

Draft Copy
Owatonna City Council Minutes

The Owatonna City Council met in regular session on Tuesday, April 4, 2017 at 7:00 p.m. in the Council Chambers. Council President Schultz called the meeting to order and welcomed everyone in attendance. Attending were: Council Members Raney, Svenby, Okerberg, Dotson, Voss and Burbank; Mayor Kuntz; Community Development Director Klecker; Public Works Director Skov; City Attorney Walbran; City Administrator Busse and Administrative Specialist Clawson.

Following the Pledge of Allegiance, Council President Schultz advised Mayor Kuntz has requested two items be added to the agenda: resignation and recommendation of appointment to the West Hills Commission. Council Member Svenby made a motion to approve the agenda as noted, Council Member Okerberg seconded the motion and all members voted aye for approval.

Mayor Kuntz advised he received a Letter of Resignation from Roy Collette from the West Hills Commission, as he will be moving out of the area. Council Member Dotson made a motion to accept the resignation of Roy Collette from the West Hills Commission. Council Member Svenby seconded the motion and all members voted aye for approval. Mayor Kuntz recommended Jim Herzog be appointed fill the remainder of this term of the West Hills Commission. Council Member Raney made a motion to appoint Jim Herzog to the West Hill Commission; Council Member Voss seconded the motion; all members voted aye for approval. Mr. Herzog was present to take the Oath of Office administered by Mayor Kuntz. This seat will expire on April 30, 2018.

Community Development Klecker introduced Ed Tschida, Consultant with Advanced Resources. Mr. Tschida explained the City received request to establish a development district and a tax increment-financing district to redevelop the property located at 122 Vine Street West. The property is occupied by the Arnold hotel building, originally constructed in 1866 but vacant for the past nine years. The Development Plan and Tax Increment Financing (TIF) Plan for the project were reviewed. The City proposes to issue bonds in the maximum amount of \$350,000 in the form of an interfund loan to reimburse eligible project expenses to the developer and the City.

At 7:11 p.m., a public hearing was opened for comment regarding the establishment of Development District No. 9 and Tax Increment Financing District No. 9-1. With no comments heard at 7:12 p.m., Council Member Raney made a motion to close the public hearing, Council Member Burbank seconded the motion, all members vote aye in approval.

Community Development Director Klecker presented Resolution 32-17 to approve Development District No. 9. Council Member Raney made a motion to approve this resolution, Council Member Burbank seconded the motion; all members voted aye for approval.

Community Development Director Klecker presented Resolution 33-17 to approve Tax Increment Financing District No. 9-1. Council Member Okerberg made a motion to approve Resolution 33-17, Council Member Dotson seconded the motion; all members voted aye for approval.

Community Development Director Klecker presented Resolution 34-17 to approve the terms of Interfund Loans in connection with TIF District No. 9-1. The City intends to reimburse itself for the payment of the qualified costs and interest thereon from tax increments derived from this TIF District. The maximum amount of the interfund loans will be \$382,283.00. Council Member Burbank made a motion to approve Resolution 34-17. Council Member Dotson seconded the motion, all members voted aye for approval.

Mayor Kuntz made proclamation of today, Tuesday, April 4, 2017 as National Service Recognition Day. He encouraged residents to recognize the positive impact national service in the City of Owatonna and Steele County; to thank those who serve; and to find ways to give back to the community.

Mayor Kuntz also made proclamation for April to be Blue Ribbon Month to Prevent Child Abuse within the City and encouraged everyone to help bring an end to child abuse and neglect. The Exchange Club of Owatonna hopes to increase public awareness of the National Blue Ribbon Campaign to bring awareness for Child Abuse Prevention.

Council Vice President Raney recapped the expenses for the period. Presented for payment were disbursements totaling \$818,102.90. Council Member Okerberg made a motion to approve payment of the bills presented, Council Member Dotson seconded the motion; all members voted aye for approval.

President Schultz advised council members review the Consent Agenda Items prior to the meeting for approval in one motion. Consent Agenda Items for approval include:

- Minutes: City Council Meeting – March 7, 2017.
- Event Permit – CYO Spirit Walk/Run – October 14, 2017.
- Tree Trimmer's License Renewal – Carr's Tree Service, Inc.
- Minutes – OPU Commission – February 21, 2017.
- Renew Contract for Soft Drink Services – Pepsi-Cola of Rochester.

Council Member Dotson made a motion to approve the Consent Agenda Items and Council Member Svenby seconded the motion. All members voted aye for approval of the Consent Items presented.

City Administrator Busse presented a lease with Steele County for use of the City's Fire Hall. In January, a pipe burst in the Steele County Court House, which caused severe damage to the structure making it, unfit for courthouse operations. To restore courthouse operations as quickly as possible, courthouse personnel and operations were relocated to the City's Fire Hall. There are two courtrooms operating in the Fire Hall; one is located in the Training Room on the first floor and the second courtroom is in the third floor conference room. Courthouse personnel are also using the gym area on the third floor as their temporary offices. This lease was prepared to clarify insurance, indemnification and maintenance requirements by both parties. The lease term runs until June 15, 2017 and does include an option for an extension if necessary. Council Member Okerberg hopes the courthouse repairs will be done by June saying this a City building used for operations and the \$100.00 monthly rental fee is minimal, he acknowledges the need to help and support the county but not wanting this to extend for a lengthy period. Council Member Burbank made a motion to approve the lease with Steele County, Council Member Dotson seconded the motion; all members voted aye for approval.

Public Works Director Skov presented the second reading of Proposed Ordinance 3-17 amending Appendix A – Fee Schedule to adjust the current Right-of-Way Fees. During May 2016, Ordinance 1538 amended Code Section 94.007: Right-of-Way Management to include fees for management of private utilities within the right-of-way that took effect January 1, 2017. Staff now believes the current fee, \$75.00 per 100 feet or \$0.75 per foot is too aggressive to charge for beginning permits. This proposed ordinance adjusts the fee to \$20.00 per 100 feet or \$0.20 per linear foot to cover the City's

costs. Council Member Raney made a motion to approve the first reading of Proposed Ordinance 3-17 and Council Member Okerberg seconded the motion; with a roll call vote, voting aye were Council Members Burbank, Raney, Svenby, Voss, Okerberg, Dotson and Schultz; voting nay were none; the motion carried. This will be known as Ordinance 1589.

Public Works Director Skov presented seven bids received for the 2017 Lemond Road Project. The lowest responsible bidder was Ulland Brothers, Inc. of Albert Lea, MN with bid of \$1,113,434.44. Council Member Svenby made a motion to approve Resolution 29-17 accepting the bids and awarding the contract for this project. Council Member Burbank seconded the motion, all members voted aye for approval.

Public Works Director Skov presented six bids received for the 2017 North Cedar Avenue Project. The lowest responsible bidder was Holtmeier Construction Inc. of Mankato MN with bid of \$1,063,642.03. Council Member Raney made a motion to approve Resolution 30-17 accepting the bids and awarding the contract for this project. Council Member Voss seconded the motion, all members voted aye for approval.

Public Works Director Skov presented Resolution 31-17 regarding the 2017 Curb & Gutter and Bituminous Paving Project. The resolution approves the plans and specifications and authorizes advertisement of the project proposed in the Majestic Oaks and Partridge Second Subdivisions. The proposed bid date will be April 26th with the approval of bids by Council during the first meeting in May. Council Member Svenby made a motion to approve Resolution 31-17, Council Member Voss seconded the motion; all members voted aye for approval.

City Administrator Busse presented Resolution 35-17, a resolution supporting local decision-making authority. A significant amount of legislation introduced this session could remove or restrict local control in several policy areas. The proposed legislation would have the following effects:

- Constrain local law enforcement authority.

- Restrict a city's ability to set local ordinances.

- Allow certain businesses unfettered access to public rights of way while eliminating a city's ability to manage them.

- Restrict a city's ability to use allowed fee structures.

- Reduce local government aid (LGA) based on factors with no relation to the statutory LGA formula.

Council Member Okerberg made a motion to approve Resolution 35-17, Council Member Burbank seconded the motion; all members voted aye for approval. The resolution will be sent to our Legislative leaders and association memberships expressing concern over this trend.

Community Development Director Klecker presented request to purchase property at 327 North Grove Avenue. The property is adjacent to the intersection of East Rose Street and North Grove, an intersection that at peak times experiences lengthy traffic back up. This intersection currently has a four way stop with no turn lanes and if traffic numbers increase, there will be a need to add turn lanes, possibly traffic signals or even a roundabout. To accommodate improvements to this intersection, more space will be needed and this property at 327 North Grove is the closest structure to the intersection. The property is for sale and staff is proposing the City purchase the property to allow options for improvements to the intersection. The City has a purchase agreement on the property

contingent upon City Council approval for a purchase price is \$49,500. The funds would be some remaining State Aid funds as well as funds that have been set aside to future street projects. The property is a small property that is 50 feet wide by 59 feet deep and has a small duplex, which was built in 1900. The duplex is within 15 feet of the street right-of-way and is within a few feet of the neighboring homes. The duplex needs many improvements and staff would recommend demolishing the structure rather than renting the property. Council Member Okerberg made a motion to approve the purchase of this property, Council Member Burbank seconded the motion; all members voted aye for approval.

City Administrator Busse presented request from Chief Hiller to approve a contract with the Minnesota Department of Human Services for a Congratulate and Educate Annual Plan. This is a grant to conduct unannounced tobacco compliance checks for educational purposes. The City would receive \$40.00 per compliance check and the business would incur no sanctions from the state, county or city. The goal of the project is to congratulate clerks who pass tobacco compliance checks and to provide education. Education would be provided on: Tobacco Regulations; Compliance Check information and why they are important; and penalties a clerk and business owner are charged with when tobacco is sold to someone under the age of 18. Council Member Okerberg made a motion to approve this contract. Council Member Dotson seconded the motion and all members voted aye for approval.

There were no comments heard during Public Comments.

During Council Comments, Council Member Okerberg advised the month of April is “Enforcement of Action Against Texting while Driving”. Council Member Dotson cautioned everyone of a potential fraud where property owners are contacted and advised they would provide a copy of your deed for a price; unfortunately, they take your money and do not provide the document so beware. City Administrator Busse gave several announcements: Brooktree Golf Course will open for the season this Thursday, April 6th; Council Members have been asked to assist during the Lincoln Elementary Color Run on May 31st; the LMC Annual Summer Conference will be in Rochester on June 14 -16; and next Tuesday, April 11th will be the annual meeting of the City’s Local Board of Appeal and Equalization. Mayor Kuntz asked when the next Coffee with the Council is planned; City Administrator Busse advised the next session will be during May; she will send notice as plans are confirmed, as there may be changes in the meeting’s style and time.

At 7:45 p.m., Council Member Raney made a motion to adjourn the meeting. Council Member Dotson seconded the motion, all members voted aye and the meeting adjourned.

Dated: April 12, 2017

Respectfully submitted,
Jeanette Clawson, Administrative Specialist