

Draft Council Minutes

Owatonna City Administration Building

Tuesday, February 1, 2011

7:00 o'clock p.m.

The Owatonna City Council met in regular session on Tuesday, February 1, 2011 at 7:02 p.m. in the Council Chambers of the City Administration Building with Council President Abraham presiding. All Council Members were present: Burbank, Wittrock, Truelson, Svenby, Moen, Dotson and Abraham; City Administrator Busse; City Attorney Walbran; Community Development Director Strand; City Engineer Johnson, Finance Director Moen, Fire Chief Johnson and Assistant City Clerk Clawson.

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

During Public Comment Marlene Nelson, 1726 Mosher Ave, asked council to weigh everything via two decisions: "Can I afford something?" and "Do I need it?" If the answer to either is no, then no it is.

Council President Abraham recapped the expenses for the period. Motion was made by Council Member Wittrock, seconded by Council Member Svenby to approve payment of the bills presented totaling \$517,400.86. Council Truelson asked where Public Tile Ditch #7 is located. All members 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 18, 2011.

- Temporary On-Sale Liquor License – Owatonna Business Women for March 11, 2011.

- Exempt Permit – West Hills Lodge Inc. - a raffle on February 14, 2011.

- Exempt Permit – MN Good Sam Club - a raffle and bingo on May 19-21, 2011.

- Exempt Permit – Steele County Pheasants Forever - a raffle on March 19, 2011.

- Exempt Permit – Riverland Community College Foundation - a raffle on June 13, 2011.

- Exempt Permit – Minnesota Pheasants, Inc. - a raffle on March 27, 2011.

- Library Board Minutes & Children's Services Report – December 2010.

- Minutes of the Firefighters Relief Association – November 1, 2010.

- Renewal of Parking Lot Lease for public parking at the former "LEC" lot on Main Street.

Council Member Svenby requested a correction in the Parking Lot Lease, by removing "shall be for one year", from the term noting the lease is from February 7, 2011 to March 31, 2012. Council Svenby made a motion to approve the Consent Agenda Items with this correction; Council Member Dotson seconded this motion, all members voted aye for approval.

City Administrator Busse introduced the Developmental Agreement for construction costs for the street to serve the proposed SCCL (Steele County Communities for a Lifetime) nursing home facility and other undetermined future development on the Mayo Clinic/Allina Hospital campus. The agreement details the city's participation in the street construction cost and assessment of cost process. SCCL has requested city participation of \$120,000 in the street construction costs; however an alternative would limit city participation to 16.6% of construction costs not to exceed \$120,000. City Attorney Walbran advised the agreement has been revised numerous times saying Allina is not a formal party to the agreement, however Allina has agreed to make a \$80,000 contribution to the road expense and will be participating in an exchange of two parcels with the clinic for the care facility project.

Council President Abraham stated he supports this agreement saying costs of previous new street projects have been assessed to adjoining property owners and he cannot exempt the city from potential assessment.

Dennis Acrea, SVP, System Strategy & Business Development of Benedictine Health System spoke about the planned facility which will promote partnerships between the hospital, clinic and city. He noted that Social Services is also a big partner in care of the elderly as every effort is made to keep people in their homes but when medical services and rehabilitation services are needed, they need to be available.

Marlene Nelson commented she has met with Tom Shea several times trying to get a better understanding on the relationships between the hospital, county, clinic, Benedictine Health System and the SCCL. They anticipate the most profitable beds will be those providing stays for rehabilitation services requiring less than 20 days. Profits from the facility will be split between the SCCL and Benedictine Health System and not with the county. There is a current shortage of beds and there are 10,000 baby boomers retiring every day for the next 20 years. Also if there are no beds, she commented the county would not be under obligation to care because there would be no facility available.

Tom Shea agreed we do need nursing home beds; however, the current facility at Cedarview is not sustainable. He stated the county is obligated to provide services for indigent care and urged a new model is needed. The proposed SCCL model will provide a facility without relying heavily on taxpayers.

Council Member Dotson said he favors the project; however, he believes the city will receive very little benefit from the proposed road as the adjacent city property is airport property and will not have future development as it needs to remain open for safety requirements. With limited funds currently available, he stated city funds should be spent for improvements needed on other streets and he is confident the SCCL project can proceed without the city's funding for the street.

Council Member Svenby agreed the project is desirable but believes the city's share of assessment should be based on the current foot frontage of 470' and not include the proposed out lot; this would limit the city's percentage of participation to 8.9% and not 16.6%.

Community Development Director advised the out lot is planned for street runoff.

Svenby asked if this would set a precedence of assessment for city owned property within a new development.

City Engineer Johnson advised each project can handle the improvement funding differently. In previous developments, the Developer has paid all of the assessment or the City has owned property and paid assessments for the curb and gutter developments as either way is acceptable.

Council Member Moen stated he believes we have a good offer in hand and that sometimes for the overall benefit of the community there should be investments made in the assets to receive potential benefits so he will be supporting this agreement.

Council Member Wittrock said he has always supported this project but he has received calls questioning this \$120,000 road expense. Based on the city's current financial status, he was considering voting against this street funding but then he was reminded of the huge benefit received from improving Bridge Street 15-

20 years ago which had been controversial item at the time so he plans to vote in favor of this Developmental Agreement with the road expense.

Council Member Moen made a motion to approve the Development Agreement; Council Member Burbank seconded the motion. The motion was approved with members Moen, Burbank, Wittrock and Abraham voting aye, Council Members Svenby, Truelson and Dotson voting nay.

Financial Director Moen introduced Resolution 4-11 requesting membership in the 4M Fund. The 4M Fund is sponsored and governed by the League of Minnesota Cities; it is a cash management and investment program for Minnesota public funds. The 4M Fund provides a wide range of fixed term investments through their Fixed Rate Program. The 4M Fund was included as an authorized depository in Resolution 1-11 passed on 1/4/11. There will be a reduction in the amount of banking fees the City is currently paying. Moen advised there are more than 300 cities within Minnesota in the 4M Fund including the City of Albert Lea which has been a member since the fund began in 1987. Council Member Moen asked if the funds were widely disbursed throughout the country or centrally located to benefit only Minnesota. Finance Director Moen advised the funds are well diversified and brokered all over the country. Council Member Truelson made a motion to approve Resolution 4-11; Council Member Dotson seconded the motion; all members voting it was approved.

City Engineer Johnson presented Resolution 5-11 to order the report and set a public hearing for 2011 improvements. This is an early project list consisting of three projects:

- 1) A new Concrete Curb & Gutter, Base Course and Bituminous Surfacing and appurtenant improvements from West Frontage Road (SCAH 23) to 1800 feet west. (road to SCCL nursing facility)
- 2) A reconstruction and appurtenant improvements on 24th Avenue NW from West Bridge Street to U.S. Highway 14.
- 3) Construction of Concrete Curb & Gutter, Concrete Pavement and appurtenant improvements on Mineral Springs Road from D.M. & E. Railroad to Maple Creek.

Council Member Truelson made a motion to approve Resolution 5-11, Council Member Dotson seconded the motion; all members voted aye for approval.

City Administrator Busse presented an amendment to the Personnel Policy and Procedures Manual. The City's current policy regarding political activity is inconsistent with state law. The new provision removes any constitutional issues and inconsistencies by removing the requirement to take vacation or a leave of absence if running for office. Council Member Moen made a motion to approve the amendment, Council Member Svenby seconded this; all members voted aye for approval.

During Council Comments Council Member Wittrock advised he has received a call about an old washer and dryer in the yard or driveway at 1031 South Cedar. He would like to amend the current junk ordinance to be more restrictive or to give the Fire Department additional authorization to cite the property owner when inspecting the property. Council Member Truelson said Congressman Walz will be at Hy-Vee on Thursday, February 3rd for "Congress on the Corner" and the next "Coffee with the Council" will be on Saturday, February 12th at the Kernel. City Administrator Busse advised LeAnn Alt rode with a snow plow driver filming for the February 11th Owatonna Today Show. Fire Chief Mike Johnson asked citizens to help clear snow from the fire hydrants and personal pathway, steps and home entrances in case of an emergency. He also reminded everyone now is the time to start preparing for the spring snow melt; the possibility of flooding will be high if we have a rapid melt or precipitation during the meltdown. The city

is currently removing ice jams and homeowners could be checking sump pumps, installing check valves in their sanitary sewers, and removing snow away from their house foundation to reduce potential flooding. Homeowner's may also want to talk with their insurance agent to purchase flood insurance.

Council Member Wittrock made a motion to adjourn to closed session, pursuant to Minn. Stat. § 13D.05, to discuss the pending litigation in connection with the claim of Gale Spatenka, Council Member Dotson seconded this motion. With all members present voting aye, the public meeting was adjourned at 7:48 p.m.

Dated: February 8, 2011

Respectfully submitted,
Jeanette Clawson, Assistant City Clerk