

## Draft Council Minutes

Owatonna City Administration Building

Tuesday, January 18, 2011

7:00 o'clock p.m.

The Owatonna City Council met in regular session on Tuesday, January 18, 2011 at 7:00 p.m. in the Council Chambers of the City Administration Building with Council President Abraham presiding. Present were: all Council Members Burbank, Wittrock, Truelson, Svenby, Moen, Dotson and Abraham; Mayor Kuntz; City Administrator Busse; City Attorney Walbran; Community Development Director Strand; Assistant City Engineer Pekuri; and Assistant City Clerk Clawson.

Following the Pledge of Allegiance, Abraham welcomed everyone in attendance and advised of two revisions to the Agenda: Item 3.5.2-Resolution 3-11 will be moved for action after closing the public hearing Item 1.5.1-Application for the MN Investment Fund Grant and Item 3.2.1-Development Agreement with the Steele County Communities for a Lifetime, Inc. (SCCL) will be added. Council Member Moen made a motion to approve the agenda with the two modifications, Council Member Burbank seconded this motion; all members present voted aye for approval.

Mayor Kuntz recommended two appointments to the Shade Tree Commission: Roger Wacek to fulfill a current seat until April 30, 2011 and Greg Schultz to fill an unfilled seat till April 30, 2012. Council Member Truelson made a motion to approve these two appointments, Council Member Dotson seconded this motion; all members present voted aye for approval. Mayor Kuntz administered the Oath of Office to Roger Wacek.

At 7:08 p.m. Public Hearing was held to consider submission and filing of an application for a Minnesota Investment Fund Small Cities Development Program Grant in the form of loans to assist businesses in Steele County damaged during the September 22, 2010 flooding event. Community Development Director Strand advised the MN State Legislature has authorized \$10 million relief funding within the state. The MN Department of Employment and Economic Development is administering the grant program and currently accepting applications for the program. The city would obtain a grant from the state to make loans to qualifying businesses within Steele County; Strand recommended a minimum loan amount of \$15,000. The funds must be used to repair buildings, leasehold improvements, fixtures and/or equipment, loss of inventory or clean up costs. The city would receive a 3% administrative processing fee for loans issued. Repayments would be required for 50% of the loan over a 10 year period; the remaining 50% would be forgiven provided the business remains in operation for the 10 years. The loan can be used towards reimbursement of eligible repairs already completed. With no other comments, Council Member Svenby made a motion to close the public hearing, Council Member Truelson seconded this motion; all members present voted aye for approval the Public Hearing was closed at 7:10 p.m.

Community Development Director Strand introduced Resolution 3-11 for authorization to submit the application to the state to access MIF Flood Recovery Funds. Council member Dotson made a motion to approve Resolution 3-11, Council Member Wittrock seconded this motion; all members voting aye for approval.

Council Member Wittrock made a motion to approve the guidelines establishing the policies and procedures for the MIF Flood Recovery Funds. These are to regulate, coordinate and facilitate the workflow for underwriting new financing requests, servicing recovery loans, and ensuring borrower compliance with loan terms and conditions. Council Member Dotson seconded this motion to approve the guidelines; all members voted aye for approval.

During Public Comment Marlene Nelson, 1726 Mosher Ave commented she is waiting for a copy of the final Aquatic Center's Operations Report for the 2010 Season. She received the 2009 report during late September 2009 and asked why the final 2010 report is not available, the Finance Department has told her there were invoices received during December for payment. Marlene also commented the DNR should consider seining Lake Kohlmeier to not to poison and kill the current fish population.

Council President Abraham recapped the expenses for the period. Motion was made by Council Member Wittrock, seconded by Council Member Moen to approve payment of the bills presented totaling \$616,438.02. All members present voted aye for approval.

Abraham explained council members review the Consent Agenda Items prior to the meeting for approval in one motion during the meeting. Current Consent Agenda Items include:

- Minutes of City Council meeting held January 4, 2011.
- Taxi Cab license – 2011 First Choice Shuttle – one additional vehicle.
- Monthly Building Inspection Report – December 2010.
- Monthly Fire Department Activity Report – December 2010.
- Monthly Animal Control Report – December 2010.
- Minutes – Airport Commission Meeting – October & November 2010.
- Minutes – Human Right Commission Meeting – December 2010.
- Minutes – Parks & Recreation Board Meeting – November 2010.
- T-Hangar Lease Renewal - Bryan Stave, Sidney, NE for Hangar #2, Unit A.

Council Member Svenby made a motion to approve the Consent Agenda Items, Council Member Truelson seconded this motion; all members present voted aye for approval.

Assistant City Engineer Perkuri introduced the proposals received for an Inflow and Infiltration (I&I) Study. The study will be of three areas which have been identified which experience sanitary sewer backups on a relatively frequent basis:

1. N Elm Avenue between North Street and 11<sup>th</sup> Street NE.
2. Cherry Street between Dartt Avenue and the Maple Creek including Dartt Avenue, Larch Avenue, Maple Drive and Aspen Highland Place NE.
3. S. Walnut Avenue between Mann Street and W Main Street including Mann Street and portions of Linn Avenue and Mosher Avenue.

The study includes investigation of the existing system, data collection, flow metering, smoke testing, physical inspection of manholes and televising of suspect lines. A final report will be prepared summarizing all work and making recommendations for proposed improvements. Proposals received from five firms were reviewed by staff from the Engineering and the Wastewater Treatment Departments. The firm of Foth Infrastructure & Environment was chosen, their base proposal was \$49,997 with additional fees for additional services requested. The study is scheduled to begin during March or April and be completed during July. Council Member Burbank remarked additional smoke testing services would be costly; Perkuri commented additional fees would incur only if additional services were requested. Council Member Truelson made a motion to accept the proposal from Foth Infrastructure & Environment, Council Member Moen seconded this motion. Council Member Wittrock asked if there was a cap on additional services; City Administrator Busse explained Foth would be required to provide the services listed in their proposal for the agreed price and only if the city requests additional services would additional fees incur. With no additional comments, all members voted aye for approval.

City Attorney presented a request for council to give direction regarding the road to the proposed Steele County Communities for a Lifetime nursing home facility. Council Member Wittrock made a motion to hold a discussion during Public Comment at the next council meeting and to authorize staff to proceed with preparing a developmental agreement for the road, Council Member Burbank seconded this motion; with five members voting aye, Council Members Truelson and Dotson voting nay, the motion carried.

Community Development Director Strand introduced Resolution 2-11 to decertify TIF District No. 1-7 for General Equipment. This TIF District was formed as an economic development district in 2000 and the final tax increments were received in 2010. Strand explained all of the plan objectives have been met so it is now time to decertify this district as required by state statute. Council Member Moen made a motion to approve Resolution 2-11, Council Member Dotson seconded the motion; all members voted aye for approval.

Parks and Recreation Director McKay presented request to the award the bid for the Straight River Trail Bridges Abutments and Erection Project to K Johnson Construction of Sauk Rapids, MN. The bid packet was structured to included abutment work and installation of one, two or three bridges. Bids were received from eleven companies and after the bids were opened and calculated, it was confirmed funds are available to do the abutment work and installation of all three bridges. This project will be covered by project grant funds received from the Owatonna Foundation; the low bid amount was \$145,157. Mayor Kuntz asked if the project could be awarded to a local contractor who bid only \$1,443 more. City Attorney Walbran advised the MN Statue requires the lowest responsible bid be accepted. Council Member Truelson made a motion to accept the bid from K Johnson Construction, Council Member Moen seconded this motion; all members voted aye for approval.

During Council Comments Council Member Wittrock mentioned sidewalks at the previous hospital location need to be cleared of snow. City Attorney Walbran presented his opinion regarding the propriety of the council's action awarding the contract for the city audit services to Larson-Allen at the last meeting; specifically, the question was whether it was proper for Council Member Brent Svenby to vote on the question since his brother, Brad Svenby, is an employee of that firm. After review and analysis of the legal authorities, Walbran advised the action was appropriate, Brent Svenby should not have been disqualified from voting on the question because he had no personal financial interest in the contract. Mayor Kuntz advised a "Take it to the Box" container is now available at the Law Enforcement Center for safe use, storage and disposal of medications. Council Member Abraham requested review of the current noise ordinance; snow blowers are operating early in the morning.

Council Member Wittrock made a motion to adjourn the meeting. Council Member Dotson seconded this motion. With all members present voting aye, the meeting was adjourned at 7:40 p.m.

Dated: January 25, 2011

Respectfully submitted,  
Jeanette Clawson, Assistant City Clerk