is splitting shifts to be sure everything continues to run smoothly, and workers have space to remain healthy. Engineering staff has busy with clearing small items from catch basins and working on a retaining wall on Mineral Springs Road and a future project on St Paul Road. Human Resource Director Gorski commented the pandemic has created difficult times and she is working with each City Department to review their current budgets and also preparing plans for staff to handle customers when we are able to reopen to the public. Community Development Director Klecker commented he is responding to questions/comments he recently received about the airport jet fuel tank being down longer than originally planned for repair and revenue was lost. This was the first time this tank has been unavailable during the last 20 years and it was unavailable for four weeks, which was a bit longer than originally planned because the repair was eligible for a state grant of \$9,700 which covered 70% of the repair costs and additional time was needed to secure the grant funds. Over the last several years, April Jet Fuel Sales has averaged 1,900 gallon; we profit approximately \$2 per gallon so we estimate a potential revenue loss of \$3,800; however, this year during the COVID-19 Pandemic, estimated sales would have been 50-80% lower than the monthly average so our potential revenue loss was minimal and we thought was an efficient cost effective decision with good use of grant dollars for savings to tax payers. The airport makes a significant economic impact, currently all available space is rented in the terminal; Trident Flight Instruction and Accelerated Aviation each opened approximately two months ago, and both are doing well, they plan to host an open house when able to. Our t-hangars are also fully rented and there has been some discussion of constructing additional hangar space. The airport serves as good attraction for other businesses; Costco Distribution told us that our airport was a huge draw for them when considering locating their distribution center Owatonna.

During Public Comment, Scott Limberg explained there will be a virtual bingo game this Saturday, May 9<sup>th</sup> beginning at 9:00 a.m. Bingo cards will be given with takeout orders placed at these restaurants during the next three days: Broken Tee Grill, Central Park Coffee, Chill-Aqui, Costa's; El Tequila; Famous Dave's; Kernel; Lava Burgers; Old Town Bagels; Perkins; Plaza Morena; Sparetime; Timber Lodge; Torey's and Wagner's Lunch. Information about the bingo game will be posted on Facebook by Owatonna Live.

During Council Comments, Council Member Dotson encouraged everyone to get out and support local businesses; hoping Governor Walz will modify his Stay-At-Home Order and business will take be take the necessary precautions for more local businesses being able to

reopen. Council Member Raney commented the weather this last weekend was beautiful, and it would have been perfect for the annual Corky's Early Bird Softball Tournament and the Run from the Heart which were canceled because of the COVID-19 concerns. His wife saw Beth Svenby, the run event organizer on the trail Saturday morning and he wants to thank Beth and her committee for the previous year's events and looking forward to a 2021 Run from the Heart. He also, hopes Governor Walz will allow small businesses to open as he believes they are the backbone of the economy and should also be deemed essential and allowed to open for business. Council Member Svenby thanked Council Member Raney for his nice comment about the From the Heart Run Event and already looking forward to the 2021 event. Council Member Voss commented he believes all workers are essential and hopes everyone will be allowed to get back to work soon. Council Member Okerberg commented he found a good deal for a slice of pizza at the Taste of the Big Apple and then asked everyone to take caution if driving through the construction on Broadway and continue to be mindful and practice social distancing when out. Mayor Kuntz also commented he hopes more businesses will be allowed to reopen and reminded everyone it is important to wear face masks; Costco and Menards issued statements earlier this week that all their customers will need to wear masks to enter their stores. Council Member Schultz added the weather has been a bit cool but the golf courses have been busy and he noticed they are compiling with social distancing guidelines and allow only one person per cart; there have been a lot of people out enjoying the trails and it's been good to see our trails being used, and then he thanked Jason Stricken, IT System Administrator for helping during tonight's virtual meeting.

At 7:56 p.m., Council Member Raney made a motion to adjourn the meeting, Council Member Voss seconded the motion, with a roll call vote, all members voted aye in approval.

Dated: May 8, 2020

Respectfully Submitted,

Jeanette Clawson, Administrative Specialist