

Owatonna City Council Minutes

January 7, 2025

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)
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Keys

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

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

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|----------------------------|---------------------------------|
| • 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