

## Owatonna City Council Minutes

The Owatonna City Council met in regular session on Tuesday, July 6, 2021, at 7:00 p.m. in Council Chambers at City Hall. Present were Council Members Schultz, Raney, Voss, Dotson, and Burbank; Mayor Kuntz; Community Development Director Klecker; Finance Director Moen, Parks & Rec Director Tuma; City Attorney Walbran; City Administrator Busse; Sergeant Sorenson; IT System Administrator Sticken and Administrative Specialist Clawson. Council Member Svenby was unable to attend.

Following the Pledge of Allegiance, Council President Schultz welcomed everyone to the meeting and advised an Event Permit with Exception to the City's Noise Ordinance for a movie at the River Springs Water Park has been added to this meeting's agenda. Council Member Dotson made a motion to approve the agenda with this additional item, Council Member Burbank seconded the motion, all members presented voted aye for approval.

Mayor Kuntz advised during a special meeting held Monday, June 28, 2021, Council selected Dan Boeke to fill the current Council Member at Large vacancy. Ten applicants interviewed with Council Members, Mayor Kuntz, City Administrator Busse and Human Resource Director Lynn Gorski. Mr. Boeke will fulfill the remaining term of Jeff Okerberg set to expire December 31, 2022. Mayor Kuntz administered the Oath of Office and Mr. Boeke took his seat.

Mayor Kuntz introduced John Jensen, VP of Economic Development at Metro Net, a telecommunications company providing phone, internet, and video over fiber optic cabling. Last year, Metro Net acquired Jaguar Communications which has a Franchise Agreement with the City of Owatonna to offer telecommunication services. Conversion to their new service platform began within the last six months created some service breaks and there have been numerous customer complaints. He commented several employees left during the company's acquisition period; but, four or five new Customer Service Representatives just began taking customer service phone calls within the last three weeks. Council Member Raney commented he has received fewer constituent complaints within the last few weeks. Mr. Jensen commented growth is a painful process for any company and realizes these service glitches will have to go away because people now have a choice in their service provider. He suggested that if your video service is down, you should try the internet service which may be available as they do redirect service feeds. Mayor Kuntz asked if their office at 213 S Oak Avenue is open, and he confirmed this local office will remain open; Customer Service can be reached at 507-214-1000. He apologized for these service issues, but sees things improving and anticipates things will continue to get better. Mayor Kuntz thanked him for coming to address Council's concerns.

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

Minutes - Council Meeting – June 15, 2021.

Minutes – Planning Commission Meeting – June 8, 2021.

Minutes – Park Board Meeting – June 14, 2021.

Minutes – Human Rights Commission Meeting – June 8, 2021.

Minutes – OPU Meeting – May 25, 2021.

Minutes – EDA Meeting – June 16, 2021.

Minutes – Airport Commission Meeting – June 10, 2021.

Minutes – HRA Meeting – June 28, 2021.

Exempt Permit – American Cancer Society, Inc. – Raffle – November 18, 2021.

Exempt Permit – Owatonna Exchange Club – Raffle – December 16, 2021.

Event Permit & Noise and Curfew Exceptions - Corky's Softball Tournament – July 29-Aug 1, 2021.

Event Permit – GEM Days – July 22-24, 2021.  
Event Permit – GEM Days Kiddie Parade – July 23, 2021.  
Temporary Liquor Permit - GEM Days - Mineral Springs Brewery, LLC – July 22-24, 2021.  
Event Permit – Show Mobile 3D Printer Display – Advanced Tek. – July 23, 2021.  
Event Permit with Noise Exception – Movie at River Springs Water Park – July 9, 2021.  
Annual Generator Preventative Maintenance Agreement – Cummins.  
Geotechnical Services – WWTF Expansion Project - American Engineering Testing, Inc.  
Geotechnical Services – N Cedar Streetscape Project – American Engineering Testing, Inc.  
Geotechnical Services – Bridge Street Project – American Engineering Testing, Inc  
Change Order No. 1 – Partridge Pond Project- James Bros. Construction Inc.  
Change Order No. 1 – Truman Avenue Project – Northland Grading and Excavating.  
T-Hangar Lease Agreement – Ryan Swanson, Medford MN.  
Weed/Nuisance Compliance Report – July 1, 2021.

Council Member Voss made a motion to approve these Consent Agenda Items and Council Member Dotson seconded the motion. Council Member Raney requested Park & Rec review future tournament contracts for consistency. With no additional comments, members present voted aye for approval.

Vice President Raney recapped expenses for the period. Bills presented for payment totaled \$2,193,609.89. Council Member Burbank made a motion to approve payment of these bills, Council Member Voss seconded the motion, all members present voted aye for approval.

City Attorney Walbran presented the second reading of Proposed Ordinance 21-8 regarding dangerous or potentially dangerous dogs. Council approved the first reading of this proposed ordinance during their meeting on June 15, 2021. There has been a change requested to Sec. B(4), an update in language to provide that the Animal Control Authority (OPD) is authorized to order that a Potentially Dangerous Dog be sterilized if the OPD believes it to be reasonable and in the interest of public safety. The owner could then request a hearing and the issue could be determined by the Panel. Captain Rethemeier requested this change noting that it is highly unlikely they would ever invoke that section without some guidance from a veterinarian health professional. He also indicated that in all probability, a dog that needs or is recommended for sterilization would seem likely to commit an act that would classify it as a dangerous dog anyway which requires sterilization. Council Member Boeke made a motion to approve Proposed Ordinance 21-8 as presented, Council Member Raney seconded the motion. With a roll call vote, voting aye were members: Raney, Voss, Boeke, Dotson, Burbank and Schultz, the motion carried, this will be known as Ordinance 1620.

City Attorney Walbran presented a Summary Publication of Ordinance 1620. This ordinance amends the City's Animal Ordinance, Chapter 90. Changes include addition of Section 90.15, State Law Adopted for Potentially Dangerous Dogs and Dangerous Dogs. This will provide local restrictions for keeping and maintaining a dog which has been deemed to be "Potentially Dangerous" and also provides for registration of both "Potentially Dangerous" and "Dangerous" dogs. A printed copy of the full ordinance is available for inspection during regular business hours at the City Administrator's Office and available on the City's website. Council Member Raney made a motion to approve this Summary Publication, Council Member Dotson seconded the motion, all members present voted aye for approval.

Finance Director Moen requested approval of Resolution 72-21 to provide for the sale of \$3,605,000 General Obligation Street Reconstruction Bonds, Series 2021A scheduled for August 2, 2021. The City is issuing street reconstruction bonds in order to finance the following street projects:

- a) 2021 Cedar Avenue Streetscape Project
- b) 2021 Truman Avenue Project
- c) 2021 Bridge Street Project

These bonds will be repaid over ten years through a combination of assessments and a debt service levy. Following the sale of bonds, the interest rates the City charges on assessments will be reviewed. We are anticipating a rate of 3.25-3.5% which is based on a recommendation to charge 1.5-2.0% higher than the City's rate. In review of the City's debt service policy, the following recommendations were reviewed:

- a) The net debt service levy should be less than 15% of general fund expenditures. The projected levy is 7.45% of 2021 general fund expenditures.
- b) The impact on future debt service levies is acceptable. We have reviewed the projected levy impact and it is acceptable.
- c) The impacts on the bond rating process – ratio of net direct debt to full market value is .81% which is considered strong (prior year was .78% which was also considered strong); ratio of net direct debt to operating revenues of the general fund and debt service funds is .69 times which is just outside of the strong range of .33x-.67x (prior year was .68 times). The City was aware the influx of projects in 2018 would impact these debt ratios. This impact will reverse itself over the life of the bonds as the City resumes its normal level of issuing debt.

Doug Green, Director at Baker Tilly International Limited joined the meeting to review plans for this pending bond sale. The Credit Rating Call is scheduled for later next week and he anticipates the City will rate solid and will have a good sale with three to seven bidders expected. Council Member Dotson made a motion to approve Resolution 72-21 authorizing Baker Tilly to solicit proposals for the sale of these bonds on August 2<sup>nd</sup> at 10:30 a.m., Council Member Voss seconded the motion; all members present voted aye for approval.

Community Development Director Klecker requested purchase of the property at 216 North Oak Avenue. The EDA is recommending this property be purchased as the property and the area around it have redevelopment potential. The plan would be to demolish the building and make the site available for development. The property is 49.5 feet wide and 90 feet deep and is probably not large enough to redevelop on its own but there is vacant property to the north that could be combined with this property for a redevelopment project. Staff will be working with that property owner on redevelopment plans. There is a signed purchase agreement contingent on City Council approval to purchase this property for \$75,000; this cost will be paid by the EDA which approved this purchase during their June 16<sup>th</sup> Meeting. Staff will seek bids to demolish the building upon closing on the property. Council Member Raney made a motion to approve this purchase as recommended by the EDA, Council member Burbank seconded the motion all members voted aye in approval.

Parks & Recreation Director Tuma requested acceptance of the quote from ISG to develop up to three concept plans for the Rose Street Trail redesign. Last month, a City stormsewer line broke under Rose Street which impacted the trail connection to downtown near the Blast. Trail repair, in this immediate area, is needed and there is an opportunity to reconfigure the trail to better meet ADA Standards, improve safety, and improve pedestrian flow and bicycle traffic. This trail connection is in a tight footprint with challenging topographic slopes. The concept plan will include project cost estimates for design and construction. Council Member Burbank made a motion to approve the \$5,700 quote for a concept plan, Council Member Boeke seconded the motion; all members present voted aye in approval.

City Administrator Busse requested approval of the application received from Kruckeberg Fleet Services, Blooming Prairie for a Garbage & Refuse Hauling License. This permit will be effective for the remainder of the current licensing period which ends, December 31, 2021. Council Member Dotson made a motion to approve this application, Council Member Voss seconded the motion, all members present voted aye in approval.

During Staff Comments, Finance Director Moen commented preparation of the 2022 Budget has started; she and City Administrator Busse will be meeting with each Department Director within the next two weeks to review their budget requests. Community Development Director Klecker commented his staff has been busy preparing their 2022 budget request. The number of Construction Permits is up in comparison to those at this time last year, but valuations are lower. Several buildings in the downtown area are making improvements with use of a forgivable EDA Loan. This has been a very successful EDA program which began in 2019 with \$200,00 offered, last year an additional \$100,000 was available. Some projects approved during 2019 were not completed and the EDA just authorized \$30,000 for interior repairs and \$30,000 for exterior repairs for 2021 loans; the maximum amount per loan is \$10,000. Parks & Rec Director Tuma commented the City was just awarded a \$100,000 DNR Trail Connection Grant for the Kaplan's Crossing Project, the trail between Lake Kohlmier and Kaplan Woods, will be completed next year. She thanked Mary Jo Knudson, P&R Admin Specialist and Community Development Director Klecker for acquiring this and other grants. The weather has been good allowing River Springs Water Park to be open and attendance has been very good so anticipating a solid financial report on operations. The Grand Opening of the Inclusive Playground and Miracle Field is planned for Monday, July 19<sup>th</sup> from 4:30 – 7:00 at Manthey Park. There will be a ribbon cutting on the ball field at 5:30 p.m. with the first pitch soon after.

There were no comments heard during Public Comments.

During Council Comments, Council Member Raney thanked those who applied to fill the recent council member vacancy; he was impressed with the preparation done prior to their interviews and then congratulated Dan Boeke for being selected as the new Council Member at Large. Council Member Voss also congratulated Mr. Boeke and then thanked everyone who helped with the Downtown Thursday event last week. Council Member Burbank and Mayor Kuntz also congratulated Mr. Boeke and welcomed him to the Council. Council Member Boeke commented he was glad to be here and is looking forward to working with staff and members of the public. City Administrator Busse commented interviews for the Communication Manager will be held next Monday, July 12<sup>th</sup>. Council President Schultz also welcomed new member Boeke and then encouraged everyone to get out and enjoy the weather, parks, and outdoor activities

At 7:51 p.m., Council Member Raney made a motion to adjourn, Council Member Dotson seconded the motion, all members voted aye for approval and the meeting closed.

Dated: July 10, 2021

Respectfully Submitted,

Jeanette Clawson, Administrative Specialist