

Owatonna City Council Minutes

The Owatonna City Council met in regular session on Tuesday, April 18, 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, Voss and Burbank; Mayor Kuntz; Community Development Director Klecker; Public Works Director Skov; City Attorney Walbran; City Administrator Busse; Recreation Manager Anderson and Administrative Specialist Clawson. Council Members Svenby and Dotson were not present.

Following the Pledge of Allegiance, Council President Schultz advised staff has requested two items be removed from the Proposed Agenda: the Second Reading of Proposed Ordinance 4-17, a request to vacate a portion of Drainage & Utility Easements in Country Creek No. 6 and Resolution 40-17, the Final Plat of Country Creek No.7. Council Member Burbank made a motion to approve the agenda with these two items removed. Council Member Voss seconded the motion; all members present, voted aye for approval.

Council Member Svenby joined the meeting.

Mayor Kuntz made proclamation for Friday, April 28th as Arbor Day. Residents are encouraged to support efforts to care for tree and woodlands and the City's Community Forestry Program.

City Attorney Walbran introduced Resolution 36-17 to authorize a contract with Fame Awards for the purchase of miscellaneous recognition products. The City has purchased recognition products from Fame Awards over the last ten years. Doug Voss who was elected to the Council in November of 2016 Own Fame Awards. State statute prohibits a City Council member from having a personal financial interest in a contract with the City. However, the statute provides a number of exceptions. The council may, by unanimous vote; contract for goods and services with an interested officer in certain enumerated situations, including "a contract for which competitive bids are *not* required by law" (contracts less than \$100,000.00.) When a City contracts with a public official for which no competitive bid is required, certain steps must be followed, including:

- (1) That the council adopt a resolution authorizing the contract which includes a statement that the contract price is as low as or lower than the price for which the commodity could be obtained elsewhere;
- (2) That before payment is made to the public official, the public official must file with the city clerk an affidavit stating that to the best of the officer's knowledge the contract's price is as low as or lower than the price at which the commodity could be obtained from other sources;
- (3) That the council must approve the contract by unanimous vote; and
- (4) The public official must abstain from voting on the matter.

Resolution 36-17 authorizes purchase on behalf of the City from Fame Awards for \$478.50. Council Member Voss recused himself from his seat. Council Member Okerberg made a motion to approve Resolution 36-17, Council Member Burbank seconded the motion; all members voting, voted aye for approval; Council Member Voss returned to his seat.

Council Vice President Raney recapped the expenses for the period. Presented for payment were disbursements totaling \$621,832.31. Council Member Svenby made a motion to approve payment of the bills presented, Council Member Burbank seconded the motion; all members present voted aye for approval.

Council 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:

Council Minutes – April 4, 2017 Meeting.

Event Permit – Biker’s Against Child Abuse – May 20, 2017.

Event Permit - Steele County Free Fair – August 15 – 20, 2017.

Temporary Liquor Permit – Knights of Columbus at Smokin in Steele – June 1-3, 2017.

Retail Fireworks Permit – Coborn’s Incorporated, 495 W North Street.

Retail Fireworks Permit – TNT Fireworks, tent in Walmart parking lot, 1130 W Frontage Road.

Retail Fireworks Permit – Vapor of Smoke, tent in Sisters Salon parking lot, 1285 21st Ave NW.

Retail Fireworks Permit – Walmart #982, 1130 W Frontage Road.

Minutes – Human Rights Commission – March 13, 2017.

Building Inspection Department - March 2017.

Renew Contract for Airplane Display – National Museum of the United States Air Force.

Joint Powers Agreement – South Central Drug Investigation Unit.

Change Order #1 – Bridge Street Lift Station.

Council Member Raney made a motion to approve the Consent Agenda Items and Council Member Okerberg seconded the motion. All members present voted aye for approval of these Consent Items.

Public Works Director Skov presented Resolution 37-17 to accept the bids and award the contract for repair of the bar screen at the Waste Water Treatment Plant. Bids were received from three companies for three options: Alternate A, repair of the existing system; Alternate B, replace the existing system and last option, Alternate B with stainless. The repair or replacement will be covered under the City’s insurance plan with a \$25,000 deductible and FEMA will cover the deductible cost. The City would have to pay the cost of the stainless alternate which will extend the lifetime use of the bar screen by several years. Council Member Burbank made a motion to approve Resolution 37-17 approving the bid received from Magney Construction of Chanhassen MN for Alternate B at \$181,700.00 with the addition of stainless at an additional cost of \$23,755.00. The stainless expense will be paid from the City’s Wastewater Treatment Funds. Council Member Svenby seconded the motion; all members present voted aye for approval.

Public Works Director Skov presented Resolution 38-17 to accept the bids and award the contract for the 2017 Cured in-Place Pipe Systems (CIPPS) Project. Seven bids were received on April 12 for this project. Council Member Raney made a motion to accept the bids and award the contract to VISU-Sewer Inc, of Pewaukee WI for \$399,987.90. Council Member Voss seconded the motion and all members present voted aye for approval.

Public Works Director Skov presented Resolution 39-17 to accept the bids and award the contract for the 2017 North Straight River Trail Project. The MnDOT Civil Rights Office must also approve the bid after review of the contractor’s participation in Disadvantaged Business Enterprise. Council Member Svenby made a motion to accept the six bids received and award the contract to R.A.W. Construction of Faribault MN for \$498,635.90, contingent on approval from the MnDOT Civil Rights Office. The bid was lower than the Engineer’s Estimate, which should allow additional lighting along the trail. Council Member Voss seconded the motion, all members present voted aye for approval.

Community Development Director Klecker presented the second reading of proposed Ordinance 5-17 to rezone property located in the 1700 Block of East School Street owned by Tom and Jacquelyn Poole. The property, currently zoned I-2, Heavy Industrial would be changed to R-1, Single Family

Residential. Council approved the first reading of this proposed ordinance during the March 21, 2017 Meeting and no changes have been made since. The Planning Commission is recommending approval of this zoning change. Council Member Burbank made a motion to approve Proposed Ordinance 5-17 as recommended by the Planning Commission, Council Member Svenby seconded the motion. With a roll call vote, voting aye were Council Members Burbank, Raney, Svenby, Voss, Okerberg and Schultz; voting nay were none; the motion carried. This will be known as Ordinance 1560.

Community Development Director Klecker presented the second reading of proposed Ordinance 6-17 to vacate the south part of School Street East adjacent to the future Poole Addition. This ordinance will help avoid any questions on the property title and then formally rededicate it on the Poole Addition plat. This will have no effect on the existing street or utilities in the area. Council approved the first reading of this ordinance during the March 21, 2017 Meeting and there have been no changes made. The Planning Commission has recommended approval of vacating this portion of the street contingent on approval approval of Poole Addition. Council Member Svenby made a motion to approve Proposed Ordinance 6-17, Council Member Burbank seconded the motion. With a roll call vote, voting aye were Council Members Burbank, Raney, Svenby, Voss, Okerberg and Schultz; voting nay were none; the motion carried. This will be known as Ordinance 1561.

Community Development Director Klecker presented Resolution 41-17 to approve the Final Plat for the Poole Addition. The applicants, Tom and Jacqueline Poole will be 100% responsible for the development costs. The Planning Commission is recommending approval of this Final Plat with the following conditions:

- 1) Final plat approval shall be contingent of approval of the vacation of East School Street.
- 2) The final plat shall be approved within one year of the date of approval of the preliminary plat.
- 3) An updated title opinion shall be approved by the City Attorney prior to recording of the final plat.
- 4) Public sewer and water main shall be extended to the east property line of Lot 1. A fire hydrant shall be installed at the end of the public watermain.
- 5) The water and sewer service connected to the future house on Lot 2 will remain the property owner's responsibility. Further, when the public water and sewer mains are extended to the east property line, the current property owners shall reconnect the services into a more standard 90° connection.
- 6) The applicants shall enter into a development agreement with the City prior to recording of the final plat.
- 7) The wetlands on Lot 2 and any other areas to be disturbed during construction shall be delineated and signed accordingly. This shall be completed prior to any building, grading, or utility permits are issued.
- 8) All City of Owatonna storm water requirements are to be met with this proposal. This plat is required to be reviewed as a connected action and need to be addressed accordingly.

Council Member Raney made a motion to approve Resolution 41-17, Council Member Voss seconded the motion; all members present voted aye for approval.

Community Development Director Klecker presented the second reading proposed Ordinance 7-17 to vacate a portion of Mineral Springs Parkway. Council Member Schultz recused himself, as he is one of the property owners making this request; Council Vice President Raney took over the meeting. Council approved the first reading of this ordinance during the March 21, 2017 meeting and there have been no changes since. Council Member Okerberg made a motion to approve Proposed Ordinance 7-

17 as recommended by the Planning Commission, Council Member Voss seconded the motion. With a roll call vote, voting aye were Council Members Burbank, Raney, Svenby, Voss, and Okerberg; voting nay were none; the motion carried. This will be known as Ordinance 1562.

Community Development Director Klecker presented Resolution 42-17 to approve the Final Plat of Parkway Addition. The applicants, the Paul Arnfelt Trust and Lowell G. Schultz, Jr. will pay 100% of the development costs. The Planning Commission recommends approval of this plat with the following conditions:

- 1) Final plat approval shall be contingent of approval of the vacation of the portion of Mineral Springs Parkway.
- 2) The final plat shall be approved within one year of the date of approval of the preliminary plat.
- 3) Prior to recording of the final plat, the assessment shall be paid in full or approved to the reallocation by the City Council.
- 4) The City Attorney shall approve the title opinion prior to recording of the final plat.
- 5) The sanitary lines shall be relocated further west to allow for 5' on each side of the water main.
- 6) A shared driveway easement will be required prior to a building permit being issued on either Lot 4 or Lot 5.
- 7) A drainage easement shall be provided over the wetland area. Any future encroachments into the easement other than the 12' wide crossings on Lot 3 and Lot 5 shall be approved by the City Council.
- 8) The developers shall enter into a development agreement with the City prior to recording of the final plat.

Council Member Okerberg made a motion to approve Resolution 42-17 with the recommendation from the Planning Commission; Council Member Voss seconded the motion. All members voting voted aye for approval.

Council President Schultz returned to his seat to preside over the remainder of the meeting.

Community Development Director Klecker presented Resolution 43-17 approving a Development Agreement with South Pointe Owatonna, LLC for development at 201 18th Street SW. They plan to demolish the former Owatonna Care Center at this site and construct a 37-unit apartment building. To assist with the project, the City approved utilizing Tax Increment Financing to fund a portion of the project, which requires a Development Agreement. Council Member Raney made a motion to approve Resolution 43-17, Council Member Burbank seconded the motion; all members present voted aye for approval.

Public Works Director Skov presented Resolution 44-17 to approve the plans and order bids for the 2017 Crack Sealing Project. The City annually crack seals roadways in advance of sealcoating. This year, approximately 9.6 miles is included in this project. Council Member Burbank made a motion to approve Resolution 44-17, Council Member Voss seconded the motion; all members present voted aye for approval.

Community Development Director Klecker presented request to purchase property along 32nd Avenue NW in the Industrial Park. Staff has been working with Cemstone to relocate from their current facility at 639 Riverside Avenue to the Industrial Park and construct a new facility. Their current

location is not compatible to the neighboring properties; the City receives complaints about dust, noise and traffic. Staff proposed they swap their current site for the site in the Industrial Park and they could stay at their current facility rent free up to 5 years as they phase in a buildout on the new site. The City would own the current site and could redevelop it into a commercial development once Cemstone had vacated the site. The City could also use tax increment financing on the new site to help with costs of building the new facility. Cemstone uses the railroad on their site to haul crushed glass by train and the City does not have property along the railroad to accommodate a rail spur for their operations; however, Viracon does. The property along 32nd Avenue NW behind their Curvlite building is approximately 14 acres that Viracon no longer needs and are willing to sell. Cemstone did some investigation of the site and agreed this site would work for a new facility. The City has a purchase agreement on the Viracon property contingent upon City Council approval. The purchase price is \$200,000, which would be paid for by the EDA. Cemstone has signed a letter of intent agreeing to the general terms as has been explained. Council Member Burbank made a motion to approve the purchase of this property from Viracon, Council Member Okerberg seconded the motion; all members voted aye for approval.

Community Development Director Klecker presented request to approve implementation of airport facility fees for non-based turbine aircraft. To support airport service and operational costs, the service entity on the field or airport authority often will charge arriving aircraft a fee (landing, concierge, facility, handling, and airport fee) that is typically waived with a fuel purchase. This fee supports the use of the facility and overhead costs associated with providing services and amenities including parking assistance, ramp service, courtesy car, coffee, Wi-Fi, catering or ground transportation arrangements, garbage service, etc. The airport business development Working Group has reviewed the applicability of implementing a facility fee at the airport and met with the airports aviation-fueling representative from Avfuel. Avfuel recommends a facility fee for a number of reasons that have been reviewed by the Airport Commission including:

- Encourages turbine operators to purchase fuel at OWA
- Fee is expected by many turbine operators
- Increases fuel sales and facility revenues
- Can enhance pilot perception of facility as a modern and serious service provider
- In line with competing airports in the area that support turbine aircraft.

Facility fees will not be charged to piston aircraft or any based aircraft. The intent is to enhance fuel sales and recover costs from revenue generating turbine aircraft arrivals that utilize airport facilities and services. Facility fees are proposed as follows for revenue generating business arrivals that utilize facilities or concierge type amenities or services:

<u>Aircraft Type(Typical Aircraft Class Description)</u>	<u>Facility Fee</u>	<u>Minimum Gallons</u>
Turbo Prop. (King Air, Cessna 425, Cessna 441, Piper Cheyenne, Pilatus, etc.):	\$30.00	30 gallons
Light Jet (Up to 8 Pas. Capacity– CJ1, Lear 35, Beechjet, Cit. Encore, etc.):	\$60.00	60 gallons
Medium Jet (9-11 Pas.Capacity – Lear 60, Cit. Sovereign, Hawker 800, etc.):	\$80.00	80 gallons
Heavy Jet (12+ Pas. Capacity – Challenger, Falcon 50, 900, G4/G5, G. Exp., etc.):	\$100.00	100 gallons

Facility fees will be waived with a minimum fuel order and for based aircraft. Council Member

Okerberg made a motion to approve implementation of these fees, Council Member Burbank seconded the motion; all members present voted aye for approval.

Recreation Manager Anderson introduced Tennis Pro Kelly Baker and request to adopt a policy regarding “unauthorized tennis pros” at the West Hills Tennis & Fitness Center. The City currently has an ‘Exclusive Right to Instruct’ clause in the Independent Contractor Agreement with Mr. Baker; but there is no formal rule or policy listed at the West Hills Tennis & Fitness Center supporting this clause. There are several individuals, not associated with the contracted tennis pro, who are using the facility to conduct informal lessons. City Attorney, Mark Walbran has recommended adopting a policy that can be included as part of the Tennis and Fitness Center’s overall rules with a provision for “notice of violation and opportunity to be heard”. The Park and Rec Board is recommending approval of this policy. Signage will be posted at the Tennis & Fitness Center and included with all materials associated with the facility. If a violation occurs, a written notice of the rule would be sent or presented to the individual who is offering lessons contrary to the policy with notice to cease. If there were a failure to abide by the rule, written notice of the violation would be mailed or presented to the individual. The notice would advise the person that their use of the tennis facility would be suspended for up to 60 days, provided no suspension would take effect until after the individual is given the opportunity for a hearing before the Park Board. The notice would provide that any request for a hearing be in writing and delivered to the Director of Parks and Recreation within 10 days of the date on the notice of violation. Council Member Raney made a motion to approve this policy, Council Member Voss seconded the motion; all members present voted aye for approval.

There were no comments heard during Public Comments.

During Council Comments, Council Member Voss said he spent a day at Fire Hall and thanked Fire Fighters Kelly Hanson & Korey Kamholz for showing him around; he was impressed how fire staff is handling their office displacement as they are currently sharing their space with the Steele County Court Services. Voss then expressed condolences to Emma Otto and all of the Otto family saying Dudley Otto was a longtime hockey legend in Owatonna and he considers it an honor and privilege to have known him and to have played for him. Mayor Kuntz reminded everyone a prayer service will be held on the front steps of the Administration Building at 5:30 p.m. on Thursday, May 5th. City Administrator Busse reminded everyone an Arbor Day Event planned for Friday, April 28th to begin at 12:15 p.m. on the front steps of the City’s Administration Building. Trees will be planted to honor six employees who retired last year: Mike Knutson, Mark Kniefel, Patty Nichols, Richard McShane, Mary Gontarek and Randall Baker. Council Member Okerberg expressed congratulations to these six retired City employees.

At 7:48 p.m., Council Member Raney made a motion to adjourn the meeting. Council Member Svenby seconded the motion, all members voted aye and the meeting adjourned.

Dated: April 12, 2017

Respectfully submitted,
Jeanette Clawson, Administrative Specialist