



CITY COUNCIL MEETING

Tuesday, January 21, 2025 at 7:00 PM

Council Chambers, City Hall at 540 West Hills Circle

**Roll Call: Council Members Svenby, Voss, Dotson,
Burbank, Boeke, McCann and Raney; and Mayor Jessop.**

PLEASE NOTE: At 5:30 p.m. Council will meet in a Study Session in Council Chambers, City Hall at 540 West Hills Circle. Items of discussion will include amendments to the City's Noise Ordinance and the Local Board of Appeals. This will be a Microsoft Teams Meeting accessible by calling 507-242-3225, Conference ID#157 588 08#.

1. INTRODUCTORY ACTIONS: Call to Order; Roll Call and Pledge of Allegiance

1.1. Council Agenda

1.2. Mayor Jessop

1.2.1. Proclamation - Winter Salt Awareness Week - January 27-31, 2025

2. CONSENT AGENDA ITEMS

2.1. Minutes – Council Meeting – January 7, 2025

2.2. Board / Commission Minutes

2.2.1. HRA Minutes - October 28, 2024

2.2.2. HRA Minutes - November 25, 2024

2.2.3. Airport Commission Minutes - October 17, 2024

2.2.4. Airport Commission Minutes - November 21, 2024

2.2.5. EDA Minutes - November 20, 2024

2.2.6. Human Rights Commission Minutes - December 10, 2024

2.3. Licenses/Permits

2.3.1. Brewer Off-Sale and Taproom On-Sale Licenses - Mineral Springs Brewery - 201 N Oak Avenue

2.3.2. Temporary Liquor Permit - St Mary's School of Owatonna - March 22, 2025

2.4. Miscellaneous

2.4.1. Renew Contract - Electrical Work - Four Seasons Electric

2.4.2. Airport T-Hangar Lease Agreements - Kor, Leher & Petterson

2.4.3. Airport Non-Commercial Hangar Land Lease Agreement Renewal - JPF Ventures, LLC

2.4.4. Used Computer Donation - Riverland Community College

2.4.5. Statement of Work & Scope of Services - Gallagher

3. ACTION ITEMS

3.1. Finance Report

3.2. Ordinances

3.2.1. First Reading Proposed Ordinance 25-01: Amend Section 93.029 - Noise in Public Parks

3.2.2. First Reading Proposed Ordinance 25-02: Amend Chapter 95, Noise Control

3.2.3. First Reading Proposed Ordinance 25-03: Adjust Sanitary Sewer Rates

3.3. Resolutions:

3.3.1. Resolution 5-25: Approve Report & Set Public Hearing Date - 2025 Street & Utility Project

3.3.2. Resolution 6-25 Premises Permit to Conduct Lawful Gambling at Train Station Bar & Grill, LLC - Owatonna Wrestling Association

3.4. Miscellaneous

3.4.1. 26th Street Lift Station SCADA Programming Services

3.4.2. Purchase Property - 315 Lemond Road

3.4.3. Single-Family Lot Incentive Program

3.4.4. Renew Microsoft Agreement - SHI

3.4.5. Pay Equity Compliance Report

4. STAFF REPORTS

5. PUBLIC COMMENTS: Please limit comments to 2 minutes. Please approach the microphone, sign-in and state your name and address for the record after being acknowledged by the Council President. Speakers will be limited to two minutes to deliver their comments. Those speaking are asked to conduct themselves in a respectful manner as they deliver their comments. Audience members are asked to refrain from reacting to comments. The City Council will not respond directly to comments in this venue or take immediate action in response to them.

6. COUNCIL COMMENT AND GENERAL INFORMATION

7. ADJOURN



CITY OF
OWATONNA

Mayor Jessop



Mayor's Proclamation

WHEREAS the City of Owatonna relies on deicing salt as part of its winter maintenance program to maintain safe and accessible roadways; and

WHEREAS all the salt applied to roadways ends up in our freshwater; and

WHEREAS chloride contamination from deicing salt has been found in lakes, streams, surface and ground water in Straight River and Cannon River watersheds and across the state; and

WHEREAS reducing overuse of deicing salt reduces damage to infrastructure and property, protects freshwater resources, and reduces harm to aquatic plants and animals; and

WHEREAS it is crucial to raise awareness among residents, businesses, and local government agencies about the responsible use of deicing salt to protect both public safety and the long-term health of our freshwater resources; and

WHEREAS Winter Salt Awareness Week provides an opportunity to educate our community about the responsible use of deicing salt, including environmental considerations and effective application methods; and

WHEREAS the residents of Owatonna can contribute to deicing salt pollution reduction efforts locally by learning about smart salting practices, engaging in safe winter driving, hiring trained service providers, and participating in the 'Low Salt, No Salt, Minnesota' program; and

WHEREAS the City is committed to promoting a sustainable approach to winter maintenance for the benefit of present and future generations.

NOW THEREFORE I, Matthew Jessop, Mayor of Owatonna, hereby proclaim January 27-31, 2025 as

WINTER SALT AWARENESS WEEK

The City of Owatonna urges all residents, businesses, and city departments to take part in activities and initiatives that promote the responsible use of deicing salt and encourage the adoption of winter maintenance strategies which maintain safety while reducing environmental harm.

Dated: January 21, 2025

By: _____
Matthew T. Jessop, Mayor



CITY OF
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Council Minutes

Owatonna City Council Minutes
January 7, 2025 – DRAFT COPY

On Tuesday, January 7, 2025, at 7:00 p.m., Council President Schultz called the regular session of the Owatonna City Council to order in the Chambers of the Charles S. Crandall Center. Present were Council Members Raney, Svenby, Voss, Dotson, Burbank, Boeke, and Schultz; Mayor Kuntz; Public Works Director Murphy; Community Development Director Klecker; Assistant City Administrator Tuma, City Attorney Walbran; City Administrator Busse and Administrative Coordinator Clawson.

Following the Pledge of Allegiance, Council President Schultz welcomed everyone. Mayor Kuntz administered the Oath of Office to those elected during the November 2024 General Election: Re-elected were Council Member at Large-Doug Voss and Council Member Ward Four-Kevin Raney; and newly elected were Mayor-Matthew Jessop and Council Member Ward Two-Don McCann. Council Vice-President Raney took over the meeting and thanked former elected officials Council Member Schultz and Mayor Kuntz for participating in opening tonight's meeting. Raney advised that Item 1.3.9 to Set a Date for the 2025 Local Board of Appeal and Equalization Meeting has been removed from the agenda. Council Member Svenby made a motion to approve the agenda with this item removed, Council Member Boeke seconded the motion, all members voted aye in approval.

2025 ORGANIZATIONAL MEETING

Vice-President Raney commented the first item of business would be selection of the Council President and Vice-President. Council Member Boake made a motion to appoint Kevin Raney as Council President and Doug Voss as Vice President. Council Member Svenby seconded this motion, with no additional nominations, all members voted aye in approval.

Council Representation on Boards/Commissions/Committees

Council President Raney commented council members discussed their current assignments to various boards and commissions during the Study Session prior to tonight's meeting. Council Members participation during 2025 will be:

Economic Development Authority (EDA) – Dave Burbank, Dan Boeke and Doug Voss

Housing & Redevelopment Authority (HRA) – Nate Dotson

Owatonna Area Business Development Center (The Center) - Brent Svenby and Dan Boeke

Joint Powers Board (911 Board) - Dave Burbank and Nate Dotson

Joint County/City Transportation Committee – Kevin Raney and Doug Voss

Joint City/OPU Committee – Dan Boeke and Nate Dotson

Joint City/Couty/School/OPU Task Force – Kevin Raney and Doug Voss

Dog Hearing Panel - Dan Boeke, Doug Voss, Kevin Raney and Brent Svenby

Executive Committee Kevin Raney, Doug Voss and Dan Boeke
Facilities Steering Committee – Dan Boeke, Doug Voss and Don McCann
Council Member Boeke made a motion for approval, Council Member Svenby seconded the motion; all members voted aye for approval.

Resolution 1-25: Designate 2025 Depositories and Authorize Signatories

City Administrator Busse presented Resolution 1-25, designating depositories and persons authorized to sign orders thereon. This resolution authorizes disbursements via check, electronic funds transfer, wire, or ACH.

Designated as depositories for the deposits and safekeeping during 2025:

- US Bank
- Wells Fargo Bank
- Profinium, Inc.
- Bremer Bank
- United Prairie Bank
- Community Bank Owatonna
- West Bank
- Stifel
- RBC Wealth Management
- Wells Fargo Advisors
- Municipal Money Market Fund (LMC 4M Fund), hereinafter called "Financial Institutions and/or Brokers,"

Authorized signatories will be Matthew T. Jessop,, Mayor; Kris M. Busse, City Administrator and Emily A. Burns, Finance Director.

Authorization to the depositories to honor transfer of funds through wire, ACH, and electronic funds transfer by Matthew T. Jessop, Mayor; Kris M. Busse, City Administrator; Emily A. Burns, Finance Director; Sandra Bera, Accounting Specialist or JoAnn Matejcek, Accounting Analyst.

Council Member Voss made a motion to approve Resolution 1-25, Council Member Voss seconded the motion; all members voted aye for approval.

Resolution 2-25: Designate 2025 Responsible Authority for Data Practices

City Administrator Busse presented Resolution 2-25, to reappoint herself as the City Administrator to serve as the City's Responsible Authority for Data Practices Compliance during 2025. Council Member Svenby made a motion for approval, Council Member Dotson seconded the motion; all members voted aye for approval.

Designate Newspaper for 2025 Official City Business

City Administrator Busse requested the Owatonna Peoples Press be reappointed as the City's Official Paper for 2025 Publications. The City's Charter requires a newspaper of general circulation in the city be designated as the official paper for publication of all matters required. Council Member Boeke made a motion to designate the Owatonna Peoples Press as the 2025 Official Paper, Council Member McCann seconded the motion; all members voted aye for approval.

Appoint 2025 Weed Inspector

City Administrator Busse requested Fire Chief Ed Hoffman be reappointed as the City's Weed Inspector during 2025. Appointing the Fire Chief to this position works well by offering a good point of contact for residents with concerns regarding weed and nuisance vegetation. Council Member Voss made a motion to reappoint Fire Chief Hoffman as the City's Weed Inspector, Council Member Dotson seconded the motion; all members voted aye for approval.

Change 2025 Council Meeting Dates

City Administrator Busse requested a change for one 2025 Council Meeting Dates, the first Tuesday in August is National Night Out. Council Member Boeke made a motion to change this Council Meeting date from Tuesday, August 5 Meeting to Wednesday, August 6th. Council Member McCann seconded the motion; all members voted aye for approval.

Consent Agenda Items

Council President Raney explained council members review the Consent Agenda items prior to the meeting for approval in one motion. Consent Agenda items for this meeting include:

- Minutes – Council Meeting – December 17, 2024

- Building Inspections Monthly Report- December 2024

- Fire - Monthly Dashboard and Activity Report - December 2024

- Police Department Crime Data - December 2024

- Event Permit - Winterstate Entertainment - Film in Owatonna - January 21-February 7th

- Event Permit - Harry Wenger Marching Band Festival - June 14, 2025

- Event Permit - Corky's Early Bird Softball Tournament - May 2-4, 2025

- Event Permit - 2025 Pride in the Park - July 12, 2025

- Joint Powers Agreement for Fire Department Background Checks – BCA

- Joint Powers Agreement - South Central Drug Investigations Unit (SCDIU)

This Joint Powers Agreement is being updated to add the City of Alden as a new member agency to the SCDIU. Members include the cities of Albert Lea, Blooming Prairie, New Richland, Owatonna, Wells, Alden, Blue Earth, Janesville, Waseca, and Winnebago and counties of Faribault, Freeborn, Steele and Waseca. SCDIU is a specialized law enforcement unit that coordinates efforts to investigate and

apprehend drug offenders with an embedded special weapon and tactical (SWAT) team. The Owatonna Police Department is the fiscal agent and manages the grant requirements. The chief law enforcement officers from each member agency serve on the board of directors.

Renew Lease - Owatonna Art Center

This is a new five-year lease effective January 1, 2025. This lease includes annual rent increases of approximately 3%. Rent will be paid monthly at these amounts:

January 2025 - December 2025	\$290
January 2026 - December 2026	\$300
January 2027 - December 2027	\$310
January 2028 - December 2028	\$320
January 2029 - December 2029	\$330

2025 Airport Rates and Charges Schedule

T-Hangar Rental

T-Hanger #1 (2001 Building)

Full Size Units	\$185.00/month
Half Units (\$0.30/SF)	\$230.00/month
Large End Bay	\$435.00/month

T-Hanger #2 (2005 Building)

Full Size Units	\$185.00/month
Half Units (\$0.30/SF)	\$230.00/month

T-Hanger #3 (1995 Building)

Full Size Units (North Facing)	\$145.00/month
Full Size Units (South Facing)	\$165.00/month
Half Units (\$0.30/SF)	\$230.00/month

T-Hanger#4 (2022 Building)

Full Size Units	\$230.00/month
Half Units (\$.46/SF)	\$325.00/month

Common Heated Hanger

Based on Aircraft Footprint (LxW)	\$0.45/SF monthly (\$5.40 annual)
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Private Hangar Land Lease

Commercial Standard Lot	\$0.19/SF annual
Commercial Lot	\$0.30/SF annual
Commercial Terminal Office Space	\$8.00/SF annual

Airport Farm Land Lease Rate \$255.00/acre (To Be Determined)

Keys

Issuance	\$ 0.00
Lost Key (new)	\$25.00
Re-Core	\$40.00

Aerial Applicator Permit Fee \$250.00/applicant (waived w/200gal.)

Services (Southern MN Flight Center)

Aviation Fuel

100LL	Determined by Load
Jet A	Determined by Load

Aviation Oil

Phillips XC20W-50	Cost + 15%
Aeroshell 15W-50	Cost + 15%
Aeroshell W100	Cost + 15%

Heated Hangar (Daily Rate)

Single Engine	\$100.00
Light Twin (Baron, C-310, Seneca)	\$125.00
Cabin Twin (Airstair Type)	\$150.00
Turbo-Prop (King Air 90, Cheyenne)	\$175.00
Turbo-Prop (King Air 200, PC12)	\$225.00
Jet	\$250.00

Un-Heated Hangar (Daily Rate)

Single Engine	\$40.00
Twin Engine	\$75.00

Facility Fees

Aircraft Type (Typical Aircraft Class Description)	Facility Fee	Min. Gallons
Turbo Prop. (King Air, Cessna 425, Cessna 441, Piper Cheyenne, Pilatus, etc.):	\$75.00	75 gal.
Light Jet (Up to 8 Pas. Capacity– CJ1, Lear 35, Beechjet, Cit. Encore, etc.):	\$105.00	105 gal.
Medium Jet (9-11 Pas.Capacity – Lear 60, Cit. Sovereign, Hawker 800, etc.):	\$125.00	125 gal.
Heavy Jet (12+ Pas. Capacity – Challenger, Falcon 50, 900, G4/G5, G. Exp., etc.):	\$150.00	150 gal.

Ice/Coffee (facility amenities)

With Paid Facility Fee Included Included

Without Paid Facility Fee – Ice \$2.50/bag

Ramp Fees

Tie Downs

Less than 30 days	\$ 0.00
More than 30 days	\$75.00/month

Electrical Plug-In

\$20.00/daily

Call-In Fees (After Hours)

\$75.00 (waived with 200 gallons)

Conference Room

General \$0.00 up to 4 hours + \$0.00 each additional hour

Tenants and airport organizations \$0.00

Catering - Processing Order Request

+ 15% of order total

2025 Seasonal/Temporary Wage Rates -Effective January 1, 2025

Employee Wage Range

Adult Program Official \$18.50 - \$24.50 per hour
Coordinator \$19.50 - \$24.50 per hour
Guest Services \$12.50 - \$14.50 per hour
Guest Services Lead \$15.50 - \$17.50 per hour
Head Lifeguard \$16.00 - \$18.00 per hour
Library Page \$11.13 per hour
Lifeguard \$14.00 - \$16.00 per hour
Lifeguard Training Instructor \$19.00 - \$24.00 per hour
Park, Golf & Facility Maintenance \$14.50 - \$16.50 per hour
Program Lead \$15.50 - \$17.50 per hour
Street Maintenance \$14.50 - \$16.50 per hour
Water Safety Instructor \$16.00 - \$18.00 per hour
Youth Program Official \$14.50 - \$19.50 per hour**

Fire

Paid on Call Firefighter - Trainee \$13.57 per hour
Paid on Call Firefighter - Probationary \$16.28 per hour
Paid on Call Firefighter \$18.98 per hour
Paid on Call Resident Firefighter \$22.45 per hour

Weed/Nuisance Inspector \$19.02 per hour

Election Judges

Election Judges \$13.00 per hour
Head Election Judges \$14.00 per hour

Seasonal/Temporary Employee Wage Increase Procedure

The following seasonal/temporary part time employees will receive a \$0.50 increase effective January 1 after every consecutive year/season of service with the city until reaching the maximum rate.

- | | |
|----------------------------|---------------------------------|
| • Coordinator | • Intern |
| • Guest Services Lead | • Lifeguard |
| • Program Lead | • Lifeguard Training Instructor |
| • Guest Services | • Water Safety Instructor |
| • Adult Program Official | • Park Maintenance |
| • Youth Program Official** | • Street Maintenance |
| • Head Lifeguard | |

**Youth Program Soccer Officials who provide proof of certification will receive an additional \$3per hour, one time, upon receipt of verification of their certification

2025 Liability Coverage Waiver - League of Minnesota Cities Insurance Trust (LMCIT) - South Central Drug Investigation Unit

The South Central Drug Investigative Unit (SCDIU), and its participating law enforcement agencies do not waive the monetary limits on municipal tort liability established by Minnesota Stat. §466.04.

Council Member Svenby made a motion to approve these Consent Agenda items, Council Member Voss seconded the motion; all members voting aye for approval.

Finance Report

Council Member Voss recapped payments made for amounts greater than \$20,000 during this period.

\$ 193,997.30	Bosch Automotive - economic development TIF (year 3 of 9)
325,042.18	Costco - economic development TIF (year 3 of 9)
99,988.15	Cybox Intl - economic development TIF (year 7 of 7)
224,963.01	Daikin Applied Americas - economic development TIF (year 9 of 9)
54,442.79	Dell Marketing LP - 2024 Computer order, monitors, etc.
161,865.00	Electric Pump Inc - 26th St lift station - (3) pumps
41,942.32	Equity Growth - 111 Vine Apt bldg - redevelopment TIF (year 5 of 26)
61,722.09	Festal Place - CDI - economic development TIF (year 1 of 9)
38,310.00	Genuine Hardwood Floors - Merrill Hall flooring
26,097.68	Mound Owatonna - Mound St Apt bldg redevelopment TIF (year 3 of 25)
131,263.25	MTI Distributing Inc
	- Toro Groundmasters 4700 - \$130,854.69
	- Miscellaneous parts - \$408.56
27,202.94	Owatonna Area Chamber of Commerce - October 2024 lodging tax
74,971.69	Owatonna Hospitality - Marriott - redevelopment TIF (year 2 of 26)
27,132.19	Owatonna Pearl - redevelopment TIF (year 5 of 26)
25,637.40	Pro-Pet economic development TIF (year 7 of 9)
21,320.75	South Pointe II - 18th St SW Apt bldg redevelopment TIF (year 3 of 10)
30,772.99	South Pointe Owatonna - 18th St SW Apt bldg redevelopment TIF (year 6 of 14)
142,969.96	Southeast Service Cooperative - December 2024 health ins premiums
171,987.62	Equity Builders & Construction Services Inc – ACH payment Jan 15, 2025
	- pay est #1 - dome hangar roof replacement project
<u>\$ 410,110.28</u>	<u>Other Expenditures</u>
2,291,739.59	SUBTOTAL
<u>107,441.06</u>	<u>HRA Housing Assistance Payments</u>
\$2,227,193.03	Total expenditures presented for approval

Council Member McCann made a motion to approve payment of all bills presented, Council Member Dotson seconded the motion, all members voted aye in approval.

Second Reading Ordinance 24-8: RZ-9, 545 Florence Avenue NW – Lee Foundation

Community Development Director Klecker presented a request received from Anna Lee, on behalf of the Lee Foundation, to rezone their property at 545 Florence Avenue NW from R-1, Single Family Residential to R-6, High Density Residential District for the purposes of providing group housing. Council approved the first reading of this proposed ordinance during their last meeting on December 17, 2024, and there have been no changes since. Council Member Svenby made a motion for approval, Council Member Burbank seconded the motion. With a roll call vote, voting aye were Council Members Svenby, Voss, Dotson, Burbank. Boeke, McCann and Raney' No Nays; the motion carried. This will be known as Ordinance 1667 to become effective upon publication.

Resolution 3-25: Authorizing As-Needed Vine Street Parking Lot Closures

Public Works Director Murphy requested approval of Resolution 3-25: Authorizing Vine Street Parking Lot Closures on an As-Needed Basis. The newly reconstructed Vine Street Parking Lot offers Downtown Owatonna's residents and visitors a convenient off-street parking option. The lot has designated 4-hour and 24-hour parking spaces, and signage has been installed to indicate the designated areas.

To facilitate maintenance needs such as snow removal and street sweeping, the Vine Street Parking Lot must be closed on an as-needed basis. Closures will be announced 8 hours in advance via the Notify Me module on the City's Website and the City will post signs at the main entry and exit points of the Vine Street Parking Lot informing motorists of lot closures with a QR code to scan for a list of current closures. Motorists who frequent the lot are encouraged to sign up for the notifications, city staff are available to assist if needed. Violators of this policy may be ticketed or towed based on the number of offenses. Closures will most commonly occur during off-peak parking times (early morning) in an effort to avoid impacts on downtown businesses, but closures may occur anytime throughout the day. The purchase and installation of the closure notice signs will be less than \$500.

Council Member Dotson made a motion for approval, Council Member McCann seconded the motion, all members voted aye for approval.

Resolution 4-25 Premises Permit to Conduct Lawful Gambling at El Tequila Mexican Restaurant - Owatonna Wrestling Association

City Administrator Busse requested approval of Resolution 4-24 to approve an application from Owatonna Wrestling Association (OWA) to conduct lawful gambling (pull tabs) under a lease agreement with El Tequila Mexican Restaurant at 369 18th Street. Council Member Burbank made a motion for approval, Council Member McCann seconded the motion, all members voted aye for approval.

On-Sale Liquor License with Sunday Sales - Train Station Bar & Grill, LLC - 137 W Bridge Street

City Administrator Busse requested approval of the On-Sale Liquor License with Sunday Sales application received from Trey Hable on behalf of Train Station Bar & Grill, LLC. They have purchased the former Bridge Street Tavern at 137 W Bridge Street and making some minor renovations to the kitchen area. This license is effective contingent on issuance of the Certificate of Occupancy from the City Building Official and will be in effect for the remainder of the current license period which expires June 30, 2025. Council Member Burbank made a motion for approval, Council Member McCann seconded the motion, all members voted aye for approval.

Authorization to Proceed - 2025 Cured In Place Pipe System (CIPPS) Project

Public Works Director Murphy requested approval to proceed with an advertisement for bids for the 2025 Cured In-Place Pipe System (CIPPS) Project. The city lines clay sanitary sewer lines to improve the carrying capacity and reduce inflow and infiltration. The project was not completed in 2024 due to receiving higher bids than anticipated. The unused funds have been added to the 2025 budget. The approximate 2025 project length is 9,000 linear feet. Bids will be received January 31st. Since 2012, approximately 125,377 linear feet of sanitary sewer line have been lined. Following the 2025 CIPPS and planned reconstruction projects, there are approximately 211,068 feet of clay pipe that have yet to be lined, Council Member Boeke made a motion for approval, Council Member Dotson seconded the motion, all members voted aye for approval.

Award Mechanic Shop 24-004 CIP Project - Four Seasons Electric

Assistant City Administrator Tuma requested approval of the agreement with Four Seasons Electric for site improvements at the Mechanic's Shop. The 2024 Capital Improvement Project plan includes project 24-004, which focuses on updating the ventilation system in the City-owned mechanic shop with a budget of \$75,000. This past summer, the Makeup Air Unit (MAU) was replaced, and additional ductwork was installed. To complete the project, three 10-foot industrial ceiling fans will be added to enhance air circulation. Along with the installation of the fans, the shop's lighting will be upgraded to LED and strategically positioned to accommodate the fans. These improvements will significantly enhance the working environment in the shop.

Two quotes were received:

1. Four Seasons Electric: \$29,055
2. Retrofit Companies: \$33,000

Council Member Voss made a motion to approve the contract with Four Seasons Electric, Council Member Boeke seconded the motion, all members voted aye for approval.

City Administrator Benefits Package

Mayor Jessop requested revision to City Administrator Busse's benefit package effective January 1, 2025:

- Increase the deferred compensation employer match through payroll deduction from \$12,000 to \$15,500.

City Council completed Ms. Busse's 2024 performance review on December 11, 2024. The deferred match component of her benefit package was last changed on January 1, 2024. Ms. Busse will receive an increase of \$3,500 in a city match into an approved deferred compensation plan through payroll deduction. Any salary increases will follow non-union employees through the approved salary structure. Council Member Dotson made a motion for approval, Council Member Boeke seconded the motion, all members voted aye for approval.

STAFF COMMENTS

Community Development Director Klecker commented that the value of the New Construction Building Permits issued during 2024 was \$94 million. The value for 2023 was \$110 million, the annual average over the last two-year period has been \$102 million. Tonight's Finance Report included disbursement for TIF Payments, Tax Increment Finance has been instrumental to our community's development. During the last 10 years, we have established 10 TIF Districts. Several have been redevelopment projects which isn't about job creation but cleaning up an area. There have been eight new buildings, five renovated buildings and 203 new apartment units in the downtown area.

Assistant City Administrator Tuma commented that she oversees the Internal Service Team. Human Resources is working to post seasonal jobs, last year there were 158 seasonal jobs posted. Finance is completing 2024 year-end and preparing for next year.

Public Works Director Murphy commented that Shannon Heitmann, the new Assistant City Engineer, recently started in her position and brought a wealth of knowledge which she has been sharing with the engineering team. The WTP project is heading into the final year of the project, there is approximately 15% left to be done, anticipating the project will be completed by mid-summer. The next step in the WTP Project is to remodel the Administration Building, staff is excited they will be able to move out of the basement of the Sulfur Building.

PUBLIC COMMENTS

Matt Sennett, 2519 Stoney Creek Drive congratulated newly elected officials, Mayor Jessop and Council Member McCann. He explained he is present to make comments on the proposed East side Corridor Project. He has safety concerns about the proposed route on 29th Avenue. When this route was proposed years ago there was 800' to existing homes and now there is only 17' between the public right-of-way and existing family homes. He also has concerns about the consulting firm, WSB; he believes they have shown poor judgement with comparison of this project to the 26th Street Project,

the concept and impact of these projects is not comparable. Also, WSB failed on the 18th Street Roundabout Project and a third party was required to step in. Please hold WSB and Steele County accountable for this project, ask the tough questions, we need a road that reflects the values of our city.

Melissa Zimmerman, 2525 Stony Creek Drive, also welcomed Mayor Jessop and Council Member McCann. She continued critique of the WSB East Side Corridor Project Report: Page 23, failed to include that the DNR found this plan incompatible with the plan, the EAW listed 800' impact but not 150'. These inconsistencies are against WSB, WSB was not able to work with the railroad on the 18th Street Roundabout Project and now they are repeating mistakes within the East Side Corridor Project. A hybrid plan could have been constructed in 2016 at \$9 million, a fraction of the cost now proposed. We need to prioritize safety and not allow them to continue to waste our money and exploit expectations.

Gary Jones, 995 Ridge Road wished everyone a Happy New Year. He asked if Santa Claus stopped at everyone's homes, Santa almost missed his house because he lives near Mineral Springs Park and the big orange signs saying "Hunt in Process" were still out; that was 12 days after the city's deer management program was done. Also, it is very dark in Mineral Springs Park, you can't see your hand in front of your face after the sunsets. Hours for the deer hunt should be from sunup to half an hour before sunset not half an hour after sunset. There are people walking their dogs in the park at sunset and there should not be any hunting in a city park when it is dark.

MAYOR AND COUNCIL COMMENTS:

Council Member Svenby congratulated the elected officials sworn in tonight, he is looking forward to working with everyone.

Council Member Voss commented he would echo Council Member Svenby's comment and also congratulated Council Member Raney on being selected to serve as the Council President.

At 7:44 p.m., Council Member Dotson made a motion to adjourn, Council Member Boeke seconded the motion and with no objection, the meeting ended.

Respectfully submitted,
Jeanette Clawson, Administrative Coordinator



CITY OF
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Board Commission Minutes

MINUTES
OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY
REGULAR MEETING on OCTOBER 28, 2024

The regular meeting of the Owatonna Housing and Redevelopment Authority was called to order at 4:00 p.m. in the Crandall Small Conference Room by Chairperson Olivo.

Members present were Nathan Dotson, Vicki Olivo, John Hole, and Lindsay Schultz. Members absent: Julie Fiske. Also present were Community Development Director Troy Klecker, Housing Manager Ghassan Madkour, and Senior Administrative Technician Kristen Kopp.

Approval of the Minutes: A motion was made by Dotson and seconded by Hole to approve the minutes of the September 23, 2024, HRA Board meeting. All Commissioners voting Aye, the motion carried.

Old Business: The Housing Choice Voucher program monthly report was presented by Madkour, including the City of Owatonna monthly balance sheet and revenue/expense report. Program utilization: The Housing Voucher program for September totaled 101. Total year to date assistance and administration costs and revenues are still to be determined. The Housing Choice Voucher Program fund balance at September month end is \$. The HRA Revenues year to date total is \$359,909.95 and the expenses total \$356,899.82. The HRA General Fund balance is \$670,744.07.

Madkour said that they have 182 clients. He said the HCV dollar figures are to be determined, but will send the numbers when he has them. With staff changes in the Finance Department, the numbers didn't get posted. He said that he presented Troy with a job description for the part-time position that will be ready to post in December so as to have someone start in January. There are about 105 vouchers total, including port-outs. He said they are going through a little problem with Bridges. He said he hit beyond his monthly budget. There are eight months left on this grant. There are six people who he will keep in the hopper. He had a few people who lost jobs, and he is picking up the tab. Once money is freed up, the applicants who are waiting will get brand new vouchers, assuming they are still around and qualified. It will be on a first-come, first-served basis so he doesn't tap out again. He will not take any more referrals until those six are satisfied. He said that he deals with case workers and not the clients, and some of the case workers didn't pass on the information to the clients.

A motion was made by Hole and seconded by Schultz to approve the reports as presented contingent on the receipt of the updated numbers. All Commissioners voting Aye, the motion carried.

Executive Director's Report: Community Development Director Troy Klecker presented the Executive Director's Report. He said Westlake Meadows apartments are moving along. Three of the five buildings are open. The fourth will be open in November and fifth in February or March 2025. Each of those buildings will be 60 units. Ascend is also moving along and looking to open in January. Hillcrest has all of their zoning approvals. They're planning on doing demolition before winter and plan to start construction in the spring. The apartment will be 73 units—20 affordable and 53 market rate. He gave an update on Eastgate Phase 2 and said that they did not get funded for the grant. They will be appealing this since they were one point away from being funded. The assessment is in process for United Way's grant for \$300,000 and is moving ahead. They're trying to build ten single family homes. Colonial Manor is up in the air right now. Klecker presented to the County Board and they will figure out how they want to participate. Habitat has some interest in the Cashman lot, but wants more details. He will put together a schematic on how that lot could be laid out.

Other / New Business: Madkour said that the next two meetings fall on the weeks of Thanksgiving and Christmas. The Commissioners said that they'd be able to attend the November meeting, but were in agreement to cancel the December 23 meeting.

Adjournment: There being no further business, a motion to adjourn was made by Dotson and seconded by Schultz. All Commissioners voting Aye, the motion carried. The meeting adjourned at 4:43 pm.

Respectfully Submitted,
Ghassan Madkour
Housing Managers

MINUTES
OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY
REGULAR MEETING on NOVEMBER 25, 2024

The regular meeting of the Owatonna Housing and Redevelopment Authority was called to order at 4:04 p.m. in the Crandall Small Conference Room by Chairperson Olivo.

Members present were Nathan Dotson, Julie Fiske, Vicki Olivo, and John Hole. Members absent: Lindsay Schultz. Also present were Community Development Director Troy Klecker, Housing Manager Ghassan Madkour, and Senior Administrative Technician Kristen Kopp.

Approval of the Minutes: A motion was made by Dotson and seconded by Hole to approve the minutes of the October 28, 2024, HRA Board meeting. All Commissioners voting Aye, the motion carried.

Executive Director's Report: Community Development Director Troy Klecker presented the Executive Director's Report. He said that the fourth building of Westlake Meadows will open in December and the last building in February. Ascend will have 69 units opening in January. They should see some movement in the rental market, which is good. He gave an update on Eastgate 2 and said that the project did not get funded. They will change some things and apply again. February is the preliminary deadline. He said that the Hillcrest Project also hit a snag with prevailing wages. Other projects that were awarded were also running into the same issue. He said that they are lucky if they get a tax credit project for affordable housing every four years. Grants through the state or federal government have a lot of strings attached, which makes it more expensive. The rules change every two years and get harder and harder. We've done five or six projects with the same developer that would be doing Eastgate 2 and always were awarded tax credits on the first try. They are still working on the Partridge properties in order to get those legislative dollars (\$300,000).

Old Business: The Housing Choice Voucher program monthly report was presented by Madkour, including the City of Owatonna monthly balance sheet and revenue/expense report. Program utilization: The Housing Voucher program for October totaled 109. Total year to date assistance and administration costs were \$821,288.27 and revenues were \$832,899.74. The Housing Choice Voucher Program fund balance at October month end is \$180,288.27. The Housing Choice Voucher Program fund balance at October month end is \$180,292.10. The HRA Revenues year to date total is \$451,619.42 and the expenses total \$400,008.67. The HRA General Fund balance is \$719,321.33.

Madkour said they're pretty close to hitting 117 vouchers for the HCV program. For the first time in many years, all ten of the applications he sent out came back. If we go over the 117 allotted, we'll put ourselves in a shortfall position, which isn't a good position to be in. There is a little over \$30,000 in reserve that they want us to spend. HUD will look at that and maybe give another five to ten vouchers. They are at 35 in Mainstream, 35 in Bridges, and 7 in Bridges Like. The initial Bridges application is due on December 4. He will ask for an additional 15%.

A motion was made by Dotson and seconded by Hole to approve the reports as presented. All Commissioners voting Aye, the motion carried.

Other / New Business: Madkour said that Housing Opportunity Through Modernization Act (HOTMA) are HUD's regulations. They have made some changes, which he will bring to the Board with resolutions. Some, we won't have a choice on. Some changes have to be made by December 4. One of the adjustments is for assets. If a client has over \$100,000 in assets, they have to come off the program. There are changes in payment standards. The payment standards apply to interims also. They have allowed agencies to go to 120% and that helps clients shop for better units.

A motion was made by Dotson and seconded by Fiske to approve Resolution 24-11.25 Authorizing Payment Standard Increase for HUD Assisted programs. All Commissioners voting Aye, the motion carried.

Madkour said that there is a change to the Mainstream voucher issuance. He said now they have 210 days to find a unit—120 days plus a 90-day extension. This may be pushed to HCV also.

A motion was made by Hole and seconded by Fiske to approve Resolution 24-11.25.1 Authorizing Mainstream Voucher Issuance Adjustments. All Commissioners voting Aye, the motion carried.

Madkour reminded Commissioners that the December meeting has been cancelled. The next scheduled meeting is Monday, January 27, 2025.

Adjournment: There being no further business, a motion to adjourn was made by Dotson and seconded by Hole. All Commissioners voting Aye, the motion carried. The meeting adjourned at 4:58 pm.

Respectfully Submitted,
Ghassan Madkour
Housing Managers

Airport Commission Meeting Minutes
October 17, 2024 – Charles S. Crandall Center – Meeting Room, City Hall
“DRAFT”

1. Call to Order

Chair Thurnau called the meeting of the Airport Commission to order at 8:00 am.

2. Roll Call

Commissioners Attending

Madeleine Haberman	Commissioner
Anthony Louris	Vice Chair
Greg Krueger	Commissioner
Tim McManimon	Commissioner
Dave Purscell	Commissioner
Daren Tarpenning	Commissioner
Matt Thurnau	Chair

Commissioners Absent

None

Staff Attending

Dave Beaver	Airport Manager
Kristen Kopp	Sr. Administrative Technician

Visitors Attending

Melissa Underwood	SEH, Inc.
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3. Approval of Agenda

Commissioner Haberman made a motion to approve the agenda and Commissioner Purscell seconded the motion. All Commissioners voting Aye, the motion carried.

4. Minutes

Commissioner Haberman made a motion to approve the minutes from the September 19, 2024, Airport Commission meeting and Commissioner Krueger seconded the motion. All Commissioners voting Aye, the motion carried.

5. Action Items

Chair Reports

Staff Reports

Airport Manager Beaver introduced Kevin Oyloe, who is painting the T-38s. Mr. Oyloe gave a history and update on the project. He said that, originally, Craig Brase painted Jets

Two and Three and he is consulting on this project. A different person painted Jet One and it was not prepped to the same level as the two that Craig painted. Mr. Oylo said that he's starting to look at what paint to use. Sherwin Williams suggested an industrial coating, as opposed to a base coat / clear coat, which would protect the jet, but cover some of the bolts and features. They are running out of time to finish the project this year, and he suggested waiting until 2025. He said he thinks they should address the areas where water is getting in. McManimon said that it's worth taking the time to do it right. Purscell said that would be a good use of the winter—to test the paint. The Commissioners agreed to do testing over the winter and Beaver said he liked that idea. McManimon suggested going back and modifying the proposal. Krueger said they need to figure out a timeline and putting a maintenance plan together so it's in the budget.

Beaver said activity has been high. He said that there are printer issues and the access cards still have not been printed. They are working on bird mitigation through approved methods. Farmland leases will be going out this weekend with bid opening on November 6. Purscell asked about the card reader. Beaver said that it has been resolved, but the equipment is dated and needs to be replaced.

2024 Airport Projects Update

Melissa Underwood gave an update on the Dome Hangar Roof Replacement. Beaver said City Council approved the design grant and bid documents. Underwood said that the project is out for bid and the opening is October 31. She gave an overview of the project. It will be a cleaner look on the inside of the building. There is a base bid and an alternate bid to get an idea in the difference in cost. It should be a three-week process. They are still hoping it will be done January at the very latest.

6. Adjournment

The Airport Commission meeting was adjourned at 9:22 am.

Airport Commission Meeting Minutes
November 21, 2024 – Charles S. Crandall Center – Meeting Room, City Hall
“DRAFT”

1. Call to Order

Chair Thurnau called the meeting of the Airport Commission to order at 8:00 am.

2. Roll Call

Commissioners Attending

Madeleine Haberman	Commissioner
Anthony Louris	Vice Chair
Dave Purscell	Commissioner
Daren Tarpenning	Commissioner
Matt Thurnau	Chair

Commissioners Absent

Tim McManimon	Commissioner
Greg Krueger	Commissioner

Staff Attending

Dave Beaver	Airport Manager
Troy Klecker	Community Development Director
Kristen Kopp	Sr. Administrative Technician

Visitors Attending

Melissa Underwood	SEH, Inc.
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3. Approval of Agenda

Commissioner Tarpenning made a motion to approve the agenda and Commissioner Louris seconded the motion. All Commissioners voting Aye, the motion carried.

4. Minutes

Commissioner Louris made a motion to approve the minutes from the October 17, 2024, Airport Commission meeting and Commissioner Purscell seconded the motion. All Commissioners voting Aye, the motion carried.

5. Action Items

Chair Reports

Matt Thurnau recognized that Kevin Oyloe was at the last meeting. Kevin’s wife has since passed away. Thurnau said he didn’t realize that she was on hospice care. He said bless Kevin for taking the time to look at their project.

Staff Reports

Beaver said Accelerated Aviation has just over 60 students waiting to get in for flight training. He said that the service area of the terminal is being remodeled right now. He suggested holding a future meeting at the airport to take a look at it. Usually this time of year activity begins to trail off, but November has been busy so far. They are in the process of year-end grant close-outs. The gate is done and functional, and he printed about half of the cards yesterday at Social Commons. Beaver said he would like to do the lease review, including adding the rules, at the December meeting and asked if the sub-committee could get together before then. He wants to do that concurrently with the review of rates and charges and present it to City Council.

2024 Airport Projects Update

Melissa Underwood gave an update on the Dome Hangar Roof Replacement. She said there was a bid opening on October 31. There was one bidder. She said that three bidders obtained the bid documents and completed a site visit, but elected not to bid on the project likely due to timing and other requirements. The low bid received was \$224,631 which was below the Engineer's Estimate. She said, because of the discrepancy, their architecture team vetted the contractor to make sure they are capable to perform the work and have experience with this type of project before. They appear to be qualified and are comfortable meeting the project specifications—it's just a company that really wanted the job and could fit it in this year yet. She talked to the State, and they will have to turn back the extra money and apply for another roof rather than utilize additional grant funding for other projects. SEH will have to get the grant amended, get the contracts out, and have a pre-con meeting. They still hope to have it done by the end of the year. On Tuesday, City Council approved the contractor, Equity Buildings and Construction Services out of Rosemount. Beaver said that Council approved authorized signatures upon receipt of the anticipated grant amendments. The roof replacement will happen concurrently with the replacement of two furnace units.

Farm Land Bids

Beaver said every two years the City-owned farmland goes out for bid, including land in the Industrial Park. This year there were seven parcels included in the rotation. There were two new pieces bid. Bids came in on November 6 and were included in the packet. He said they were good numbers that should result in increased farm land revenues. He said there will likely be some tile line repairs performed in some leased areas this fall. A motion was made by Commissioner Haberman and seconded by Commissioner Purscell to accept bids and recommend leases to City Council.

6. Adjournment

The Airport Commission meeting was adjourned at 8:35 am.

**EDA
Minutes
November 20, 2024**

The Owatonna Economic Development Authority met in regular session at 4:00 pm in the Charles S. Crandall Center – Chambers at City Hall Building with Vice President Voss presiding. Commissioners present: Dan Boeke, Andrew Cowell, Patrick McDermott, Corey Mensink, Brian Savage, and Doug Voss. Commissioners absent: Kevin Raney. Also present were Troy Klecker, Brad Meier, Sean Williams, Lisa Cochran, and Kristen Kopp.

Vice President Voss welcomed new Commissioners Brian Savage to the EDA.

Approval of Minutes. Commissioner Boeke moved approval of the minutes of the August 21, 2024 meeting with second by Commissioner Cowell. All Commissioners voting Aye, the motion passed.

Treasurer's Report. Community Development Director Troy Klecker presented the revenue and expense reports for October. He said that we're tracking pretty well, including the lodging tax revenue. The normal contracts with the OACCT and OABDC have been paid. We'll be underbudget for this year.

Loan Report. OABDC Director Sean Williams presented the loan report for October. He said that all loans are current.

OACCT / OPED Report. OACCT President Brad Meier presented the OACCT / OPED Report for October. He said workforce is in full gear. They have hired a SteeleCoWorks Coordinator—Tonya Peterson. OPED sponsored the Real Estate Journal Industrial Summit on November 6. Community Development Manager Greg Kruschke was on a panel and Owatonna had a booth. They have been reaching out to local companies including Bosch and Life Fitness. Voss said he'd like to hear more about Life Fitness at some time.

OABDC Report. OABDC Director Sean Williams presented the OABDC report for October. He said they had a kickoff meeting for the Maker Space last week and over a dozen people showed up. There was a software studio cohort in Rochester. Innovators & Business Owners Connect-up takes place the second Thursday of each month. FoamCraft moved out of the OABDC and another major manufacturer inquired about the space the same day. Owatonna Family Thrift is using the OABDC as a donation center until they are up and running.

MainStreet. MainStreet Director Lisa Cochran said she reports quarterly but likes to attend all meetings. There is a new event space downtown, which happened fairly quickly. Community Development Director Troy Klecker said that they never checked with Building Inspections on the change of use. Building Inspections will be looking at it tomorrow. There might be some issues because it will be changing from mercantile to an event space. Lisa said they have new banners are up for the holiday season and snowflakes will be going up on Cedar this week and new greenery swag on the 200 Block. The Holiday Parade is December 6. There are 75 entries, but entries are open until December 2.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for October. He said that City staff is working on a redevelopment project near Barney Street and Oak Avenue as there is a property interested in selling. This wouldn't use EDA dollars, but the EDA would likely be involved in the redevelopment. He gave an update on the properties that the EDA owns downtown. He said that in each of those cases, something had to be done because they were getting to the point where they would possibly collapse. There are no other buildings even close to a situation like that. He said they have gone through all of the buildings and there will be more regular inspections. He said that the Ascend project is coming along well. By the end of the year, there should be some occupancy in the building.

Schedule Next Meeting. The next EDA meeting is scheduled for **December 18, 2024** at 4:00 pm. in Charles S. Crandall Center – Chambers at City Hall.

Adjournment. There being no further business, a motion was made by Commissioner Cowell and seconded by Commissioner Mensink to adjourn the meeting at 4:45 pm. All Commissioners voting Aye, the motion passed.

Owatonna Human Rights Commission
Minutes – December 12, 2024

The Owatonna Human Rights Commission (OHRC) met on Tuesday, December 10, 2024, in the Meeting Room of the Charles S. Crandall Center. Chairman Jim Gunderson called the meeting to order at 5:35 p.m. Commissioner Hansen took roll call: Commissioners Jim Gunderson, Julia Seykora, Jessica Bjore, Edgar Esquivel, Jennifer Hansen, Mustafe Ismael, and Administrative Coordinator Clawson. Commission Member Sherry Hill was unable to attend

Following the Pledge of Allegiance, Commissioner Gunderson welcomed everyone to the meeting. Commissioner Bjore made a motion to approve the agenda as presented, Commissioner Hansen seconded the motion, all members voted aye in approval.

After review of Minutes of the last meeting, November 12, 2024, Commissioner Hansen made a motion to approve as presented, Commissioner Mustafe seconded the motion, all members voted aye in approval.

ITEM OF DISCUSSION - 2025 MLK Jr Day Event Monday, January 20, 2025

There was a brief discussion on plans for the 2025 MLK Jr Day event:

Venue – Steele County History Center – Commissioner Gunderson confirmed all set.

Speaker – Seema Pothini – Commissioner Seykora confirmed all set. We have received an invoice, and payment will be issued from the 2024 OHRC Budget.

Caterer: Jose at Plaza will begin set up at 11:30 a.m., planning for 130 at \$9.00/plate.

Jeanette will ask Jose for an invoice to prepay from 2024 OHRC Budget.

Co-Sponsors: Rainbowatonna – have received \$100 co-sponsorship payment

AGE – Commissioner Seykora to contact Rebecca Moore, Chair regarding fee and publicity, previously ask what \$250 co-sponsor offers.

Riverland Community College – Commissioner Gunderson to follow-up, last year OHRC received \$500 from RCC.

Publicity: OPU Newsletter – January 13th – information has been sent.

City Facebook – Jeanette to follow-up with Deanna

OHRC Webpage – Jeanette to update.

City News Flash item – Jeanette to update.

Limberg Productions – Jeanette has sent information.

Owatonna Live – January 8th at 10:00 am – Commissioners Gunderson and Bjore.

Radio – KOWZ & KRUE – Commissioner Gunderson to arrange with stations, anticipate will be Tuesday prior to the event. Commissioners Gunderson, Seykora, Bjore and Hansen to participate.

Event Agenda – Commissioner Hansen will prepare and send an annotated Agenda to review prior to the January OHRC Meeting. Will ask all OHRC members to stay after the event to assist with clean-up.

ITEM OF DISCUSSION – ORHC Budget Expenditures

Commissioner Bjore commented she has been in contact with local vendors for options of an OHRC tent and banner. The banner purchased in September for Welcome Week is narrow and a larger banner for use at future events is preferred. Commissioner Bjore made a motion to approve expenditures to not exceed a total of \$1,100 for an OHRC tent and banner. Commissioner Seykora seconded the motion, and all members present voted aye in approval.

COMMISSIONER COMMENTS

Commissioner Gunderson commented that last year, the Owatonna Community Connect was held on April 25, 2024, from noon-3 p.m. at Trinity Lutheran Church. He will follow up on 2025 event information and asked commissioners to plan to attend. Hopefully the City banner and booth can be used at this event as they network with other community organizations.

Commissioner Ismael commented he attended a meeting at the Adult Learning Center on November 25th. He was asked about the OHRC, and he has invited them to attend a future OHRC Meeting.

Commissioner Seykora commented that community organizations will present information to the Owatonna Community Leadership Academy (OCLA) during their March meeting. The meeting will be at the Owatonna Library on March 11th. Commissioners Gunderson and Bjore will present information about OHRC shortly after 1:00 p.m.

Commissioner Gunderson commented previous OHRC Commissioner Ventura is receiving hospice care at home.

ADJOURNMENT

At 6:17 p.m., Commissioner Esquivel made a motion to adjourn, Commissioner Ismael seconded the motion, and the meeting was adjourned. The next OHRC Meeting is planned for Tuesday, December 10th at 5:30 pm.

Respectfully submitted,
Jeanette Clawson, Administrative Coordinator



CITY OF
OWATONNA

Licenses Permits



DATE: January 21, 2025
TO: Mayor and City Council
FROM:
SUBJECT: Brewer Off-Sale and Taproom On-Sale Licenses - Mineral Springs Brewery - 201 N Oak Avenue

Purpose:

Council approval of applications received from Mineral Springs Brewery for a Taproom On-Sale and a Brewer Off-Sale Liquor License.

Background:

Mineral Springs Brewery currently holds both of these licenses within the city; however, they are preparing to move to their new location within the Ascend Project. Liquor Licenses do not transfer and new applications are required to process and submit to the Minnesota Alcohol and Gambling Enforcement Division.

Budget Impact:

\$50 Application Fee - No additional License Fee collected, MSB has paid the annual license fees for the current license period which ends June 30, 2025.

Staff Recommendation:

Staff recommends approval.

Attachments:

None



Minnesota Department of Public Safety
Alcohol and Gambling Enforcement Division
445 Minnesota Street, Suite 1600, St. Paul, MN 55101
651-201-7507 TTY 651-282-6555

**APPLICATION AND PERMIT FOR A 1 DAY
TO 4 DAY TEMPORARY ON-SALE LIQUOR LICENSE**

Name of organization		Date of organization		Tax exempt number	
Saint Mary's School of Owatonna		4/19/1990		XXXXXXXXXX	
Organization Address (No PO Boxes)		City	State	Zip Code	
730 South Cedar Avenue		Owatonna	MN	55060	
Name of person making application		Business phone		Home phone	
Connie Lembke		507-446-2300		XXXXXXXXXX	
Date(s) of event		Type of organization ☐ Microdistillery ☐ Small Brewer			
March 22, 2025		☐ Club ☐ Charitable ☐ Religious ☒ Other non-profit			
Organization officer's name		City	State	Zip Code	
Jennifer Swanson		Owatonna	MN	55060	
Organization officer's name		City	State	Zip Code	
			MN		
Organization officer's name		City	State	Zip Code	
			MN		

Location where permit will be used. If an outdoor area, describe.
Saint Mary's School; 730 South Cedar Avenue, Owatonna, MN 55060

If the applicant will contract for intoxicating liquor service give the name and address of the liquor license providing the service.
N/A

If the applicant will carry liquor liability insurance please provide the carrier's name and amount of coverage.
The Catholic Mutual Relief Society of America. \$500,000 Limit of Coverage

APPROVAL

APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL AND GAMBLING ENFORCEMENT

City or County approving the license		Date Approved	
Fee Amount		Permit Date	
Event in conjunction with a community festival ☐ Yes ☐ No		City or County E-mail Address	
Current population of city			

Please Print Name of City Clerk or County Official

Signature City Clerk or County Official

CLERKS NOTICE: Submit this form to Alcohol and Gambling Enforcement Division 30 days prior to event
No Temp Applications faxed or mailed. Only emailed.

ONE SUBMISSION PER EMAIL, APPLICATION ONLY.

PLEASE PROVIDE A VALID E-MAIL ADDRESS FOR THE CITY/COUNTY AS ALL TEMPORARY PERMIT APPROVALS WILL BE SENT BACK VIA EMAIL. E-MAIL THE APPLICATION SIGNED BY CITY/COUNTY TO AGE.TEMPORARYAPPLICATION@STATE.MN.US



CITY OF
OWATONNA

Miscellaneous



DATE: January 21, 2025
TO: Mayor and City Council
FROM: Jeffrey Louks, Facilities Manager
SUBJECT: Renew Contract - Electrical Work - Four Seasons Electric

Purpose:

Council approval to renew the contract for electrical services city-wide for two years with Four Seasons Electric.

Background:

Four Seasons Electric is our current electrical contractor. We signed a three-year agreement with them that expired in 2024. They have done a good job for us in the past years. They have been very responsive and timely when called upon. They have been learning about our buildings and operations and have a good handle on our needs.

Budget Impact:

This expense was budgeted for in the 2025 budget.

Staff Recommendation:

Staff recommends approval of this contract renewal.

Attachments:

1. Four Seasons Contract



3127 S County Road 45 Owatonna, MN 55060

January 8, 2025

Service Contract

The City of Owatonna agrees to contract Four Seasons Electric as its electrical contractor for the duration of two years from the date of signing. At the end of the contract term, the contract will automatically renew with the same terms unless either party notifies the other in writing of new rates or the desire not to renew said contract.

During the term of the contract, Four Seasons Electric agrees to the following:

- Act as the Responsible Master Electrician for maintenance work only for the City of Owatonna. There will be no fee for this service.
- Perform quality electrical work in a timely manner and according to current electrical codes and standards. This work will be billed on a labor time and material basis.
- Labor will be charged at a discount of 15% below Four Seasons Electrical normal charge for a licensed electrician.
 - Regular time rate will be \$85 per hour for a Licensed Electrician.
 - Regular time rate will be \$60 per hour for unlicensed Electrician.
 - Overtime will be calculated after 5:00 pm week days at time and a half.
 - Time and a half for Saturday calls.
 - Double time for Sunday or emergency calls.
- Boom truck rates are \$90 per hour.

During the term of this contract, the City of Owatonna agrees to the following:

- Use Four Seasons Electric, as its only electrical contractor.
- Pay invoices in a timely manner, not to exceed 30 days.



Ryan Spindler
Four Seasons Electric

1/8/25

Date

City of Owatonna

Date



DATE: January 21, 2025
TO: Mayor and City Council
FROM: David Beaver, Airport Manager
SUBJECT: Airport T-Hangar Lease Agreements - Kor, Leher & Petterson

Purpose:

To approve T-hangar rental agreements for units located at the Owatonna Degner Regional Airport as follows:

Lessee	Resident	Unit	Monthly Rental Fee	Term
Kati Kor	Montgomery, MN	Building 4, Unit A	\$230.00	1 year
Kati Kor	Montgomery, MN	Building 4, Unit K	\$230.00	1 year
Joe Lehrer	Faribault, MN	Building 1, Unit H	\$185.00	1 year
Jason Petterson	Albert Lea, MN	Building 3, Unit B	\$165.00	2 year
			\$810.00	Per Month

Background:

The agreements provide for the rental of T-hangar units at the airport and are typically a one-to-two-year term. The agreements are standard T-hangar lease forms used for this purpose and have been reviewed by the City Attorney.

Budget Impact:

The rental fees provided for in the agreements represent a total of \$9,720.00 of annual rental revenue.

Staff Recommendation:

Staff recommends approval subject to receiving all Certificates of Insurance as required in the lease.

Attachments:

1. T-Hangar 4,A Lease Agreement Kor 1.21.25
2. T-Hangar 4,K Lease Agreement Kor 1.21.25
3. T-Hangar 1,H Lease Agreement Lehrer 1.21.25
4. T-Hangar 3,B Lease Agreement Petterson 2025

OWATONNA DEGNER REGIONAL AIRPORT
T-HANGAR LEASE AGREEMENT

The City of Owatonna, a municipal corporation of the State of Minnesota, hereinafter referred to as "Lessor", hereby leases to Kati Kor, a resident of the City of Montgomery County of LeSueur, State of Minnesota, hereinafter referred to as "Lessee", that T-Hangar unit situated in an aircraft hangar located at the Owatonna Degner Regional Airport which is more particularly described as follows, to-wit:

HANGAR #4, UNIT "A"
(See attached Exhibit "A")

1. **TERM OF LEASE.** The initial term of this lease shall be for a period commencing January 21, 2025 and ending January 31, 2026. Upon the mutual agreement of the parties hereto, the lease may be renewed for up to two (2) additional periods of one (1) year each. The agreement to renew shall be entered into by the parties prior to the expiration of each term and will be subject to the T-Hangar Rental Policy in effect or applicable at time of renewal. The agreement to renew shall be in writing and signed by the parties hereto specifying the rental fee and the date of expiration.

2. **RENTAL FEE.** During the term of this lease, Lessee shall pay to Lessor a monthly rental fee of Two Hundred Thirty dollars (\$230.00). All rental payments shall be made at Owatonna Degner Regional Airport, 3400 West Frontage Road, Owatonna, Minnesota, or such other place as Lessor may designate. All rental payments shall be due by the 10th day of the month for which they are made. Upon expiration of this lease the rental fee may be adjusted by the City Council of the City of Owatonna.

3. **TAXES.** Any and all taxes assessed by any governmental unit shall be the responsibility of the Lessee.

4. **PROHIBITIONS.** Lessee shall be subject to all airport rules and regulations, including but not limited to, the following:

(A) No private locks of any type will be allowed on individual pedestrian doors. If private locks are installed, they will be removed at the discretion of the City of Owatonna.

(B) All items detrimental to the environment shall be disposed of properly. The Lessee of each T-Hangar unit shall be responsible for the proper disposal of all materials generated from or within that unit. The cost of cleaning up any materials improperly disposed of on airport properties shall be charged to the Lessee of the unit which generated or was the source of the material.

(C) Lessee's private vehicle shall be allowed to be placed in a T-Hangar when the aircraft is removed for a trip. Parking on the apron or grass will not be permitted.

(D) Lessee shall be responsible for cleanliness of the T-Hangar unit. When, in the opinion of the City of Owatonna, a safety hazard is found to exist within a T-Hangar unit, Lessee will be provided with notice providing for cleanup within seven (7) days, or by such date as the City of Owatonna shall demand. If the cleanup is not completed within the designated time, the City of Owatonna will perform all cleanup, which, in its discretion, it deems necessary, and the cost of which shall be charged to the Lessee.

(E) Lessee at own expense, must maintain hangar in a safe, non-hazardous, and sanitary condition. No explosive, flammable or hazardous materials shall be stored in the leased hangar, provided, however, that materials incidental to the use and maintenance of the aircraft stored in hangar may be kept in the hangar in such amounts as are reasonable for the above described purposes. Storage and use of such materials shall, at all times, comply with all federal, state, and local laws, ordinances and regulations. Improper handling or disposal of hazardous materials shall be grounds for termination of this agreement.

(F) The Lessor, or its agent, will provide snow removal services to the area of the leased hangar and taxi-lanes as close to the leased hangar entrance as possible, the Lessee will be primarily responsible for removal of snow and ice immediately in front of the leased premises.

(G) The Lessee is responsible for ensuring the hangar door is closed at all times, except when entering or exiting the hangar.

(H) Engine run-up and taxiing out of the T-Hangars is not allowed.

(I) This lease shall not be sold, assigned, or in any manner transferred or encumbered by Lessee, nor shall the leased premises or any part thereof be sublet without the prior consent of Lessor in writing. Lessee shall keep and use the T-Hangar primarily for aircraft storage purposes and for no unlawful purpose whatsoever.

(J) T-Hangar units shall be used primarily for the storage of active and operational aircraft. Active and operational aircraft shall be defined to mean all aircraft currently licensed and flyable which are flown to and from the Owatonna Degner Regional Airport periodically during the year.

(K) Lessee shall possess proof of ownership of the aircraft being stored in leased hangar and aircraft must be properly registered and certified for flight. If Lessee sells the aircraft, the Lessor must be notified in writing within ten (10) days of the sale, and Lessee has ninety (90) days in which to replace said aircraft. One ninety (90) day extension may be allowed, if requested in writing from Lessor. If an aircraft is not owned at the time the hangar lease is consummated, Lessee has ninety (90) days to obtain an aircraft. Prior to placing any aircraft in a T-Hangar

unit, Lessee shall provide Lessor in writing the following information: (See attached Exhibit "B")

1. Aircraft Type
2. Serial Number
3. Registration Number
4. Present Condition of Aircraft (Is the aircraft presently airworthy?)
5. Present Market Value of Aircraft
6. Insurance Carrier (Including type of coverage, limits, and policy number.)

(L) Lessee shall comply with the Owatonna Degner Regional Airport Minimum Standards now existing or as hereafter amended or adopted by the City of Owatonna.

(M) Hangar Door to be Closed. The Lessee is responsible for ensuring that the bi-fold hangar door is closed and latched at all times, except when entering or exiting the hangar. The Lessee agrees not to operate the bi-fold door in wind conditions gusting in excess of 30mph (26 knots). The Lessee is responsible for, and holds the City harmless from, any damage or destruction to the door or to the hangar attributable to or caused wholly or partly by the Lessee's failure to comply with this provision.

5. **ELECTRIC SERVICE.** Electricity is available in each unit. The City of Owatonna reserves the right to install individual meters to each unit and the cost of electricity for each unit may then be billed to Lessee by the City on a periodic basis. Engine heaters shall be of such size as to not overload the electric system. Fuel-fired, hot-air type heaters are permitted if attended on a continuous basis while in use. Electric space heaters are prohibited.

6. **RIGHT OF ENTRY.** Lessor reserves the right for itself or agents to go on, into, and have access at all times during the existence of this lease, to said premises for the purpose, including, but not limited to, inspection and showing of the building.

7. **INSURANCE.** Lessee shall maintain the following insurance coverages:

A. Lessee shall carry aircraft liability insurance with limits of coverage not less than as required pursuant to the Minnesota Statue Section 360.59 Subdivision 10, and may be amended.

B. Lessee shall carry hull insurance on each aircraft stored on the leased premises. The limits of the insurance shall be in an amount equal to or greater than the current value of the aircraft, instruments, and accessories. On or before the date of this lease, Lessee shall provide a Certificate of Insurance to the City of Owatonna indicating the

required coverage for the entire term of the lease and providing for a minimum of thirty (30) days notice to a change or cancellation of that coverage.

C. In lieu of carrying hull insurance, Lessee covenants and agrees that he will not hold the City of Owatonna or any of its agents, employees, or Airport Commission members responsible for any loss occasioned by fire, theft, rain, windstorm, hail, or from any other cause whatsoever, whether said cause be the direct, indirect, or merely a contributing factor in producing the loss to any airplane, automobile, personal property, parts, or surplus that may be located or stored in the T-hangars, aprons, field, or any other location at the airport; and Lessee agrees the plane and the contents are to be stored, whether on the field or in the hangars, at Lessee's risk.

D. Comprehensive general liability insurance insuring Lessee against any liability arising out of this lease agreement, or the use, occupancy, or maintenance of the demised premises and all areas appurtenant to the demised premises. Such insurance shall be in the amount of not less than One Million (1,000,000.00) per occurrence for property damage, bodily injuries, or deaths of persons occurring in and about the premises, not necessarily caused by aircraft, or in or about the Airport if caused by the act or omission of Tenant or those for whom Tenant is responsible. Such insurance may provide for a sub limit of not less than One Hundred Thousand (\$100,000) per person. The insurance policy shall insure the hazards of the demised premises and operations conducted in and on the demised premises, independent contractors, contractual liability (covering the indemnity included in this lease agreement), and shall name Lessor as an additionally insured party. Lessor shall be furnished with a copy of the certificate of insurance. The liability insurance policy also showing endorsements requiring thirty (30) days' written notice to Lessor prior to any cancellation or any reduction in the amount of coverage.

E. In accordance with the subrogation provisions of the standard property insurance contract, it is hereby understood and agreed by and between the undersigned parties that they do jointly and separately waive any or all right of recovery against the other for insured loss occurring to the real property owned by City of Owatonna and personal property owned by the Lessee all while located at the leased premises.

Any policy issued to the City of Owatonna providing duplicate or similar coverage shall be deemed excess over Tenant's policies. Tenant waives any subrogation rights against the City of Owatonna on all claims and insurance policies.

Tenant shall not use or permit the Premises to be used in any manner that would void Tenant's or the City of Owatonna's insurance or increase the insurance risk. Tenant shall comply with all requirements imposed by the insurers for the City of Owatonna and Tenant.

8. **INDEMNIFICATION.** To the fullest extent permitted by law, Lessee agrees to indemnify, defend, save and hold completely harmless the City of Owatonna or any of its agents, employees, or Airport Commission members responsible for any and all

required coverage for the entire term of the lease and providing for a minimum of thirty (30) days notice to a change or cancellation of that coverage.

C. In lieu of carrying hull insurance, Lessee covenants and agrees that he will not hold the City of Owatonna or any of its agents, employees, or Airport Commission members responsible for any loss occasioned by fire, theft, rain, windstorm, hail, or from any other cause whatsoever, whether said cause be the direct, indirect, or merely a contributing factor in producing the loss to any airplane, automobile, personal property, parts, or surplus that may be located or stored in the T-hangars, aprons, field, or any other location at the airport; and Lessee agrees the plane and the contents are to be stored, whether on the field or in the hangars, at Lessee's risk.

D. Comprehensive general liability insurance insuring Lessee against any liability arising out of this lease agreement, or the use, occupancy, or maintenance of the demised premises and all areas appurtenant to the demised premises. Such insurance shall be in the amount of not less than One Million (1,000,000.00) per occurrence for property damage, bodily injuries, or deaths of persons occurring in and about the premises, not necessarily caused by aircraft, or in or about the Airport if caused by the act or omission of Tenant or those for whom Tenant is responsible. Such insurance may provide for a sub limit of not less than One Hundred Thousand (\$100,000) per person. The insurance policy shall insure the hazards of the demised premises and operations conducted in and on the demised premises, independent contractors, contractual liability (covering the indemnity included in this lease agreement), and shall name Lessor as an additionally insured party. Lessor shall be furnished with a copy of the certificate of insurance. The liability insurance policy also showing endorsements requiring thirty (30) days' written notice to Lessor prior to any cancellation or any reduction in the amount of coverage.

E. In accordance with the subrogation provisions of the standard property insurance contract, it is hereby understood and agreed by and between the undersigned parties that they do jointly and separately waive any or all right of recovery against the other for insured loss occurring to the real property owned by City of Owatonna and personal property owned by the Lessee all while located at the leased premises.

Any policy issued to the City of Owatonna providing duplicate or similar coverage shall be deemed excess over Tenant's policies. Tenant waives any subrogation rights against the City of Owatonna on all claims and insurance policies.

Tenant shall not use or permit the Premises to be used in any manner that would void Tenant's or the City of Owatonna's insurance or increase the insurance risk. Tenant shall comply with all requirements imposed by the insurers for the City of Owatonna and Tenant.

8. **INDEMNIFICATION.** To the fullest extent permitted by law, Lessee agrees to indemnify, defend, save and hold completely harmless the City of Owatonna or any of its agents, employees, or Airport Commission members responsible for any and all

liabilities, losses, damages, suits, actions, claims, judgments, settlements, fines or demands of any person arising by reason of injury or death of any person, or damage to any property occasioned by fire, theft, rain, windstorm, hail, or from any other cause whatsoever, whether said cause be the direct, indirect, or merely a contributing factor in producing the loss to any airplane, automobile, personal property, parts, or surplus that may be located or stored in the T-Hangars, aprons, field, or any other location at the airport; and Lessee agrees that the planes and the contents are to be stored, whether on the field or in the hangars, at Lessee's risk.

The provisions of this section shall survive expiration or earlier termination of this lease. The furnishing of the required insurance shall not be deemed to limit Tenant's obligations under this Section.

The Tenant shall defend, indemnify and hold the City of Owatonna harmless from any claims or liabilities as a result of Tenant's failure to procure and to keep in force the insurance required in the Lease.

9. **ATTORNEY FEES.** Lessee shall pay and discharge all costs, attorney fees, and expenses arising from enforcing any covenants or forfeiture hereof.

10. **TERMINATION.** In case Lessee shall fail to make any of the above-mentioned payments as specified or fail to keep and perform any of the covenants and agreements herein contained, Lessor may immediately and without notice terminate this lease and re-enter and repossess said premises, without prejudice, to its claims for earned cash rent. The following by way of illustration but not by limitation shall constitute a default under this lease:

(1) Tenant fails to pay money owed to the City of Owatonna under this Lease when due, and such failure continues for ten (10) days after written notice from the City of Owatonna.

(2) Tenant uses the Premises for any purpose not expressly authorized by this Lease and such default continues for ten (10) days following written notice from the City of Owatonna.

(3) Tenant assigns, subleases or transfers this Lease except as otherwise permitted, and such default continues for ten (10) days following written notice from the City of Owatonna.

(4) Tenant fails to carry the insurance required under this Lease; any insurance required under this Lease is cancelled, terminated, expires, or is reduced or materially changed so as not to comply with this Lease; or the City of Owatonna receives such notice of any such conditions pursuant to Section 7., and such failure continues for a period of ten (10) days following written notice from the City of Owatonna to Tenant.

(5) Tenant vacates or abandons the Premises, and such default continues for ten (10) days following written notice from the City of Owatonna to Tenant.

(6) Tenant fails to abide by any applicable federal, state, or municipal statutes, regulation, ordinance, rule, or airport policy

(7) Any other action or inaction on the tenant's part which the City determines is in breach of the lease.

IN WITNESS HEREOF, the parties hereto have executed this lease this _____ day of _____, 20____.

Kate Kor
Lessee

CITY OF OWATONNA, MINNESOTA

By: _____
Its Mayor

By: _____
Its City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing was acknowledged before me this _____ day of _____, 20____,
by _____ and _____,
the Mayor and City Administrator of the City of Owatonna, a municipal corporation
under the laws of the State of Minnesota, on behalf of the City of Owatonna,
Minnesota.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing was acknowledged before me this _____ day of _____, 20____,
by _____.

Notary Public

EXHIBIT "A"

T-HANGAR NO. 4

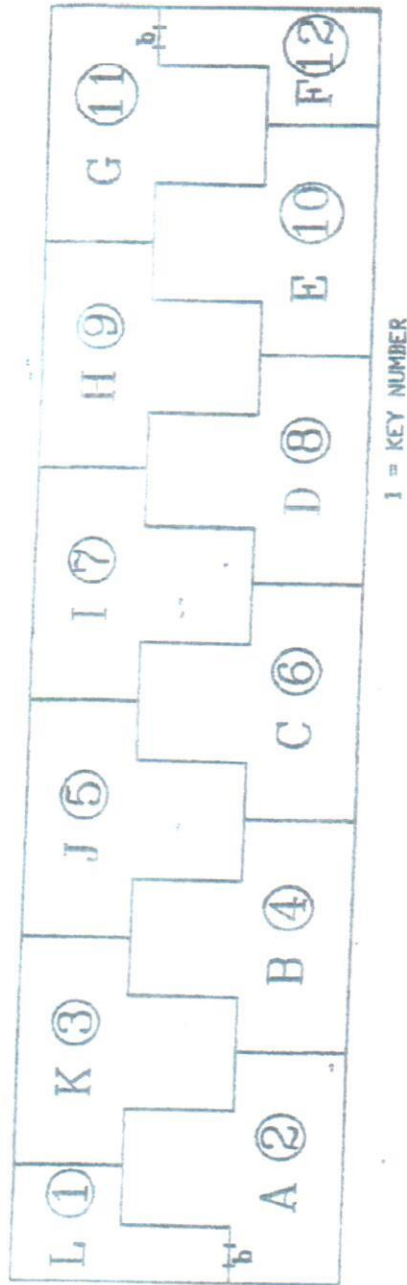


EXHIBIT "B"

- _____ 1. Aircraft Type CESSNA 152
- _____ 2. Serial Number 15283909
- _____ 3. Registration Number N6221B
- _____ 4. Present Condition of Aircraft GOOD
- _____ 5. Present Market Value \$70,000.00
- _____ 6. Insurance Carrier HARCO NATIONAL INSURANCE

Attach Copy of Insurance Certificate

OWATONNA DEGNER REGIONAL AIRPORT
T-HANGAR LEASE AGREEMENT

The City of Owatonna, a municipal corporation of the State of Minnesota, hereinafter referred to as "Lessor", hereby leases to Kati Kor, a resident of the City of Montgomery County of LeSueur, State of Minnesota, hereinafter referred to as "Lessee", that T-Hangar unit situated in an aircraft hangar located at the Owatonna Degner Regional Airport which is more particularly described as follows, to-wit:

HANGAR #4, UNIT "K"
(See attached Exhibit "A")

1. **TERM OF LEASE.** The initial term of this lease shall be for a period commencing January 21, 2025 and ending January 31, 2026. Upon the mutual agreement of the parties hereto, the lease may be renewed for up to two (2) additional periods of one (1) year each. The agreement to renew shall be entered into by the parties prior to the expiration of each term and will be subject to the T-Hangar Rental Policy in effect or applicable at time of renewal. The agreement to renew shall be in writing and signed by the parties hereto specifying the rental fee and the date of expiration.

2. **RENTAL FEE.** During the term of this lease, Lessee shall pay to Lessor a monthly rental fee of Two Hundred Thirty dollars (\$230.00). All rental payments shall be made at Owatonna Degner Regional Airport, 3400 West Frontage Road, Owatonna, Minnesota, or such other place as Lessor may designate. All rental payments shall be due by the 10th day of the month for which they are made. Upon expiration of this lease the rental fee may be adjusted by the City Council of the City of Owatonna.

3. **TAXES.** Any and all taxes assessed by any governmental unit shall be the responsibility of the Lessee.

4. **PROHIBITIONS.** Lessee shall be subject to all airport rules and regulations, including but not limited to, the following:

(A) No private locks of any type will be allowed on individual pedestrian doors. If private locks are installed, they will be removed at the discretion of the City of Owatonna.

(B) All items detrimental to the environment shall be disposed of properly. The Lessee of each T-Hangar unit shall be responsible for the proper disposal of all materials generated from or within that unit. The cost of cleaning up any materials improperly disposed of on airport properties shall be charged to the Lessee of the unit which generated or was the source of the material.

(C) Lessee's private vehicle shall be allowed to be placed in a T-Hangar when the aircraft is removed for a trip. Parking on the apron or grass will not be permitted.

(D) Lessee shall be responsible for cleanliness of the T-Hangar unit. When, in the opinion of the City of Owatonna, a safety hazard is found to exist within a T-Hangar unit, Lessee will be provided with notice providing for cleanup within seven (7) days, or by such date as the City of Owatonna shall demand. If the cleanup is not completed within the designated time, the City of Owatonna will perform all cleanup, which, in its discretion, it deems necessary, and the cost of which shall be charged to the Lessee.

(E) Lessee at own expense, must maintain hangar in a safe, non-hazardous, and sanitary condition. No explosive, flammable or hazardous materials shall be stored in the leased hangar, provided, however, that materials incidental to the use and maintenance of the aircraft stored in hangar may be kept in the hangar in such amounts as are reasonable for the above described purposes. Storage and use of such materials shall, at all times, comply with all federal, state, and local laws, ordinances and regulations. Improper handling or disposal of hazardous materials shall be grounds for termination of this agreement.

(F) The Lessor, or its agent, will provide snow removal services to the area of the leased hangar and taxi-lanes as close to the leased hangar entrance as possible, the Lessee will be primarily responsible for removal of snow and ice immediately in front of the leased premises.

(G) The Lessee is responsible for ensuring the hangar door is closed at all times, except when entering or exiting the hangar.

(H) Engine run-up and taxiing out of the T-Hangars is not allowed.

(I) This lease shall not be sold, assigned, or in any manner transferred or encumbered by Lessee, nor shall the leased premises or any part thereof be sublet without the prior consent of Lessor in writing. Lessee shall keep and use the T-Hangar primarily for aircraft storage purposes and for no unlawful purpose whatsoever.

(J) T-Hangar units shall be used primarily for the storage of active and operational aircraft. Active and operational aircraft shall be defined to mean all aircraft currently licensed and flyable which are flown to and from the Owatonna Degner Regional Airport periodically during the year.

(K) Lessee shall possess proof of ownership of the aircraft being stored in leased hangar and aircraft must be properly registered and certified for flight. If Lessee sells the aircraft, the Lessor must be notified in writing within ten (10) days of the sale, and Lessee has ninety (90) days in which to replace said aircraft. One ninety (90) day extension may be allowed, if requested in writing from Lessor. If an aircraft is not owned at the time the hangar lease is consummated, Lessee has ninety (90) days to obtain an aircraft. Prior to placing any aircraft in a T-Hangar

unit, Lessee shall provide Lessor in writing the following information: (See attached Exhibit "B")

1. Aircraft Type
2. Serial Number
3. Registration Number
4. Present Condition of Aircraft (Is the aircraft presently airworthy?)
5. Present Market Value of Aircraft
6. Insurance Carrier (Including type of coverage, limits, and policy number.)

(L) Lessee shall comply with the Owatonna Degner Regional Airport Minimum Standards now existing or as hereafter amended or adopted by the City of Owatonna.

(M) Hangar Door to be Closed. The Lessee is responsible for ensuring that the bi-fold hangar door is closed and latched at all times, except when entering or exiting the hangar. The Lessee agrees not to operate the bi-fold door in wind conditions gusting in excess of 30mph (26 knots). The Lessee is responsible for, and holds the City harmless from, any damage or destruction to the door or to the hangar attributable to or caused wholly or partly by the Lessee's failure to comply with this provision.

5. **ELECTRIC SERVICE.** Electricity is available in each unit. The City of Owatonna reserves the right to install individual meters to each unit and the cost of electricity for each unit may then be billed to Lessee by the City on a periodic basis. Engine heaters shall be of such size as to not overload the electric system. Fuel-fired, hot-air type heaters are permitted if attended on a continuous basis while in use. Electric space heaters are prohibited.

6. **RIGHT OF ENTRY.** Lessor reserves the right for itself or agents to go on, into, and have access at all times during the existence of this lease, to said premises for the purpose, including, but not limited to, inspection and showing of the building.

7. **INSURANCE.** Lessee shall maintain the following insurance coverages:

A. Lessee shall carry aircraft liability insurance with limits of coverage not less than as required pursuant to the Minnesota Statue Section 360.59 Subdivision 10, and may be amended.

B. Lessee shall carry hull insurance on each aircraft stored on the leased premises. The limits of the insurance shall be in an amount equal to or greater than the current value of the aircraft, instruments, and accessories. On or before the date of this lease, Lessee shall provide a Certificate of Insurance to the City of Owatonna indicating the

required coverage for the entire term of the lease and providing for a minimum of thirty (30) days notice to a change or cancellation of that coverage.

C. In lieu of carrying hull insurance, Lessee covenants and agrees that he will not hold the City of Owatonna or any of its agents, employees, or Airport Commission members responsible for any loss occasioned by fire, theft, rain, windstorm, hail, or from any other cause whatsoever, whether said cause be the direct, indirect, or merely a contributing factor in producing the loss to any airplane, automobile, personal property, parts, or surplus that may be located or stored in the T-hangars, aprons, field, or any other location at the airport; and Lessee agrees the plane and the contents are to be stored, whether on the field or in the hangars, at Lessee's risk.

D. Comprehensive general liability insurance insuring Lessee against any liability arising out of this lease agreement, or the use, occupancy, or maintenance of the demised premises and all areas appurtenant to the demised premises. Such insurance shall be in the amount of not less than One Million (1,000,000.00) per occurrence for property damage, bodily injuries, or deaths of persons occurring in and about the premises, not necessarily caused by aircraft, or in or about the Airport if caused by the act or omission of Tenant or those for whom Tenant is responsible. Such insurance may provide for a sub limit of not less than One Hundred Thousand (\$100,000) per person. The insurance policy shall insure the hazards of the demised premises and operations conducted in and on the demised premises, independent contractors, contractual liability (covering the indemnity included in this lease agreement), and shall name Lessor as an additionally insured party. Lessor shall be furnished with a copy of the certificate of insurance. The liability insurance policy also showing endorsements requiring thirty (30) days' written notice to Lessor prior to any cancellation or any reduction in the amount of coverage.

E. In accordance with the subrogation provisions of the standard property insurance contract, it is hereby understood and agreed by and between the undersigned parties that they do jointly and separately waive any or all right of recovery against the other for insured loss occurring to the real property owned by City of Owatonna and personal property owned by the Lessee all while located at the leased premises.

Any policy issued to the City of Owatonna providing duplicate or similar coverage shall be deemed excess over Tenant's policies. Tenant waives any subrogation rights against the City of Owatonna on all claims and insurance policies.

Tenant shall not use or permit the Premises to be used in any manner that would void Tenant's or the City of Owatonna's insurance or increase the insurance risk. Tenant shall comply with all requirements imposed by the insurers for the City of Owatonna and Tenant.

8. **INDEMNIFICATION.** To the fullest extent permitted by law, Lessee agrees to indemnify, defend, save and hold completely harmless the City of Owatonna or any of its agents, employees, or Airport Commission members responsible for any and all

liabilities, losses, damages, suits, actions, claims, judgments, settlements, fines or demands of any person arising by reason of injury or death of any person, or damage to any property occasioned by fire, theft, rain, windstorm, hail, or from any other cause whatsoever, whether said cause be the direct, indirect, or merely a contributing factor in producing the loss to any airplane, automobile, personal property, parts, or surplus that may be located or stored in the T-Hangars, aprons, field, or any other location at the airport; and Lessee agrees that the planes and the contents are to be stored, whether on the field or in the hangars, at Lessee's risk.

The provisions of this section shall survive expiration or earlier termination of this lease. The furnishing of the required insurance shall not be deemed to limit Tenant's obligations under this Section.

The Tenant shall defend, indemnify and hold the City of Owatonna harmless from any claims or liabilities as a result of Tenant's failure to procure and to keep in force the insurance required in the Lease.

9. **ATTORNEY FEES.** Lessee shall pay and discharge all costs, attorney fees, and expenses arising from enforcing any covenants or forfeiture hereof.

10. **TERMINATION.** In case Lessee shall fail to make any of the above-mentioned payments as specified or fail to keep and perform any of the covenants and agreements herein contained, Lessor may immediately and without notice terminate this lease and re-enter and repossess said premises, without prejudice, to its claims for earned cash rent. The following by way of illustration but not by limitation shall constitute a default under this lease:

(1) Tenant fails to pay money owed to the City of Owatonna under this Lease when due, and such failure continues for ten (10) days after written notice from the City of Owatonna.

(2) Tenant uses the Premises for any purpose not expressly authorized by this Lease and such default continues for ten (10) days following written notice from the City of Owatonna.

(3) Tenant assigns, subleases or transfers this Lease except as otherwise permitted, and such default continues for ten (10) days following written notice from the City of Owatonna.

(4) Tenant fails to carry the insurance required under this Lease; any insurance required under this Lease is cancelled, terminated, expires, or is reduced or materially changed so as not to comply with this Lease; or the City of Owatonna receives such notice of any such conditions pursuant to Section 7., and such failure continues for a period of ten (10) days following written notice from the City of Owatonna to Tenant.

- (5) Tenant vacates or abandons the Premises, and such default continues for ten (10) days following written notice from the City of Owatonna to Tenant.
- (6) Tenant fails to abide by any applicable federal, state, or municipal statutes, regulation, ordinance, rule, or airport policy
- (7) Any other action or inaction on the tenant's part which the City determines is in breach of the lease.

IN WITNESS HEREOF, the parties hereto have executed this lease this _____ day of _____, 20____.

Kathleen
Lessee

CITY OF OWATONNA, MINNESOTA

By: _____
Its Mayor

By: _____
Its City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing was acknowledged before me this _____ day of _____, 20____,
by _____ and _____,
the Mayor and City Administrator of the City of Owatonna, a municipal corporation
under the laws of the State of Minnesota, on behalf of the City of Owatonna,
Minnesota.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing was acknowledged before me this _____ day of _____, 20____,
by _____.

Notary Public

EXHIBIT "A"

T-HANGAR NO. 4

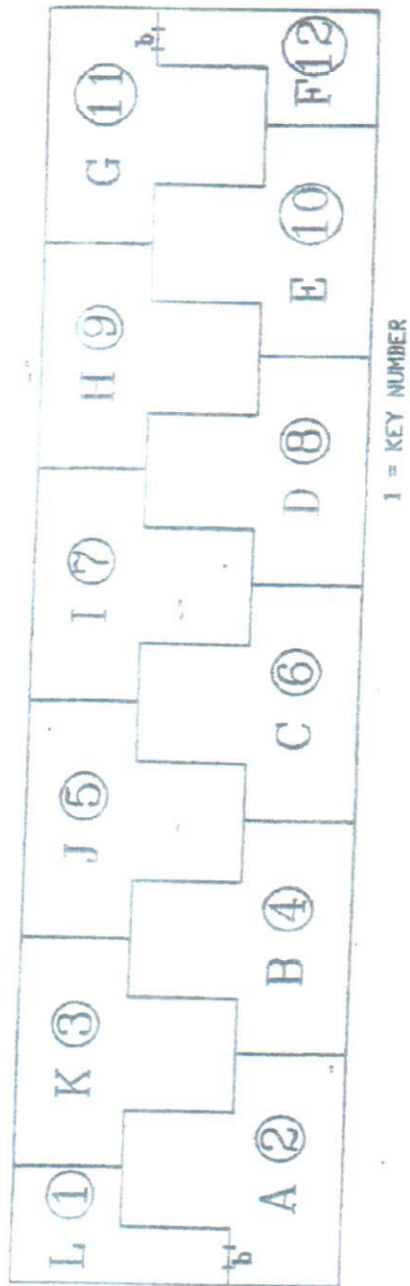


EXHIBIT "B"

- _____ 1. Aircraft Type Piper Archer II
- _____ 2. Serial Number 28-7890099
- _____ 3. Registration Number N47603
- _____ 4. Present Condition of Aircraft GOOD
- _____ 5. Present Market Value \$100,000
- _____ 6. Insurance Carrier Harco National Insurance Company

Attach Copy of Insurance Certificate

OWATONNA DEGNER REGIONAL AIRPORT
T-HANGAR LEASE AGREEMENT

The City of Owatonna, a municipal corporation of the State of Minnesota, hereinafter referred to as "Lessor", hereby leases to Joe Lehrer, a resident of the City of Faribault County of Rice, State of Minnesota, hereinafter referred to as "Lessee", that T-Hangar unit situated in an aircraft hangar located at the Owatonna Degner Regional Airport which is more particularly described as follows, to-wit:

HANGAR #1, UNIT "H"
(See attached Exhibit "A")

1. **TERM OF LEASE.** The initial term of this lease shall be for a period commencing January 21, 2025 and ending January 31, 2026. Upon the mutual agreement of the parties hereto, the lease may be renewed for up to two (2) additional periods of one (1) year each. The agreement to renew shall be entered into by the parties prior to the expiration of each term and will be subject to the T-Hangar Rental Policy in effect or applicable at time of renewal. The agreement to renew shall be in writing and signed by the parties hereto specifying the rental fee and the date of expiration.

2. **RENTAL FEE.** During the term of this lease, Lessee shall pay to Lessor a monthly rental fee of One Hundred Eighty-Five Five dollars (\$185.00). All rental payments shall be made at Owatonna Degner Regional Airport, 3400 West Frontage Road, Owatonna, Minnesota, or such other place as Lessor may designate. All rental payments shall be due by the 10th day of the month for which they are made. Upon expiration of this lease the rental fee may be adjusted by the City Council of the City of Owatonna.

3. **TAXES.** Any and all taxes assessed by any governmental unit shall be the responsibility of the Lessee.

4. **PROHIBITIONS.** Lessee shall be subject to all airport rules and regulations, including but not limited to, the following:

(A) No private locks of any type will be allowed on individual pedestrian doors. If private locks are installed, they will be removed at the discretion of the City of Owatonna.

(B) All items detrimental to the environment shall be disposed of properly. The Lessee of each T-Hangar unit shall be responsible for the proper disposal of all materials generated from or within that unit. The cost of cleaning up any materials improperly disposed of on airport properties shall be charged to the Lessee of the unit which generated or was the source of the material.

(C) Lessee's private vehicle shall be allowed to be placed in a T-Hangar when the aircraft is removed for a trip. Parking on the apron or grass will not be permitted.

(D) Lessee shall be responsible for cleanliness of the T-Hangar unit. When, in the opinion of the City of Owatonna, a safety hazard is found to exist within a T-Hangar unit, Lessee will be provided with notice providing for cleanup within seven (7) days, or by such date as the City of Owatonna shall demand. If the cleanup is not completed within the designated time, the City of Owatonna will perform all cleanup, which, in its discretion, it deems necessary, and the cost of which shall be charged to the Lessee.

(E) Lessee at own expense, must maintain hangar in a safe, non-hazardous, and sanitary condition. No explosive, flammable or hazardous materials shall be stored in the leased hangar, provided, however, that materials incidental to the use and maintenance of the aircraft stored in hangar may be kept in the hangar in such amounts as are reasonable for the above described purposes. Storage and use of such materials shall, at all times, comply with all federal, state, and local laws, ordinances and regulations. Improper handling or disposal of hazardous materials shall be grounds for termination of this agreement.

(F) The Lessor, or its agent, will provide snow removal services to the area of the leased hangar and taxi-lanes as close to the leased hangar entrance as possible, the Lessee will be primarily responsible for removal of snow and ice immediately in front of the leased premises.

(G) The Lessee is responsible for ensuring the hangar door is closed at all times, except when entering or exiting the hangar.

(H) Engine run-up and taxiing out of the T-Hangars is not allowed.

(I) This lease shall not be sold, assigned, or in any manner transferred or encumbered by Lessee, nor shall the leased premises or any part thereof be sublet without the prior consent of Lessor in writing. Lessee shall keep and use the T-Hangar primarily for aircraft storage purposes and for no unlawful purpose whatsoever.

(J) T-Hangar units shall be used primarily for the storage of active and operational aircraft. Active and operational aircraft shall be defined to mean all aircraft currently licensed and flyable which are flown to and from the Owatonna Degner Regional Airport periodically during the year.

(K) Lessee shall possess proof of ownership of the aircraft being stored in leased hangar and aircraft must be properly registered and certified for flight. If Lessee sells the aircraft, the Lessor must be notified in writing within ten (10) days of the sale, and Lessee has ninety (90) days in which to replace said aircraft. One ninety (90) day extension may be allowed, if requested in writing from Lessor. If an aircraft is not owned at the time the hangar lease is consummated, Lessee has ninety (90) days to obtain an aircraft. Prior to placing any aircraft in a T-Hangar

unit, Lessee shall provide Lessor in writing the following information: (See attached Exhibit "B")

1. Aircraft Type
2. Serial Number
3. Registration Number
4. Present Condition of Aircraft (Is the aircraft presently airworthy?)
5. Present Market Value of Aircraft
6. Insurance Carrier (Including type of coverage, limits, and policy number.)

(L) Lessee shall comply with the Owatonna Degner Regional Airport Minimum Standards now existing or as hereafter amended or adopted by the City of Owatonna.

(M) Hangar Door to be Closed. The Lessee is responsible for ensuring that the bi-fold hangar door is closed and latched at all times, except when entering or exiting the hangar. The Lessee agrees not to operate the bi-fold door in wind conditions gusting in excess of 30mph (26 knots). The Lessee is responsible for, and holds the City harmless from, any damage or destruction to the door or to the hangar attributable to or caused wholly or partly by the Lessee's failure to comply with this provision.

5. **ELECTRIC SERVICE.** Electricity is available in each unit. The City of Owatonna reserves the right to install individual meters to each unit and the cost of electricity for each unit may then be billed to Lessee by the City on a periodic basis. Engine heaters shall be of such size as to not overload the electric system. Fuel-fired, hot-air type heaters are permitted if attended on a continuous basis while in use. Electric space heaters are prohibited.

6. **RIGHT OF ENTRY.** Lessor reserves the right for itself or agents to go on, into, and have access at all times during the existence of this lease, to said premises for the purpose, including, but not limited to, inspection and showing of the building.

7. **INSURANCE.** Lessee shall maintain the following insurance coverages:

A. Lessee shall carry aircraft liability insurance with limits of coverage not less than as required pursuant to the Minnesota Statue Section 360.59 Subdivision 10, and may be amended.

B. Lessee shall carry hull insurance on each aircraft stored on the leased premises. The limits of the insurance shall be in an amount equal to or greater than the current value of the aircraft, instruments, and accessories. On or before the date of this lease, Lessee shall provide a Certificate of Insurance to the City of Owatonna indicating the

required coverage for the entire term of the lease and providing for a minimum of thirty (30) days notice to a change or cancellation of that coverage.

C. In lieu of carrying hull insurance, Lessee covenants and agrees that he will not hold the City of Owatonna or any of its agents, employees, or Airport Commission members responsible for any loss occasioned by fire, theft, rain, windstorm, hail, or from any other cause whatsoever, whether said cause be the direct, indirect, or merely a contributing factor in producing the loss to any airplane, automobile, personal property, parts, or surplus that may be located or stored in the T-hangars, aprons, field, or any other location at the airport; and Lessee agrees the plane and the contents are to be stored, whether on the field or in the hangars, at Lessee's risk.

D. Comprehensive general liability insurance insuring Lessee against any liability arising out of this lease agreement, or the use, occupancy, or maintenance of the demised premises and all areas appurtenant to the demised premises. Such insurance shall be in the amount of not less than One Million (1,000,000.00) per occurrence for property damage, bodily injuries, or deaths of persons occurring in and about the premises, not necessarily caused by aircraft, or in or about the Airport if caused by the act or omission of Tenant or those for whom Tenant is responsible. Such insurance may provide for a sub limit of not less than One Hundred Thousand (\$100,000) per person. The insurance policy shall insure the hazards of the demised premises and operations conducted in and on the demised premises, independent contractors, contractual liability (covering the indemnity included in this lease agreement), and shall name Lessor as an additionally insured party. Lessor shall be furnished with a copy of the certificate of insurance. The liability insurance policy also showing endorsements requiring thirty (30) days' written notice to Lessor prior to any cancellation or any reduction in the amount of coverage.

E. In accordance with the subrogation provisions of the standard property insurance contract, it is hereby understood and agreed by and between the undersigned parties that they do jointly and separately waive any or all right of recovery against the other for insured loss occurring to the real property owned by City of Owatonna and personal property owned by the Lessee all while located at the leased premises.

Any policy issued to the City of Owatonna providing duplicate or similar coverage shall be deemed excess over Tenant's policies. Tenant waives any subrogation rights against the City of Owatonna on all claims and insurance policies.

Tenant shall not use or permit the Premises to be used in any manner that would void Tenant's or the City of Owatonna's insurance or increase the insurance risk. Tenant shall comply with all requirements imposed by the insurers for the City of Owatonna and Tenant.

8. **INDEMNIFICATION.** To the fullest extent permitted by law, Lessee agrees to indemnify, defend, save and hold completely harmless the City of Owatonna or any of its agents, employees, or Airport Commission members responsible for any and all

liabilities, losses, damages, suits, actions, claims, judgments, settlements, fines or demands of any person arising by reason of injury or death of any person, or damage to any property occasioned by fire, theft, rain, windstorm, hail, or from any other cause whatsoever, whether said cause be the direct, indirect, or merely a contributing factor in producing the loss to any airplane, automobile, personal property, parts, or surplus that may be located or stored in the T-Hangars, aprons, field, or any other location at the airport; and Lessee agrees that the planes and the contents are to be stored, whether on the field or in the hangars, at Lessee's risk.

The provisions of this section shall survive expiration or earlier termination of this lease. The furnishing of the required insurance shall not be deemed to limit Tenant's obligations under this Section.

The Tenant shall defend, indemnify and hold the City of Owatonna harmless from any claims or liabilities as a result of Tenant's failure to procure and to keep in force the insurance required in the Lease.

9. **ATTORNEY FEES.** Lessee shall pay and discharge all costs, attorney fees, and expenses arising from enforcing any covenants or forfeiture hereof.

10. **TERMINATION.** In case Lessee shall fail to make any of the above-mentioned payments as specified or fail to keep and perform any of the covenants and agreements herein contained, Lessor may immediately and without notice terminate this lease and re-enter and repossess said premises, without prejudice, to its claims for earned cash rent. The following by way of illustration but not by limitation shall constitute a default under this lease:

- (1) Tenant fails to pay money owed to the City of Owatonna under this Lease when due, and such failure continues for ten (10) days after written notice from the City of Owatonna.
- (2) Tenant uses the Premises for any purpose not expressly authorized by this Lease and such default continues for ten (10) days following written notice from the City of Owatonna.
- (3) Tenant assigns, subleases or transfers this Lease except as otherwise permitted, and such default continues for ten (10) days following written notice from the City of Owatonna.
- (4) Tenant fails to carry the insurance required under this Lease; any insurance required under this Lease is cancelled, terminated, expires, or is reduced or materially changed so as not to comply with this Lease; or the City of Owatonna receives such notice of any such conditions pursuant to Section 7., and such failure continues for a period of ten (10) days following written notice from the City of Owatonna to Tenant.

(5) Tenant vacates or abandons the Premises, and such default continues for ten (10) days following written notice from the City of Owatonna to Tenant.

(6) Tenant fails to abide by any applicable federal, state, or municipal statutes, regulation, ordinance, rule, or airport policy

(7) Any other action or inaction on the tenant's part which the City determines is in breach of the lease.

IN WITNESS HEREOF, the parties hereto have executed this lease this _____ day of _____, 20____.

Lessee CITY OF OWATONNA, MINNESOTA

By: _____
Its Mayor

By: _____
Its City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing was acknowledged before me this _____ day of _____, 20____,
by _____ and _____,
the Mayor and City Administrator of the City of Owatonna, a municipal corporation
under the laws of the State of Minnesota, on behalf of the City of Owatonna,
Minnesota.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing was acknowledged before me this _____ day of _____, 20____,
by _____.

Notary Public

EXHIBIT "A"

T-HANGAR NO. 1

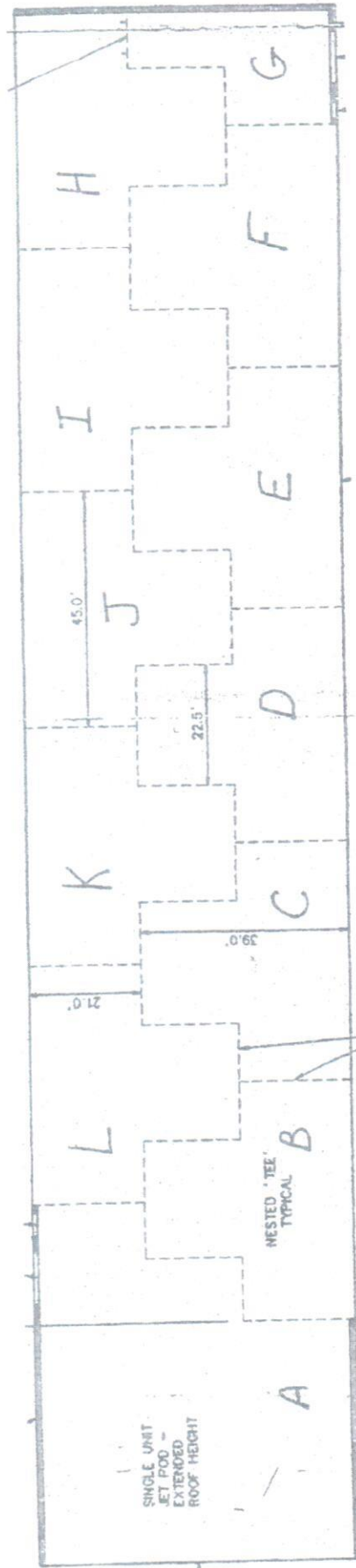


EXHIBIT "B"

- _____ 1. Aircraft Type _____
- _____ 2. Serial Number _____
- _____ 3. Registration Number _____
- _____ 4. Present Condition of Aircraft _____
- _____ 5. Present Market Value _____
- _____ 6. Insurance Carrier _____

Attach Copy of Insurance Certificate

OWATONNA DEGNER REGIONAL AIRPORT
T-HANGAR LEASE AGREEMENT

The City of Owatonna, a municipal corporation of the State of Minnesota, hereinafter referred to as "Lessor", hereby leases to Jason Petterson, a resident of the City of Albert Lea County of Freeborn, State of Minnesota, hereinafter referred to as "Lessee", that T-Hangar unit situated in an aircraft hangar located at the Owatonna Degner Regional Airport which is more particularly described as follows, to-wit:

HANGAR #3, UNIT "B"
(See attached Exhibit "A")

1. **TERM OF LEASE.** The initial term of this lease shall be for a period commencing February 1, 2025 and ending December 31, 2027. Upon the mutual agreement of the parties hereto, the lease may be renewed for up to two (2) additional periods of one (1) year each. The agreement to renew shall be entered into by the parties prior to the expiration of each term and will be subject to the T-Hangar Rental Policy in effect or applicable at time of renewal. The agreement to renew shall be in writing and signed by the parties hereto specifying the rental fee and the date of expiration.

2. **RENTAL FEE.** During the term of this lease, Lessee shall pay to Lessor a monthly rental fee of One Hundred Sixty Five dollars (\$165.00). All rental payments shall be made at Owatonna Degner Regional Airport, 3400 West Frontage Road, Owatonna, Minnesota, or such other place as Lessor may designate. All rental payments shall be due by the 10th day of the month for which they are made. Upon expiration of this lease the rental fee may be adjusted by the City Council of the City of Owatonna.

3. **TAXES.** Any and all taxes assessed by any governmental unit shall be the responsibility of the Lessee.

4. **PROHIBITIONS.** Lessee shall be subject to all airport rules and regulations, including but not limited to, the following:

(A) No private locks of any type will be allowed on individual pedestrian doors. If private locks are installed, they will be removed at the discretion of the City of Owatonna.

(B) All items detrimental to the environment shall be disposed of properly. The Lessee of each T-Hangar unit shall be responsible for the proper disposal of all materials generated from or within that unit. The cost of cleaning up any materials improperly disposed of on airport properties shall be charged to the Lessee of the unit which generated or was the source of the material.

(C) Lessee's private vehicle shall be allowed to be placed in a T-Hangar when the aircraft is removed for a trip. Parking on the apron or grass will not be permitted.

(D) Lessee shall be responsible for cleanliness of the T-Hangar unit. When, in the opinion of the City of Owatonna, a safety hazard is found to exist within a T-Hangar unit, Lessee will be provided with notice providing for cleanup within seven (7) days, or by such date as the City of Owatonna shall demand. If the cleanup is not completed within the designated time, the City of Owatonna will perform all cleanup, which, in its discretion, it deems necessary, and the cost of which shall be charged to the Lessee.

(E) Lessee at own expense, must maintain hangar in a safe, non-hazardous, and sanitary condition. No explosive, flammable or hazardous materials shall be stored in the leased hangar, provided, however, that materials incidental to the use and maintenance of the aircraft stored in hangar may be kept in the hangar in such amounts as are reasonable for the above described purposes. Storage and use of such materials shall, at all times, comply with all federal, state, and local laws, ordinances and regulations. Improper handling or disposal of hazardous materials shall be grounds for termination of this agreement.

(F) The Lessor, or its agent, will provide snow removal services to the area of the leased hangar and taxi-lanes as close to the leased hangar entrance as possible, the Lessee will be primarily responsible for removal of snow and ice immediately in front of the leased premises.

(G) The Lessee is responsible for ensuring the hangar door is closed at all times, except when entering or exiting the hangar.

(H) Engine run-up and taxiing out of the T-Hangars is not allowed.

(I) This lease shall not be sold, assigned, or in any manner transferred or encumbered by Lessee, nor shall the leased premises or any part thereof be sublet without the prior consent of Lessor in writing. Lessee shall keep and use the T-Hangar primarily for aircraft storage purposes and for no unlawful purpose whatsoever.

(J) T-Hangar units shall be used primarily for the storage of active and operational aircraft. Active and operational aircraft shall be defined to mean all aircraft currently licensed and flyable which are flown to and from the Owatonna Degner Regional Airport periodically during the year.

(K) Lessee shall possess proof of ownership of the aircraft being stored in leased hangar and aircraft must be properly registered and certified for flight. If Lessee sells the aircraft, the Lessor must be notified in writing within ten (10) days of the sale, and Lessee has ninety (90) days in which to replace said aircraft. One ninety (90) day extension may be allowed, if requested in writing from Lessor. If an aircraft is not owned at the time the hangar lease is consummated, Lessee has ninety (90) days to obtain an aircraft. Prior to placing any aircraft in a T-Hangar

unit, Lessee shall provide Lessor in writing the following information: (See attached Exhibit "B")

1. Aircraft Type
2. Serial Number
3. Registration Number
4. Present Condition of Aircraft (Is the aircraft presently airworthy?)
5. Present Market Value of Aircraft
6. Insurance Carrier (Including type of coverage, limits, and policy number.)

(L) Lessee shall comply with the Owatonna Degner Regional Airport Minimum Standards now existing or as hereafter amended or adopted by the City of Owatonna.

(M) Hangar Door to be Closed. The Lessee is responsible for ensuring that the bi-fold hangar door is closed and latched at all times, except when entering or exiting the hangar. The Lessee agrees not to operate the bi-fold door in wind conditions gusting in excess of 30mph (26 knots). The Lessee is responsible for, and holds the City harmless from, any damage or destruction to the door or to the hangar attributable to or caused wholly or partly by the Lessee's failure to comply with this provision.

5. **ELECTRIC SERVICE.** Electricity is available in each unit. The City of Owatonna reserves the right to install individual meters to each unit and the cost of electricity for each unit may then be billed to Lessee by the City on a periodic basis. Engine heaters shall be of such size as to not overload the electric system. Fuel-fired, hot-air type heaters are permitted if attended on a continuous basis while in use. Electric space heaters are prohibited.

6. **RIGHT OF ENTRY.** Lessor reserves the right for itself or agents to go on, into, and have access at all times during the existence of this lease, to said premises for the purpose, including, but not limited to, inspection and showing of the building.

7. **INSURANCE.** Lessee shall maintain the following insurance coverages:

A. Lessee shall carry aircraft liability insurance with limits of coverage not less than as required pursuant to the Minnesota Statue Section 360.59 Subdivision 10, and may be amended.

B. Lessee shall carry hull insurance on each aircraft stored on the leased premises. The limits of the insurance shall be in an amount equal to or greater than the current value of the aircraft, instruments, and accessories. On or before the date of this lease, Lessee shall provide a Certificate of Insurance to the City of Owatonna indicating the

required coverage for the entire term of the lease and providing for a minimum of thirty (30) days notice to a change or cancellation of that coverage.

C. In lieu of carrying hull insurance, Lessee covenants and agrees that he will not hold the City of Owatonna or any of its agents, employees, or Airport Commission members responsible for any loss occasioned by fire, theft, rain, windstorm, hail, or from any other cause whatsoever, whether said cause be the direct, indirect, or merely a contributing factor in producing the loss to any airplane, automobile, personal property, parts, or surplus that may be located or stored in the T-hangars, aprons, field, or any other location at the airport; and Lessee agrees the plane and the contents are to be stored, whether on the field or in the hangars, at Lessee's risk.

D. Comprehensive general liability insurance insuring Lessee against any liability arising out of this lease agreement, or the use, occupancy, or maintenance of the demised premises and all areas appurtenant to the demised premises. Such insurance shall be in the amount of not less than One Million (1,000,000.00) per occurrence for property damage, bodily injuries, or deaths of persons occurring in and about the premises, not necessarily caused by aircraft, or in or about the Airport if caused by the act or omission of Tenant or those for whom Tenant is responsible. Such insurance may provide for a sub limit of not less than One Hundred Thousand (\$100,000) per person. The insurance policy shall insure the hazards of the demised premises and operations conducted in and on the demised premises, independent contractors, contractual liability (covering the indemnity included in this lease agreement), and shall name Lessor as an additionally insured party. Lessor shall be furnished with a copy of the certificate of insurance. The liability insurance policy also showing endorsements requiring thirty (30) days' written notice to Lessor prior to any cancellation or any reduction in the amount of coverage.

E. In accordance with the subrogation provisions of the standard property insurance contract, it is hereby understood and agreed by and between the undersigned parties that they do jointly and separately waive any or all right of recovery against the other for insured loss occurring to the real property owned by City of Owatonna and personal property owned by the Lessee all while located at the leased premises.

Any policy issued to the City of Owatonna providing duplicate or similar coverage shall be deemed excess over Tenant's policies. Tenant waives any subrogation rights against the City of Owatonna on all claims and insurance policies.

Tenant shall not use or permit the Premises to be used in any manner that would void Tenant's or the City of Owatonna's insurance or increase the insurance risk. Tenant shall comply with all requirements imposed by the insurers for the City of Owatonna and Tenant.

8. **INDEMNIFICATION.** To the fullest extent permitted by law, Lessee agrees to indemnify, defend, save and hold completely harmless the City of Owatonna or any of its agents, employees, or Airport Commission members responsible for any and all

liabilities, losses, damages, suits, actions, claims, judgments, settlements, fines or demands of any person arising by reason of injury or death of any person, or damage to any property occasioned by fire, theft, rain, windstorm, hail, or from any other cause whatsoever, whether said cause be the direct, indirect, or merely a contributing factor in producing the loss to any airplane, automobile, personal property, parts, or surplus that may be located or stored in the T-Hangars, aprons, field, or any other location at the airport; and Lessee agrees that the planes and the contents are to be stored, whether on the field or in the hangars, at Lessee's risk.

The provisions of this section shall survive expiration or earlier termination of this lease. The furnishing of the required insurance shall not be deemed to limit Tenant's obligations under this Section.

The Tenant shall defend, indemnify and hold the City of Owatonna harmless from any claims or liabilities as a result of Tenant's failure to procure and to keep in force the insurance required in the Lease.

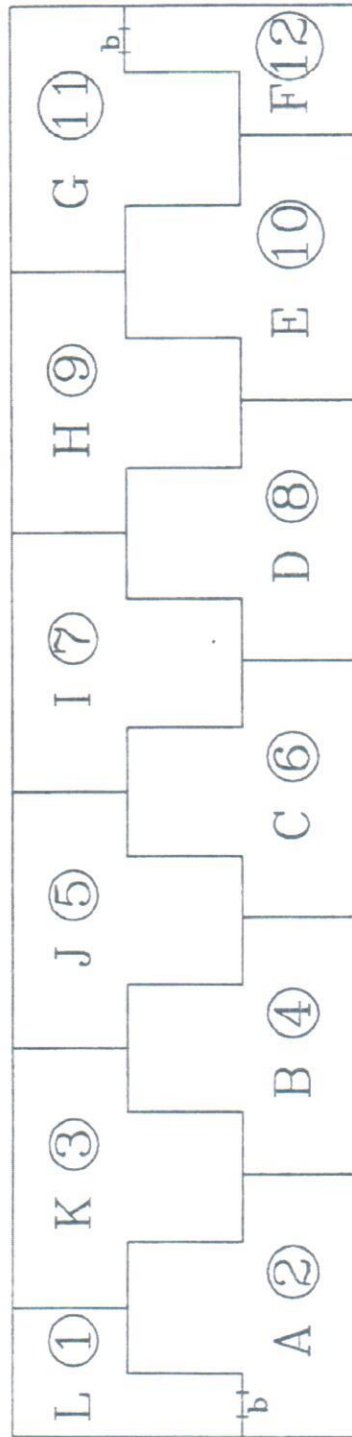
9. **ATTORNEY FEES.** Lessee shall pay and discharge all costs, attorney fees, and expenses arising from enforcing any covenants or forfeiture hereof.

10. **TERMINATION.** In case Lessee shall fail to make any of the above-mentioned payments as specified or fail to keep and perform any of the covenants and agreements herein contained, Lessor may immediately and without notice terminate this lease and re-enter and repossess said premises, without prejudice, to its claims for earned cash rent. The following by way of illustration but not by limitation shall constitute a default under this lease:

- (1) Tenant fails to pay money owed to the City of Owatonna under this Lease when due, and such failure continues for ten (10) days after written notice from the City of Owatonna.
- (2) Tenant uses the Premises for any purpose not expressly authorized by this Lease and such default continues for ten (10) days following written notice from the City of Owatonna.
- (3) Tenant assigns, subleases or transfers this Lease except as otherwise permitted, and such default continues for ten (10) days following written notice from the City of Owatonna.
- (4) Tenant fails to carry the insurance required under this Lease; any insurance required under this Lease is cancelled, terminated, expires, or is reduced or materially changed so as not to comply with this Lease; or the City of Owatonna receives such notice of any such conditions pursuant to Section 7., and such failure continues for a period of ten (10) days following written notice from the City of Owatonna to Tenant.

EXHIBIT "A"

T-HANGAR NO.3



1 = KEY NUMBER

EXHIBIT "B"

- _____ 1. Aircraft Type Piper PA22 160 Tri Pacer
- _____ 2. Serial Number 22-6078
- _____ 3. Registration Number N8921D
- _____ 4. Present Condition of Aircraft Airworthy
- _____ 5. Present Market Value \$45,000
- _____ 6. Insurance Carrier Wings

Attach Copy of Insurance Certificate



DATE: January 21, 2025
TO: Mayor and City Council
FROM: David Beaver, Airport Manager
SUBJECT: Airport Non-Commercial Hangar Land Lease Agreement Renewal - JPF Ventures, LLC

Purpose:

To approve renewal of airport Non-Commercial Use Land Lease with JPF Ventures, LLC.

Background:

The initial 20-year term of the existing private hangar land lease has expired. The tenant wishes to renew the lease. The renewal term provided in the new lease agreement is for ten years. The premises are not needed for airport or other general aviation purposes and the hangar building is in good repair and suitably maintained.

Budget Impact:

The land lease rental fee provided for in the agreement is \$1,088.00 for the first year of the lease. Thereafter, the rent payable under the lease is adjusted annually utilizing an escalator based on the Consumer Price Index (CPI).

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Non-Commercial Hangar Land Lease Lot 5 JPF

AIRPORT NON-COMMERCIAL USE HANGAR LAND LEASE

THIS AGREEMENT made this 1st day of December 2024, by and between the City of Owatonna, Minnesota, a municipal corporation, Lessor, hereinafter referred to as “Lessor” and JPF Ventures, LLC, hereinafter referred to as “LESSEE”.

1. Lease of Airport Property; Premises. For and in consideration of the rents and covenants hereafter set forth, City leases to Lessee the following described premises at the City of Owatonna Municipal Airport, Steele County, Minnesota:

Lot 5, Airport Subdivision No. 1, (80 foot by 80 foot), as depicted on Exhibit A which is made a part hereof and incorporated herein by reference.

2. Use of the Airport. Lessee has the privilege of using the public portions of the Airport in common with other users. Lessee shall have the right to conduct all operations authorized pursuant to the terms of this Lease, provided, however, that this Lease shall not be deemed to grant to LESSEE or those claiming under Lessee the exclusive right to use any part or portion of the airport other than the premises. Use of the airport is subject to rules and conditions as now exist or may be enacted in the future by City, State of Minnesota, or the United States. Lessee is subject to customary fees and charges for such use as may be established from time to time by City. City reserves the right to enter at any time upon the premises for the purpose of inspection to determine compliance with the terms of this Lease. Reasonable effort will be made to notify Lessee of such entry before entry is made.

3. Term. The initial term of this Lease shall be ten (10) years, commencing the 1st day of December, 2024, and expiring, unless earlier terminated, on the 30th day of November, 2034.

After the expiration of the ten (10) year term, the City, at its sole option, may enter into a new Lease with Lessee upon terms then mutually acceptable to City and Lessee, provided the premises are not needed for airport or other general aviation purposes and, further, provided that the Hangar, in the City’s sole opinion, is structurally sound, in good repair, and suitably maintained.

4. Rent. Lessee agrees to pay City the sum of One Thousand Eighty-Eight Dollars (\$1,088.00) per year on or January 1, 2025, and on or before the first day of January of each year thereafter during the term of the Lease. For the first year of the Lease the rental rate is established at \$0.17 per square foot of land leased. The rent payable in this section shall be adjusted on the 1st of January 2026 and on January 1st of each of the following years thereafter. Subject to the limitation set forth below, the rent shall be adjusted as follows:

AIRPORT NON-COMMERCIAL USE HANGAR LAND LEASE

For the purpose of this lease "CPI" means the Consumer Price Index published by the U.S. Department of Labor and Bureau of Labor Statistics (Midwest Region Average, All Urban Consumers, All Items), or if such index is discontinued, such successor index measuring the average rate of inflation in the United States as may be published by an agency of the United States, and if there is none, then such other index measuring the average rate of inflation in the United States as Lessor shall reasonably designate.

The CPI in effect on the commencement date of this lease shall be the Base Index. On each date specified for adjustment of the rent in this section, the Index in effect immediately before the date (the "Adjustment Index") shall be used for the purpose of calculating the amount of the adjustment, if any. If the Adjustment Index has increased over or decreased from the Base Index, the rent payable until the next date specified for the adjustment of rent shall be increased or decreased by the same percentage as the Adjustment Index bears to the Base Index.

Notwithstanding anything above to the contrary, in no event shall the monthly rent payable by Lessee at any time during the term of this Lease Agreement be decreased as a result of the adjustment provided for in this section.

Further, in no event shall the annual rent increase more than three percent (3%) per annum.

5. Use of Premises.

- a. The premises shall be used for the hangaring of airplanes, airplane parts, accessories, fuel, oil, lubricants, and other equipment and to service, repair, and overhaul airplanes owned by the Lessee. All such uses shall be for private purposes and shall not be used for commercial activities.
- b. Lessee must comply with all applicable building, fire, and zoning codes and other federal, state, county, and municipal laws and ordinances in effect as of the time of entering into this Lease and as amended from time to time thereafter.
- c. Lessee shall pay the cost of all labor and materials furnished or provided in connection with the building and shall not permit the filing of any mechanic liens against the premises, title to which at all times remains in City. If any lien is filed against the premises, Lessee must discharge the lien or provide adequate bond or other surety in a manner and amount reasonably satisfactory to City within thirty (30) days after the filing of the lien.
- d. Lessee shall not erect or permit to be erected on said premises or on the exterior of any building any sign or any type without the prior written consent of City.

AIRPORT NON-COMMERCIAL USE HANGAR LAND LEASE

Lessee shall not place or permit to be placed in or on any portion of the demised premises any weight or weights in excess of a reasonable or safe carrying capacity for the structure.

- e. Lessee agrees at its own expense to observe all regulations and requirements of the City of Owatonna or other public authorities in force at the time of taking of possession by the Lessee of the leased premises or which may thereafter be made regarding the condition of the leased premises or conduct thereon, including all building, fire, sanitary, police, or other regulations.
- f. Lessee shall not use or allow for any commercial use of the hangar building or premises without the expressed written consent of the LESSOR.

6. Sale; Assignment; Subletting and Mortgage. Lessee will not sell, assign, sublet, or mortgage the premises or any part thereof or sell, assign, sublet or mortgage this Lease or any interest therein or permit the Lease to become transferred by operation of law without first obtaining the written consent of City, whose consent is subject to the City's sole discretion. Any assignment, sale in bankruptcy or insolvency of the Lessee may, at the option of City, be considered an assignment within the meaning of this Lease and as a breach thereof.

7. Maintenance. Lessee, at its own cost and expense, shall maintain the leased premises and the structures located thereon. Lessee shall keep and maintain the property in good order and repair and in a clean and neat condition. Lessee shall not permit any waste or nuisance on the leased premises or permit anything on the leased premises to interfere with the rights of other Lessees of the City or users of the airport. In the event the premises are not properly maintained, the City may, after notice to the Lessee, cause the property to be maintained and the cost thereof will be billed to Lessee as an administrative fee. In the event of non-payment, the unpaid billing shall be certified for collection with the property taxes in the manner provided by law.

Snow removal in front of Lessee's hangar and mowing and weed control are the responsibility of the Lessee.

8. Hazardous Materials. Lessee shall not store hazardous materials on the leased premises except such materials as are normal and reasonably necessary for aircraft operation and maintenance. All hazardous materials shall be stored, handled, and disposed of properly in accordance with all federal, state, county, and municipal rules, and regulations. Any spill or discharge shall be immediately reported to City or other appropriate agency. Improper storage, use, handling, or disposal of hazardous materials shall be grounds for termination of this Lease agreement.

AIRPORT NON-COMMERCIAL USE HANGAR LAND LEASE

9. **Taxes, Assessments, and Other Charges.** In addition to other charges identified in this Lease, the Lessee shall pay all taxes, assessments, licenses, fees, or other charges that may be levied or assessed upon the Lessee's property or building or any activity of the Lessee. Upon request by the City, the Lessee shall provide proof of such payment.

The Lessee shall establish her own accounts for utilities and pay all rates and charges for any utility used or consumed in connection with or in the leased property during the term of this Lease. Upon request by the City, the Lessee shall provide proof of such payment.

10. **Revision of Rents.** City reserves the right, from time to time, to amend rents, charges, assessments and insurance limits contained within this agreement, either upwards or downwards. Any such revisions shall be reasonable and uniform with those revisions applicable to other users at the Airport in the same class of users as Lessee.

11. **Insurance.** Lessee shall maintain the following insurance coverages:

- a. Lessee shall carry aircraft liability insurance with limits of coverage not less than as required pursuant to the Minnesota Statute Section 360.59 Subdivision 10, as may be amended.
- b. Lessee shall carry hull insurance on each aircraft stored on the leased premises. The limits of the insurance shall be in an amount equal to or greater than the current value of the aircraft, instruments, and accessories. On or before the date of this lease, Lessee shall provide a Certificate of Insurance to the City of Owatonna indicating the required coverage for the entire term of the lease and providing for a minimum of thirty (30) days' notice to a change or cancellation of that coverage.
- c. In lieu of carrying hull insurance, Lessee covenants and agrees that she will not hold the City of Owatonna or any of its agents, employees, or Airport Commission members responsible for any loss occasioned by fire, theft, rain, windstorm, hail, or from any other cause whatsoever, whether said cause be the direct, indirect, or merely a contributing factor in producing the loss to any airplane, automobile, personal property, parts, or surplus that may be located or stored hangars, aprons, field, or any other location at the airport; and Lessee agrees the plane and the contents are to be stored, whether on the field or in the hangars, at Lessee's risk.
- d. Comprehensive general liability insurance insuring Lessee against any liability arising out of this lease agreement, or the use, occupancy, or maintenance of the

AIRPORT NON-COMMERCIAL USE HANGAR LAND LEASE

demised premises and all areas appurtenant to the demised premises. Such insurance shall be in the amount of not less than \$1Million (\$1,000,000.00) per occurrence for property damage, bodily injuries, or deaths of persons occurring in and about the premises, not necessarily caused by aircraft, or in or about the Airport if caused by the act or omission of Lessee or those for whom Lessee is responsible. The insurance policy shall insure the hazards of the demised premises and operations conducted in and on the demised premises, independent contractors, contractual liability (covering the indemnity included in this lease agreement) and shall name Lessor as an additionally insured party.

- e. Lessee shall also provide all risk property coverage at full replacement value. Lessor shall be provided with a copy of a certificate of insurance. The insurance policies shall also include endorsements requiring thirty (30) days' written notice to Lessor prior to any cancellation or any reduction in the amount of coverage.
- f. In accordance with the subrogation provisions of the standard property insurance contract, it is hereby understood and agreed by and between the undersigned parties that they do jointly and separately waive any or all right of recovery against the other for insured loss occurring to the real property owned by City of Owatonna and personal property owned by the Lessee all while located at the leased premises.

Any policy issued to the City of Owatonna providing duplicate or similar coverage shall be deemed excess over Lessee's policies. Lessee waives any subrogation rights against the City of Owatonna on all claims and insurance policies.

Lessee shall not use or permit the Premises to be used in any manner that would void Lessee's or the City of Owatonna's insurance or increase the insurance risk. Lessee shall comply with all requirements imposed by the insurers for the City of Owatonna and Lessee.

12. Indemnification. Lessee agrees to defend, indemnify, and hold harmless, the City, its officers, employees, agents, subcontractors, and its Airport Commissioners, from and against all claims, damages, losses, and expenses, including attorney's fees, arising out of or related to the use and occupancy of the leased premises but only to the extent caused in whole or in part by the negligent acts, errors, or omissions of Lessee, Lessee's employees, agents or subcontractors or anyone directly or indirectly employed or hired by Lessee or anyone for whose acts Lessee may be liable. Lessee further agrees that the contents and airplanes stored in Lessee's hanger or other location at the Airport are stored at Lessee's risk.

AIRPORT NON-COMMERCIAL USE HANGAR LAND LEASE

The provisions of this section shall survive expiration or earlier termination of this lease. The furnishing of the required insurance shall not be deemed to limit Lessee's obligations under this Section.

The Lessee shall defend, indemnify and hold the City of Owatonna harmless from any claims or liabilities as a result of Lessee's failure to procure and to keep in force the insurance required in the Lease.

Ground Control; Air Traffic. Lessee shall comply with all rules, minimum standards, and field regulations with respect to control of ground and air traffic and use of the airport as established by City from time to time and Lessee shall abide by all rules, regulations, and orders of the Minnesota Department of Transportation and the Federal Aviation Administration and other lawful authorities with respect to aircraft operations and use of the leased premises.

13. Condemnation. City may exercise the right of eminent domain with respect to the leased premises. Lessee further agrees that if the leased premises shall be taken for any street or other public use or shall during the continuance of this Lease be destroyed by the action of the public authorities, then this Lease and the term demised shall thereupon terminate.

14. Commitments to Federal or State Agencies. Nothing herein shall be construed to prevent the City from making such commitments as it desires to the Federal Government or to the State of Minnesota in order to qualify for the expenditure of Federal and State funds on said airport.

15. Parking of Vehicles. Lessee may park her private automobiles in the building for short periods of time. Auto parking on the apron or grass will not be permitted.

16. Minimum Standards. Lessee shall comply with the Owatonna Degner Regional Airport Minimum Standards now existing or as hereafter amended or adopted by the City of Owatonna.

17. Termination of Lease; Removal of Hangar. At the termination of this Lease, (and provided a new Lease has not been entered into between the parties under paragraph 3), if the Lessee shall have paid all taxes, assessments and rents payable under this Lease, and shall have kept and performed all terms and conditions of this Lease on its part to be kept and performed, the Lessee shall have the privilege of removing from the leased premises all buildings or property thereon belonging to said Lessee and shall restore said premises to as good condition as they were in when the premises were entered into upon by the Lessee, reasonable wear and tear excepted, provided the Lessee shall do so within six (6) months after the termination of this Lease. If said buildings and property are not so removed within

AIRPORT NON-COMMERCIAL USE HANGAR LAND LEASE

the said six (6) month period, the Lessee hereby conveys the same absolutely to the City and the title thereto upon the expiration of said six (6) month period shall vest in the City without further act or conveyance. In any event, at the Lessor's sole discretion the Lessee shall remove from the leased premises all buildings or property thereon belonging to said Lessee and shall restore said premises to ground elevation including turf establishment as directed by Lessor if in the sole discretion of the Lessor the building is depreciated to the point of removal.

18. Default by Lessee. Any of the following shall constitute a default by Lessee

- a. Lessee fails to pay money owed to City under this Lease when due, and such failure continues for ten (10) days after written notice from City to Lessee.
- b. Lessee uses the premises for any purpose not expressly authorized by this Lease and such default continues for ten (10) days following written notice from City to Lessee.
- c. Lessee fails to allow an inspection in accordance with the terms and conditions of this Lease and such default continues for ten (10) days following written notice from City to Lessee.
- d. Lessee sells, assigns, subleases, transfers, or mortgages this Lease except as otherwise permitted, and such default continues for ten (10) days following written notice from City to Lessee.
- e. Lessee fails to carry the insurance required under this Lease; or any insurance required under this Lease is cancelled, terminated, expires or is reduced or materially changed so as to not comply with this Lease; or City receives notice of any such conditions, and such failure continues for a period of ten (10) days following written notice from City to Lessee.
- f. Lessee vacates or abandons the premises, and such default continues for ten (10) days following written notice from City to Lessee.
- g. Lessee fails to discharge, by payment or bond, any lien or encumbrance placed upon the premises or improvements in violation of this Lease within thirty (30) days following written notice from City to Lessee that any such lien or encumbrance is filed against the premises and/or improvements.
- h. Lessee (a) makes a general assignment for the benefit of creditors; (b) commences any case, proceeding or other action seeking to have an order for relief entered or to adjudicate Lessee bankrupt or insolvent, or seeking reorganization, arrangement,

AIRPORT NON-COMMERCIAL USE HANGAR LAND LEASE

adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property; or (c) involuntarily becomes the subject of any proceeding for relief which is not dismissed within sixty (60) days of its filing or entry.

- i. Lessee fails to pay taxes, assessments, fees, or other charges due and such default continues for a period of ten (10) days following written notice from City to Lessee.
- j. Lessee fails to comply with any other term or condition of this Lease and such default continues for more than thirty (30) days after written notice from City to Lessee, or for a longer period of time as may be reasonably necessary to cure the default, but only if (a) Lessee is reasonably capable of curing the default, and (b) is working diligently as determined by City to cure the default.

XV. **City Remedies.** If a default occurs, City, at its option and in its sole discretion, may at any time thereafter do one or more of the following to the extent permitted by applicable law:

- a. City may, without releasing Lessee from its obligations under this Lease, attempt to cure the default. City may enter the premises for such purpose and take such action as it deems desirable or appropriate to cure the default. This entry is not an eviction of Lessee or a termination of this Lease.
- b. Terminate this Lease upon written notice to Lessee and re-enter the premises as of its former estate, and Lessee covenants in the case of such termination to indemnify City against all loss of rents and expenses during the remainder of the term.
- c. Exercise all other rights and remedies, legal and equitable, including injunctive relief, ejectment, or summary proceedings such as an eviction action and any other lawful remedies, actions, or proceedings.
- d. Cumulative Default. Notwithstanding the notice and cure periods set forth above, and subject to the inspection procedures or rights set forth herein, City shall only be required to provide Lessee with notice and opportunity to cure two (2) cumulative defaults in any calendar year. Only for purposes of this paragraph, cumulative default means: (i) Lessee's failure to pay money due under this Lease; (ii) Lessee's failure to comply with the use of premises section of this Lease; and (iii) any violation of the terms and conditions of this Lease which has the likelihood in City's reasonable discretion to cause harm to life or property. In addition, City shall only be required to provide Lessee with notice and opportunity to cure two (2) defaults of failing to allow an inspection of the premises in any calendar year.

AIRPORT NON-COMMERCIAL USE HANGAR LAND LEASE

Beginning with the third (3rd) cumulative default or third (3rd) failure to allow an inspection in any calendar year, City will not be required to provide notice and opportunity to cure and may immediately take such action as City deems appropriate under this Lease.

- e. Requirements of the United States. This Lease shall be subject and subordinate to the provisions of any existing or future agreement between City and the United States, or any agency thereof, relative to the operation or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development or operation of the airport; provided, however, that City shall, to the extent permitted by law, use its best efforts to cause any such agreements to include provisions protecting and preserving the rights of Lessee in and to the premises, and to compensation for taking thereof, if provided by law, interference therewith and damage thereto, caused by such agreement or by actions of City or the United States pursuant thereto.
- f. Default of Other Agreements. A default by Lessee of any other agreement between Lessee and City shall constitute a default of this Lease. Notice of default in another agreement shall be deemed notice of default under this Lease.

XVI. Termination Provisions. Should the Lessee default in the performance of any terms, conditions or covenants of this Lease not otherwise specified, and should the default continue for a period of more than twenty (20) days after the City serves the Lessee with written notice, the City may terminate this Lease. This may be done without prejudice to any other remedy for lease payments or breach of covenant. In any such event, the City may terminate this Lease by giving written notice of the termination. The rights and remedies given to the City are, and shall be deemed to be cumulative, and the exercise of one shall not be deemed to be an election excluding the exercise by the City at any other or different time of a different or inconsistent remedy.

XVII. Default by Lessor. Any of the following should constitute a default under this lease by Lessor.

- a. Lessor fails to lease the premises above described or breaches its covenant of quiet possession of the premises by which Lessee is denied use of the leased premises without fault of Lessee.
- b. Lessor fails to perform any material obligation herein provided that Lessee promptly notifies Lessor in writing of any defaults not by its nature necessarily known to Lessor. Lessor shall not be in default under this Agreement unless Lessor fails to perform its obligation within 30 days after notice by Lessee specifying

AIRPORT NON-COMMERCIAL USE HANGAR LAND LEASE

where Lessor has failed to perform; provided that if the nature of Lessor's obligation is such that more than 30 days are required to perform the obligation, Lessor shall not be in default if it commences performance within 30 days of Lessee's notice and thereafter pursues performance with due diligence. If there are repairs or other obligations of Lessor to perform and Lessor fails to complete the same within a commercially reasonable time Lessee may choose to elect to perform the repairs and bill the costs of such repair to Lessor unless the delay is caused by circumstance beyond Lessor's control,

- c. If a default by Lessor occurs and the default is not cured within the times provided herein, then Lessee may:
 - 1) Terminate this lease upon written notice to Lessor
 - 2) Exercise all other rights and remedies, legal and equitable, in such case made in provided.

XVIII. **Recovery of costs.** In the event of any default by either City or Lessee, the non-defaulting party may recover its costs incurred in any legal proceeding relating to such default from the defaulting part, provided, however, that neither party shall be entitled to recover attorney's fees from the party. Any and all legal remedies, actions and proceedings available to either party shall be cumulative.

XIX. **General Provisions.**

- a. Waiver. The waiver by City or Lessee of any breach of any term of this Lease shall not be deemed a waiver of any prior or subsequent breach of the same term or any other term of this Lease.
- b. Entire Agreement; Amendments. This Lease represents the entire agreement between the parties and supersedes any prior agreements regarding the premises. This Lease may only be amended or modified if done in writing and executed by all parties to this Lease.
- c. Choice of Law and Venue. This Lease shall be governed by and construed in accordance with the laws of the State of Minnesota. Any disputes, controversies, or claims arising out of this Lease shall be heard in Steele County District Court, and all parties to this Lease waive any objection to the jurisdiction of the district court, whether based on convenience or otherwise.
- d. Commitments to Federal and State Agencies. Nothing in this Lease shall be construed to prevent City from making such commitments as it desires to the

AIRPORT NON-COMMERCIAL USE HANGAR LAND LEASE

Federal Government or the State of Minnesota in order to qualify for the expenditure of Federal or State funds on the airport.

- e. Relationship of Parties. Nothing contained in this Lease shall be deemed to create a partnership, association, or joint venture between City and Lessee, or to create any other relationship between the parties other than that of City and Lessee.
- f. Multiple Parties. If more than one person or entity is named as the Lessee, the obligations of the Lessee shall be the joint and several responsibilities of all persons or entities named as Lessee.
- g. Consent and Approvals. Whenever in this Lease the consent or approval of City is required, such phrase means the formal approval or consent of City through a meeting of the Owatonna City Council. When the consent or approval of City's staff is required, such phrase means the consent or approval from the appropriate employee or agent of City.
- h. Notice. Any notice required under this Lease shall be in writing and delivered in person or by courier or mailed by certified mail, return receipt requested by United States Mail, postage prepaid addressed as follows:

If to the City: City of Owatonna
 3400 West Frontage Road
 Owatonna, MN 55060

If to the Lessee: JPF Ventures, LLC
 1470 Sunset Drive S.W.
 Owatonna, MN 55060

Notice is deemed given (i) two (2) business days after being deposited in the mail, whether or not the notice is accepted by the named recipient, or (ii) if delivered by any other means, the date such notice is actually received by the named recipient. Either party may change the party's address for notice by providing written notice to the other party.

- XX. **Dispute Resolution**. If a dispute arises between the Lessee and the City arising out of the Lease, the Lessee shall first notify the Airport Manager ("Manager") who will schedule an informal meeting with the Lessee within 7 days or as soon thereafter as practicable to meet in good faith in an effort to resolve the dispute. If the dispute is not resolved at the meeting with the Manager, the Lessee may, within 14 days of the meeting with the Manager, request in writing to appear

AIRPORT NON-COMMERCIAL USE HANGAR LAND LEASE

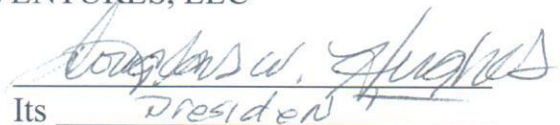
XX. **Dispute Resolution.** If a dispute arises between the Lessee and the City arising out of the Lease, the Lessee shall first notify the Airport Manager ("Manager") who will schedule an informal meeting with the Lessee within 7 days or as soon thereafter as practicable to meet in good faith in an effort to resolve the dispute. If the dispute is not resolved at the meeting with the Manager, the Lessee may, within 14 days of the meeting with the Manager, request in writing to appear before the Airport Commission for reconsideration of the decision of the Manager. The matter would then be considered at the next regular meeting of the Commission or sooner at the call of the Chairperson of the Commission. The Commission will make its decision within 14 days of the date of the meeting and deliver its written decision to the Lessee by email and U.S. mail. The Lessee may appeal the decision to the City Council by written request to the City Administrator within 10 days of the date of the decision of the Commission. The hearing will be scheduled on or before the second Council meeting following receipt of the appeal. The Lessee may appear together with legal counsel. The Council's decision will be issued 14 days after the hearing. The decision of the City Council is final.

IN WITNESS WHEREOF, the parties hereto have executed this Lease to be effective from the day and year first above written.

CITY OF OWATONNA

JPF VENTURES, LLC

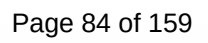
By: _____
Mathew Jessop
Its Mayor

By: 
Its President

And

By: _____
Kris M. Busse
Its City Administrator

Airport Building Layout





DATE: January 21, 2025
TO: Mayor and City Council
FROM: Jeffrey Mundale, Police Chief
SUBJECT: Used Computer Donation - Riverland Community College

Purpose:

Seeking Council approval to donate used police mobile data computers to Riverland Community College for use in their Law Enforcement Program.

Background:

Police mobile data computers are replaced every five years. The city replaced 15 "rugged" squad car computers in the Fall of 2024 which are now ready to be recycled, they are Panasonic Latitude 5414 Rugged mobile computers. Disposal can be an additional expense to the city. The Riverland Community College (RCC) Law Enforcement program coordinator solicited area law enforcement agencies for used police mobile computers to assist students learning with real life experience. The city's previous computers meet RCC's needs.

Ryan Brown, Information Technology Director, supports this donation and has removed the hard drive from each computer containing all law enforcement sensitive data. This is the first of a kind donation the city has made to a post-secondary law enforcement program.

Budget Impact:

Eliminates potential disposal costs of these computers.

Staff Recommendation:

Staff recommends approval of this donation to Riverland Community College.

Attachments:

1. Computer Donation Request

Jeffrey E. Mundale

From: Watkins, Rich E <richard.watkins@riverland.edu>
Sent: Monday, December 2, 2024 2:08 PM
To: Jeffrey E. Mundale
Subject: Dell Computers

Follow Up Flag: Follow up
Flag Status: Flagged

Hello Jeff:

I am emailing you about the Dell Rugged computers you recently replaced in your squad cars. Our program is very interested in the possibility of acquiring as many the computers that your city is willing to donate. These computers would enhance our training methods and be of great benefit to our students. For example, the City of Northfield is in the process of donating their old police command van. Having this van will allow us to conduct realistic training scenarios off campus and to have a command post on scene. This van would also be used for students to compile necessary documentation and that is where your computers would be a great asset. The Rice County Sheriff's Office just last week donated two Panasonic Toughbook computers and the potential of receiving your computers will help us to get closer to our goal. Another point I would like to add is that all donations made to programs are recorded by the Riverland Foundation and this potentially leads to matching funds becoming available.

Jeff, I want to close and let you know that I appreciate you serving on our advisory committee and also the relationship between our program and your agency. We strive to turn out viable recruits for agencies to consider for hiring and this donation will be a tremendous asset in helping us reach that goal.

Sincerely:

Rich Watkins | Program Coordinator, Criminal Justice Program
[Riverland Community College](#) | Austin Campus, West Bldg | Office C103K
1900 8th Ave. NW, Austin, MN 55912 | Office: 507-396-0434 | Cell: 507-838-9900





DATE: January 21, 2025
TO: Mayor and City Council
FROM: Emily Thamert, Human Resources Director
SUBJECT: Statement of Work & Scope of Services - Gallagher

Purpose:

Council approval to update the Statement of Work & Scope of Services with Gallagher.

Background:

The city approved a Master Agreement for Professional Services with Gallagher in 2022. This Statement of Work & Scope of Services includes ongoing job evaluations and development of job descriptions in 2025. These ongoing services with Gallagher will be utilized to maintain class specifications in alignment with the Compensation Plan.

Budget Impact:

The budget impact of this agreement is \$12,500 and is included in the approved 2025 budget.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Statement of Work & Scope of Services

Statement of Work & Scope of Services

Upon agreement with this Statement of Work & Scope of Services and Project Assignment, pursuant to the Client's existing Master Service Agreement (MSA), Gallagher Benefits Services' Public Sector & Higher Education Practice will provide the following services:

Job Evaluation

- ***Provision of Job Evaluation Recommendations***
 - Review of existing job materials
 - Evaluation of role placement in the current structure
 - Provision of recommendation memo outlining findings

Revision and Development of Job Descriptions

- Develop and draft job descriptions as necessary to support the client's existing structure

Engagement Timeline

- This engagement is for a period not to exceed beyond December 31, 2025, beginning January 1, 2025 for an agreement period of 12 months. Additional years of service support may be agreed to annually.
- This engagement includes up to twenty-five (25) requests per agreement period. A request constitutes each deliverable to be provided, recognizing a client outreach for services may include multiple requests for a single position instance. For example: evaluation review, classification review, and JD review constitutes three (3) requests/credits.
 - In the event that the full volume of available job evaluations and/or job descriptions are not requested during the agreement period, the full balance will continue to be invoiced.
- Additional ongoing services may be added to this agreement as an addendum should the need extend beyond that outlined above.

Consulting Fees

Consulting fees for this engagement will be \$12,500 as a fixed fee, invoiced monthly in equal increments. The fees shown exclude travel and accommodation expenses. Should the client request and approve onsite services, any expenses, if incurred, will be subject to Gallagher's travel and expense policies, which are designed to minimize costs.

Project Assignment: Ongoing Consulting Work

This Project Assignment is issued according to the attached proposal with an Effective Date 01/01/2025, by and between Gallagher Benefit Services, Inc. ("Gallagher") and City of Owatonna, MN ("Client"), pursuant and as an addendum to the existing Master Service Agreement in place with the Client and Gallagher Benefit Services.

Scope of Services:

- Deliverables and timeline as outlined on page 1 of this document ("Statement of Work & Scope of Services") and as outlined in the original project proposal.

Schedule / Period of Performance:

- Deliverables and timeline as outlined on page 1 of this document ("Statement of Work & Scope of Services") and as outlined in the original project proposal.

Fees & Expenses:

\$12,500 billed in equal monthly installments of \$1,041.XX through the agreement end date.

Key Assumptions:

The client will provide Gallagher access to data or other necessary resources to complete the assignment.

Special Requirements/Notes:

N/A

ACCEPTED AND AGREED:**CLIENT**

By:

Name:

Title:

Date:

Address:

Gallagher Benefit Services, Inc.

By:

Name: Erik Henry-Smetana

Title: Managing Director

Date: January 14, 2025

Address: 8 Cadillac Dr, Suite 200
Brentwood TN, 37203



CITY OF
OWATONNA

Finance Report

RECAP:

\$	47,268.76	Cargill Inc - deicer road salt
	67,242.00	Coalition of Greater Mn Cities - 2025 general membership dues
	57,898.00	Crysteel Truck & Equipment - utility box unit #24606
	171,987.62	Equity Builders & Construction Services Inc - dome hangar roof replacement project - pay est #1
	31,427.74	Heiman Inc - Fire department turn out gear
	72,444.00	Integrated Process Solutions I - 26th St - lift station control panel - pay est #1
	23,854.00	League of Mn Cities - 2025 membership dues
	68,239.16	Nero Engineering
		- WWTF upgrade & expansion project - December 2024 - \$58,619.16
		- PFAS Preventative Management Plan project - \$9,620.00
	151,524.16	Open Gov - 2025 subscription
	44,600.00	Owatonna Heating & Cooling Inc
		- Social Commons roof top heat and air conditioner replacement - \$22,700.00
		- Maintenance shop - installation of Make Up Air unit - \$21,900.00
		- maintenance prevention and service call - \$5,709.25
	26,716.00	Short Elliot Hendrickson Inc - Airport 2024 roof replacement study
	270,668.42	Steele County Auditor - LEC generator
	23,533.60	WHKS & Co - staff augmentation for Nov 2024
	<u>254,227.97</u>	OTHER EXPENDITURES
\$	<u><u>1,311,631.43</u></u>	TOTAL EXPENDITURES PRESENTED FOR APPROVAL

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
Cash Account: 999-19100-000-000-000000					
381388	01/14/25	AARON GUZMAN PHOTOGRAPH LLC	895.00	0	Regular
381389	01/14/25	ABDO LLP	1,945.50	0	Regular
381390	01/14/25	ALEXANDER LUMBER COMPANY	3,229.88	0	Regular
381391	01/14/25	AMERICAN ENGINEERING TESTING	8,887.50	R	ACH
381392	01/14/25	BENIKE ALVIN E	800.00	0	Regular
381393	01/14/25	BLACKSTONE PUBLISHING	42.95	R	ACH
381394	01/14/25	BOYER FORD TRUCKS INC	692.38	0	Regular
381395	01/14/25	CARGILL INC	47,268.76	0	Regular
381396	01/14/25	CENGAGE LEARNING INC/GALE	1,356.30	R	ACH
381397	01/14/25	CENTRAL FARM SERVICE	7,245.23	0	Regular
381398	01/14/25	CHRISTIAN SKJEVELAND	173.75	0	Regular
381399	01/14/25	CHRISTINE M TRYHUS	4,700.00	R	ACH
381400	01/14/25	CLUB CADDIE	500.00	0	Regular
381401	01/14/25	COALITION OF GREATER MN CITIES	67,242.00	0	Regular
381402	01/14/25	CONTINENTAL RESEARCH CORP	3,231.23	R	ACH
381403	01/14/25	CRYSTEEL TRUCK EQUIP	57,898.00	R	ACH
381404	01/14/25	CULLIGAN OF OWATONNA	31.08	R	ACH
381405	01/14/25	CUMMINS INC	2,113.64	R	ACH
381406	01/14/25	CURT'S TRUCK & DIESEL SERVICE	518.08	R	ACH
381407	01/14/25	CUSTOM COMMUNICATIONS INC	2,809.03	0	Regular
381408	01/14/25	DELL MARKETING LP	143.23	R	ACH
381409	01/14/25	DEMCO	54.89	0	Regular
381410	01/14/25	DENISE STEWART	352.03	0	Regular
381411	01/14/25	DISH	276.49	0	Regular
381412	01/14/25	EBSCO INFORMATION SERVICES	4,645.61	R	ACH
381413	01/14/25	EMPLOYEE STRATEGIES INC	19,750.00	R	ACH
381414	01/14/25	EQUITY BUILDERS & CONSTRUCTION	171,987.62	R	ACH
381415	01/14/25	EXPERT INSULATION - ROCHESTER	3,600.00	0	Regular
381416	01/14/25	FARRELL EQUIP & SUPPLY CO INC	478.98	0	Regular
381417	01/14/25	FASTENAL COMPANY	1,093.67	R	ACH
381418	01/14/25	FIRST SUPPLY OWATONNA	35.64	R	ACH
381419	01/14/25	FLAHERTY & HOOD PA	2,167.50	R	ACH
381420	01/14/25	FLIGHT LIGHT INC	2,960.00	0	Regular
381421	01/14/25	FORCE AMERICA	457.48	R	ACH
381422	01/14/25	FOUR SEASONS ELECTRIC	7,827.57	R	ACH
381423	01/14/25	FROM THE GROUND UP LLC	2,535.11	R	ACH
381424	01/14/25	GALLS	109.19	R	ACH
381425	01/14/25	HAWKINS INC	10,123.86	R	ACH
381426	01/14/25	HEALTHPARTNERS INC	4,948.50	0	Regular
381427	01/14/25	HEIMAN INC	31,427.74	R	ACH
381428	01/14/25	HILLYARD INC	9,308.12	0	Regular
381429	01/14/25	HORIZON COMMERCIAL POOL SUPPLY	10,751.40	R	ACH
381430	01/14/25	HUBER SUPPLY CO INC	344.90	0	Regular
381431	01/14/25	HUBER SUPPLY CO INC	20.15	0	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
381432	01/14/25	IFACS	606.53	R	ACH
381433	01/14/25	INNOVATIVE OFFICE SOLUTIONS	205.33	0	Regular
381434	01/14/25	INTEGRATED PROCESS SOLUTIONS I	72,444.00	R	ACH
381435	01/14/25	JACK MARTIN	824.32	0	Regular
381436	01/14/25	JARDINE LOGAN & O'BRIEN	6,351.90	0	Regular
381437	01/14/25	JO-ANN STORES LLC	3,000.00	0	Regular
381438	01/14/25	JOHN DEERE CREDIT	560.70	0	Regular
381439	01/14/25	JONES HAUGH & SMITH INC	2,252.19	0	Regular
381440	01/14/25	KENDELL DOORS & HARDWARE INC	165.84	R	ACH
381441	01/14/25	KOWZ-FM	500.00	R	ACH
381442	01/14/25	LARRY THORNHILL	224.00	0	Regular
381443	01/14/25	LAWSON AUTOMOTIVE LLC	1,846.14	R	ACH
381444	01/14/25	LEAGUE OF MN CITIES	23,854.00	0	Regular
381445	01/14/25	LINDER DIGITAL	1,180.00	R	ACH
381446	01/14/25	MACQUEEN EQUIPMENT CO	5,890.97	R	ACH
381447	01/14/25	MADISON NATL LIF INS CO INC	998.02	0	Regular
381448	01/14/25	MARCO TECHNOLOGIES LLC	337.69	R	ACH
381449	01/14/25	MATTHEW HOKANSON	422.10	0	Regular
381450	01/14/25	MATTHEW R HOKANSON	2,277.41	R	ACH
381451	01/14/25	MIDWEST TAPE LLC	2,414.52	R	ACH
381452	01/14/25	MIKE'S REPAIR	1,862.48	R	ACH
381453	01/14/25	MN DEPT OF HEALTH	805.00	0	Regular
381454	01/14/25	MN DEPT OF HEALTH	520.00	0	Regular
381455	01/14/25	MN MAYORS ASSOCIATION	30.00	0	Regular
381456	01/14/25	MN PETROLEUM SERVICE	12,701.10	0	Regular
381457	01/14/25	MRI SOFTWARE LLC	25.00	R	ACH
381458	01/14/25	MUNICIPAL EMERGENCY SERVICES	4,572.91	0	Regular
381459	01/14/25	NAPA AUTO PARTS	521.05	R	ACH
381460	01/14/25	NEAR NORTH TITLE GROUP	100.00	0	Regular
381461	01/14/25	NERO ENGINEERING	68,239.16	R	ACH
381462	01/14/25	NORTHLAND FARM SYSTEMS	28.97	R	ACH
381463	01/14/25	OPENGOV INC	151,524.16	R	ACH
381464	01/14/25	OWATONNA HEATING & COOLING INC	44,600.00	R	ACH
381465	01/14/25	OWATONNA MOTOR COMPANY	57.79	0	Regular
381466	01/14/25	OWATONNA PUB SCHOOLS ISD 761	2,030.00	R	ACH
381467	01/14/25	OWATONNA PUBLIC UTILITIES	3,527.78	R	ACH
381468	01/14/25	OWT HARDWARE	50.41	0	Regular
381469	01/14/25	PAAPE COMPANIES INC	2,815.00	R	ACH
381470	01/14/25	PHONE STATION INC	621.00	0	Regular
381471	01/14/25	PLAZA MORENA CAMPESTRE GRILL	175.00	0	Regular
381472	01/14/25	PRESENCE TELEHEALTH PLLC	649.00	R	ACH
381473	01/14/25	R&E ENTERPRISES OF MANKATO INC	5,687.50	0	Regular
381474	01/14/25	REINDERS INC	246.37	R	ACH
381475	01/14/25	RIPPLEY RICHARD REAL ESTATE	187.50	0	Regular
381476	01/14/25	RIVERLAND COMMUNITY COLLEGE	2,340.00	0	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
381477	01/14/25	RONCO ENGINEERING SALES	876.00	R	ACH
381478	01/14/25	RSBS MANAGEMENT INC	728.00	0	Regular
381479	01/14/25	SCHILLING SUPPLY CO	175.21	R	ACH
381480	01/14/25	SCHMIDT GOODMAN OFFICE PRODUCT	8,515.20	R	ACH
381481	01/14/25	SCOTT F LIMBERG	1,000.00	R	ACH
381482	01/14/25	SEEMA G POTHINI	2,500.00	0	Regular
381483	01/14/25	SELCO	2,371.46	R	ACH
381484	01/14/25	SENIORPLACE INC	335.00	0	Regular
381485	01/14/25	SHERWIN WILLIAMS COMPANY	284.49	0	Regular
381486	01/14/25	SHI INTERNATIONAL CORP	492.61	0	Regular
381487	01/14/25	SHORT ELLIOTT HENDRICKSON INC	26,716.00	R	ACH
381488	01/14/25	SHRED RIGHT	42.53	R	ACH
381489	01/14/25	SPARETIME ENTERTAINMENT LLC	3,192.00	0	Regular
381490	01/14/25	ST PAUL PIONEER PRESS	55.78	0	Regular
381491	01/14/25	STATE INDUSTRIAL PRODUCTS	191.10	R	ACH
381492	01/14/25	STEELE CO ATTORNEY'S OFFICE	509.00	0	Regular
381493	01/14/25	STEELE COUNTY AUDITOR	270,668.42	0	Regular
381494	01/14/25	STEELE COUNTY HIGHWAY DEPT	16,845.25	0	Regular
381495	01/14/25	STEELE COUNTY TREASURER	6,312.70	0	Regular
381496	01/14/25	STEVE JAMES EXCAVATING INC	784.00	R	ACH
381497	01/14/25	STEWART COMPANIES INC	108.30	0	Regular
381498	01/14/25	STREICHER'S INC	74.50	0	Regular
381499	01/14/25	THOMPSON SANITATION INC	159.00	R	ACH
381500	01/14/25	TREASURY DIVISION, FINANCE	114.86	0	Regular
381501	01/14/25	TREASURY DIVISION, FINANCE	22.72	0	Regular
381502	01/14/25	TREASURY DIVISION, FINANCE	116.92	0	Regular
381503	01/14/25	TRI M GRAPHICS	113.32	R	ACH
381504	01/14/25	UNITED STATES GOLF ASSN	175.00	0	Regular
381505	01/14/25	UNITED WAY	130.00	0	Regular
381506	01/14/25	UTILITY CONSULTANTS INC	2,210.05	R	ACH
381507	01/14/25	VAN METER INC	87.00	0	Regular
381508	01/14/25	VESTIS GROUP INC	101.87	0	Regular
381509	01/14/25	WALBRAN & FURNESS CHARTERED	5,123.25	R	ACH
381510	01/14/25	WEN-COL INC	382.34	0	Regular
381511	01/14/25	WHKS & CO	23,533.60	R	ACH
381512	01/14/25	WHKS & CO	1,918.60	R	ACH
381513	01/14/25	WHKS & CO	7,073.96	R	ACH
381514	01/14/25	ZACK'S INC	322.31	0	Regular
381515	01/14/25	RANDALL'S LICENSE BUREAU	16.25	0	Regular

67	Checks total:	525,261.68
61	ACH total:	786,369.75
0	EFTPS total:	
0	Wire transfer total:	
0	Payment Manager total:	
128	GRAND TOTALS	1,311,631.43



CITY OF
OWATONNA

Ordinances



DATE: January 21, 2025
TO: Mayor and City Council
FROM: Jeffrey Mundale, Police Chief
SUBJECT: First Reading Proposed Ordinance 25-01: Amend Section 93.029 - Noise in Public Parks

Purpose:

Request Council to approve the first reading of Proposed Ordinance 25-01 to amend Section 93.029 - Noise in Public Parks in the 2015 Ordinance Code for the City of Owatonna.

Background:

Several requests were received asking for clarification of the city's ordinance pertaining to noise in public parks. City Administrator Busse, Assistant City Administrator Tuma, City Attorney Walbran and I met to discuss and prepare this proposed ordinance.

Draft of the proposed ordinance is attached showing the proposed changes: underlining indicates new language and strikeouts indicate deletions. Council will discuss these proposed changes during the Study Session prior to the Council Meeting on Tuesday, January 21, 2025.

Budget Impact:

None

Staff Recommendation:

Staff recommends approval of this first reading and plan to hold the second reading at the next City Council Meeting on Tuesday, February 4, 2025.

Attachments:

1. Proposed Ordinance 25-01 - Amend 93.029 - Noise in Public Parks

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 93 OF TITLE IX OF THE 2015 ORDINANCE CODE OF THE CITY OF OWATONNA, AS AMENDED, ENTITLED “GENERAL REGUATIONS” PERTAINING TO NOISE IN PUBLIC PARKS.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OWATONNA, MINNESOTA, DO ORDAIN:

Section 1. § 93.029 “Noise in Public Parks” of Chapter 93 of Title IX of the 2015 Ordinance Code of the City of Owatonna entitled “General Regulations” is hereby amended by amending § 93.029 to read as follows:

(A) *Definitions.* For purposes of this section, the following definitions apply unless the context clearly indicates or requires a different meaning.~~shall be deemed as public parks:~~ ~~Brown Park, Cashman Park, Jaycee Park, Central Park, Kaplan’s Woods Parkway, Crocus Park, Lelly Park, Dartt’s Park, Manthey Park, Fairgrounds Ball Diamonds and Park, Maple Creek Greenbelt Park, Mineral Springs Park, Freemont Park, Morehouse Park, Gainey Park and Willow Park.~~

(1) Park means and includes: Archery Range on Elm, Kriesel’s Woods Park, Brooktree Golf Course, Lake Chase/Dog Park. Bown Park, Lake Kohlmier/Beach House, Buecksler Park, Leo Rudolph Nature Reserve Cashman Park, Manthey Park, Central Park, Maple Creek, Country View Park, Mineral Springs Park, Crocus Park, Morehouse Park, Daikin Soccer Complex, Nass Woods Dartts Park, North Bluff Park Fairgrounds Park, North Straight River Parkway, Falkland Meadows, River Springs Water Park, Fremont Park, Sid Kinyon Courts Hammann Park, Summer Park, Hazel Park, Walter H. Gainey Park, Jaycee Park, West Hills, Kaplan’s Woods Park, Willow Park, Kaplan’s Woods Parkway, City Parkland, Kriesel’s Park and any other parks or trails hereafter established.

(2) Person means and includes an individual, firm, partnership, corporation, trustee, association, the state and its agencies and subdivisions, or any body of persons whether incorporated or not.

(B) *General prohibition.* No person shall in any public park or trail or within 150 feet of any park or trail boundary make or cause to be made any loud or distinctly-and loudly audible noise that unreasonably annoys, disturbs, injuries or endangers the comfort, repose, health, peace, safety or welfare of any person or precludes their enjoyment of property or affects their property’s value. This general prohibition is not limited by the specific restrictions of the following divisions.

(C) *Horns, audible signaling devices and the like.* No person in any public park or trail shall sound any audible signaling device on any vehicle, ~~except as a warning of danger.~~ (Minn. Stat. § 169.698, as it may be amended from time to time).

(D) *Exhaust.* No person in any public park shall discharge the exhaust or permit the discharge of the exhaust of any ~~steam engine,~~ stationary internal combustion engine, motorboat, motor vehicle including all-Terrain vehicles (ATV) or any other motorized vehicle of any kind or description, or snowmobile except through a muffler or other device that effectively prevents loud or explosive noises therefrom and complies with all applicable state laws and regulations.

(E) *Defective vehicles or loads.* No person in any public park shall use any vehicle so out of repair or so loaded as to create loud and unnecessary grating, grinding, rattling or other noise.

(F) ~~*Radios, phonographs, paging systems and the like.*~~ Loudspeakers, megaphones, bullhorns, public address systems, radios, CD players or other sound amplification system.

(1) No person in any public park or trail or within 150 feet of any park or trail boundary shall use or operate or permit the use or operation of any ~~radio receiving set, musical instrument, phonograph, paging system, machine~~ loudspeakers, megaphones, bullhorns, public address systems, radios, CD players or other sound amplification system of any kind or description for the production, or reproduction, or amplification of sound causing loud or distinct audible noise as to disturb the peace, quiet and comfort of any person nearby.

(G) *Exceptions.* This Ordinance provision does not prohibit use of the public address-sound amplification systems in subsection F(1) above by

(i) the City, or

(ii) (ii) a person who has obtained a permit from the City as provided in subsection (I) of this Ordinance or with the advance written permission of the Park and Recreation Department.

(H) *Nuisance.* No person shall make, continue, permit or cause to be made or continued, any loud, unnecessary or unusual noise or any other noise within any public park or trail or within 150 feet of any part or trail boundary which creates a Public Nuisance as defined in Chapter 95 “Noise Control” of this Ordinance Code.

(I) *Participation in noisy parties or gatherings.* No person in any public park or on a public trail shall participate in any party or other gathering of people giving rise to noise, disturbing the peace, quiet or repose of another person. When a police officer determines that a gathering is creating such a noise disturbance, the officer may order all persons

present where the disturbance is occurring, to disperse immediately. No person shall refuse to leave after being ordered by a police officer to do so.

(J) Permit application. Every person desiring such a permit shall submit an application form available at the City Clerk's office and pay in advance the required permit fee as duly established by the Council from time to time.

Section 2. Effective date. This ordinance shall be in full force and effect from and after its passage and publication.

Passed and adopted this _____ day of _____, 2025 with the following vote: Aye _____; No _____; Absent _____.

Approved and signed this _____ day of _____, 2025.

Mayor

ATTEST:

City Clerk/Treasurer

UNDERLINING INDICATES NEW LANGUAGE. ~~STRIKEOUTS~~ INDICATE DELETIONS.



DATE: January 21, 2025
TO: Mayor and City Council
FROM: Jeffrey Mundale, Police Chief
SUBJECT: First Reading Proposed Ordinance 25-02: Amend Chapter 95, Noise Control

Purpose:

Request Council to approve the first reading of Proposed Ordinance 25-02 to amend Chapter 95, Noise Control in the 2015 Ordinance Code for the City of Owatonna.

Background:

To better address noise complaints, staff proposes three changes to Chapter 95, Noise Control within the City's current Code of Ordinances. I met with City Administrator Busse, Assistant City Administrator Tuma, and City Attorney Walbran to prepare this proposed ordinance with additions of the MPCA Standards of noise area clarifications and additional restrictions to public nuisance noises prohibited.

The attached draft of the proposed ordinance shows these proposed changes: underlining indicates new language and strikeouts indicate deletions. Council will discuss these proposed changes during the Study Session prior to the Council Meeting on Tuesday, January 21, 2025.

Budget Impact:

None

Staff Recommendation:

Staff recommends approval of this first reading and plan to hold the second reading at the next City Council Meeting on Tuesday, February 4, 2025.

Attachments:

1. Proposed Ordinance 25-2 Amend Chapter 95, Noise Control

Proposed Ordinance No. _____

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 95 OF TITLE IX OF THE 2015 ORDINANCE CODE OF THE CITY OF OWATONNA, AS AMENDED, ENTITLED “NOISE CONTROL” ADOPTING MPCA NOISE STANDARDS.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OWATONNA, MINNESOTA, DO ORDAIN:

Section 1. Chapter 95 of Title IX of the 2015 Ordinance Code of the City of Owatonna entitled “Noise Control” is hereby amended by amending §§ 95.03, 95.05(A) and 95.05(B)(4) to read as follows:

§ 95.03 GUIDELINES MPCA STANDARDS.

~~The city shall adopt guidelines establishing test procedures and instrumentation to be utilized and a copy of such guidelines shall be kept on file in the office of the City Administration.~~ Minn. Stat. § 116.07 directs that the Minnesota Pollution Control Agency (MPCA) to adopt rules and standards regulating noise. Minn. Rule 7030.0030 states that no person may violate MPCA’s standards. Cities must take all reasonable measures to prevent land use activities listed in noise area classifications (NAC), 1, 2, or 3 at any location where the standards established in Rule 7030.004 will be violated.

The noise area classifications are:

NAC 1: Residential housing, religious activities, camping and picnicking areas, health services, hotels, educational services.

NAC 2: Retail, business and government services, recreational activities, transit passenger terminals.

NAC 3: Manufacturing, fairgrounds and amusement parks, agricultural and forestry activities.

This is only a partial list. The complete list of uses is in Minn. Rule 7030.0050.

Minn. Rule 7030.0040 sets forth the noise standards for the NACs below. The values shown, e.g., 65 and 55, are the decimal levels. L₁₀ is the noise level that is exceeded for

10%, or 6 minutes of an hour. L₅₀ is the noise level exceeded for 50% or 30 minutes of an hour.

<u>Noise Area Classification</u>	<u>Daytime</u> <u>Day (7:00 a.m.-10:00</u>		<u>Nighttime</u> <u>(10:00 p.m.-7:00 a.m.)</u>	
	<u>p.m.)</u>			
	<u>L10</u>	<u>L50</u>	<u>L10</u>	<u>L50</u>
<u>1</u>	<u>65</u>	<u>60</u>	<u>55</u>	<u>50</u>
<u>2</u>	<u>70</u>	<u>65</u>	<u>70</u>	<u>65</u>
<u>3</u>	<u>80</u>	<u>75</u>	<u>80</u>	<u>75</u>

§ 95.05 PUBLIC NUISANCE NOISES PROHIBITED.

(A) It shall be unlawful for any person to make, continue, permit or cause to be made or continued any loud, unnecessary or unusual noise or any noise within the city which would be likely to annoy, disturb, injure or endanger the comfort, repose, health, peace or safety of a reasonable person of ordinary sensibilities. The following non-exclusive characteristics and conditions shall be considered in determining whether a noise is loud, disturbing or excessive for the purposes of this section:

- (1) The time of day or night the noise occurs;
- (2) The duration or recurrence of the noise;
- (3) The proximity of the noise source to any location reasonably identifiable as a sleeping facility, residential dwelling unit, school, institution of learning, hospital, church, courthouse or office, such that it is reasonably likely to interfere with the peace, quiet, repose or operation of that property;
- (4) The number of people and their activities that are affected or likely to be affected by the noise;
- (5) The land use, nature and zoning of the area from which the noise emanates and the area where it is perceived;
- (6) The sound decibel level, if known, in comparison to the level of ambient noise; and/or
- (7) A decibel meter measurement is one factor to consider but is not necessary in every case and a determination of a violation may be based on consideration of the other factors herein.

(B) The following acts constitute a presumptive public nuisance:

(4) *Loudspeakers, amplifiers for advertising and the like.* The use, operation or permitting the playing, use or operation of any radio receiving set, phonograph, tape recorder, compact disc player or other machine or device for amplification, production or reproduction of sound or any musical instrument which is cast upon the public streets for the purpose of commercial advertising or attracting the attention of the public to any building or structure, except as may be ~~licensed~~ authorized by a permit by the city pursuant to § 93.029(J).

Section 2. Effective date. This ordinance shall be in full force and effect from and after its passage and publication.

Passed and adopted this _____ day of _____, 2025 with the following vote: Aye _____; No _____; Absent _____.

Approved and signed this _____ day of _____, 2025.

Mayor

ATTEST:

City Clerk/Treasurer

UNDERLINING INDICATES NEW LANGUAGE. ~~STRIKEOUTS~~ INDICATE DELETIONS.



DATE: January 21, 2025
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: First Reading Proposed Ordinance 25-03: Adjust Sanitary Sewer Rates

Purpose:

Request City Council approve the first reading of this proposed ordinance to change the rates for sanitary sewer related to Chapter 35 of the 2015 Ordinance Code of the City of Owatonna related to Appendix A Fee Schedule, (C) Sewer Rates, charges and fees, (2) Industrial sewer rates and charges established, (3) Domestic sewer rates and charges established.

Background:

Annual adjustments of the sanitary sewer rates are necessary to maintain adequate funding for future operations and to fund the costs of the wastewater treatment facility expansion. Staff and Consultants from Nero Engineering and AE2S presented to Council at last meeting's study session. The presentation has been included in the packet and the proposed rates in the attached draft ordinance reflect what was presented. We discussed some of the CIP projects that were identified in our 2023 Collection System Study and their contributions to the rate increases. We also talked through a new component to our treatment process that can increase non-rate payer revenue, Renewable Natural Gas or RNG. This is not currently accounted for in our rate model and staff will be working the Nero Engineering and another consultant to help maximize our return on RNG on a year to year basis.

Budget Impact:

The rate increase will result in increased revenue for the sanitary sewer fund.

Staff Recommendation:

Staff recommends approval. Planning for the second/final reading will be held during the next City Council Meeting.

Attachments:

1. Proposed Ordinance 25-03 Amend Sewer Rates - Redline Copy
2. Rate Model Updates - City Council Draft 01-06-25

ORDINANCE NO. 25-03

AN ORDINANCE AMENDING CHAPTER 35 OF THE 2015 ORDINANCE CODE OF THE CITY OF OWATONNA, ENTITLED "SEWER, RATES, CHARGES AND FEES" BY AMENDING CHAPTER 35, APPENDIX A FEE SCHEDULE (C) SEWER RATES CHARGES AND FEES (2) INDUSTRIAL SEWER RATES AND CHARGES ESTABLISHED AND (3) DOMESTIC SEWER RATES AND CHARGES ESTABLISHED AND (5) SEWER HOOK-UP CHARGES AND(6) INDUSTRIAL WASTE WATER DISCHARGE PERMIT FEE"

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF OWATONNA, MINNESOTA, DO ORDAIN:

Section 1. Chapter 35 of the 2015 Ordinance Code of the City of Owatonna, entitled "Sewer, Rates, Charges and Fees", Chapter 35, Appendix A Fee Schedule, (C) Sewer Rates Charges and Fees (3) Domestic Sewer Rates and Charges Established:

(2) *Industrial sewer rates and charges established.*

4. Initial unit cost figures shall be:

- a. f = \$~~0.390.42~~ /100 CCF;
- b. b = \$481.95/1,000 pounds of BOD; and
- c. ss = \$~~339.07~~366.19/1,000 pounds of suspended solids.

(3) *Domestic sewer rates and charges established.*

(a) Rates and charges for domestic wastewater disposal service shall be \$~~3.433.38~~ per 100 cubic feet of the average amount of water billed in the months of December, January, and February and billed starting in March and each subsequent month of the year at that calculated amount for residential customers. Commercial, Light SIU, and Heavy SIU shall be billed on actual water use monthly. To each such statement, each month shall be added a service charge based on the meter size as shown in the following table (effective 031/01/254).

Customer Class	Monthly
Residential	\$ 17.50 <u>18.90</u>
Commercial	\$ 23.10 <u>24.94</u>
Light SIU	\$ 76.13 <u>82.22</u>
Heavy SIU	\$ 788.49 <u>851.57</u>

1. Vacant rental units with individual meters shall be charged only the monthly service charge (effective 1/1/2016).

2. Single-family residential units that are not being serviced by the city water system shall be charged the equivalent of 7 CCF of wastewater, equaling ~~twenty-one dollars and ninety-one cents~~twenty-three dollars and sixty-six cents (\$~~21.91~~23.66) per month, plus service charge for residential meter (effective 031/01/20254).

3. A charge of ~~eighteen dollars and seventy-eight cents~~twenty dollars and twenty-eight cents (\$~~18.78~~20.28) per month shall be made to new customers and to new residential construction based on 6 CCF commencing on the date of installation of the water meter and continuing until an average can be struck, from use in December, January and February in addition to the service charge based on the meter size. Customers moving within the city will be charged at the rate established at their previous

residence until an average can be struck from use in December, January and February for the new residence (effective 034/01/20254).

(5) *Sewer hook-up charges.*

Residential	Fee
All Connections	\$1,669.00
Multi-Family*	\$/Unit
All Connections	\$1,335.00
Commercial	Fee
1" or Smaller	\$3,186.00
1-1/2"	\$6,373
2"	\$10,197.00
3"	\$19,119.00
4"	\$31,866.00
6"	\$63,725
Industrial	\$/100 gallons per day
All connections	\$801.00

* Three or more units in one building. Multi-Family users may be considered Residential or Commercial for regular sewer usage billings depending on how the property is connected and metered. For example, a multi-unit apartment that receives one utility bill should be considered Commercial and a multi-unit condo complex where each unit received a utility bill should be considered Residential. Both situations would be treated as Multi-Family for SACs

(1992 Code, § 540:15)

(6) *Industrial waste water discharge permit fee.* A fee for waste water discharge permit, as authorized in § 51.07 of this code of ordinances, shall be \$1,000.00.

Section 2. Effective date. This Ordinance shall be in full force and effect from and after its passage and publication.

Passed and adopted this ____ day of __, 2025, with the following vote:

Aye __; No __; Absent __.

Approved and signed this __ day of __, 2025.

ATTEST:

Matthew T. Jessop, Mayor

Kris M. Busse, City Administrator/City Clerk



City of Owatonna

Wastewater Revenue Adequacy 2025 Budget Update

January 7, 2025





Rate Model History

1. Completed original Rate Study in 2021, as part of planning for WWTP Expansion
 - Included development of dynamic rate model, for use in annual budget updates
2. Rate Model updates in 2022 included:
 - Revised WWTP estimate
 - Further cost of service (COSA) based rate design for industrial users
3. Rate Model updates in 2023 included:
 - Incorporation of additional grant funding for WWTP
 - Incorporation of Medford as a potential new users
4. 2024 Rate Model Updates



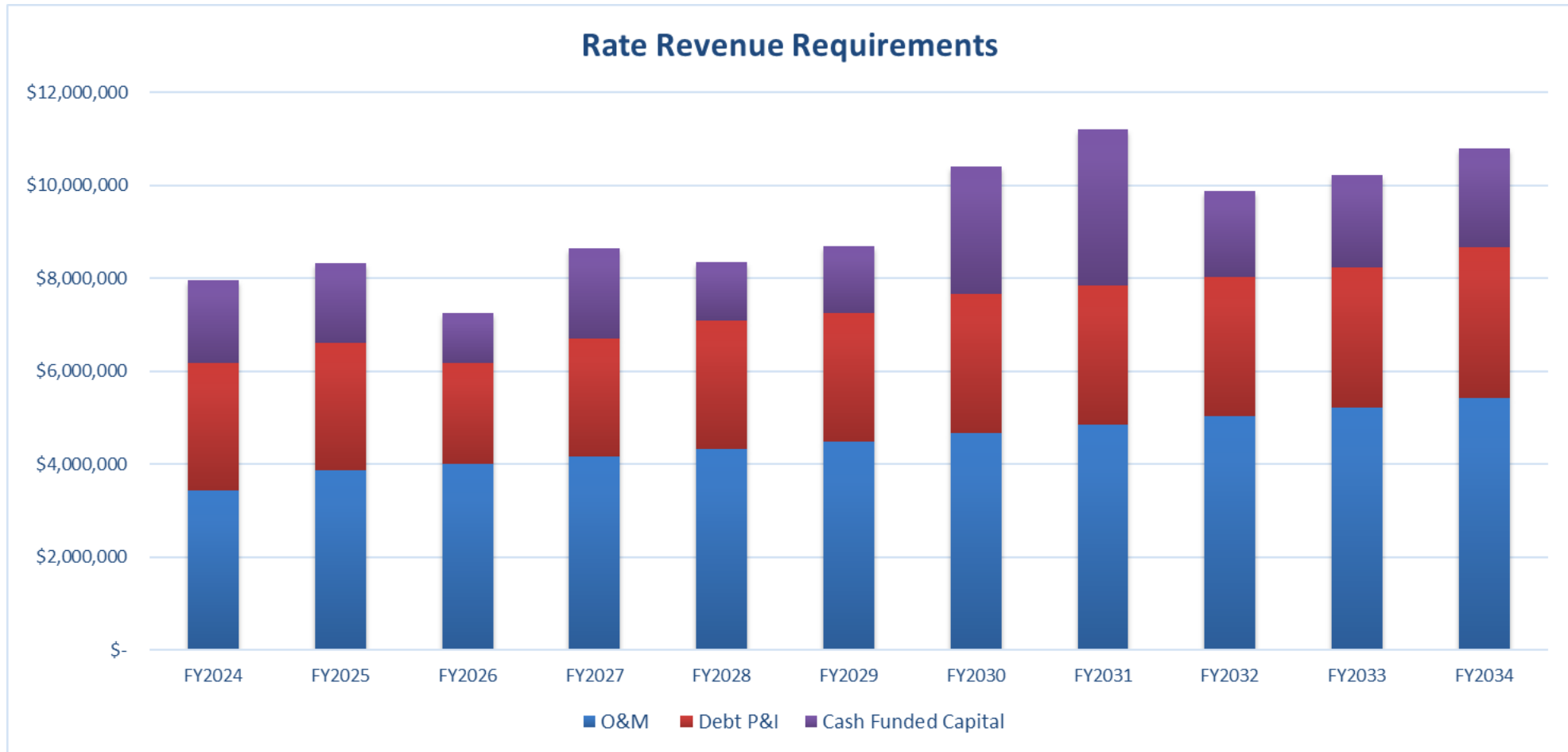
2024 Rate Model Updates (for 2025 budget)

1. Extended model to 2034 for 10-year projections (2025 to 2034)
2. Incorporated 2025 operating budgets
3. Updated CIP with latest provided outlay, including 6 new trunk sewer projects
4. Updated current number of utility accounts
5. Analyzed historical billed flow/strength and updated projections accordingly
6. Updated COSA allocation factors based on revised average flow projections
7. Incorporate 2024 starting cash balance
8. Developed revised rate scenarios

Wastewater CIP

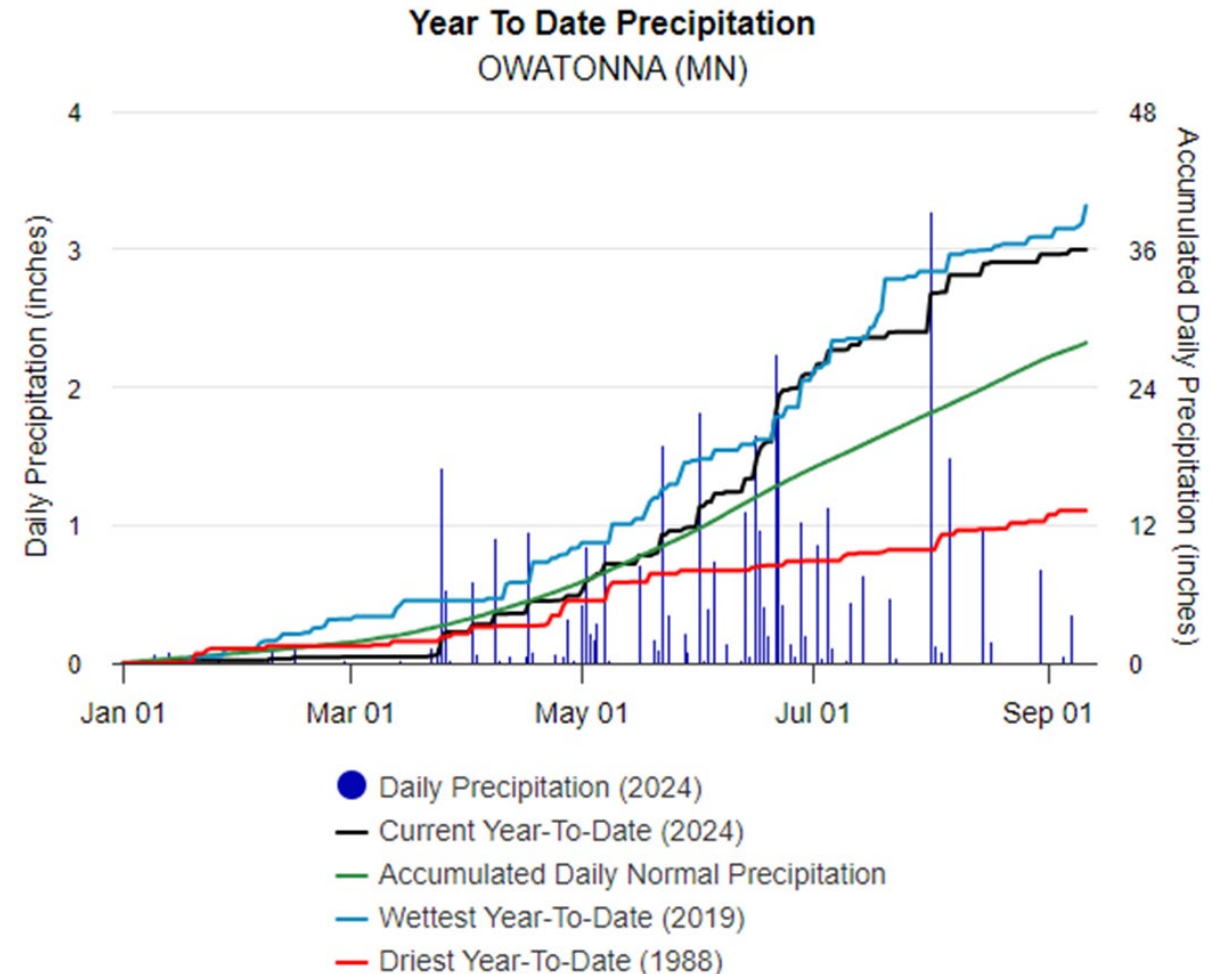
CAPITAL IMPROVEMENTS PLAN	Funding Source	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Sanitary Sewer Replacement	Rate Revenue	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
Equipment Replacement	Rate Revenue	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Plant R&R	Rate Revenue			\$135,900	\$271,800	\$407,700	\$543,600	\$679,500	\$815,400	\$951,300	\$1,087,200
Lift Station Rehabilitation	Rate Revenue	\$708,500	\$585,000	\$493,305	\$551,896	\$584,695	\$584,695	\$584,695	\$584,695	\$584,695	\$584,695
Straight River Trunk Sewer #1	Debt		\$5,512,961								
Straight River Trunk Sewer #2	Debt			\$3,338,778							
18 th St and Smith Ave Trunk Sewer*	Debt					\$3,649,778					
Rose Street Sewer Replacement	Rate Revenue						\$1,162,253				
Straight River Trunk Sewer #3	Rate Revenue							\$1,633,715			
Linn Ave Trunk Sewer	Debt									\$3,576,485	
Utility Shop Truck	Rate Revenue			\$110,000							
Jetter/Vac Truck	Rate Revenue			\$750,000							
John Deere Mower	Rate Revenue		\$45,000								
Televising Camera w/ Lateral Launcher	Rate Revenue	\$425,000									
Scissor Lift	Rate Revenue	\$25,000									
WWTP Effluent Water Reuse Irrigation System	Rate Revenue	\$45,000									
2025 Ford F150	Rate Revenue	\$60,000									
Total Rate Revenue Funded		\$1,713,580	\$1,080,000	\$1,939,205	\$1,273,696	\$1,442,395	\$2,740,548	\$3,347,910	\$1,850,095	\$1,985,995	\$2,121,895
Total Debt Funded			\$5,512,961	\$3,338,778		\$3,649,778					

Projected Rate Revenue Requirements



Flow Projections

- Commercial and Industrial billed WW flow impacted by 2024 wet weather conditions, resulting in lower than projected revenue
- Residential based on winter average, therefore no impacts seen
- Historical average flows were evaluated considering 2024's wet weather impacts
 - Projections revised for 2024, based on YTD actuals
 - New annual average calculated for 2025 and beyond



Rate Scenario – Projected Rate Increases

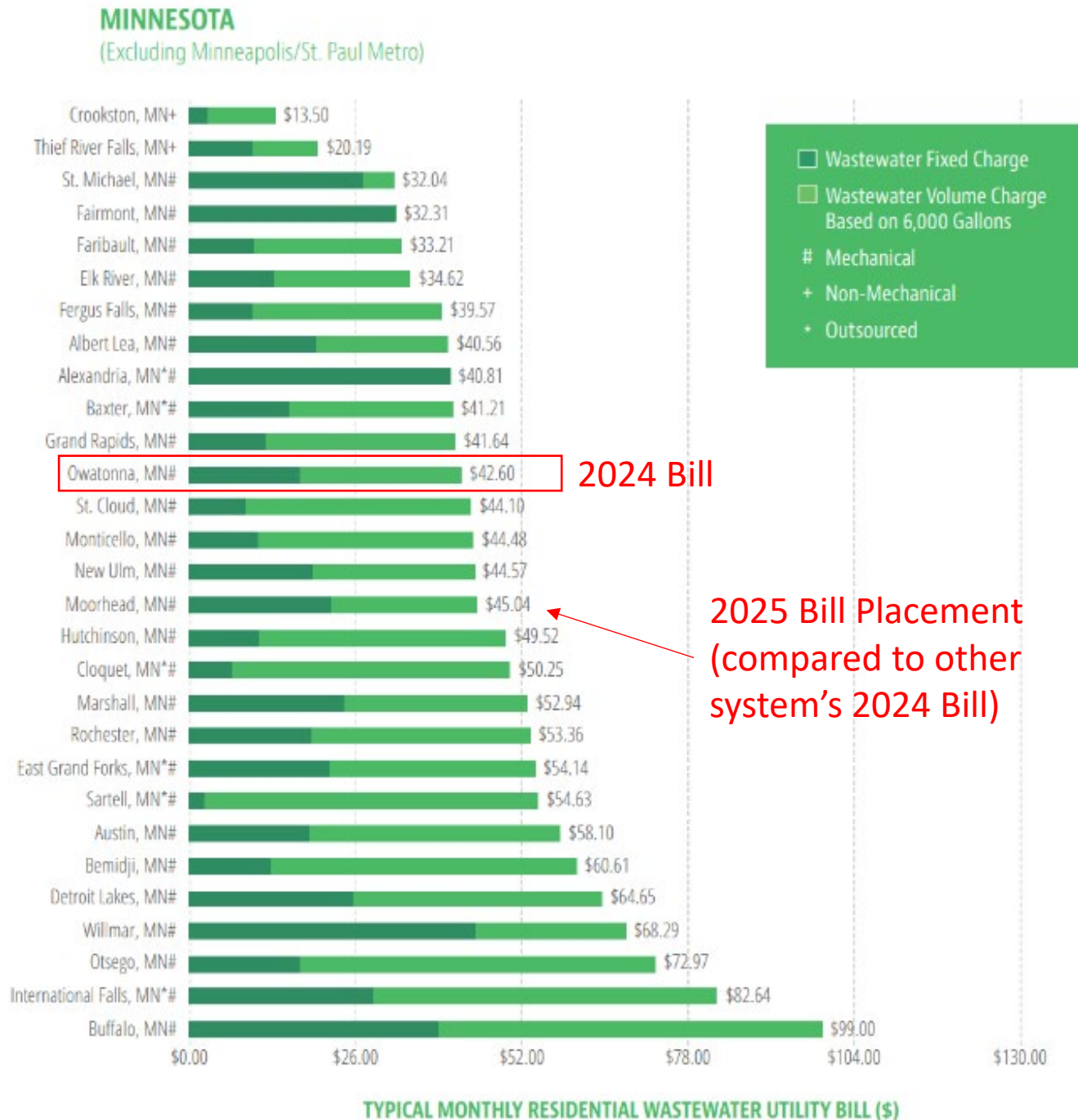
Average monthly Residential bill (8 ccf/6 kgal Gal) projected to increase from \$42.52 to \$45.92 in 2025 (+\$3.40)

Fixed Rate (per account)					
%	2024	2025	2026	2027	
Residential	8.0%	8.0%	8.0%	8.0%	
Commercial	16.0%	8.0%	8.0%	8.0%	
Light Industrial	20.0%	8.0%	8.0%	8.0%	
Viracon	20.0%	8.0%	8.0%	8.0%	
Lakeside Foods	8.0%	8.0%	8.0%	8.0%	
\$	2024	2025	2026	2027	
Residential	\$ 17.50	\$ 18.90	\$ 20.41	\$ 22.04	
Commercial	\$ 23.10	\$ 24.94	\$ 26.94	\$ 29.09	
Light Industrial	\$ 76.13	\$ 82.22	\$ 88.80	\$ 95.90	
Viracon	\$ 380.64	\$ 411.09	\$ 443.98	\$ 479.50	
Lakeside Foods	\$ 788.49	\$ 851.57	\$ 919.69	\$ 993.27	

Volumetric Rate					
%	2024	2025	2026	2027	
Residential	15.0%	8.0%	8.0%	8.0%	
Commercial	15.0%	8.0%	8.0%	8.0%	
Light Industrial	15.0%	8.0%	8.0%	8.0%	
Viracon	0.0%	8.0%	8.0%	8.0%	
Lakeside Foods	15.0%	8.0%	8.0%	8.0%	
\$	2024	2025	2026	2027	
Residential	\$ 3.13	\$ 3.38	\$ 3.65	\$ 3.94	
Commercial	\$ 3.13	\$ 3.38	\$ 3.65	\$ 3.94	
Light Industrial	\$ 3.13	\$ 3.38	\$ 3.65	\$ 3.94	
Viracon	\$ 1.82	\$ 1.97	\$ 2.12	\$ 2.29	
Lakeside - 6" Meter	\$ 0.39	\$ 0.42	\$ 0.45	\$ 0.49	

Surcharges					
%	2024	2025	2026	2027	
BOD	0.0%	0.0%	0.0%	0.0%	
TSS	15.0%	8.0%	8.0%	8.0%	
\$	2024	2025	2026	2027	
BOD	\$ 481.95	\$ 481.95	\$ 481.95	\$ 481.95	
TSS	\$ 339.07	\$ 366.19	\$ 395.49	\$ 427.13	

2024 MN Rate Survey Comparison





Conclusion

- Proposed 8% rate increase in 2025
- Continue to update the rate model going forward
- Consider updating Sewer Access Charges for additional revenue



CITY OF
OWATONNA

Resolutions



DATE: January 21, 2025
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: Resolution 5-25: Approve Report & Set Public Hearing Date - 2025 Street & Utility Project

Purpose:

Requesting approval of Resolution 5-25 approving the 2025 Street & Utility Project Feasibility Report and setting a date for the Preliminary Assessment Public Hearing.

Background:

On December 17, 2025, City Council approved Resolution 122-24: Ordering Preparation of the 2025 Street & Utility Project Feasibility Report.

The project involves work on the following streets:

- Linn Drive SW
- Oakdale Street SW - From Linn Drive to 2nd Avenue SW

The existing street improvements have exceeded their useful life. A Preliminary Assessment Public Hearing is requested for Tuesday, February 18, 2025.

Budget Impact:

The 2025 Street & Utility Project will be financed through a combination of City Funds, OPU Funds, and Special Assessments. The total cost to be assessed is currently estimated at \$234,916.24. Approximately 39 property owners will be affected.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Feasibility Report - Project 25001
2. Resolution 5-25 Approve Report - Set Date for PH 2025 Street & Utility
3. Public Hearing Notice - 2025 Street & Utility Project



Feasibility Report 2025 Street and Utility Improvement Project January 13, 2024

Streets included in the 2025 Street and Utility Improvement Project:

- Linn Drive SW
- Oakdale Street SW



Feasibility Report
2025 Street and Utility
Improvement Project

Bituminous Pavement Reconstruction

- Linn Drive SW
- Oakdale Street SW

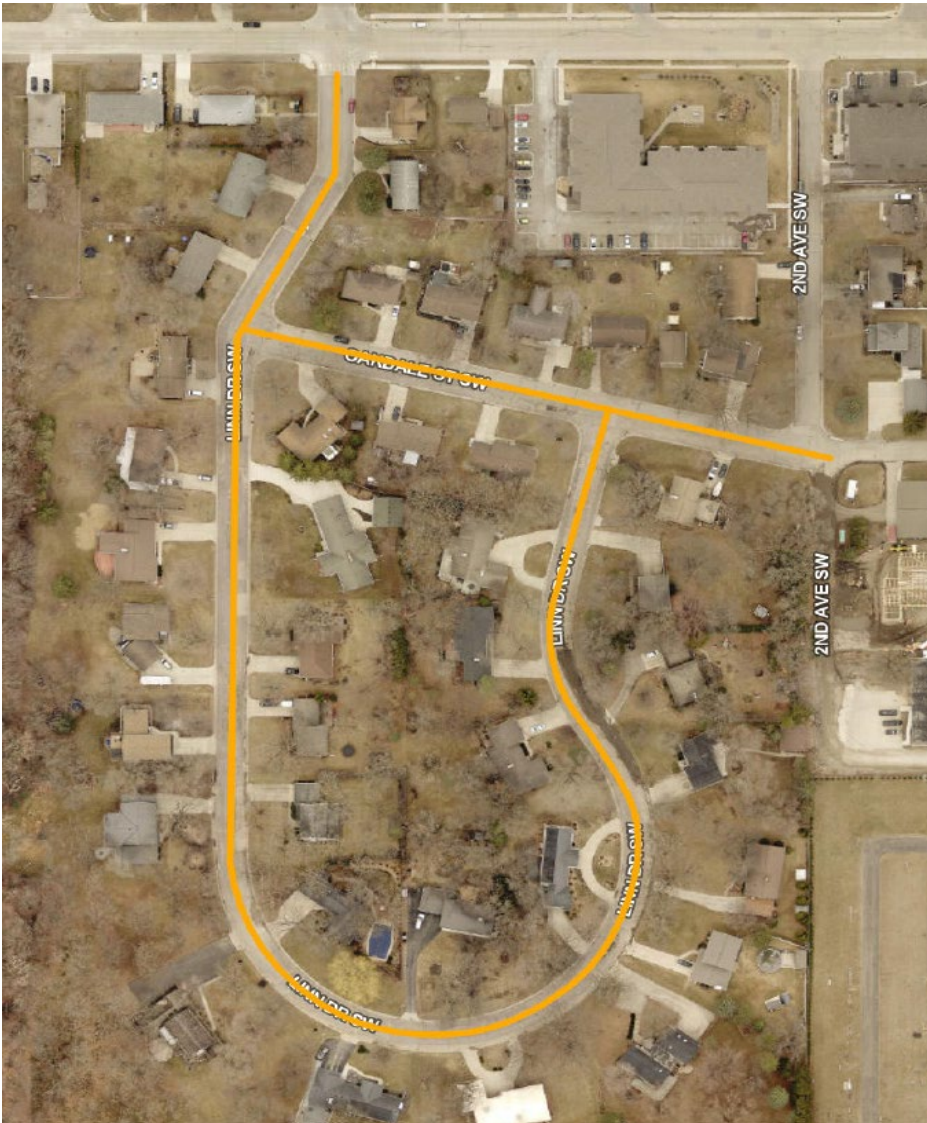
I hereby certify that this feasibility report was prepared by me or under my direct supervision and I am a duly Licensed Professional Engineer under the laws of the state of Minnesota.



Sean Murphy, PE
License No. 56604
01/13/2025

Introduction Project No. 25001—2025 Street & Utility Improvement Project

The City Council has designated streets for reconstruction and bituminous rehabilitation to be completed under the 2025 Street and Utility Improvement Project. Linn Drive SW loop from 18th Street SW to Oakdale Street SW and Oakdale Street SW between Linn Drive SW and 2nd Avenue SW. The streets proposed for bituminous reconstruction in the 2025 Street and Utility Improvement Project have deteriorating bituminous pavements and their conditions are beyond an overlay.



- Linn Drive SW
- Oakdale Street SW between Linn Drive SW and 2nd Avenue SW

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Appendices

Appendix A Letter Announcing February 12, 2025 Informational Meeting & February 18, 2025 Public Hearing

Appendix B Project Cost Summary

Appendix C Assessment Breakdown Examples

Purpose

The City Council has designated two streets for reconstruction with the 2025 Street and Utility Improvement Project. On December 17, 2024, the City Council adopted Resolution No. 122-24 ordering preparation of this feasibility report.

The streets proposed for bituminous reconstruction included in the 2025 Street and Utility Improvement Project as shown in Exhibit 1 are:

- Linn Drive SW
- Oakdale Street SW between Linn Drive SW and 2nd Avenue SW

Project Scope

The scope of this report is to analyze the proposed streets indicated above and to determine the engineering and fiscal feasibility of providing the necessary improvements. In addition, existing sanitary sewer, watermain, and storm sewer systems are evaluated, and necessary improvements proposed. The study will discuss the existing conditions, proposed improvements, estimated construction costs, and overhead costs (i.e. administration, engineering, fiscal, and legal expenses). Current public improvement policies adopted by the Owatonna City Council will be used as a guideline to discuss financing methods for the proposed improvements.

The proposed project will potentially affect approximately 39 property owners.



Existing Conditions and Proposed Improvements

The streets included in the proposed 2025 Street and Utility Improvement Project are deteriorating and in need of both pavement rehabilitation as well as utility (water, sanitary sewer and storm sewer) upgrades.

The current condition of the infrastructure is outlined as follows:

Watermain

Owatonna Public Utilities has been contacted.

- Linn Drive SW—The watermain between 18th Street SW and Oakdale Street SW was installed in 1958 and has a history of breaks. The watermain is proposed for replacement between Linn Drive SW & Oakdale Street SW.
- Oakdale Street SW—Records show it was installed in 2005 and OPU is ready to remove and replace it.

Sanitary Sewer

The sanitary sewer mains in the proposed project area have been televised to determine the condition. The following conditions were found:

- Linn Drive SW—Sections of this clay pipe sanitary sewer were placed between 1958 and 1959. Conditions were found to be poor to fair with segments of lateral cracking, broken pipe, and several sags are present.
- Oakdale Street SW—This is also a clay pipe sanitary sewer placed around 1958 and is ready to be replaced.

Storm Sewer

The storm sewer system has been evaluated for deficiency. The following conditions were found with proposed improvements:

- Linn Drive SW—The storm system is generally in fair to poor condition with known structures & pipe sections in need of replacement. The entire storm sewer system will need to be re-evaluated for sufficient capacity.
- Oakdale Street SW—There are no storm sewer mains located on this street, but there is a sump main and structures running along the North curb.

The presence of sump pump service lines will be verified in areas being improved.

Street Pavements and Concrete Curb – Bituminous Pavement Reconstruction

The bituminous pavements planned for replacement were constructed in the following years:

- Linn Drive SW: Construction: 1948, 1950, 1952; Overlay: 1993, 1998, 2000
- Oakdale Street SW: Construction: 1955; Overlay: 1992

The pavements are now near the end of their useful life. The proposed project includes the following pavement repairs to each street:

- Linn Drive SW: Full reconstruction of street with narrowing of street from 18th Street SW to approximately 100ft south of the intersection of Linn Drive SW and Oakdale Street SW to match existing width of the road. The replacement of the sanitary sewer, storm structures & some sewer, and water main & services. The curb will be completely replaced throughout the project.
- Oakdale Street SW: Full reconstruction of street. Full replacement of water main, sanitary sewer, sump main and their respective services. The curb will be completely replaced.

Sidewalk & Trail Improvements

No sidewalk is present on either street and due to the low traffic volumes, sidewalk is not being proposed with this reconstruction. The neighborhood is directly connected to the City's trail system at 18th Street and Linn Drive. Future trail improvements include extending the existing trail east to Bixby Rd.

Private Driveways

If the concrete curb is removed next to the driveway and the driveway needs repair, it will be replaced to the existing width. This may include any or all driveways along Linn Drive SW and Oakdale Street SW.

Private Utility Improvements

Private Utilities are not affected by this construction. A utility coordination meeting will be held in conjunction with Steele County where the proposed improvements will be discussed.

Public Utility Improvements

Owatonna Public Utilities has been shown the location of the proposed improvements and has indicated areas of concern.

Permits

An NPDES permit through the MPCA will be necessary for this project. The Engineering Department will ensure all necessary permits are obtained.

Public Informational Meeting

A public informational meeting will be held prior to the improvement hearing at City Council. A copy of the proposed letter sent to residents and the presentation to be made is included in Appendix A.

Estimated Project Costs

The estimated costs for the proposed improvements are summarized in Table 1. The estimated total project improvement cost is \$2,306,715.16. Based on past experiences on similar projects in the City, the overhead costs have been estimated at 15% of the total construction cost. The overhead costs include engineering, project administration, fiscal and legal costs and contingencies. Normal inflation has been accounted for; however, the current construction market and costs are volatile, and we will not know current prices until the projects are bid. The project will be financed through a combination of City funds and special assessments to the benefited properties.

Financing and Assessments

The improvements discussed in this report for the 2025 Street and Utility Improvement Project are proposed to be financed through a combination of special assessments to benefited properties (according to the City's Assessment Policy), City utility funds and street reconstruction funds. A summary of the total project cost is provided in Appendix C with a spreadsheet indicating how the total costs could be allocated through both city funds and special assessments. The proposed cost allocation by item is as follows:

- The improvements to the existing watermains will be funded by Owatonna Public Utilities.
- The improvements to the sanitary sewer mains will be funded by the City Sewer Fund
- The improvements to the storm sewer will be funded by the City Stormwater Utility Fund
- The street reconstruction improvements will be funded by a combination of the City General Fund and special assessment to property owners. Preliminary opinion of probable cost for the proposed assessments per assessable foot (plus applicable cost of sanitary sewer, storm sewer, and water services) are as follows:

Project Costs by Street	Street	Sanitary	Storm	Watermain	Total Construction Cost	Assessable
Linn Drive SW	\$749,304.06	\$261,178.30	\$237,067.00	\$261,179.50	\$1,508,728.86	\$1,735,038.19
Oakdale Street SW	\$236,320.67	\$89,204.50	\$58,462.60	\$113,122.80	\$497,110.57	\$571,677.16
Total	\$985,624.73	\$350,382.80	\$295,529.60	\$374,302.30	\$2,005,839.43	\$2,306,715.35

Assessment Costs by Street	Actual	Proposed
Linn Drive SW	\$223.37/ft	\$52.00/ft
Oakdale Street SW	\$450.95/ft	\$52.00/ft

All property owners who would receive benefits from the proposed improvements and who would be assessed for all or a portion of the improvements are listed on the Proposed Assessment Roll on file with the Office of the City Clerk. The assessment spreadsheets indicate the parcel identification number (PIN), owner, the address

of the property, the assessable footage of the property and the amount of the preliminary assessment. The City's assessment policy for public improvements allows for the distribution of the proposed assessment for residential properties over a 10-year period. A sample breakdown of the annual payments on assessment for several assessment amounts based on an interest rate of **6 percent is included** in Appendix C. The City's assessment policy also allows for deferred payment of special assessments for qualified property owners. A copy of the deferment policy is available at the City's website www.owatonna.gov and on file with the Office of the City Clerk.

Project Schedule

The proposed project schedule is as follows:

City Council Orders Feasibility Report	December 17, 2024
City Council receives Feasibility Report	January 21, 2025
City Council Sets date for Public Improvement Hearing	
Neighborhood Meeting held to discuss project plans and answer questions	February 12, 2025
City Council holds public Improvement Hearing	February 18, 2025
City Council orders Plans and Specifications	
City Council Approves Plans and Specifications	March 4, 2025
City Council authorizes Advertisement for Bids	
Bids Opened	March 26, 2025
City Council awards bids	April 1, 2025
Begin Construction	May 2025
Construction Substantially Complete	October 2025
City Council Sets date for Assessment Hearing	November 2025
City Council holds Assessment Hearing	December 2025
Final Completion	December 2025

Feasibility, Necessity and Cost-Effectiveness

The proposed improvements included in the 2025 Street and Utility Improvement Project consisting of watermain, sanitary sewer, storm sewer, street and sidewalk reconstruction are feasible from an engineering standpoint, necessary, and cost effective if constructed under a single project as proposed. These improvements would greatly improve the level of public service to the residents of the areas, enhance the safety and appearance of the neighborhoods. The improvements can most effectively and economically be constructed if undertaken through a coordinated contract that would cause the improvements to be installed in the proper sequence.

Recommendation

Our recommendation to the City Council is to accept the feasibility report and order improvements to be constructed to all streets and that the watermain, sanitary sewer, storm sewer, and streets be installed as proposed in this feasibility report. The estimated cost of these improvements, including the proposed assessments, is reasonable and comparable with similar improvements being constructed in other cities.

Next Steps

1. If the City Council approves the project, then staff will complete the design of the project, including the preparation of construction plans and specifications.
2. The City Council will be asked to authorize the project for bids, receive and review bids and award a contract to the lowest responsive and responsible bidder.

Appendix A

Letter Announcing February 12, 2025, Neighborhood Meeting and
February 18, 2025, Improvement Hearing

Date

Owner

Address

City State Zip

Dear Property Owner:

Your property located at Property Address in Owatonna, MN is included in the 2025 Street & Utility Project. The 2025 Street & Utility Project limits are shown in the attached map. This improvement will be subject to assessments.

A Neighborhood Meeting is planned for February 12, 2025, beginning at 5:00 pm. This informal meeting will be held in Council Chambers at the Charles S. Crandall Center at 540 West Hills Circle. Staff will present project plans and answer questions.

A Public Hearing for this improvement project will be held on February 18, 2025, during the City Council Meeting beginning at 7:00 p.m. Council Meetings are held in the Council Chambers at the Charles S. Crandall Center at 540 West Hills Circle. Any person who has a desire to be heard concerning the proposed improvement will be heard at this meeting. Public Hearing Notice will be given, and a copy is enclosed for you. The estimated cost of this improvement is \$2,306,715.35. The preliminary assessment total is \$232,233.56.

A reasonable estimate of the impact of an assessment for Parcel ID# XX-XXX-XXXX located at Property Address for this project will be:

Assessable Footage Length: Footage Length Rate: \$52/foot Preliminary Assessment Amount: \$X,XXX

If this repair is approved by Council, another public hearing will be held when the project is completed. At that time, Council will consider the Proposed Assessment amount to charge to your property. The Proposed Assessment amount could be lower than the Preliminary Assessment Amount shown above if project costs are less than currently estimated. The Proposed Assessment cannot be more than this Preliminary Assessment Amount without prior agreement by the property owner. Terms of payment will be set following the public hearing after project completion.

Sincerely,



Sean Murphy, PE
City Engineer
City of Owatonna

Appendix B

Project Cost Summary

	STREET	SANITARY	STORM	WATERMAIN	TOTAL CONSTRUCTION COST	ASSESSABLE	ASSESSABLE FOOTAGE	TOTAL ASSESSMENTS	COST PER FOOT
LINN DRIVE SW	\$749,304.06	\$261,178.30	\$237,067.00	\$261,179.50	\$1,508,728.86	\$1,735,038.19	3,832.17	\$199,272.84	\$223.37
OAKDALE STREET SW	\$236,320.67	\$89,204.50	\$58,462.60	\$113,122.80	\$497,110.57	\$571,677.16	633.86	\$32,960.72	\$450.95
	\$985,624.73	\$350,382.80	\$295,529.60	\$374,302.30	\$2,005,839.43	\$2,306,715.35	4,466.03	\$232,233.56	

Appendix C

Sample Assessment Breakdown

Interest 6.00%

Year	Principal	Payment
1	2500	\$400.00
2	2250	\$385.00
3	2000	\$370.00
4	1750	\$355.00
5	1500	\$340.00
6	1250	\$325.00
7	1000	\$310.00
8	750	\$295.00
9	500	\$280.00
10	250	\$265.00

Year	Principal	Payment
1	5000	\$800.00
2	4500	\$770.00
3	4000	\$740.00
4	3500	\$710.00
5	3000	\$680.00
6	2500	\$650.00
7	2000	\$620.00
8	1500	\$590.00
9	1000	\$560.00
10	500	\$530.00

Year	Principal	Payment
1	7500	\$1,200.00
2	6750	\$1,155.00
3	6000	\$1,110.00
4	5250	\$1,065.00
5	4500	\$1,020.00
6	3750	\$975.00
7	3000	\$930.00
8	2250	\$885.00
9	1500	\$840.00
10	750	\$795.00

Year	Principal	Payment
1	10000	\$1,600.00
2	9000	\$1,540.00
3	8000	\$1,480.00
4	7000	\$1,420.00
5	6000	\$1,360.00
6	5000	\$1,300.00
7	4000	\$1,240.00
8	3000	\$1,180.00
9	2000	\$1,120.00
10	1000	\$1,060.00

RESOLUTION NO. 5-25
A RESOLUTION RECEIVING FEASIBILITY REPORT AND SETTING
DATE FOR IMPROVEMENT HEARING

WHEREAS, pursuant to Resolution 122-24, adopted by the council on December 17, 2024, a feasibility report has been prepared by Sean Murphy, City Engineer, with reference to proposed improvement for the 2025 Street and Utility Project and this report was received by the council on January 21, 2025. The following areas are affected:

- Linn Drive SW
- Oakdale Street SW - From Linn Drive to 2nd Avenue SW

WHEREAS, the report provides information regarding whether the proposed improvement is necessary, cost-effective, and feasible; whether it should best be made as proposed or in connection with some other improvement; the estimated cost of the improvement as recommended; and a description of the methodology used to calculate individual assessments for affected parcels.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF OWATONNA, MINNESOTA:

1. The council will consider the improvement of such street in accordance with the report and the assessment of abutting property for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Chapter 429 at an estimated total cost of the improvement of \$2,306,715.35.
2. A public hearing shall be held on such proposed improvement on the 18th day of February, 2025 in the council chambers of the city hall at 7:00 p.m. The clerk shall give mailed and published notice of such hearing and improvement as required by law.

Passed and adopted this ____ day of _____, 2025, with the following vote:

Aye ____; No ____; Absent ____.

Approved and signed this ____ day of _____, 2025.

Matthew T. Jessop, Mayor

ATTEST

Kris M. Busse, City Administrator/City Clerk

NOTICE OF PUBLIC HEARINGS ON IMPROVEMENT
CITY OF OWATONNA, MINNESOTA

TO WHOM IT MAY CONCERN:

Notice is hereby given that the City Council of the City of Owatonna, Minnesota, will hold hearings during the City Council Meeting to be held on Tuesday, February 18, 2025, beginning at 7:00 p.m. in Chambers at the Charles S. Crandall Center, 540 West Hills Circle.

This public hearing is to consider the making of the 2025 Street & Utility Project. The project involves reconstruction of:

- Linn Drive SW
- Oakdale Street SW - From Linn Drive to 2nd Avenue SW

the current estimated cost of such improvement is \$2,306,715.35; the total cost to be assessed is currently estimated at \$234,916.24.

pursuant to Minn. Stat§§ 429.011 to 429.111.

Reasonable estimates of the impact of Preliminary Assessments will be available at this hearing. Such persons as desire to be heard with reference to these proposed improvements will be heard during these hearings.

BY ORDER OF THE OWATONNA CITY COUNCIL

January 21, 2025

Kris M. Busse, City Administrator/City Clerk



DATE: January 21, 2025
TO: Mayor and City Council
FROM: Jeanette Clawson, Administrative Coordinator
SUBJECT: Resolution 6-25 Premises Permit to Conduct Lawful Gambling at Train Station Bar & Grill, LLC - Owatonna Wrestling Association

Purpose:

Council approval of Resolution 6-25 approving an application for a Premises Permit from Owatonna Wrestling Association (OWA) to conduct lawful gambling (pull tabs) under a lease agreement with Train Station Bar & Grill, LLC at 137 W Bridge Street.

Background:

City Code Section 120.07 Premises Permit Limitation of a Charitable Gambling Permit allows an organization to hold up to five (5) premises permits at establishments which hold an On-Sale Liquor License within the City. This request will modify the locations they can operate at using their current Charitable Gambling Permit. This will be OWA's fifth site, they currently hold Premises Permits at: Just One More, Reggie's Brewhouse, Inside Swing and El Tequila Restaurant. Last July, City Council approved OWA to offer pull-tabs at Lacey's but they did not complete licensing process with the Mn Gambling Control Board to begin operations at this site.

Budget Impact:

None, OWA holds an active Charitable Gambling Permit with the city. The annual \$250 fee for a Charitable Gambling Permit was just renewed effective July 1st and annual license fee of \$250.00.

Staff Recommendation:

Staff recommends approval of Resolution 6-25.

Attachments:

1. Res 6-25 Premises Permit - Lawful Gambling Activity - OWA - Train Station Bar & Grill, LLC
2. LG214 Premises Permit Application
3. LG215 Lease for Lawful Gambling Activity

RESOLUTION NO. 625

A RESOLUTION APPROVING
APPLICATION FOR PREMISES PERMIT

WHEREAS, Owatonna Wrestling Association has made application for a premises permit to conduct lawful gambling under a lease agreement with Train Station Bar & Grill, LLC at 137 W Bridge Street, Owatonna MN; and

WHEREAS, the application for premises permit (LG214) and lease (LG215) have been filed with the City; and

WHEREAS, it otherwise appears to the Council that the application for a premises permit and lease are in conformity with Section 127:00, et seq., of the 2015 Ordinance Code of the City of Owatonna, as amended,

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Owatonna, Minnesota:

1. Pursuant to Section 127:07, of the 2015 Ordinance Code of the City of Owatonna, as amended, the application for premises permit submitted by Owatonna Wrestling Association may be and hereby is approved.

Passed and adopted this ____ day of ____, 2025, with the following votes:

Aye ____; No ____; Absent ____.

Approved and signed this ____ day of ____, 2025.

Matthew T. Jessop, Mayor

ATTEST:

Kris M. Busse, City Administrator/City Clerk

MINNESOTA LAWFUL GAMBLING
LG214 Premises Permit Application

6/15 Page 1 of 2

Annual Fee \$150 (NON-REFUNDABLE)

REQUIRED ATTACHMENTS TO LG214

1. If the premises is leased, attach a copy of your lease. Use LG215 Lease for Lawful Gambling Activity.
2. \$150 annual premises permit fee, for each permit (non-refundable). Make check payable to "State of Minnesota."

Mail the application and required attachments to:

Minnesota Gambling Control Board
1711 West County Road B, Suite 300 South
Roseville, MN 55113

Questions? Call 651-539-1900 and ask for Licensing.

ORGANIZATION INFORMATION

Organization Name: OWATONNA Wrestling Association

License Number: _____

Chief Executive Officer (CEO) DAVE JOHNSON

Daytime Phone: _____

Gambling Manager: WADE WESTPHAL

Daytime Phone: _____

GAMBLING PREMISES INFORMATION

Current name of site where gambling will be conducted: TRAIN STATION BAR + GRILL, LLC

List any previous names for this location:

BRIDGE ST. TAVERN

Street address where premises is located: 137 W. BRIDGE ST. Owatonna, MN 5
(Do not use a P.O. box number or mailing address.)

City:

OR Township:

County:

Zip Code:

Owatonna

STEELE

55060

Does your organization own the building where the gambling will be conducted?

☐ Yes

☒ No

If no, attach LG215 Lease for Lawful Gambling Activity.

A lease is not required if only a raffle will be conducted.

Is any other organization conducting gambling at this site?

☐ Yes

☒ No

☐ Don't know

Note: Bar bingo can only be conducted at a site where another form of lawful gambling is being conducted by the applying organization or another permitted organization. Electronic games can only be conducted at a site where paper pull-tabs are played.

Has your organization previously conducted gambling at this site?

☒ Yes

☐ No

☐ Don't know

GAMBLING BANK ACCOUNT INFORMATION; MUST BE IN MINNESOTA

ALL TEMPORARY AND PERMANENT OFF-SITE STORAGE SPACES

Address (Do not use a P.O. box number):

City:

State: Zip Code:

Owatonna

MN

55060

Owatonna

MN

55060

MN

ACKNOWLEDGMENT BY LOCAL UNIT OF GOVERNMENT: APPROVAL BY RESOLUTION

CITY APPROVAL for a gambling premises located within city limits	COUNTY APPROVAL for a gambling premises located in a township
City Name: _____	County Name: _____
Date Approved by City Council: _____	Date Approved by County Board: _____
Resolution Number: _____ (If none, attach meeting minutes.)	Resolution Number: _____ (If none, attach meeting minutes.)
Signature of City Personnel: _____	Signature of County Personnel: _____
Title: _____ Date Signed: _____	Title: _____ Date Signed: _____
Local unit of government must sign.	TOWNSHIP NAME: _____ Complete below only if required by the county. On behalf of the township, I acknowledge that the organization is applying to conduct gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minnesota Statutes 349.213, Subd. 2.) Print Township Name: _____ Signature of Township Officer: _____ Title: _____ Date Signed: _____

ACKNOWLEDGMENT AND OATH

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. I hereby consent that local law enforcement officers, the Board or its agents, and the commissioners of revenue or public safety and their agents may enter and inspect the premises. 2. The Board and its agents, and the commissioners of revenue and public safety and their agents, are authorized to inspect the bank records of the gambling account whenever necessary to fulfill requirements of current gambling rules and law. 3. I have read this application and all information submitted to the Board is true, accurate, and complete. 4. All required information has been fully disclosed. 5. I am the chief executive officer of the organization. | <ol style="list-style-type: none"> 6. I assume full responsibility for the fair and lawful operation of all activities to be conducted. 7. I will familiarize myself with the laws of Minnesota governing lawful gambling and rules of the Board and agree, if licensed, to abide by those laws and rules, including amendments to them. 8. Any changes in application information will be submitted to the Board no later than ten days after the change has taken effect. 9. I understand that failure to provide required information or providing false or misleading information may result in the denial or revocation of the license. 10. I understand the fee is non-refundable regardless of license approval/denial. |
|--|---|

_____ Signature of Chief Executive Officer (designee may not sign)	<u>1-17-25</u> _____ Date
--	--

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process your organization's application. Your organization's name and address will be public	information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to: Board members, Board staff whose work requires access to the information;	Minnesota's Department of Public Safety, Attorney General, Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.
--	--	--

This form will be made available in alternative format, i.e. large print, braille, upon request.

An equal opportunity employer

LG215 Lease for Lawful Gambling Activity

6/15 Page 1 of 2

LEASE INFORMATION

Organization:

OWATONNA WRISTLING ASSOCIATION

License/Site Number:

04798

Daytime Phone:

Address:

1140 ESTHER LANE

City:

OWATONNA

State: Zip:

MN 55060

Name of Leased Premises:

Train Station Bar & Grill, LLC

Street Address:

137 West Bridge St

City:

OWATONNA

State: Zip:

MN 55060

Daytime Phone:

507-413-0057

Name of Legal Owner:

Layne Hable

Business/Street Address:

137 West Bridge St

City:

OWATONNA

State: Zip:

MN 55060

Daytime Phone:

507-413-0057

Name of Lessor (if same as legal owner, write "SAME"):

Same

Address:

City:

State: Zip:

Daytime Phone:

Check applicable item:



New or amended lease. Effective date: _____ Submit changes at least ten days before the effective date of the change.



New owner. Effective date: _____ Submit new lease within ten days after new lessor assumes ownership.

CHECK ALL ACTIVITY THAT WILL BE CONDUCTED (no lease required for raffles)



Pull-Tabs (paper)



Electronic Pull-Tabs



Pull-Tabs (paper) with dispensing device



Electronic Linked Bingo



Bar Bingo

☐ Bingo

Tipboards

Electronic games may only be conducted:



Paddlewheel

☐ Paddlewheel with table

1. at a premises licensed for the on-sale of intoxicating liquor or the on-sale of 3.2% malt beverages; or
2. at a premises where bingo is conducted as the primary business and has a seating capacity of at least 100.

PULL-TAB, TIPBOARD, AND PADDLEWHEEL RENT (separate rent for booth and bar ops)

BOOTH OPERATION: Some or all sales of gambling equipment are conducted by an employee/volunteer of a licensed organization at the leased premises.

ALL GAMES, including electronic games: Monthly rent to be paid: 15%, not to exceed 10% of gross profits for that month.

- Total rent paid from all organizations for only booth operations at the leased premises may not exceed \$1,750.
- The rent cap does not include BAR OPERATION rent for electronic games conducted by the lessor.

BAR OPERATION: All sales of gambling equipment conducted by the lessor or lessor's employee.

ELECTRONIC GAMES: Monthly rent to be paid: 15%, not to exceed 15% of the gross profits for that month from electronic pull-tab games and electronic linked bingo games.

ALL OTHER GAMES: Monthly rent to be paid: 20%, not to exceed 20% of gross profits from all other forms of lawful gambling.

- If any booth sales conducted by a licensed organization at the premises, rent may not exceed 10% of gross profits for that month and is subject to booth operation \$1,750 cap.

BINGO RENT (for leased premises where bingo is the primary business conducted, such as bingo hall)

Bingo rent is limited to one of the following:

- Rent to be paid: 15%, not to exceed 10% of the monthly gross profit from all lawful gambling activities held during bingo occasions, excluding bar bingo.

- OR -

- Rate to be paid: \$ 15 per square foot, not to exceed 110% of a comparable cost per square foot for leased space, as approved by the director of the Gambling Control Board. The lessor must attach documentation, verified by the organization, to confirm the comparable rate and all applicable costs to be paid by the organization to the lessor.

⇒ Rent may not be paid for bar bingo.

⇒ Bar bingo does not include bingo games linked to other permitted premises.

LEASE TERMINATION CLAUSE (must be completed)

The lease may be terminated by either party with a written 30 day notice. Other terms:

LG215 Lease for Lawful Gambling Activity

6/15 Page 2 of 2

Lease Term: The term of this agreement will be concurrent with the premises permit issued by the Gambling Control Board (Board).

Management: The owner of the premises or the lessor will not manage the conduct of lawful gambling at the premises. The organization may not conduct any activity on behalf of the lessor on the leased premises.

Participation as Players Prohibited: The lessor will not participate directly or indirectly as a player in any lawful gambling conducted on the premises. The lessor's immediate family and any agents or gambling employees of the lessor will not participate as players in the conduct of lawful gambling on the premises, except as authorized by Minnesota Statutes, Section 349.181.

Illegal Gambling: The lessor is aware of the prohibition against illegal gambling in Minnesota Statutes 609.75, and the penalties for illegal gambling violations in Minnesota Rules 7865.0220, Subpart 3. In addition, the Board may authorize the organization to withhold rent for a period of up to 90 days if the Board determines that illegal gambling occurred on the premises or that the lessor or its employees participated in the illegal gambling or knew of the gambling and did not take prompt action to stop the gambling. Continued tenancy of the organization is authorized without payment of rent during the time period determined by the Board for violations of this provision, as authorized by Minnesota Statutes, Section 349.18, Subd. 1(a).

To the best of the lessor's knowledge, the lessor affirms that any and all games or devices located on the premises are not being used, and are not capable of being used, in a manner that violates the prohibitions against illegal gambling in Minnesota Statutes, Section 609.75.

Notwithstanding Minnesota Rules 7865.0220, Subpart 3, an organization must continue making rent payments under the terms of this lease, if the organization or its agents are found to be solely responsible for any illegal gambling, conducted at this site, that is prohibited by Minnesota Rules 7861.0260, Subpart 1, item H, or Minnesota Statutes, Section 609.75, unless the organization's agents responsible for the illegal gambling activity are also agents or employees of the lessor.

The lessor must not modify or terminate the lease in whole or in part because the organization reported, to a state or local law enforcement authority or to the Board, the conduct of illegal gambling activity at this site in which the organization did not participate.

Other Prohibitions: The lessor will not impose restrictions on the organization with respect to providers (distributor or linked bingo game provider) of gambling-related equipment and services or in the use of net profits for lawful purposes.

The lessor, the lessor's immediate family, any person residing in the same residence as the lessor, and any agents or employees of the lessor will not require the organization to perform any action that would violate statute or rule. The lessor must not modify or terminate this lease in whole or in part due to the lessor's violation of this provision. If there is a dispute as to whether a violation occurred, the lease will remain in effect pending a final determination by the Compliance Review Group (CRG) of the Board. The lessor agrees to arbitration when a violation of this provision is alleged. The arbitrator shall be the CRG.

Access to Permitted Premises: Consent is given to the Board and its agents, the commissioners of revenue and public safety and their agents, and law enforcement personnel to enter and inspect the permitted premises at any reasonable time during the business hours of the lessor. The organization has access to the premises during any time reasonable and when necessary for the conduct of lawful gambling.

Lessor Records: The lessor must maintain a record of all money received from the organization, and make the record available to the Board and its agents, and the commissioners of revenue and public safety and their agents upon demand. The record must be maintained for 3-1/2 years.

Rent All-Inclusive: Amounts paid as rent by the organization to the lessor are all-inclusive. No other services or expenses provided or contracted by the lessor may be paid by the organization, including but not limited to:

- trash removal
- electricity, heat
- snow removal
- storage
- janitorial and cleaning services
- other utilities or services
- lawn services
- security, security monitoring
- cost of any communication network or service required to conduct electronic pull-tabs games or electronic bingo
- in the case of bar operations, cash shortages.

Any other expenditures made by an organization that is related to a leased premises must be approved by the director of the Board. Rent payments may not be made to an individual.

ACKNOWLEDGMENT OF LEASE TERMS

I affirm that this lease is the total and only agreement between the lessor and the organization, and that all obligations and agreements are contained in or attached to this lease and are subject to the approval of the director of the Gambling Control Board.

Other terms of the lease:

Signature of Lessor:

Date:

Layne Hable

1-2-25

Signature of Organization Official (Lessee):

Date:

Wade Westphal

1-2-25

Print Name and Title of Lessor:

Layne Hable / Owner

Print Name and Title of Lessee:

WADE WESTPHAL - GAMBLING MANAGER

Questions? Contact the Licensing Section, Gambling Control Board, at 651-539-1900. This publication will be made available in alternative format (i.e. large print, braille) upon request. **Data privacy notice:** The information requested on this form and any attachments will become public information when received by the Board, and will be used to determine your compliance with Minnesota statutes and rules governing lawful gambling activities.

Mail or fax lease to:

Minnesota Gambling Control Board
1711 W. County Road B, Suite 300 South
Roseville, MN 55113

Fax: 651-639-4032



CITY OF
OWATONNA

Miscellaneous



DATE: January 21, 2025
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: 26th Street Lift Station SCADA Programming Services

Purpose:

Requesting City Council approval an agreement with Advanced Engineering and Environmental Services, LLC (AE2S) for 26th Street Lift Station SCADA Programming Services.

Background:

The 26th Street Lift Station has been undergoing rehabilitation to update panels and components that will allow for SCADA integration to improve efficiency in management of the collections system. As part of the upgrade and SCADA integration the panels will require programming. The SCADA Programming Services consist of professional programming services for the Programmable Logic Controllers (PLCs), Operator Interface Terminal (OIT), cellular communications equipment, and SCADA software related to the Project.

Budget Impact:

Services are not to exceed \$21,910 without prior authorization. Costs will be paid for using Sanitary Sewer Funds.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. AE2S Agreement - 26th St LS Programming Services



January 9, 2025

Mr. Andrew Fischer
Wastewater Manager
City of Owatonna
540 West Hills Circle
Owatonna, MN 55060

**RE: Letter Agreement between Client and AE2S
26th Street Lift Station SCADA Programming Services**

Dear Mr. Fischer:

Advanced Engineering and Environmental Services, LLC (AE2S) proposes to render professional services for the 26th Street Lift Station Supervisory Controls and Data Acquisition (SCADA) Programming Services (Assignment) to the City of Owatonna (CLIENT).

This Agreement, including Exhibit A, sets forth the terms and conditions under which the CLIENT and AE2S shall be governed regarding the Assignment.

Scope of Basic Services

AE2S will perform the following tasks:

1. SCADA Programming Services

SCADA Programming Services

The SCADA Programming Services consist of professional programming services for the Programmable Logic Controllers (PLCs), Operator Interface Terminal (OIT), cellular communications equipment, and SCADA software related to the Project, including:

- Programming Lift Station PLC for level-based triplex pump operation and monitoring.
- Programming Lift Station OIT for level-based triplex pump operation and monitoring.
- Adding Lift Station telemetry programming to existing WWTF Administration Building PLC.
- Programming existing WWTF SCADA application for monitoring and alarming of the lift station.
- Configuring existing firewall at WWTF for communications to the lift station.
- Configuring lift station cellular router for communications to WWTF.
- Review field Input/Output (I/O) scheme for proper operation, provide I/O checkout and verify proper operation and control of system components outlined above.
- Commission, test, and demonstrate proper operation and control of system components.
- SCADA system and site/process operational training.

NOTE – This agreement does not include supply of any equipment or data services.

Additional Services

Services resulting from significant changes in the general scope, extent, or character of the Assignment are not included as a part of the Scope of Basic Services. If authorized in writing by the CLIENT, AE2S will provide services beyond the scope of this Agreement on an hourly basis in accordance with the Hourly Fee Schedule attached as Exhibit B.

CLIENT'S Responsibilities

CLIENT shall do the following in a timely manner, so as not to delay the services of AE2S:

1. Designate a person to act as CLIENT's representative with respect to the services to be rendered under this Agreement. Such person shall have authority to transmit instructions, receive information, and interpret and define CLIENT's policies and decisions with respect to services for the Assignment.
2. Provide relevant information regarding requirements for the Assignment. AE2S shall be entitled to use and rely upon all information provided by CLIENT or others in performing AE2S's services under this Agreement.
3. Provide access to the relevant sites sufficient for AE2S to perform its services under this Agreement.
4. CLIENT shall, so long as AE2S is not in default, promptly pay AE2S for such services as have been performed satisfactorily hereunder in accordance with the fee terms set forth herein.
5. Provide all equipment for project, and data service plan for cellular communications equipment.

CLIENT shall bear all costs incident to compliance with its responsibilities pursuant to this section.

Fees

AE2S shall render services under this Agreement on an hourly basis in accordance with the Hourly Fee Schedule attached as Exhibit B not to exceed \$21,910 without written authorization from CLIENT.

Task	Professional Fees
<i>SCADA Programming Services</i>	<i>\$21,910</i>
Total Fee	\$21,910

Performance Schedule

AE2S shall use commercially reasonable efforts to complete Basic Services within a reasonable time period.

Contract Documents

This Agreement includes the following documents, incorporated herein by reference:

1. Exhibit A - Terms and Conditions;
2. Exhibit B - Hourly Fee and Expense Schedule;
3. Any drawings or specifications provided by the CLIENT in writing; and
4. Any duly executed written amendments.

There are no contract documents other than this Agreement and those documents listed above.

If this Agreement sets forth your understanding of our agreement, including the scope of work desired, fees, terms, and conditions, please sign in the space provided and return a copy to AE2S. Thank you for the opportunity to assist you. We look forward to working with you.

Sincerely,



Anthony Pittman

Lead Instrumentation & Controls Specialist

AE2S

CLIENT

Accepted this _____ day of
_____, 2025.

By: 
Justin Klabo, P.E.
Operations Manager

By: _____

Name (Print): _____

Title: _____

Standard Terms and Conditions

The Agreement is supplemented to include the following terms and conditions:

1. **Standard of Care**
 - a. The standard of care for all professional services performed or furnished by AE2S under this Agreement will be the care and skill ordinarily used by members of AE2S's profession practicing under similar circumstances at the same time and in the same locality. AE2S makes no warranties, express or implied, under this Agreement or otherwise, in connection with AE2S's services.
 - b. CLIENT shall be responsible for, and AE2S may rely upon, the accuracy and completeness of all requirements, programs, instructions, reports, data, and other information furnished by CLIENT to AE2S pursuant to this Agreement. AE2S may use such requirements, reports, data, and information in performing or furnishing services under this Agreement.
2. **Payments to AE2S**

Invoices will be prepared in accordance with AE2S's standard invoicing practices and will be submitted to CLIENT by AE2S monthly, unless otherwise agreed. Invoices are due and payable within 30 days. If CLIENT fails to make any payment due AE2S for services and expenses within 30 days, the amounts due AE2S will be increased at the rate of 1.75% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day. In addition, AE2S may, after giving seven days written notice to CLIENT, suspend services under this Agreement until AE2S has been paid in full all amounts due for services, expenses, and other related charges. All payments shall be made in United States Dollars.
3. **Insurance**

AE2S will maintain insurance coverage for Workers' Compensation, Professional Liability, General Liability, and Automobile Liability and will provide certificates of insurance to CLIENT upon request.
4. **Exclusion of Special, Incidental, Indirect, and Consequential Damages**

To the fullest extent permitted by law, and notwithstanding any other provision in the Agreement, AE2S and AE2S's officers, directors, partners, employees, agents, and Consultants, or any of them, shall not be liable to CLIENT or anyone claiming by, through, or under CLIENT for any special, incidental, indirect, or consequential damages whatsoever arising out of, resulting from, or in any way related to the Assignment or this Agreement, from any cause or causes, including but not limited to any such damages caused by the negligence, professional errors or omissions, strict liability, breach of contract or warranties, express or implied, of AE2S or AE2S's officers, directors, partners, employees, agents, or AE2S's Consultants, or any of them.
5. **Limit of Liability**

To the fullest extent permitted by law, notwithstanding any other provision of this Agreement, the total liability, in the aggregate, of AE2S and AE2S's officers, directors, partners, employees, agents, and AE2S's Consultants, and any of them, to CLIENT and anyone claiming by, through, or under CLIENT for any and all claims, losses, costs, or damages whatsoever arising out of, resulting from or in any way related to the Project or the Agreement from any cause or causes, including but not limited to the negligence, professional errors or omissions, strict liability or breach of contract, or warranty express or implied of AE2S or AE2S's officers, directors, partners, employees, agents, or AE2S's Consultants, or any of them, shall not exceed total compensation received by AE2S as part of this agreement.
6. **Termination of Contract**

Either party may at any time, upon seven days prior written notice to the other party, terminate this Agreement. Upon such termination, CLIENT shall pay to AE2S all amounts owing to AE2S under this Agreement, for

all work performed up to the effective date of termination, plus reasonable termination costs.

7. **Access**

CLIENT shall arrange for safe access to and make all provisions for AE2S and AE2S's Consultants to enter upon public and private property as required for AE2S to perform services under this Agreement.
8. **Patents**

AE2S shall not conduct patent searches in connection with its services under this Agreement and assumes no responsibility for any patent or copyright infringement arising therefrom. Nothing in this Agreement shall be construed as a warranty or representation that anything made, used, or sold arising out of the services performed under this Agreement will be free from infringement of patents or copyrights.
9. **Ownership and Reuse of Documents**

All documents prepared or furnished by AE2S pursuant to this Agreement are instruments of service, and AE2S shall retain an ownership and property interest therein. Reuse of any such documents by CLIENT shall be at CLIENT's sole risk; and CLIENT agrees to indemnify, and hold AE2S harmless from all claims, damages, and expenses including attorney's fees arising out of such reuse of documents by CLIENT or by others acting through CLIENT.
10. **Limited Equipment Warranty**

AE2S MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO ANY PRODUCTS MANUFACTURED BY A THIRD PARTY, INCLUDING ANY (a) WARRANTY OF MERCHANTABILITY; (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (c) WARRANTY OF TITLE; OR (d) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE. AE2S'S SOLE RESPONSIBILITY TO CLIENT WITH RESPECT TO ANY EQUIPMENT OR COMPONENTS AND PARTS MANUFACTURED BY A THIRD PARTY AND INCORPORATED INTO THE EQUIPMENT SHALL BE TO PASS THROUGH TO CLIENT SUCH ORIGINAL EQUIPMENT MANUFACTURER'S AVAILABLE PRODUCT WARRANTY. THE REMEDIES SET FORTH IN THE MANUFACTURER'S TERMS SHALL BE THE CLIENT'S SOLE AND EXCLUSIVE REMEDY AND AE2S'S ENTIRE LIABILITY FOR ANY BREACH OF THIS LIMITED WARRANTY
11. **Contractors**

AE2S shall not at any time supervise, direct, control, or have authority over any contractor's work, nor shall AE2S have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any contractor, or the safety precautions and programs incident thereto, for security or safety at a project site, nor for any failure of a contractor to comply with laws and regulations applicable to such contractor's furnishing and performing of its work. AE2S neither guarantees the performance of any contractor nor assumes responsibility for any contractor's failure to furnish and perform its work in accordance with the contract between CLIENT and such contractor. AE2S shall not be responsible for the acts or omissions of any contractor, subcontractor, or supplier, or of any of their agents or employees or of any other persons (except AE2S's own employees) at a project site or otherwise furnishing or performing any construction work; or for any decision made regarding the construction contract requirements, or any application, interpretation, or clarification of the construction contract other than those made by AE2S.

12. **Force Majeure**
AE2S shall not be liable for any loss or damage due to failure or delay in rendering any service called for under this Agreement resulting from any cause beyond AE2S's reasonable control.
13. **No Third Party Beneficiaries**
All duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of CLIENT and AE2S and not for the benefit of any other party. Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either CLIENT or AE2S. AE2S's services under this Agreement are being performed solely for CLIENT's benefit, and no other entity shall have any claim against AE2S because of this Agreement or the performance or nonperformance of services hereunder.
14. **Assignment**
Neither party shall assign its rights, interests or obligations under this Agreement without the express written consent of the other party.
15. **Binding Effect**
This Agreement shall bind, and the benefits thereof shall inure to the respective parties hereto, their legal representatives, executors, administrators, successors, and assigns.
16. **Severability and Waiver of Provisions**
Any provision or part of the Agreement held to be void or unenforceable under any laws or regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon CLIENT and AE2S, who agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision. Non-enforcement of any provision by either party shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of this Agreement.
17. **Survival**
All express representations, indemnifications, or limitations of liability included in this Agreement will survive its completion or termination for any reason.
18. **Headings**
The headings used in this Agreement are for general reference only and do not have special significance.
19. **Controlling Law**
This Agreement is to be governed by the law of the State of Minnesota without regard to its conflicts of laws principles.
20. **Notices**
Any notice required under this Agreement will be in writing, addressed to the appropriate party at its address on the signature page, or if to AE2S at 4050 Garden View Drive, Grand Forks, ND 58201, and given personally, or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.
21. **Executed in Counterparts**
This Agreement may be executed in counterparts, each of which together will constitute one and the same instrument. Delivery of an executed counterpart of this Agreement shall constitute effective delivery of this Agreement. Each party agrees that the delivery of the Agreement by facsimile or electronic mail shall have the same force and effect as delivery of original signature and that each party may use such facsimile or electronic mail signatures as evidence of the execution and delivery of the Agreement by the parties to the same extent that an original signature could be used.

**This is EXHIBIT B, consisting of 2 pages, referred to in and part of
the Agreement between CLIENT and AE2S dated January 9, 2025.**

Hourly Fee and Expense Schedule

Reimbursable Expenses and Standard Hourly rates in effect on the date of the Agreement are set forth below. Rates are subject to annual adjustment effective January 1.

Labor Rates*

Administrative 1	\$70.00	I&C Assistant 1	\$108.00
Administrative 2	\$85.00	I&C Assistant 2	\$134.00
Administrative 3	\$99.00	I&C 1	\$160.00
		I&C 2	\$189.00
Communications Specialist 1	\$113.00	I&C 3	\$213.00
Communications Specialist 2	\$132.00	I&C 4	\$226.00
Communications Specialist 3	\$152.00	I&C 5	\$237.00
Communications Specialist 4	\$183.00		
Communications Specialist 5	\$202.00	IT 1	\$140.00
		IT 2	\$189.00
		IT 3	\$232.00
Construction Services 1	\$135.00	Land Surveyor Assistant	\$103.00
Construction Services 2	\$165.00	Land Surveyor 1	\$124.00
Construction Services 3	\$183.00	Land Surveyor 2	\$150.00
Construction Services 4	\$203.00	Land Surveyor 3	\$169.00
Construction Services 5	\$224.00	Land Surveyor 4	\$186.00
		Land Surveyor 5	\$205.00
Engineering Assistant 1	\$91.00		
Engineering Assistant 2	\$107.00	Operations Specialist 1	\$108.00
Engineering Assistant 3	\$135.00	Operations Specialist 2	\$135.00
Engineer 1	\$146.00	Operations Specialist 3	\$167.00
Engineer 2	\$175.00	Operations Specialist 4	\$191.00
Engineer 3	\$205.00	Operations Specialist 5	\$214.00
Engineer 4	\$237.00		
Engineer 5	\$254.00	Project Coordinator 1	\$125.00
Engineer 6	\$269.00	Project Coordinator 2	\$140.00
		Project Coordinator 3	\$156.00
Engineering Technician 1	\$90.00	Project Coordinator 4	\$172.00
Engineering Technician 2	\$113.00	Project Coordinator 5	\$194.00
Engineering Technician 3	\$136.00		
Engineering Technician 4	\$152.00	Project Manager 1	\$221.00
Engineering Technician 5	\$174.00	Project Manager 2	\$242.00
		Project Manager 3	\$259.00
Financial Analyst 1	\$121.00	Project Manager 4	\$274.00
Financial Analyst 2	\$137.00	Project Manager 5	\$293.00
Financial Analyst 3	\$165.00	Project Manager 6	\$307.00
Financial Analyst 4	\$180.00		
Financial Analyst 5	\$201.00	Sr. Designer 1	\$192.00
		Sr. Designer 2	\$213.00
GIS Specialist 1	\$113.00	Sr. Designer 3	\$229.00
GIS Specialist 2	\$137.00		
GIS Specialist 3	\$162.00	Sr. Financial Analyst 1	\$227.00
GIS Specialist 4	\$181.00	Sr. Financial Analyst 2	\$248.00
GIS Specialist 5	\$202.00	Sr. Financial Analyst 3	\$269.00
		Technical Expert 1	\$348.00
		Technical Expert 2	Negotiable

Reimbursable Expense Rates

Transportation	\$0.75/mile
Survey Vehicle	\$0.95/mile
Laser Printouts/Photocopies	\$0.30/copy
Plotter Printouts	\$1.00/s.f.
UAS - Photo/Video Grade	\$100.00/day
UAS – Survey	\$50.00/hour
Total Station – Robotic	\$35.00/hour
Mapping GPS	\$25.00/hour
Fast Static/RTK GPS	\$50.00/hour
All-Terrain Vehicle/Boat	\$100.00/day
Cellular Modem	\$75.00/month
Web Hosting	\$26.00/month
Legal Services Reimbursement	\$291.00/hour
Outside Services	cost * 1.15
Geotechnical Services	cost * 1.30
Out of Pocket Expenses	cost * 1.15
Rental Car	cost * 1.20
Project Specific Equipment	Negotiable

*Position titles are for labor rate grade purposes only.

These rates are subject to adjustment each year on January 1.



DATE: January 21, 2025
TO: Mayor and City Council
FROM: Troy Klecker, Community Development Director
SUBJECT: Purchase Property - 315 Lemond Road

Purpose:

Purchase property at 315 Lemond Road

Background:

As part of the City's Strategic Plan, flood mitigation is a priority. The City has received many grants over the years to remove homes within the floodplain. On Lemond Road, the City has removed 8 homes that have been flooded from previous flooding events. The City has applied for DNR flood grant funds to remove more homes in the floodplain and we are still waiting to receive those funds. Those funds that were applied for late last year are to be used to purchase the property at 315 Lemond Road.

The City has a signed purchase agreement to purchase the property at 315 Lemond Road. The house is one of two homes remaining along Lemond Road that are within the floodplain. The purchase price is \$220,000 and is contingent on receiving the DNR grant and City Council approving the purchase. If the City Council approves the purchase, the plan would be to secure the grant funds within the next couple of weeks and then close on the property on or before April 30th. The house would then be removed and the property restored for park land and become part of Morehouse Park.

Budget Impact:

With home removal and site restoration, the total project costs are estimated at \$260,000. We will have a remaining amount from an existing grant in the amount of about \$20,000 that can be applied to this project. The new grant would then cover one half of the remaining project costs and the City would be responsible for other half. The City's portion of \$120,000 would come out of the City's match grant fund account.

Staff Recommendation:

Staff recommends approval to purchase the property at 315 Lemond Road.

Attachments:

1. Map of 315 Lemond Road

315 Lemond Road City of Owatonna





DATE: January 21, 2025
TO: Mayor and City Council
FROM: Troy Klecker, Community Development Director
SUBJECT: Single-Family Lot Incentive Program

Purpose:

Request Council adopt a Single-Family Lot Incentive Program.

Background:

In an effort to encourage existing lots to be built upon, staff is proposing a Single-Family Lot Incentive Program. This program will address engineering costs associated with meeting stormwater requirements on existing lots that do not have an approved grading plan. Staff is proposing that the city contribute \$2,500 to each home constructed that meets this requirement, this amount should cover engineering costs for completing such grading plans for the lot. This has been an issue in the past and to prevent this from being an obstacle to building single-family homes on existing lots, staff feels this would be a good remedy. This is consistent to the discussions staff has had with City Council at a previous work session. Staff would recommend this be a pilot program during 2025 and evaluate it at the end of the year for future consideration. We would also allow any permit issued since the study session last year be eligible for the program as was stated during the study session.

Budget Impact:

Our estimation is that there would be 10 homes that would take advantage of this program in 2025. That would be an estimated cost of \$25,000 out of the 2025 budget.

Staff Recommendation:

Staff would recommend approval of the Single-Family Lot Incentive Program for 2025.

Attachments:

1. Single-Family Lot Incentive Program

Residential Lot Site Design –Incentive Program

Site Design Incentive

To facilitate the construction of new single-family residential homes on existing qualifying lots, the City will contribute towards the creation of an approved drainage plan for the lot by reimbursement of \$2,500.00 for each home constructed on these lots.

Qualifying Lots

Single family residential lots that qualify for this incentive program, must meet the minimum requirements outlined below:

1. Be an existing platted lot within Owatonna's municipal corporate boundary.
2. Located on an existing improved residential street.
3. Have existing public services and utilities.
4. Subdivision and lot do not have a drainage plan meeting current City Code or standards.

The City will determine eligibility for the incentive program at time of permitting.

Reimbursement Process

For the applicant to receive the incentive, the following items shall be satisfied:

1. Plans are prepared by a professional engineer licensed in the State of Minnesota.
2. All current Engineering Site Design Standards, Grading Permit requirements, and City Stormwater Management Code 52.00 provisions shall be met.
3. Grading Permit Close-out documentation including certifying the critical elevations.
4. Project obtains Certificate of Occupancy.

The \$2,500.00 site design reimbursement will be paid after final termination requirements and close-out documentation of the Grading Permit are met.



DATE: January 21, 2025
TO: Mayor and City Council
FROM: Ryan Brown, IT Director
SUBJECT: Renew Microsoft Agreement - SHI

Purpose:

Renewal of Microsoft license agreement for 2025 through January 31, 2028.

Background:

Every three years we renew our Microsoft License Agreement; our reseller is SHI. This agreement helps us plan and budget at a known amount. This covers all the software licenses that we use, including Microsoft Teams, secure cloud storage, business email, and all Microsoft Office applications across devices, advanced cyberthreat protection and device management.

Budget Impact:

Costs for this renewal is \$114,712.67 each year. These annual costs will be paid from the IT Operating Budget.

Staff Recommendation:

Staff recommends renewal of this agreement.

Attachments:

1. SHI Proposed Agreement



Pricing Proposal
Quotation #: 25159330
Reference #: EA Renewal
Created On: Aug-06-2024
Valid Until: Jan-31-2025

MN-City of Owatonna

Ryan Brown

Phone: (507) 774-7014
Fax:
Email: ryan.brown@ci.owatonna.mn.us

Microsoft Inside Account Manager

Aidan FitzGerald

290 Davidson Ave
Somerset, NJ 08873
Phone: 732-652-6371
Fax:
Email: aidan_fitzgerald@shi.com

All Prices are in US Dollar (USD)

Product	Qty	Your Price	Total
1 Azure Monetary Commitment Provision Microsoft - Part#: AAA-35418 Contract Name: NASPO SOFTWARE VALUE ADDED RESELLER (SVAR) Contract #: CTR060028 Subcontract #: 237594	1	\$0.00	\$0.00
2 Defender O365 P1 GCC Sub Per User Microsoft - Part#: 3GU-00001 Contract Name: NASPO SOFTWARE VALUE ADDED RESELLER (SVAR) Contract #: CTR060028 Subcontract #: 237594	250	\$18.37	\$4,592.50
3 M365 G3 Unified FSA Renewal GCC Sub Per User Microsoft - Part#: AAD-34700 Contract Name: NASPO SOFTWARE VALUE ADDED RESELLER (SVAR) Contract #: CTR060028 Subcontract #: 237594	170	\$329.76	\$56,059.20
4 M365 G3 Unified FUSL GCC Sub Per User Microsoft - Part#: AAD-34704 Contract Name: NASPO SOFTWARE VALUE ADDED RESELLER (SVAR) Contract #: CTR060028 Subcontract #: 237594	80	\$387.92	\$31,033.60
5 Teams Phone Standard GCC Sub Per User Microsoft - Part#: LK9-00003 Contract Name: NASPO SOFTWARE VALUE ADDED RESELLER (SVAR) Contract #: CTR060028 Subcontract #: 237594	180	\$73.22	\$13,179.60
6 Teams Rooms Pro GCC Sub Per Device Microsoft - Part#: VA1-00001 Contract Name: NASPO SOFTWARE VALUE ADDED RESELLER (SVAR) Contract #: CTR060028 Subcontract #: 237594	10	\$431.02	\$4,310.20
7 Teams Shared Devices GCC Sub Per Device	70	\$73.22	\$5,125.40

Microsoft - Part#: KXJ-00001
 Contract Name: NASPO SOFTWARE VALUE ADDED RESELLER (SVAR)
 Contract #: CTR060028
 Subcontract #: 237594

8	Visio P2 GCC Sub Per User Microsoft - Part#: P3U-00001 Contract Name: NASPO SOFTWARE VALUE ADDED RESELLER (SVAR) Contract #: CTR060028 Subcontract #: 237594	3	\$137.39	\$412.17
9	Teams AC with Dial Out US/CA GCC Sub Add-on Microsoft - Part#: NYH-00001 Contract Name: NASPO SOFTWARE VALUE ADDED RESELLER (SVAR) Contract #: CTR060028 Subcontract #: 237594	250	\$0.00	\$0.00
10	Phone Resource Account GCC Sub Phone System Virtual User Microsoft - Part#: RMU-00004 Contract Name: NASPO SOFTWARE VALUE ADDED RESELLER (SVAR) Contract #: CTR060028 Subcontract #: 237594	50	\$0.00	\$0.00
			Subtotal	\$114,712.67
			Total	\$114,712.67

Additional Comments

Purchasing Microsoft Azure Services

Customer may purchase Microsoft Azure Services from SHI in one or a combination of the following ways: Azure Prepayment: Customer will have access to its entire Azure prepayment throughout the term of its Enrollment if Customer agrees to be invoiced for the full amount upfront (the "Fully Prepaid Option"). Alternatively, if Customer elects to be invoiced for its Azure prepayment on an annual basis, Customer will have access to an Allocated Annual prepayment each year of the Enrollment (the "Annually Prepaid Option"). Under the Fully Prepaid Option, any unused Azure prepayment will be forfeited at the end of the Enrollment, and under the Annually Prepaid Option, any unused Allocated Annual prepayment will be forfeited on the following Enrollment anniversary date. Using Azure prepayment: Each month, Microsoft will deduct from Customer's Azure prepayment (or Allocated Annual prepayment, if applicable) the monetary value of Customer's usage of eligible Microsoft Azure Services. Once Customer's Azure prepayment (or Allocated Annual prepayment, if applicable) balance has been exhausted, any additional usage will be invoiced at Consumption Rates (as described below).

Invoicing Azure prepayment: If Customer elects the Fully Prepaid Option, Azure prepayment will be invoiced immediately. If Customer elects the Annually Prepaid Option, the first Allocated Annual prepayment will be invoiced immediately, and future Allocated Annual prepayments will be invoiced on the anniversary of the Enrollment effective date.

Invoicing Azure prepayment overage: If Customer's usage is higher than either its Azure prepayment under the Fully Prepaid Option or its Allocated Annual prepayment under the Annually Prepaid Option, such excess will be invoiced at Consumption Rates to Customer at the end of each Enrollment month.

Consumption: Customer pays based on the amount of Microsoft Azure Services consumed during a billing period.

Consumption invoicing: If Customer provisions Microsoft Azure Services without an Azure prepayment, SHI will invoice customer in the following month of usage at Consumption Rates. All usage of the Microsoft Azure Services after the expiration or termination of Customer's subscription term will be invoiced by SHI to Customer at then-current Consumption Rates monthly.

SHI will invoice eligible Microsoft Azure Services at the contracted mark-up. Please refer to the Azure Portal or Pricing Calculator for more information on availability: <https://azure.microsoft.com/en-us/pricing/calculator/>

Hardware items on this quote may be updated to reflect changes due to industry wide constraints and fluctuations.

Year 1 \$114,712.67
 Year 2 \$114,712.67
 Year 3 \$114,712.67
 Total \$ 344,138.01

The products offered under this proposal are resold in accordance with the terms and conditions of the Contract referenced under that applicable line item.



DATE: January 21, 2025
TO: Mayor and City Council
FROM: Emily Thamert, Human Resources Director
SUBJECT: Pay Equity Compliance Report

Purpose:

Approval of the 2025 Minnesota Pay Equity Compliance Report

Background:

In 1984, the Minnesota Legislature passed the Local Government Pay Equity Act. All jurisdictions were placed on a three-year reporting cycle. The 2025 Pay Equity Compliance Report for the City of Owatonna reports data which was in place as of December 31, 2024. Every city must use a job evaluation system to determine the comparable worth value of the work performed by each class of its employees, and ensure that female-dominated jobs are not systematically paid less than male-dominated jobs of comparable worth. The report involves four tests: Completeness and Accuracy Test, Statistical or Alternative Test, Salary Range Test, and Exceptional Service Pay Test.

Budget Impact:

None

Staff Recommendation:

Staff recommends approving the 2025 Minnesota Pay Equity Compliance Report.

Attachments:

1. Compliance 1.13.25

Compliance Report

Jurisdiction: Owatonna
540 West Hills Circle

Report Year: 2025
Case: 1 - 2024 DATA (Private (Jur
Only))

Owatonna, MN 55060

Contact: Emily Thamert Phone: (507) 774-7345 E-Mail: emily.thamert@owato
nna.gov

The statistical analysis, salary range and exceptional service pay test results are shown below. Part I is general information from your pay equity report data. Parts II, III and IV give you the test results.
For more detail on each test, refer to the Guide to Pay Equity Compliance and Computer Reports.

I. GENERAL JOB CLASS INFORMATION

	Male Classes	Female Classes	Balanced Classes	All Job Classes
# Job Classes	34	17	11	62
# Employees	90	25	48	163
Avg. Max Monthly Pay per employee	7396.37	7738.00		7562.94

II. STATISTICAL ANALYSIS TEST

A. Underpayment Ratio = 59.09091 *

	Male Classes	Female Classes
a. # At or above Predicted Pay	21	6
b. # Below Predicted Pay	13	11
c. TOTAL	34	17
d. % Below Predicted Pay (b divided by c = d)	38.24	64.71

*(Result is % of male classes below predicted pay divided by % of female classes below predicted pay.)

B. T-test Results

Degrees of Freedom (DF) = 113	Value of T = -0.084
a. Avg. diff. in pay from predicted pay for male jobs = 0	
b. Avg. diff. in pay from predicted pay for female jobs = 0	

III. SALARY RANGE TEST = 100.00 (Result is A divided by B)

- A. Avg. # of years to max salary for male jobs = 11.00
- B. Avg. # of years to max salary for female jobs = 11.00

IV. EXCEPTIONAL SERVICE PAY TEST = 0.00 (Result is B divided by A)

- A. % of male classes receiving ESP = 0.00 *
 - B. % of female classes receiving ESP = 0.00
- *(If 20% or less, test result will be 0.00)