

Owatonna City Council Minutes

The Owatonna City Council met in regular session on Tuesday, September 1, 2020 at 7:00 p.m. in Council Chambers at the City Administration Building. The meeting was virtually accessible by calling 507-242-3225, Conference ID 967 246 080#. Present were Council Members Schultz, Raney, Voss, Svenby, Burbank, Dotson and Okerberg; Mayor Kuntz; Community Development Director/Interim Parks and Recreation Director Klecker; Finance Director Moen; Human Resource Director Gorski; City Attorney Walbran; City Administrator Busse; IT System Administrator Sticken and Administrative Specialist Clawson.

Following the Pledge of Allegiance, Council President Schultz welcomed everyone to the meeting and read a meeting statement advising of option to participate virtually and meeting compliant with COVID-19 Restrictions for social distancing and facial masks. Schultz advised two items were added to the posted agenda: Resolution 110-20, 2020 CARE Act Grant for Election Expense and Resolution 111-20, Council Chambers Audio/Video Equipment. Council Member Svenby made a motion to approve the agenda with these items added, Council Member Dotson seconded the motion and all members voted aye for approval.

Annette Duncan, Director of the Steele County United Way advised they received a \$20,000 grant from the Minnesota Council on Foundations. They will awards grants to non-profit organizations within Steele County which incurred losses caused by the coronavirus pandemic. Information is available on their website and organization are encouraged to apply. Council President Schultz thanked her for attending the meeting and providing this information.

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: August 18, 2020 Council Meeting.

Event Permit – Jacob’s Run – September 12, 2020.

Event Permit – Old Settler’s Drive thru Bake Sale – September 20, 2020.

Event Permit – Steele County Relay for Life Cruise – September 26, 2020.

Event Permit – Steele County Relay for Life 5K Run/Walk – September 26, 2020.

Minutes – Human Rights Commission Meeting- July 14, 2020 .

Minutes – Park & Rec Board – August 17, 2020.

Minutes – OPU Commission Meeting – July 28, 2020.

Minutes – Planning Commission Meeting – August 11, 2020.

Minutes – HRA Meeting – July 27, 2020.

Minutes – West Hills Commission Meeting – July 7, 2020.

Minutes – EDA Meeting – July 15, 2020.

Minutes – Library Board – July 21, 2020.

Weed Inspection/Compliance Report – August 28, 2020.

Change Order No. 1 – 2020 Cardinal Dr Storm Sewer Project.

Change Order No. 1 – 2020 CIPPS Project.

Contract for Goopier Foundation System for Eastgate Apartments – Peterson Contractors, Inc.

Change Council Meeting Date - First Meeting in October returns to Tuesday, October 6, 2020.

Council Member Okerberg made a motion to approve these Consent Agenda Items, Council Member Burbank seconded the motion, all members voted aye for approval.

Vice President Raney recapped expenses for the period. Bills presented for payment totaled \$1,343,395.51. Council Member Voss made a motion to approve payment of these bills, Council Member Dotson seconded the motion, all members voted aye for approval.

Community Development Director presented the second reading of Proposed Ordinance 20-8. South Central Human Relations Center requested a change in the zoning of their property at 622 Florence Avenue NW from R-1, Single Family Residential District to B-1, Neighborhood Business District. Council approved the first reading of this proposed ordinance during their last meeting on August 18th and there have been no changes since. Council Member Raney made a motion to approve Proposed Ordinance 20-8, Council Member Svenby seconded the motion. With a roll call vote, voting aye were members: Voss, Okerberg, Dotson, Burbank, Raney, Svenby and Schultz, with no nay votes, the motion was approved. This will be known as Ordinance 1609 and effective upon publication.

Community Development Director presented Proposed Ordinance 20-9, Application No. Z-344 received from Troy Schrom of Schrom Construction. The request will amend the PUD for Eden Valley Fourth Addition, five lots on the south side of El Dorado Street are currently approved to allow construction of duplexes which will be changed to single family homes. The applicant also requested a waiver to allow a reduced setback along the rear property line of the eastern two lots. The Planning Commission held a public hearing on this request, no comments were heard during their hearing, they recommend Council approval on condition that any additional changes to the use shall receive approval through a minor PUD amendment. Council Member Okerberg made a motion to approve this first reading of Proposed Ordinance 20-9, Council Member Voss seconded the motion. With a roll call vote, voting aye were members: Voss, Okerberg, Dotson, Burbank, Raney, Svenby and Schultz; with no nay votes, the motion was approved. The second reading of this proposed ordinance will be planned for the next Council Meeting on September 15, 2020.

Interim Park Director Klecker requested approval of a Facility Use Agreement with Owatonna Wrestling Association, Inc. for use of the Fitness Center. Staff is evaluating repurposing uses of the Tennis & Fitness Center to fulfill community needs with many variables to consider, which includes current COVID restrictions. Staff is hesitant to start new programs in the facility during this time of COVID uncertainty. Owatonna Wrestling Association, Inc. has requested regular use of the gymnasium and weight room area for practice, camps, and clinics during the upcoming year. The agreement includes rent revenue of \$6,000 and sets designated times for facility use. This is not an exclusive use agreement and staff will continue to consider additional opportunities and long-term options for use of this facility. Council Member Burbank made a motion to approve this Facility Use Agreement, Council Member Voss seconded the motion; all members voted aye in agreement.

Interim Park Director Klecker requested approval of a contract with the We All Play Committee and the Owatonna Area Chamber Foundation for the inclusive park project planned at Manthey Park. Klecker explained the agreement establishes responsibilities to complete this project. This is not a City project, but the City is involved and will help move playground equipment, clear the parking lot and some of the plumbing aspects at the facility. The We All Play Committee is fiscally responsible for accruing funds or in-kind services to complete this project; to date they have raised \$1,155,704 towards this project. The Owatonna Area Chamber Foundation will serve as the Fiscal Agent during construction of the project which will begin this fall and should be completed next summer. When the project is completed, the project will be owned by the City of Owatonna. Council Member Svenby made a motion to approve this contract naming the project's Fiscal Agent and Council Member Voss seconded the motion. Council Member Dotson recused himself as he is member of the Owatonna Chamber of Commerce, all members voting, voted aye for approval.

City Administrator Busse presented a Limited Use Agreement with South Central Human Relations Center for property at 622 Florence Avenue NW where they plan to build a new office building. Construction plans include installation of a fiber optic conduit, parking lot, and driveway over a City sanitary sewer easement. This 20-year agreement allows the City continuous access to this sanitary sewer easement for access and maintenance purposes. Council Member Raney made a motion to approve this Limited Use Agreement, Council Member Voss seconded the motion; all members voted aye in approval.

Community Development Director Klecker requested approval of the Development Agreement with Mound Owatonna, LLC. Schrom Construction is proposing to redevelop the commercial site at 660 Mound Street into a 36-unit market rate apartment building. Currently, there is a commercial building occupied by RK&T Construction on this site. The developer requests use of Tax Increment Financing (TIF) to help with costs to demolish the existing building and project costs for site development. The total amount of TIF available for this project is capped at \$400,000 plus administrative costs and is expected to be decertified in approximately 7 years. Consulting costs for writing the TIF Plan and Development Agreement will be paid for by the EDA; all costs incurred by the EDA will be reimbursed through tax increment financing over the life of the TIF district. Council Member Dotson made a motion to approve this Development Agreement, Council Member Raney seconded the motion; all members voted aye in approval.

Community Development Director Klecker requested approval of a Purchase Agreement with Morton Buildings, Inc. for Lot 3, Block 1 in Sanders South Addition. Sale price of the lot is \$62,813,62 which will deposit to the EDA Land Account. Morton plans to consolidate the regional operations to Owatonna. They have requested a contingency allowing them to sell their properties in Janesville and Rochester before closing on this property. Construction on this property would most likely not occur until next year due to this contingency. City Attorney Walbran has reviewed the agreement and staff request approval subject to City Attorney Walbran's final approval as he coordinates the closing and title process. Council Member Dotson made a motion to approve this Purchase Agreement, Council Member Burbank seconded the motion; all members voted aye in approval.

Finance Director requested approval of Resolution 104-20 approving a contract with Government Finance Officers Association (GFOA) for advisory services related to enterprise resource planning (ERP) and designate use of CARES Act funding towards this contract. ERP is the integrated management of business processes, often in real time and mediated by software and technology. It is not just one software package but will encompass all the City's processes and attempt to most efficiently allow them to work together to accomplish our goals as this will be the foundation for the decisions we will be making next year. This \$78,000 proposal includes a process that involves every department allowing an organization-wide decision for the direction we should move forward with future software needs. The business process analysis, recommendations, plan of action and RFP will meet the requirements and timeline for funding using the CARES Act federal funds. The balance of the contract will be funded through capital projects funds and/or equipment certificates along with the eventual software purchase. If equipment certificates are issued for the software and balance of the contract, there would be a debt service levy over the life of the debt. Council Member Svenby made a motion to approve Resolution 104-20, Council Member Voss seconded the motion; all members voted aye in approval.

Human Resource Director Gorski requested approval of Resolution 105-20 authorizing use of CARES Act funding for the process development and implementation of online HR Infrastructure and Avante

Records Management Modules. Implementing the HR Infrastructure and Avante Records Management Modules within our current Laserfiche software, will allow the City Departments to streamline processes to create efficiencies and compliance for data collected. This project will streamline operations without compromising system security, while preserving records integrity. The modules will create and automate routine task while centralizing records for City Departments to easily manage the lifecycle of documents and get notified when documents are ready for disposition. Auto-file newly created records according to industry regulations and data practices statues. The design of a well-organized-online file plan allows accurate workflow and filing for all City records. This project creates a standardized and simplified indexing and processing while automatically filing public/private/confidential information. This project will protect the integrity of the data management and keep employees consistent with the process and requirements of managing government data. Laserfiche offers all departments one location to organize, store, track changes and provide an audit trail of accessed data, along with any legal holds and changes to the data. The purchase, development and implementation will meet the requirements and timeline for funding using the CARES Act federal funds. The total cost of the modules will be \$14,785. The ongoing cost will be \$1,200 annually for the Avante Records Management Module, this annual cost will be divided among all departments. Council Member Raney made a motion to approve Resolution 105-20, Council Member Okerberg seconded the motion, all members voted aye in approval.

City Administrator Busse requested approval of Resolution 106-20 approving application for a Premises Permit from Owatonna Youth Hockey to conduct lawful gambling (pull tabs) under a lease agreement with Don Juan Cantina & Grill at 1045 Frontage Road. City Code allows organizations to hold up to five Premises Permits. Currently, Owatonna Youth Hockey holds permits at Wing's Tavern & Grille, Sparetime Entertainment and Bridge Street Tavern. Their current Charitable Gambling Permit is active until June 30, 2021. Council Member Svenby made a motion to approve Resolution 106-20, Council Member Voss seconded the motion; all members voted aye in approval.

Community Development Director Klecker requested approval of Resolution 107-20 approving a variance for a sign at Grace Baptist Church at 265 26th Street NE. V-1438, was requested to allow a 56 square foot freestanding sign where only a 32 square foot sign is permitted in the R-1, Single Family Residential Zoning District. The church plans to add an electronic message board to the top of their existing sign. The proposed message board is 17.5 square feet and the existing sign is approximately 32 square feet. City Code allows one sign per street frontage, this property has streets on the north and east side with no sign on the east side. City Code requires signs be 10' from any property line; this sign is more than 50 feet from the closest property line along the north side of the property. The Planning Commission held a public hearing on this request and heard no objections so recommend approval with the following provisions:

- 1) A building permit shall be approved prior to construction of the sign.
- 2) The digital sign shall only advertise products sold or activities held on the property. No offsite advertising shall be permitted.

Council Member Dotson made a motion to approve Resolution 107-20, Council Member Svenby seconded the motion; all members voted aye in approval.

Community Development Director Klecker requested approval of Resolution 108-20 approving the Preliminary and Final Plat of Drive Thru Second Addition. Growth Holdings, LLC is construction

a coffee shop on this property at 621 Bridge Street West. The plat was approved prior to construction; however, during title update a vacated alleyway was identified which had not included and additional utility easements have been added. Council Member Voss asked if the evergreens along the back side of the property will remain; Klecker confirmed screening is required but not sure what their final plans include. Council Member Raney made a motion to approve Resolution 108-20, Council Member Dotson seconded the motion; all members voted aye in approval.

Community Development Director Klecker requested approval of Resolution 109-20 to change the westernmost parking stall on the north side of the 100 block of West Main Street from a 4 hour stall to a 30 minute stall. Todd Tacheny requested a 30-minute parking stall on the north side of West Main Street which is currently all 4-hour parking. Staff believes a stall on the south side of the street would not function due to the higher amounts of traffic. Based on Council's previous actions, staff recommends the westernmost stall on the north side of the street for the 30-minute stall which will be the easiest stall to get in and out of for a high turnover stall. Council Member Okerberg made a motion to approve Resolution 109-20, Council Member Voss seconded the motion; all members voted aye in approval.

City Administrator Busse presented Resolution 110-20 to approve the 2020 CARES Act Grant County-Municipality Agreement with Steele County. Due to the COVID-19 Pandemic, the Minnesota Secretary of State (OSS) received federal funding through the 2020 CARES Act. The OSS is providing block-grants to counties for allocation to municipalities with in-person voting during the 2020 Election Cycle. These grant dollars can only be used for COVID-19 related health and welfare of voters and requires a 20% local match from municipalities. Sneeze Guards were purchased for use during the August Primary Election which is an eligible use for these grant funds. Additional personal protective equipment and sanitizing supplies will be purchased for the November General Election. Items purchased must be reported to the County Auditor by November 10, 2020. The grant amount is \$10,290.18, this represents 80% of cost and the City's matching fund amount will be \$2,572.54. The matching funds can be allocated from 2020 CARES Act funds the City received. Council Member Voss made a motion to approve Resolution 110-20, Council Member Svenby seconded the motion; all members voted aye in approval.

City Administrator Busse presented Resolution 111-20 approving the proposal from Tierney for audio/visual equipment for council chambers and designating use of CARES Act funding towards this contract. This equipment will allow council meetings to be conducted remotely, when the pandemic hit, council was not able to conduct in-person meetings and the City was forced to utilize an on-line option and the present system is inadequate to meet all needs. New equipment will better facilitate remote meetings and ensure that all participants can easily see and hear what is presented. The proposal received from Tierney for purchase and installation of audio and video equipment is \$126,900 which are eligible for CARES Act funding. Council Member Raney made a motion to approve Resolution 111-20, Council Member Voss seconded the motion, all members voted aye in approval.

During Staff Comments, Finance Director Moen commented several agreements during this meeting were in regards to big ticket items for Cares Act Funding; since March the Finance Office has dealt with smaller item purchases for COVID concerns for personal protective equipment such as facial masks, cleaning supplies and sanitizers. Finance staff has also been busy preparing for the 2021

Budget process. Human Resource Director Gorski commented HR has been working to fill several staffing positions: an offer was just extended to hire a police officer; an open position at the Waste Water Treatment Plant due to Duane Perkins retirement will be filled internally by a staff member promotion and a critical position staff member resigned in the Building & Grounds Department so they are working through the hire process to fill this position. Later this week, an ad will post for Paid-On-Call positions at the Fire Department and she hopes everyone will encourage family and friends to apply. Gorski also asked everyone to be patient and kind with their friends, co-workers, and others during this time of pandemic; we do not know what others are going through. Community Development Director Klecker commented on the CARES Act Business Assistance Program currently offered through the EDA. During the August 18th Council Meeting, \$500,000 was designated from the City's CARES Act Funds towards this program and Steele County also approved funds, there will be close to \$1 million available for grants. Small business that incurred revenue loss due to COVID-19 are encouraged to apply, program information and criteria is posted on the City's website. The application period began yesterday on August 31st and will end at 5:00 p.m. on Monday, September 21st. Ehlers is the Project Consultant and will review the applications and award these grants; funds will be awarded based on need. City staff and local committees will not be involved in selecting who will receive grant funds. Council Member Voss asked who business owners should contact if they have questions while completing the grant application. Klecker suggested applicants contact him, Bill Owens at the Owatonna Business Center or Ehlers, the Project Consultant.

There were no comments heard during Public Comment.

During Council Comments, Council Member Voss commented if he were younger, he would apply to be a Paid-On Call Fire Fighter. Voss then reminded everyone school begins next week so watch out for children walking. Council Member Raney commented there have been reports of traffic violations near the new roundabout intersection of Rose and Grove. Law enforcement will be in the area to issue tickets for traffic speeding or driving through the middle of this roundabout. Mayor Kuntz commented the Engineering Department asked him to encourage everyone to participate in the 2040 Transportation Plan, citizen input is requested to consider short and long term planning needs; information and survey are available on the City's website. Council President Schultz thanked IT System Administrator Sticken for his assistance during tonight's meeting.

At 7:48 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: September 4, 2020

Respectfully Submitted,

Jeanette Clawson, Administrative Specialist