

Draft Council Minutes

Owatonna City Administration Building Tuesday, August 16, 2011 7:00 o'clock p.m.

The Owatonna City Council met in regular session on Tuesday, August 16, 2011 at 7:00 p.m. in the Council Chambers of the City Administration Building with Council President Abraham presiding. Present were: Council Members Truelson, Burbank, Moen, Dotson, and Wittrock; Mayor Kuntz; City Administrator Busse; City Attorney Walbran; City Engineer Johnson; Community Development Director Klecker; Fire Chief Johnson; Airport Manager Beaver and Assistant City Clerk Clawson. Council Member Svenby was absent.

Following the Pledge of Allegiance, Abraham welcomed everyone in attendance. Council Member Truelson made a motion to approve the agenda Council Member Dotson seconded the motion; all members present voted aye for approval.

A public hearing was held for the Plan Modification of Tax Increment Financing (TIF) District No. 3-1. Community Development Director Klecker explained this TIF was created in 2003 for the Coca-Cola Sales and Distribution Center at the corner of Alexander Street and 24th Avenue in the industrial park. The budget established in the plan identified \$192,870 of estimated TIF generation; however, a footnote in the plan provided that any additional increment generated in excess of this estimate would be paid to the developer for TIF eligible expenses incurred. During construction, the site prep and soils correction expenditures incurred by the developer exceeded \$600,000 and in 2004 the city executed a development agreement with Coca-Cola which stipulated maximum TIF reimbursement up to \$350,000. The TIF will end when the \$192,870 is collected unless the plan is modified. In fulfillment of the development agreement as well as the intention of the TIF plan, the city will need to amend the plan by modifying the budget. This modification amends the budget to provide up to \$278,973 in reimbursement; this amount is based on increment generated to date and increment projection to the end of the district in 2014 and does not increase the amount of the total TIF that was intended to be received by the recipient. Costs for publication and consulting fees will be paid from the EDA budget. Roger Guenette of Advance Resources for Development, Inc. was present to answer questions and confirmed the school district and county have been advised of this pending modification. At 7:06 p.m., Council Member Dotson made a motion to close the public hearing, Council Member Truelson seconded the motion; all members present voted aye for approval.

Community Development Director Klecker introduced Resolution 38-11 for the TIF District No. 3-1 Modification and the use of the TIF. Council Member Moen made a motion to approve Resolution 38-11, Council Member Wittrock seconded the motion; all members present voted aye for approval.

Council President Abraham recapped the expenses for the period. Motion was made by Council Member Wittrock, seconded by Council Member Dotson to approve payment of the bills presented totaling \$800,396.60. All members present voted aye for approval.

Council President 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 - City Council meeting held August 1, 2011.

Short Term Beer License – Knights of Columbus on August 26, 2011- Hoops Club Benefit at the Steele County Fairgrounds.

Fireworks Display Permit – Hairball – August 17, 2011 at the Steele County Fair.

Parade Permit – Cultural Diversity Network - Culturfest – September 24, 2011.

Scholarship Board Minutes – July 27, 2011.

MN State School Museum Minutes – July 26, 2011.

Building Inspection Reports – July 2011.

Animal Control Report – July 2011.

Fire Department Monthly Activity Report – July 2011.

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

Fire Chief Johnson requested authorization to purchase equipment for the 800 MHZ radio system for the Public Works, Parks and Recreation and Police Departments. This is part of a statewide radio system upgrade to the ARMER system to replace the existing VHF system. The Motorola equipment will be purchased through vendors listed on the state contract so bids will not be requested. Radios for the Public Works and Parks and Recreation purchase will be \$216,340.79 and \$264,370.19 for the Police Department. Council Member Truelson made a motion to approve the purchase of the 800 MHZ radios for these departments, Council Member Burbank seconded this motion; four council members present voted aye for approval, Council Member Wittrock voted nay.

City Engineer Johnson requested the speed limit on Cherry Street/Mineral Springs Parkway between the entrance to the Brooktree Clubhouse and Mineral Springs Road be changed from 30 mph to 20 mph. The current construction on Mineral Springs Road at the Cherry Street intersection and subsequent detouring has increased traffic on these streets and the road is narrow with no shoulder for pedestrians or bicyclists so Johnson recommended this as a permanent change. Council Member Wittrock made a motion to approve this speed limit change as recommended, Council Member Dotson seconded this motion; all members present voted aye for approval.

Airport Manager Beaver presented Resolution 39-11 to accept the bid and award the contract for the 2011 Airport Pavement Joint Rehabilitation Project at the Owatonna Degner Regional Airport. There was only one bid received for consideration of this project from Schodeller Construction, Inc. of Wixom, MI. The base bid submitted was approximately 22% over the engineer's estimate and the city's airport engineering firm, Bolton and Menk, Inc. recommends accepting the Base Bid and Alternate 1 provided the contract is subsequently modified through change order or supplemental agreement to omit items in the base bid. The proposed construction costs under the modified project schedule for the Base Bid and Alternate 1 are \$274,310. Project costs are currently budgeted for and contingent upon securing 95% federal grant funding participation, with local share of the work expected to be \$13,716. Council Member Dotson made a motion to accept the bid from Schodeller Construction, Inc. for the base bid and Alternate 1 as recommended by Bolton and Menk, Inc. contingent on confirmation of the federal funding, Council Member Burbank seconded this motion; all members present voted aye for approval.

City Engineer Johnson presented Resolution 40-11 requesting a variance from the Standard for State Aid Operation for Project No. S.A.P. 153-136-002 on Mineral Springs Road. Due to delays in the final plan preparation and final plan approval process, the bid opening for this project occurred prior to the date of the final plan approval by the State Aid Engineer. This is a violation of the Minnesota Rules for State Aid Operation and the only way for the City to received State Aid funding for this project is to go through the variance process. If a variance is not granted, the City will have to fund approximately \$350,000 for the project on its own. Council Member Wittrock made a motion to approve Resolution 40-11, Council Member Moen seconded the motion; all members present voted aye for approval.

City Engineer Johnson presented Resolution 41-11 to approve the plans and specifications and order the advertisement for bids for the 2011 SE Storm Sewer Rehabilitation Project – Phase 4, miscellaneous storm sewer repair and water main replacement. This proposed Phase 4 of the storm sewer rehabilitation project is

to divert storm water from Church Drive to the new trunk line in Sunlight Avenue. The second part of this project is the miscellaneous repair of storm sewers, especially catch basins. The third part of this project is the replacement of water mains in 11th Street SE, McKinley Street SW and from SPX to Wenger Corporation as requested by O.P.U. and designed by the City Engineer. The estimated cost of the Phase 4 Storm Sewer is approximately \$50,000 and will be funded from the Storm Water Utility Funds. The cost for the Miscellaneous Storm Sewer repair is in the operating budget. The cost of the Water Main projects will be paid by the Owatonna Public Utilities. Council Member Truelson made a motion to approve Resolution 41-11; Council Member Dotson seconded the motion, all members present voted aye for approval.

City Engineer Johnson presented Supplemental Agreements No. 1 and No. 2 for the 2011 24th Avenue NW Bituminous Reclamation Project. Supplemental Agreement No. 1 will improve safety and satisfy the requirements of the MN/DOT work in the right-of-way permit; it was determined to be necessary to add traffic control for a right lane closure on U.S. Highway 14. Supplemental Agreement No. 2 reduces the prices of the Class 2 Aggregate shouldering by \$1.00 per ton which allows the contractor to use the rock from the local supplier, SMC Quarry, and not hauled in from Iowa as bid. Council Member Truelson made a motion to approve both Supplement Agreements, Council Member Burbank seconded this motion; all members present voted aye for approval.

City Engineer Johnson presents Supplemental Agreement No. 1 for the 2011 Mineral Springs Road Concrete Pavement Reconstruction Project. This agreement will allow the contractor to use Class 2 Aggregate Base from a local supplier, SMC Quarry, instead of having it hauled in from Iowa which will reduce the cost by \$1.00 per ton. Council Member Dotson made a motion to approve the supplemental agreement, Council Member Truelson seconded the motion; all members present voted aye for approval.

City Administrator Busse presented a Memorandum of Agreements (MOA) for Local No. #320, Police Officers and Local No. #320, Sergeants and Corporals. The MOAs clarify contract provision regarding sick leave payout upon separation from employment. Eligibility is limited to retirement, physical disability, death or voluntary separation with ten or more years of service in good standing. Council Member Dotson made a motion to approve both MOA's, Council Member Moen seconded the motion; all members present voted aye for approval.

During Public Comment Tim Johnson, 595 Adams Avenue presented a sampling of glass dust swept from the street intersection along Adams Avenue east of Cashwise saying the dust was left from a cloud vapor created by a small business crushing glass in this area. Council President Abraham thanked Mr. Johnson for bringing this to Council's attention and assured him it would be looked into.

During Council Comment, Council Members encouraged everyone to enjoy the Steele County Fair this week. Council Member Truelson asked for an update on the Mineral Springs reconstruction project; City Engineer Johnson advised the project was progressing and with weather permitting should be completed by the August 30th deadline. City Administrator Busse advised Smoke Testing will be done later this month as part of the Inflow & Infiltration (I&I) Study, information to be sent and on the city's website.

At 7:41p.m. Council Wittrock made a motion to adjourn the meeting, Council Member Dotson seconded the motion; all members present voted aye for approval.

Dated: August 22, 2011

Respectfully submitted,
Jeanette Clawson, Assistant City Clerk