

Owatonna City Council Minutes

March 4, 2025

On Tuesday, February 18, 2025, at 7:00 p.m., Council President Raney called the regular session of the Owatonna City Council to order in the Chambers of the Charles S. Crandall Center. Present were Council Members Voss, Dotson, Burbank, Boeke, McCann, Svenby and Raney; Mayor Jessop; City Attorney Walbran; Public Works Director Murphy; Community Development Director Klecker; Finance Director Burns; Fire Chief Hoffman; Police Chief Mundale; Assistant City Administrator Tuma, IT Technology Specialist Inz; City Administrator Busse, Administrative Coordinator Clawson and majority of the Police Department and Fire Department staff.

Following the roll call of members, Council Member Svenby made a motion to approve the agenda as presented, Council Member Dotson seconded the motion, all members voted aye in approval. The Owatonna Police Honor Guard presented colors and Owatonna High School junior Mercy Mwanga provided a violin solo of the National Anthem. Following the Pledge of Allegiance, Council President Raney thanked Mercy for participating in tonight's meeting. City Administrator Busse welcomed everyone to the Swearing in Ceremony. Fire Chief introduced Fire Commander Ben Staska and Police Chief Mundale introduced Captain Tracy DuChene.

Chief Mundale commented that this promotional Swearing-in-Ceremony shows officer's selfless commitment to public service and their personal growth and dedication and serves as a reminder of your years of dedication protecting our community and your commendable service record. A badge is a symbol of the Oath you're about to renew, the duty and Constitution you uphold, and the people and employees you serve. The badge is the most recognizable part of your uniform that symbolizes trustworthiness, safety, and protection to the people in our community. The design and meaning behind your badge: the laurel wreath symbolizes strength and the responsibility to protect life and represents honor, competence and respect. The eagle on the top of the badge represents a defender of the Constitution, symbolizes strength and protection and represents the willingness to sacrifice one's safety to assist others. Captain DuChene's wife Shannon and Commander Staska's fiancé Shantell pinned on their respective badges. Mayor Jessop administered each officer their Oath of Office and Owatonna Police Chaplain Reverend Brent Carlson closed the ceremony with a prayer.

Mayor Jessop presented a proclamation for March as Owatonna Business Women/Woman of Achievement Month. The Owatonna Business Women will recognize women in all areas of their careers at the annual Woman of Achievement event on March 15, naming:

Young Careerist: Madeleine Haberman

Lifetime Achievement Recipient: Bev Cashman

Nominated for Woman of Achievement: Lisa Cochran, Cheryl Deason, Stacy Hanson,
Holly Jorgensen and Nancy Williams

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 – February 18, 2025

OPU Commission Meeting - January 23, 2025

Human Rights Commission Meeting - February 11, 2025

Retail Fireworks License - Fleet Farm

Exempt Permit - Purse Bingo - Owatonna Early Edition Rotary - May 2, 2025

Temporary Liquor License - Two River Habitat for Humanity - April 5, 2025

Temporary Liquor Permit - Knights of Columbus at Corky's Earlybird Softball Tournament
- May 2-4, 2025

Event Permit - Cinco de Mayo Celebration - May 3, 2025

Instrumentation and Control Support Services Agreement - AE2S

2025-2029 SCADA Services Agreement with Advanced

Engineering and Environmental Services, LLC (AE2S) to render Instrumentation and Control Services to the City of Owatonna Wastewater Treatment Facility through December 31, 2029. The agreement shall not exceed \$10,000 annually without prior authorization.

T-Hangar Lease Agreements: Jake Schile; Dahle Avenue Aviation, LLC; and Jake Thurnbeck, Scenic Concepts

1-Year & 2-Year Farmland Lease Agreements

276 acres – public bids received for crop years 2025-2026 Farm Land Leases:

<u>Renter</u>	<u>Bid Annual</u>	<u>Payment</u>
Levi Hunt	13A x \$341.00 (EDA)	\$ 4,433.00
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Levi Hunt	62A x \$361.00 (EDA)	\$ 22,382.00
David Janke	45A x \$359.00	\$ 16,155.00
Andrew Hunt	88A x 408.00	\$ 35,904.00
Andrew Hunt	31A x \$371.00	\$ 11,501.00
Andrew Hunt	24A x \$381.00	\$ 9,144.00

117.5 acres of farmland divided into several parcels located at the airport are not included in the bid process and not included in the biennial bid process for various reasons related to each piece including access, size and shape, and adjacent property considerations. The Airport Commission recommends a rate of \$255.00/acre for 2025

<u>Renter</u>	<u>\$255.00/Acre</u>	<u>Annual Payment</u>
Bob Cole	50A x \$255.00	\$12,750.00
Tyler Morgan	23A x \$255.00	\$ 5,865.00
Alison Jaster	16A x \$255.00	\$ 4,080.00
Duane Schroeder	20.5A x \$255.00	\$ 5,227.50
Andy Michaletz	8A x \$255.00	\$ 2,040.00

Certification 2025 Pay Equity Compliance Report

The report involves four tests: Completeness and Accuracy Test, Statistical Analysis Test, Salary Range Test, and Exceptional Service Pay Test. Notification received that the requirements of the Local Government Pay Equity Act M.S. 471.991 - 471.999 and Minnesota rules Chapter 3920 and are in compliance

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

Finance Report

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

\$ 23,273.33	Cargill Inc - road salt
27,178.55	Owatonna Area Chamber of Commerce
	- Lodging Tax December 2024 - \$17,178.55
	- EDA forgivable loan - exterior improvements \$10,000.00
118,851.06	SHI International Corp
	- Annual Microsoft Renewal - \$114,712.67
	- WWTP admin screens & KVM switch - \$4,138.39
151,939.22	Southeast Service Cooperative - February 2025 health ins premiums
20,032.89	Steele County Auditor - 4th qtr LEC expenditures
45,675.79	UKG Inc
	- Nov-April contract minimum fee - \$28,041.92
	- July-January usage overage - \$17,385.99
	- 2024-W2 shipping/postage - \$247.88
25,000.00	Uncaged VR & Game Lounge - EDA loan tier 1 & 2
35,510.20	US Bank - Entire organization monthly credit card purchases during Dec 2024/Jan 2025
<u>226,551.29</u>	<u>Other Expenditures</u>
\$ 674,012.33	Subtotal
108,734.06	HRA Housing Assistance Payments
\$ 782,746.39	Total Expenditures Presented for Approval

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

Second/Final Reading Proposed Ordinance 25-04: Amend Chapter 90, Animals – Prohibit Roosters

City Attorney Walbran presented Proposed Ordinance 25-04 amending Chapter 90, Title IX, of the 2015 Ordinance Code entitled "Animals" by amending Section 90.07 entitled "Obligation to Prevent Nuisances" prohibiting roosters within the corporate limits. The council approved the first reading of this proposed ordinance during their last meeting on February 18, 2025. Presence of roosters within the corporate limits of the city is a nuisance to the neighborhoods where the roosters are kept. The proposed ordinance is an amendment to our existing ordinance entitled "Obligation to Prevent

Nuisances” by making it clear that a rooster is included among the animals regulated under City Ordinance Code § 90.07. Member Svenby made a motion for approval, Council Member Boeke seconded the motion. With a roll call vote was taken, voting aye were Council Members Dotson, Burbank, Boeke, McCann, Svenby, Voss and Raney; No Nays; the motion carried. This will be known as Ordinance 1672 to be effective upon publication.

Resolution 10-25 Pension Increase Request - Owatonna Fire Fighters Relief Association

City Administrator Busse presented requested received from the Owatonna Fire Fighters Relief Association for an increase of \$1,000.00 in retirement pension. Guidelines previously approved by council r require the Fire Fighters Pension account be at a minimum of 120% funded with additional fund percentages to increase the pension lump sum. After the proposed increase of \$1,000, the fund will still be over 142% funded. This \$1,000 per year increase sets \$12,500 as a level of benefit. Council Member McCann made a motion for approval of Resolution 10-25 authorizing this pension increase, Council Member Dotson seconded the motion, and all members voted aye in approval.

Amend Resolution 129-24: State Appropriation - Acquire Flood Prone Properties

Community Development Director Klecker requested approval to Amend Resolution 129-24 for State Appropriations for Acquisition of Flood Prone Properties. In December, the City Council approved Resolution 129-24 to secure \$120,000 in hazard mitigation funds from the DNR that will be used to acquire and remove the home at 315 Lemond Road, which is within the floodplain. These funds cover 50% of the costs of the project. Staff would like to submit an amended application for an additional \$72,452.77, the remaining balance of funds currently available in the DNR program, to acquire another property in the floodplain. The DNR application requires the City amend the previously approved resolution verifying the City will match the grant funds. Staff estimate cost of acquiring and removing another property from within the floodplain will be \$225,000, this grant would cover about a third of the project cost. Council Member Svenby made a motion for approval, Council Member Burbank seconded the motion, all members voted aye in approval.

Professional Services Agreement - Airport Taxilane and Parking Lot Design - SEH, Inc.

Community Development Director Klecker requested approval of a Supplemental Letter Agreement with SEH, Inc. for professional engineering services for the design of airport taxilane and parking lot reconstruction. The scope of services provided for in the agreement includes the final design work, program coordination, preparation of construction plans and bidding documents, bidding services, and project management. The project consists of the reconstruction of two pavement surfaces at the airport:

1. Taxilane Reconstruction. This involves the reconstruction of pavement in the hangar area identified as TLA-002 in the MnDOT Aeronautics Pavement Condition Report indicating a very poor Pavement Condition Index (PCI) rating. Distresses include

alligator, block, and longitudinal and transverse cracking. (See figure in agreement for location depiction)

2. Parking Lot Reconstruction. This involves the reconstruction and expansion of the main airport parking lot and access road. The pavement has undergone a number of pavement maintenance crack sealing and sealcoats but has deteriorated to the point that the airport engineering firm now recommends reconstruction. Project will also expand the parking lot as planned to allow for additional parking areas for existing use and future development.

The professional services agreement for the design phase of the work is for a total lump sum fee of \$66,500.00 which are eligible for a combination of FAA and MnDOT Aeronautics grant funding, generally 95% federal with an additional 2.5% state funding. Anticipate the local share of the design agreement is anticipated to be \$3,725.00. Council Member Voss made a motion for approval, Council Member Dotson seconded the motion, all members voted aye in approval.

Change Order No. 1 - Dome Hangar Roof Replacement Project - Equity Builders

Community Development Director Klecker requested approval of Change Order #1 from Equity Builders for the Dome Hangar Roof Replacement. During the demolition of the existing roof on the dome hangar (Hangar 10), an additional layer of roofing was discovered and additional contractor labor and materials to create a proper surface for the new roof installation. Also, during installation of the new roof, it became evident that the existing structure lacked hurricane clips, which are necessary for the new roof system. To ensure the manufacturer's warranty compliance and durability, the installation of these clips was required. This unforeseen work was not included in the original project bid, but it is required to deliver a long-lasting and reliable roofing system. The airport engineering consultant has prepared and recommends approval of Change Order #1. The Airport Commission has reviewed and recommends approval, the construction contract will increase by \$44,358.70. It is anticipated that the additional cost will be eligible for up to 70% MnDOT grant funding participation already in place for this project. MnDOT policies allow them to amend the original agreement by 15% of the total project costs (\$264,931) which totals \$39,514.65 and therefore would not cover the entire requested amount. The anticipated local share of the cost of this Change Order is approximately \$13,307.61 with full MnDOT 70% participation or \$16,540.95 with partial MnDOT participation. Council Member McCann made a motion for approval, Council Member Burbank seconded the motion, all members voted aye in approval.

Food & Beverage Vendor Agreement - Chill-aqui at Brooktree

Park & Rec Director TW Dieckmann requested approval of a Food & Beverage Agreement for operations at the Brooktree Clubhouse for Chill-aqui at Brooktree. Staff have sought a new food & beverage vendor for Brooktree Golf Course since December 2024. Chill-aqui is a local vendor interested in our operation year-round, and have food and beverage experience, they used to operate a coffee shop on the north side of Owatonna that also served breakfast and lunch. The proposed agreement is for three years with two additional one-year options for a

total of five years. They will pay a monthly rental fee to the city to operate their business at Brooktree Clubhouse. Council Member Dotson made a motion for approval, Council Member McCann seconded the motion. Council Members Voss and Raney each commented they frequented their previous place of business and are looking forward to their operation of business at the golf course. With no additional comments, all members voted aye in approval.

On-Sale Liquor with Sunday Sales and Tobacco Licenses - Chill-Aqui at Brooktree - 1369 Rose Street

City Administrator Busse requested approval of the application received Request Council approval of applications received from Imanol De La Rosa for liquor and tobacco licenses at Chill-Aqui at Brooktree. Background verification was completed and Chief Mundale has no objection to the issuance of these licenses. Applicant in process of securing the required insurance for licensures to be effective April 1, 2025. Staff recommend approval contingent on receipt of the required Certificate of Insurance. Council Member Dotson made a motion for approval with the requested contingency. Council Member McCann seconded the motion and commented he looks forward them to be in operations within his ward, the Second Ward of the city. With no additional comments, all members present voted aye for approval.

Cedardale and Autumn Hills Lift Stations SCADA Programming Services

Public Works Director Murphy requested approval of an agreement with Advanced Engineering and Environmental Services, LLC (AE2S) for Cedardale and Autumn Hills Lift Stations SCADA Programming Services. These lift stations have 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. Services allow staff to effectively utilize equipment, cost is not to exceed \$43,400 without prior authorization. Council Member Boeke, Council Member McCann made a motion for approval, Council Member McCann seconded the motion and all members voted aye in approval.

Agreement - Frontage Road and Heritage Drive Lift Station Electrical Improvements - Advanced Engineering and Environmental Services, LLC

Public Works Director Murphy requested approval of an agreement with Advanced Engineering and Environmental Services, LLC (AE2S) to provide professional engineering services for the Frontage Road and Heritage Drive Lift Stations Electrical Improvements. The City of Owatonna has been working with AE2S to update the City's 16 lift station's components to allow for SCADA integration to improve efficiency in management of the collections system. This is the third year, our budget includes funds to renovate two lift stations, the Frontage Road and Heritage Drive Lift Stations are the two lift stations slated for these improvements this year. AE2S will provide professional services related to the design,

bidding, construction administration, and programming of these updates. The total is not to exceed \$78,800 without prior approval from the City of Owatonna. Council Member Burbank made a motion for approval, Council Member Voss seconded the motion. Council Member Voss requested confirmation this is to update the electronics of each lift station; Murphy confirmed this will replace the electronic control panels that are more than 20 years old and out of compliance. With no additional comments, all members voted aye in approval.

Personnel Policy Revisions

Human Resources Director Thamert requested adoption of three Personnel Policy revisions:

1. 8.2 Paid Time Off (PTO) - Allow leave donation for employees receiving workers' compensation or disability leave benefits.
2. 6.3 Calculation and Compensation of Overtime - correct policy language to align with prior version approved in 2023.
3. 6.2 Overtime – correct policy language to align with prior version approved in 2023.

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

Request for Letter of Intent - Retail Cannabis Business - Red Pine Group, LLC

City Administrator Busse requested Council consideration and approval of request received from the Red Pine Group, LLC (RPG) for a Letter of Intent regarding a retail cannabis business. RPG, its affiliates, or any of its designees and the city agree to work towards executing various agreements including but not limited to a Sale-Leaseback performed by Koach Capital (PSA), Operating Agreement, Master Services Agreement (MSA), License Agreement with the State of Minnesota. Included in the agreement for Expenses:

- a) RPG and Municipality shall pay its own costs and expenses incurred (including any broker's fees, finder's fees and the fees and expenses of its lawyers and other advisors).
- b) All incurred fees shall be mutually agreed upon such as acquisition fees, closing costs and advisors, will be included in enterprise value and deducted from proceeds at closing.

The agreement is a non-binding agreement and includes schedule and requirements to be included in the agreement.

Council received a presentation from the Red Pine Group, LLC during the study session prior to this meeting. Council Member Dotson commented he is opposed to the city operating a retail cannabis business and requested funds received not be classified as revenue but as offset funds. City Walbran commented the company operating the business will be required to meet required compliance checks. Council Member McCann that he has some concerns about this but wants to pursue the option for business operations. Council Member Svenby asked if decision is made that this is not a good fit for the city, is there an option to end the agreement. City Administrator Busse explained this is a non-binding letter of agreement with

No cost incurred; costs would incur if an agreement were made and then decision to work with another company. RPG operates multiple facilities within numerous states and has insurance secured for operation within Owatonna. Council President Raney commented legislation approved for retail cannabis operation were vague, but many of his questions were answered during the RPG presentation prior to tonight's council meeting. Council Member Burbank made a motion for approval, Council Member McCann seconded the motion; six members voted aye, Council Member voted nay and the motion carried.

STAFF COMMENTS

Community Development Director Klecker gave brief update of projects currently in process. Valuation of Construction Permits for 2025-to-date was \$17 million at the end of February. The mild weather has allowed a lot of projects to be completed during the winter months. Council President asked if he has set a goal to reach \$100 million this year; Klecker responded January and February were on track to reach this goal.

Park & Rec Director Dieckmann commented the city's ice rinks have closed for the season. Interviews are in process for seasonal spring/summer positions. Dieckmann commented Community Development Director Klecker recommended Chila Aqui be contacted about operating at the Brooktree Golf Course and thanked him for this. Facilities and Park staff have been conducting a deep clean at the clubhouse as they prepare for the new tenants. Park staff is also clearing tree debris and has removed the holiday decorations in the downtown area.

PUBLIC COMMENTS

Carol Hackman, 2058 St Paul Road commented she is disappointed with the banning of roosters from within the city. She agrees animals should be under control but if the city wants to ban animals it should be those displaying excessive and inappropriate behaviors. Many dogs and cats create more nuisances than a rooster would. Raising chickens is not just a hobby for many families, they rely on the meat and eggs they provide and roosters provide protection for their flocks.

Chad Parrish, 558 East Academy Street commented he is profoundly disappointed the ordinance was approved to ban roosters. Our egg supplies will be limited and currently egg prices have risen affecting many local residents.

Roger Wasek, 646 E Vine commented there is a desperate need of Adult or Community Education classes in Energy Science. He encouraged residents to contact all your City Council member(s) to request a tour of Owatonna's Sewage Treatment Plant with someone that can explain Combined Heat & Power (CHP) from the biogas produced in the digester tank. Contact County Board member(s) and ask when we'll have a repeat of the Community Education fall 2019 class "Minnesota Goes Green - Recycling & Organics Facility Tour!" And also, call Owatonna Public Utilities Commissioner's Board member(s) and ask when we'll have a tour of St. Paul's Regional

Energy Facility. With Minnesota's 100% Carbon Free by 2040" law the last tour is the most important for educating an energy ignorant society addicted to fossil fuel.

Melissa Zimmerman, 2525 Stony Creek Drive, commented that tonight she heard that a restriction will be placed on the location of a cannabis retail operations, nothing within 500 feet of a daycare center and 1,000 feet of a school to prevent potential risk to children. If 29th Avenue is chosen for route of the proposed east side corridor, the road right-of-way will be within 17 feet of current homes. This route is not safe so close to our established neighborhood where homes have been built and many children play. Also, if Minnesota Noise Regulations are followed, there should be a 1,000 feet buffer, the preferred route for this corridor should be 34th Avenue to protect our families.

Matt Sennott: 2519 Stony Creek Drive commented he is one of one hundred and fifty residents who signed their petition opposed to the county building a road within 17 feet of current homes. Residents will vote if they want a noise wall and yes, they will. They filed a Data Request with the county and have received copies of e-mails with answers to some of the questions they have been asking for many years. An internal e-mail from the lead engineer on this project shows he would request one a noise wall. From a cost standpoint it would be better to not incur the cost to build a noise wall but if the residents vote in favor of such, it will be required. We have also filed a Data Request with the city for any correspondence regarding this project.

Kesiah Winters, 345 Broadway Street commented chicks are currently being sold at Fleet Farm and sexing chicks is difficult, many will be surprised when their requested hens begin to crow.

MAYOR AND COUNCIL COMMENTS:

Council Member Voss thanked Police Chief Mundale, Fire Chief Hoffman and all staff present tonight, he is honored to serve the city with all of them.

Mayor Jessop commented he was very honored to be a part of the swearing-in-ceremony, he felt humbled and privileged to be part of the ceremony.

City Administrator Busse commented it was a special recognition and congratulated Police Captain DuChene and Fire Commander Staska.

Council President Raney also commented it was also a fun ceremony and thanked all city staff for being present, majority of the city's fire fighters and police officers were in attendance.

At 8:20 p.m., Council Member Burbank made a motion to adjourn, Council Member Dotson seconded the motion and with no objection, the meeting ended.

Respectfully submitted, Jeanette Clawson, Administrative Coordinator