



CITY COUNCIL MEETING
Tuesday, May 6, 2025 at 7:00 PM
Council Chambers, City Hall at 540 West Hills Circle
Roll Call: Council Members Boeke, McCann, Svenby,
Voss, Dotson, Burbank, and Raney

PLEASE NOTE: At 5:30 p.m. Council will meet in a Study Session in Council Chambers, City Hall at 540 West Hills Circle. Topic of Discussion will be plans for the 18th St SE Reconstruct Project during 2026.

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

1.1. Council Agenda

1.2. Mayor Jessop

1.2.1. Proclamation - Frontline Worker Month - May 2025

1.2.2. Proclamation - 2025 Owatonna Walk to End Alzheimer's Kickoff Day - May 7, 2025

1.2.3. Proclamation - National Travel and Tourism Week - May 4-10, 2025

1.2.4. Recommend Board/Commission Member Reappointments & New Member Appointment

2. CONSENT AGENDA ITEMS

2.1. Minutes – Council Meeting – April 15, 2025

2.2. Board/Commission Minutes

2.2.1. HRA Board Minutes - January 27, 2025

2.2.2. EDA Minutes - January 15, 2025

2.2.3. Airport Commission Minutes - January 16, 2025

2.2.4. Airport Commission Minutes - February 20, 2025

2.2.5. Airport Commission Minutes - March 20, 2025

2.2.6. Planning Commission Minutes - April 8, 2025

2.3. Department Reports:

2.3.1. Police Crime Clock and Statistics - April 2025

2.3.2. Building Inspections Reports - April 2025

2.4. Licenses/Permits

2.4.1. Retail Fireworks License - Lowe's

2.4.2. Retail Fireworks License - Target

2.4.3. Retail Fireworks License - Cash Wise

2.4.4. Renew Annual Tree Trimmer Permit - Sargents, LLC dba Strobel Tree & Boom Services

2.5. Miscellaneous

- 2.5.1. Renew Joint Powers Agreement - MN Department Public Safety Human Trafficking Investigators Task Force
- 2.5.2. Business Associate Agreement - National Insurance Service
- 2.5.3. Utility Disconnection Agreement for Renneberg Hardwoods - 1430 State Avenue

3. **ACTION ITEMS**

3.1. Finance Report

3.2. Ordinances

- 3.2.1. Second/Final Reading Proposed Ordinance 25-07: RZ-10 a PUD Request at 631 Cedar Avenue N - CRK Properties

3.3. Resolutions:

- 3.3.1. Resolution 20-25: Accept Bids and Award Contract - 2025 Street Maintenance Project
- 3.3.2. Resolution 21-25: Accept Bids and Award Contract - CIP Overlay Project
- 3.3.3. Resolution 22-25: Authorization to Execute the MnDOT Grant Agreement for Federal Airport Expense Reimbursement
- 3.3.4. Resolution 23-25: Lakeside Foods Notice of Violation
- 3.3.5. Resolution 24-25: Appoint Fiscal Agent - Bond Trust Services Corporation
- 3.3.6. Resolution 25-25: Preliminary Plat - Renneberg Hardwoods Addition

3.4. Miscellaneous

- 3.4.1. University of Minnesota Local Options Sales Tax Study Agreement
- 3.4.2. Accept Proposals and Award Contract - Overlay Prep Project
- 3.4.3. Accept Proposals - Installation of Fiber Optic Cable - Central Park Bandshell
- 3.4.4. Main Lift Station Improvements Study - Nero Engineering
- 3.4.5. Tymco 600 Street Sweeper Purchase - Environmental Equipment & Services
- 3.4.6. Appoint Municipal Advisor - Ehlers Associations, Inc.
- 3.4.7. Personnel Policy Revision - Health Insurance Benefit Effective Date

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**



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Mayor Jessop



Mayor's Proclamation

WHEREAS, frontline workers are the builders of our community, exercising curiosity, compassion, courage, and creativity to provide essential services that ensure the safety, health, and education of our residents; and

WHEREAS, over 9 million healthcare workers across the United States serve in hospitals, clinics, and long-term care facilities, often placing themselves at risk to provide lifesaving care; and

WHEREAS, firefighters respond to an estimated 36 million emergency calls each year, over 800,000 sworn law enforcement officers nationwide work tirelessly to uphold the law and ensure public safety, and emergency medical services (EMS) personnel respond to more than 240 million calls annually; and

WHEREAS, teachers dedicate their careers to shaping the future of our communities, with over 3.7 million educators in the U.S. providing knowledge and guidance to our youth; and

WHEREAS, frontline workers embody the essence of Builders - flexible thinkers and constructive problem solvers who respect the dignity of all people — by dedicating themselves to overcoming challenges and uniting communities.

NOW, THEREFORE, I, Matt Jessop, Mayor of the City of Owatonna do hereby proclaim the month of May as

FRONTLINE WORKER APPRECIATION MONTH

in the City of Owatonna and encourage all residents to join in recognizing and honoring the heroic contributions of our healthcare workers, firefighters, law enforcement officers, EMS personnel, and teachers.

Dated: _____

Matthew T. Jessop, Mayor





Mayor's Proclamation

WHEREAS, nearly seven million Americans are living with Alzheimer's, and

WHEREAS, one in three seniors dies with Alzheimer's or another dementias, and

WHEREAS, this year, care for those with Alzheimer's and other dementias will cost the United States \$260 billion, and

WHEREAS, Paint the Town Purple is a campaign that focuses on different topics related to Alzheimer's disease such as: educating the basics of Alzheimer's exploring the causes and reduction; finding resources for caregivers and understanding clinical trials, and

WHEREAS, the Alzheimer's Association Owatonna Walk Committee is participating in this campaign with this Walk Kickoff in advance of the Paint the Town Purple Event, June 1st-11th and this year's Owatonna Walk to End Alzheimer's to be held on September 27th. This walk is to raise awareness and funds for Alzheimer's care, support and research.

NOW, THEREFORE, I, Matt Jessop, Mayor of the City of Owatonna hereby proclaim May 7th as the

2025 Owatonna Walk to End Alzheimer's Kickoff Day

and I call upon all residents of Owatonna of all ages and abilities to join in the fight against this disease. I hereunto set my hand and caused the City's seal to be affixed.

Dated: _____

Matthew T. Jessop, Mayor





Mayor's Proclamation

WHEREAS the travel industry is essential to the success of every industry and will continue to be a critical part of Owatonna and Steele County Minnesota's economy, development, and workforce, and

WHEREAS travel is an economic powerhouse for every state and destination across the country, with an economic output of \$2.9 trillion, supporting 15 million American jobs, and

WHEREAS travel spending supports vibrant and safe communities in Owatonna and Steele County and across the United States by generating \$89 billion in state and local tax revenue in 2024 to support essential services, such as education, emergency response, public safety and more, and

WHEREAS travel enables success for all industries (including manufacturing, agriculture, defense, healthcare and more) by driving sales growth, innovation, education and operations that power our economy, our nation, Steele County and the City of Owatonna, Minnesota, and

WHEREAS Steele County Minnesota employed 1,104 individuals in the travel industry in 2023, and \$124 million dollars were spent in the travel and tourism industry in Steele County in 2023, and \$10.7 million dollars in taxes were collected in Steele County due to the travel industry, and

WHEREAS America's travel industry cannot be globally competitive without maximizing growth in leisure, business, and international inbound travelers; increasing travel to and within the United States drives our economy to a more prosperous future and connects America, and

WHEREAS One in every 11 U.S. jobs depends on travel, making it a critical driver of America's economy and a force for connection and opportunity, and

WHEREAS travel is an essential industry, and we must continue to communicate that growing travel leads to economic growth, benefits businesses, fosters mutual understanding, and connects the nation.

Therefore, I, Mayor Matt Jessop do hereby proclaim May 4-10, 2025 as

National Travel and Tourism Week

in Owatonna, Minnesota and urge the citizens of Owatonna and Steele County to join me in recognizing the essential role this industry plays in our community.

Dated: May 5, 2025

Matt Jessop, Mayor





DATE: May 6, 2025
TO: Mayor and City Council
FROM: Mayor Matt Jessop
SUBJECT: Recommend Board/Commission Member Reappointments & New Member Appointment

Purpose:

Annually, the terms of various board/commission members expire and reappointment of the current members or new members are sought.

Background:

Recommendations for reappointment:

- Airport Commission - Tim McManimon and Matt Thurnau
- Human Rights Commission - Sherry Hill
- Park & Rec Board - Tyler Cochran, Eileen Wohlenhaus and Johathan Thiel
- Planning Commission - David Effertz
- Public Library Board - Julianna Skluzacek
- Public Utilities Commission - Jay Johnson
- Shade Tree - Gary Schwartz, Ron Segner and Nikk Dickerson
- West Hills Commission - Nancy Vaillancourt and Sara McKay

Recommendation for new member appointments:

- Human Rights Commission - Josiah Hult

Thank you to previous members whose terms expired this year and are not eligible to serve another term as the city's Code of Ordinances limits the number of successive terms an individual can serve on a board.

- Jim Gunderson - Human Rights Commission, first appointment November 7, 2017
- Trudy Severson - Library Board, first appointment May 3, 2016

Interviews were just completed for the opening on the Library Board and recommendations for appointment will be made during the next Council Meeting. Currently, application is posted on the city's website for openings on the Fire Code of Appeals & Civil Service Board, Housing & Redevelopment Authority, and the Planning Commission. There will also be an opening on the EDA at the end of September.

Budget Impact:

None.

Staff Recommendation:

Staff recommends approval.

Attachments:

None



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Consent Agenda Items



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Council Minutes

Owatonna City Council Minutes
April 15, 2025 - DRAFT COPY

On Tuesday, April 15, 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, Burbank, Boeke, McCann, Dotson, Svenby and Raney; City Attorney Walbran; Public Works Director Murphy; Community Development Director Klecker; Finance Director Buns Human Resource Director Thamert; Communications Manager Sheely; Facilities manager Louks; Assistant City Administrator Tuma, IT Technology Specialist Inz; City Administrator Busse, Administrative Coordinator Clawson. Mayor Jessop was unable to attend.

Following the roll call, Council Member McCann made a motion to approve the agenda as presented, Council Member Svenby seconded the motion, all members voted aye in approval.

Public Hearing - Modify Development District No. 3, Establish Tax Increment Financing District 3-18 and Use of Tax Increment Funds

Council President Raney advised there will be a public hearing for comments regarding the Modification to Development District No. 3, Establish Tax Increment Financing (TIF) District 3-18 and Use of TIF. Community Development Director Klecker commented Sputtering Components is proposing a 12,460 square foot addition to their current facility on Alexander Drive in the Industrial Park. The addition will consist of 7,000 square feet of office space and 5,460 square feet of manufacturing space. The addition will allow the company to add five engineers and ten additional production workers. The company is requesting tax increment finance to assist with the costs of their addition. The total TIF amount generated for this project is estimated at approximately \$260,000 over a 9-year period.

At 7:02 pm, the public hearing was opened. With no comments heard, at 7:03 Council Member Boeke made a motion to close the public hearing. Council Member Dotson seconded the motion, and all members voted aye in approval.

Resolution 17-25 Modify DD 3, Establish TIF 3-18 and Use of TIF

Community Development Director Klecker requested approval of Resolution 17-25 approving the modification of Development District No. 3, approving the adoption of a modified Development Program therefore; establishing Tax Increment Financing District No. 3-18 (Sputtering Components) within Development District No. 3 as modified; approving the Tax Increment Financing Plan. Council Member Boeke made a motion for approval, Council Member Burbank seconded the motion, all members voted aye for approval.

Development Agreement - Sputtering Components, Inc.

Community Development Director Klecker presented a Development Agreement with Sputtering Components, Inc. for approval Council Member Boeke made a motion for

approval, 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 – April 1, 2025

Fire Department Monthly Dashboard and Activity Report - March 2025

Building Inspection Monthly Report- March 2025

Event Permit - Farmer's Markets - Saturday Mornings in Central Park May through October 2025

Event Permit - Live Music at the Zamboni Event Center - May 10, 2025

Event Permit - Smokin' in Steele Blues & BBQ - May 30 and 31, 2025

Temporary Liquor Permit - Knights of Columbus - May 29 - 31, 2025

Event Permit - 2025 Downtown Thursday Events - June 5, July 3, August 7 and September 4, 2025

Event Permit - Ride for Hope - Wenger Corp & Owatonna Eagles - July 12, 2025

Event Permit - Steele County Public Health/Spero in Central Park - September 6, 2025

Ice Cream Vendor Permit - Fun on Wheels dba Kona Ice

Outdoor Public Fireworks Display - Steele County Agricultural Society - July 4, 2025

Tree Trimmer Permit - Middle River Tree Service - Pine Island MN

Stormwater Facility Maintenance Easement Agreement - Sputtering Components

Sputtering Components, Inc. facility at 375 Alexander Drive SW. The City requires that on-site stormwater management must be maintained by the property owner to meet the requirements of the MS4 permit held by the City. The property owner agrees to the terms and conditions as outlined in the attached agreement.

Proposal Stormwater Modeling Carriage Lane & Partridge Avenue - Barr Engineering Co.

An agreement for Barr Engineering Co. performs stormwater modeling and infrastructure evaluation for the Carriage Lane and Partridge Avenue area. In 2020, Barr performed Hydrologic and Hydraulic (H&H) modeling of the Partridge Ave Study Area and Carriage Lane Homes flooding issues. The City used the results of this study to construct a dry retention basin to the west of Partridge Avenue, to mitigate flood issues at this private development. This model update and analysis is necessary to evaluate existing and proposed conditions and necessary pond modifications related to the future land use changes from an approximate 10-lot affordable housing development. This will ensure downstream homes remain unaffected as much as feasible, while meeting current stormwater requirements. Total cost of these services will be \$19,400.00.

Renew Parking Lot Lease - W Main Street - Brian and Susan Stendel

Parking lot lease for public parking spaces on West Main Street. The City began this lease for parking spaces from Brian and Susan Stendel when they purchased the former jail property. There are 24 parking spaces in the lot which is signed for public

parking and is usually full every day. The City would be responsible for clearing snow in the parking lot. The property owner is responsible for clearing snow on the rest of the private property. This lease agreement is a 12-month lease to end April 30, 2026. Payment will be the same rate as last year, \$23.00 per stall per month. This lease is for 12 months for a total of \$6,624 which will be paid by the EDA.

Renew License Agreement - Blue Jay Transit USFM LLC dba Bird

License Agreement for electronic scooters. The City has a current license agreement with Blue Jay Transit USFM LLC dba Bird which can be extended to December 31, 2025 upon renewal. They plan to have 100 scooters available within Owatonna, the same amount as last year. The City will receive a License Fee of \$3,000 based on 100 scooters. This is a private business and therefore there are no expenses for the City.

Renewal Airport Land Lease - Federated Mutual Insurance Company Sign

The City entered into an Airport Land Lease agreement with Federated Mutual Insurance Company in September, 2005. The agreement allowed for the installation of an advertising sign located on the airport property. The Lessee has submitted notice of intent to exercise the option to renew the Lease for an additional twenty (20) year term. The Lessee agrees to abide by all terms and conditions of the original Lease except to the extent as modified by the renewal agreement. The rental fee provided for in the agreement represents a total of \$3,600.00 of annual rental revenue. The rent shall adjust annually at a rate of 2.5% for the term of the agreement.

Renew Lease Agreement - Rice/Steele County 9-1-1 Center

The Rice/Steele 911 Center will be moving the primary dispatch center to Rice County (former LEC building) sometime in the spring of 2026. They have requested a lease extension until such time as the space is ready for occupancy. The lease terms remain the same except for the following:

- Lease term is extended on a month-to-month basis. They will provide a 60-day written notice of their intended move-out date.
- Steele County has been removed as a landlord
- Includes an option for the dispatch center to use the current dispatch floor area as a back-up site at no charge.

Rent is \$19.00 per square foot. The leased space is 3,136 square feet for a total annual installment of \$59,584

Council Member Boeke made a motion to approve these Consent Agenda items; Council Member McCann 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.

\$ 23,383.92	Central Farm Service - fleet fuel
36,726.00	Dakota Supply Group - (200)sanitary sewer lids

115,212.00 League of MN Cities Ins Trust - Quarterly Workers Comp
premium - April -June 2025
103,770.03 Macqueen Equipment Co
- refurbish ladder truck #9704 - fire department \$103,324.37
- miscellaneous supplies - \$445.66
22,175.00 Paape Companies Inc - West Hills continuum conversion
174,979.03 Other Expenditures
\$476,245.98 Total Expenditures Presented for Approval

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

Second/Final Reading Proposed Ordinance 25-05: Chapter 120 Charitable Gambling, Section 120.07 Premises Permits Limitations

City Administrator Busse requested approval of Proposed Ordinance 25-05 to increase the number of charitable gambling premises permits from five per organization to eight in licensed liquor establishments. Council approved the first reading of this proposed ordinance during the April 1, 2025 Meeting and there have been no changes since. Council Member Dotson made a motion for approval; Council Member Voss seconded the motion. With a roll call vote, voting aye were Council Members Burbank, Boeke, McCann, Svenby, Voss, Dotson, and Raney; No Nays; the motion carried. This will be known as Ordinance 1672 to be effective upon publication.

Second/Final Reading Proposed Ordinance 25-06: Adopt S-8 Supplement to the 2015 Ordinance Code

City Attorney Walbran presented Proposed Ordinance 25-06 for approval. This ordinance will adopt Supplement 8 to the 2015 City Code of Ordinances completed by American Legal Publication. Supp-8 includes 22 ordinances approved since adoption of Supp-7 in October 2023; the last ordinance included is Ordinance #1666, passed December 2, 2024. Council approved the first reading of this proposed ordinance during the April 1, 2025 Meeting and there have been no changes since. Council Member Voss made a motion for approval; Council Member Burbank seconded the motion. With a roll call vote, voting aye were Council Members Burbank, Boeke, McCann, Svenby, Voss, Dotson, and Raney; No Nays; the motion carried. This will be known as Ordinance 1673 to be effective upon publication.

First Reading Proposed Ordinance 25-07: RZ-10 a PUD Request - 631 Cedar Avenue N - CRK Properties

Community Development Director Klecker presented the first reading of Proposed Ordinance 25-07, a zoning change at 631 Cedar Avenue North. Christine Rotthoff of CRK Properties LLC requested a change in the zoning of this property located from I-1 Light Industrial District to PUD, Planned Unit Development. The purpose of this change is the continued operation of a multi-use facility, including office spaces, contractor spaces and an educational facility. Choice Technical Academy Space wishes to relocate into space

previously occupied by Steele County Community Corrections; the property be rezoned in order to accommodate this new user. The school currently has 51 students enrolled and 15 staff members. The Planning Commission held a public hearing on this request, RZ-10, during their meeting on April 9, 2025 and recommend approval with these conditions:

- 1) All building codes shall be met at all times.
- 2) All exterior signs require a sign permit.
- 3) All drop-offs will need to occur in private parking stalls unless it is a school bus and permitted by State Statute.
- 4) The properties shall be combined into one lot in order to remove all property lines from inside the building prior to any new tenants occupying the space.
- 5) All future uses shall be in compliance with the current underlying zoning district or an amendment to the PUD is required.

Council Member McCann made a motion for approval; Council Member Boeke seconded the motion. With a roll call vote, voting aye were Council Members Burbank, Boeke, McCann, Svenby, Voss, Dotson, and Raney; No Nays; the motion carried. The second/final reading of this proposed ordinance will be heard during the next Council Meeting.

Resolution 18-25 Changes to Parking on Main Street by Court Avenue

Community Development Director Klecker requested approval of Resolution 18-25 authorizing changes in the parking spaces within the 100 block of Main Street East. City Engineer Murphy shared request received with County Engineer Sponholz; the Engineering Department recommends the removal of two parking spaces on the westbound parking lane, east of the Court Ave crosswalk, the easternmost parking space on the eastbound parking lane, west of Court Ave and loading zone spaces and allocating the westbound parking space just west of the Court Ave crosswalk as an accessible space. The City will incur minor expenses; the Street Department will update signage and amend the striping within the area. The Planning Commission, who serves as the Downtown Parking Committee, recommend approval. Council Member Boeke made a motion for approval; Council Member Voss seconded the motion; all members voted aye for approval.

Resolution 19-25: Accept Bids & Award Contract Project #25001 Street & Utility

Public Works Director Murphy presented Resolution 19-25 to accept the bids and award the contract for the 2025 Street & Utility Project. Seven bids were received on April 9, 2025 for this project. The lowest responsible bidder was Wencil Construction, Inc. with bid \$1,809,858.40; this bid was 16.7% under the Engineer's Estimate. Project will be financed through a combination of City Funds, OPU reimbursements, and Special Assessments. 39 property owners will be affected. Council Member Boeke made a motion for approval; Council Member Burbank seconded the motion; all members voted aye for approval.

2025-2027 Strategic Plan

City Administrator Busse requested approval of the City's 2025-2027 Strategic Plan. Council met with the leadership team for annual Strategic Planning sessions in February and March. Through a facilitated discussion, they evaluated current strategic planning needs and identified top priorities. This plan identifies five strategic priorities with outcomes, goals and strategies for each. The plan will take shape through its outcomes, strategies and goals:

- Outcomes refer to the desired result that will be achieved. These aspirational declarations represent positive change and define the realization of the City's Purpose and Values.
- Strategies will be realized through deliberate planning and actions. They are flexible and adapt and adjust to changing and evolving conditions.
- Goals are designed to include specific action items that can be tracked and measured. These cross over every department in the organization.

The five Strategic Priorities identified are:

- 1) Our Public Amenities
- 2) Economic Prosperity
- 3) Financial Security
- 4) A Premier Employer
- 5) Our Neighbors

The Council reviewed this proposed plan during their Study Session prior to the last Council Meeting on April 1, 2025. Council Member Voss made a motion for approval; Council Member McMann seconded the motion; all members voted aye in approval. Council President Raney thanked the Department Directors for meeting with the Council and Mayor to prepare the Strategic Plan and all staff for supporting it.

City Administrator Search Process

Human Resources Director Thamert presented a proposal for the search process for a City Administrator. City Administrator Kris M. Busse will be retiring effective August 7, 2025. In accordance with City Charter, the city council shall appoint a city administrator. Council President Raney requested the city's Human Resources team develop a proposed search process with August 11th as the target start date. Council Member Dotson made a motion for approval; Council Member McCann seconded the motion; all members voted aye for approval.

Accept Bid - Overhead Garage Door Replacements

Facilities Manager Louks presented bids received for the replacement of ten overhead garage doors. The doors were evaluated in 2023; the overall condition of these doors was marked as failing and poor. Two bids were received, the low bid of \$48,675 was received from Overhead Door Company of Olmsted County. Council Member Dotson made a motion for approval; Council Member Svenby seconded the motion; all members voted aye for approval.

WWTF Expansion Change Order #20 - Rice Lake Construction Group

Public Works Director Murphy requested approval of Change Order #20 received from Rice Lake Construction Group for the Wastewater Treatment Facility Expansion Project. Work Change Directives (WCDs) are created to address construction issues, design clarifications, and interdisciplinary coordination, or errors and/or omissions. Change Order #20 consists of two WCDs:

- 137 - Replace 24" Air Piping between Process Building and Aeration Basins
This included a 24" pipe at a substantial cost.
- 139 - Biogas Area Changes

The total budget impact of Change Order #20 is \$586,291.62; the revised total contract cost is \$58,171,019.53 which is a 4.40% increase from original contract. Murphy commented that the project is progressing well and staff is confident will meet the October construction deadline and finalize next January. Council Member Boeke made a motion to approve the change order, Council Member Dotson seconded the motion, all members voted aye for approval.

2025 CIPPS Project Change Order #1 – Hydro-Klean

Public Works Director Murphy requested approval of Change Order #1 received from Hydro-Klean for the 2025 CIPPS Project. The bid approved during the March 18, 2025 Council Meeting was \$176,697.46 (36%) under the Engineer's Estimate. An additional 5,342 linear feet of lining was identified and Hydro-Klean agreed to add the work for an increase in Mobilization of \$5,279.46 and Pre-Cleaning, Television and Lining would be performed at the per unit contracted cost. The change order total is \$177,879.48, bringing the project cost to \$490,670.82. Council Member Voss made a motion for approval and Council Member Burbank seconded the motion. Council Member Boeke thanked staff for preparation of the project and Council President Raney added that bids received last year were too high, so no project was done, now this year's bids were lower than expected allowing completion of a larger project than originally planned. With no additional comments, all members voted aye for approval.

Agreement - Frontage Road & Heritage Place Lift Station Electrical Panels - Integrated Process Solutions, Inc.

Public Works Director Murphy requested approval of an agreement with Integrated Process Solutions, Inc (IPS) to provide professional services for the Frontage Road & Heritage Place Lift Station Electrical Panels which are at the end of their service life and require control panel replacement and electrical system updates to implement SCADA systems throughout the collections system and WWTF. SCADA integration will allow for more efficient management of the collections system. The City has been working with IPS and AE2S for the replacement of electrical panels for multiple lift stations over the past year. When the City initially received proposals, IPS had the lowest cost and highest score. Staff has been satisfied with the work completed thus far.

Proceeding with IPS for additional control panel replacements will allow for consistency between lift station control panels. IPS has submitted a proposal to manufacture the lift station panels. The vendor held the price firm with minimal cost variation to the competitive proposal from May of last year. The cost for the Frontage Road Lift Station is \$69,944 and the Heritage Place is \$73,944 for a total cost of \$143,888. Council Member Dotson made a motion for approval, Council Member Svenby seconded the motion; all members voted aye in approval.

Proposal for Geotechnical Engineering Services on 18th St SE Reconstruct – Terracon Consultants, Inc.

Public Works Director Murphy requested approval of the 18th St SE Geotechnical Engineering Services Agreement with Terracon Consultants, Inc to perform subsurface exploration, laboratory testing, geotechnical consulting and reporting services on the 18th St SE Reconstruct Project. Terracon will provide geotechnical consulting services as outlined in the agreement to make soil preparation and pavement design recommendations for the 18th St SE Reconstruction project. Recommendations provide City staff and the design team with necessary information to engineer the longest possible life expectancy of infrastructure and roadways included within the project. The total cost of services in the agreement is \$26,500. Council Member Dotson made a motion for approval, Council Member Boeke seconded the motion; all members voted aye in approval.

STAFF COMMENTS

Community Development Director Klecker commented that staff provided information during the Relator's Group last week. They shared a map displaying current lot availability, there are about 80 lots available to build (platted but no utilities in place for construction), 108 vacant lots that have been purchased by neighboring property and not actively being marketed for sale. Historically, we are low on number of lots available. When we had the recession, we had a lot of lots available but now we wished there were more lots available, or that some of the platted lots would be made available. To address some of the existing lots, we approved a grading plan allowance, this \$2,500 incentive program will offset fees incurred for the grading permit. We want to push this out for the builders to promote. Last year, during a work session we discussed options to place infrastructure for new developers which included the City financing for a 5-year period to allow developers to consider more residential development. We are currently working with a developer and hope we can provide some tools to get them over the hurdle and offset some costs. The city owns land off Partridge Avenue which was purchased for a storm pond but there are some residential lots around it which could be developed. Looking to see if the price point could be adjusted to \$250,000 for a new home. We previously haven't pursued this as an option to encourage residential development, so we are working with several partners.

Council Member Boeke asked how the cost of lot in Owatonna compared to surrounding cities?

Klecker responded that the infrastructure costs are similar but land costs more if it is closer to the metro area. Land costs are rising and availability for residential development is limited. Property owners surrounding the city may not be interested in selling to the city or they have a price set which we haven't agreed to. We hope there are some spots where we can agree which will enhance development potential.

PUBLIC COMMENTS

Melissa Zimmerman, 2525 Stony Creek Drive commented that when she was in high school she did a lot of math problems and now she has been trying to solve a lot of problems again. She commented that the City has allowed the County to give more power to the rural people in the proposed East Side Corridor Project. Our neighborhood will continue to fight to protect our homes, your actions will decide how long we will be fighting.

Matt Sennott, 2519 Stoney Creek Drive asked Council to stop representing those who have not voted for them. Steele County removed federal funds from the proposed East Side Corridor Project and plans for a noise barrier wall which would have protected 150 homes within the city were removed. The County Engineer said if it was up to him, there would be no noise mitigation at all. Several weeks ago, plans were almost finalized but then the county moved federal funding to another project. Hold your partner Steele County accountable and get this project done the right way

Gary Jones, 995 Ridge Road, commented that he has participated in two Council Study Sessions with the City's Park & Rec Director and other staff members participating. A lot of good things were changed in the proposed Deer Management Plan, and I want to say thank you. However, the changes needed are not complete, Mineral Springs should not allow hunters when it is dark. Currently, the plan allows hunters to be out 30 minutes prior to sunrise and 30 minutes past sunset when it is too dark for eyes to adjust. It would be OK if you are in Leo Rudolph where there are no trees but in Mineral Springs Park, there are a lot of trees, and it is dark. He requested the allowed hunting time start half an hour later and end half an hour earlier, to start at sunrise and end at sunset.

Kurt Welker, 245 East Lane thanked council for the Lot Incentive Program with subsidy payment towards infrastructure costs. This week he finalized construction plans for one new single-family home and has plans pending for three more. The Incentive Program is working and hopefully it will be offered in future years; we currently have five more lots available. We have spent money on these lots and hope that someone will want to use them for their new build. One of the priorities in the city's Strategic Plan is to seek housing solutions; please share the Strategic Plan to help achieve this goal.

MAYOR AND COUNCIL COMMENTS:

Council President Raney thanked everyone for attending the meeting. At 7:53 p.m., Council Member Dotson made a motion to adjourn, Council Member Raney seconded the motion and with no objection, the meeting ended.

Respectfully submitted, Jeanette Clawson, Administrative Coordinator



CITY OF
OWATONNA

Board - Commission Minutes

MINUTES
OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY
REGULAR MEETING on JANUARY 27, 2025

The regular meeting of the Owatonna Housing and Redevelopment Authority was called to order at 4:03 pm in the Crandall Small Conference Room by Vice Chairperson Hole.

Members present were Nathan Dotson, Julie Fiske, John Hole, and Lindsay Schultz. Members absent: Vicki Olivo. 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 Fiske and seconded by Schultz to approve the minutes of the November 25, 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 four of the five buildings are open and the last building will open up later this year. Tenants will be moving into Ascend on February 1. There will be some movement in the rental market as some will be moving up and freeing up other units. The Aire Apartments had some issues with the grant, which is a deferred loan from the State that had some prevailing wage requirements that threw the cost of the project off. The developer will accept a portion of the loan and proceed with the project. Demolition of the existing hotel will be sometime this spring. Eastgate 2 did not get awarded tax credits. There is an application process due in February for excess credits from projects that will not precede. They are going to apply and see if they can get some tax credits for the project, so they are in the pipeline to get the rest of the tax credits later this year. The land on Partridge Avenue ... the United Way got \$300,000 to help with 10 affordable units. The HRA authorized the Environmental Assessment and that has been done. We are hoping to get the dollars released to United Way and the HRA and United Way would enter into a development agreement. The city would put infrastructure in, likely a cul-de-sac. This may not be a 2025 project. They will have to partner with builders who are able to build for that price. (\$250,000) The Cashman Addition lot is waiting on Troy for a proposed site plan. They have a couple of houses in the pipeline, so this would also not be a 2025 project.

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.

There are 185 clients are being served right now. We have to put a halt on people going on the HCV program right now. We could be in shortfall because of people losing jobs, so we're paying more per month. To be in a shortfall position is a lot of work. Mainstream still has activity and there are six available vouchers. We should be able to fill all 40 by midyear. There are 111 HCV clients, 34 Mainstream clients, and 34 Bridges regular clients, and six Bridges-like clients. There are seven clients shopping for Bridges vouchers. He said there has been movement in rental housing because of the new units opening up.

Madkour went over the numbers for HCV and said there were a total of 31 clients that either did not return applications or came off the program for various reasons in 2024. For Mainstream, 17 applications were returned with a total of 32. There was a total of 34 clients that left the program for various reasons.

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

Other / New Business: Madkour said during the audit last year, they didn't have a General Depository Agreement. It is an agreement between the HRA, the Owatonna, and US Bank. It's not a votable thing,

but he wanted to make the Commissioners aware of it. Our last Finance Director was on it, but it couldn't be finished before she left. It was due on December 31.

Adjournment: There being no further business, a motion to adjourn was made by Dotson and seconded by Fiske. All Commissioners voting Aye, the motion carried. The meeting adjourned at 4:45 pm.

Respectfully Submitted,
Ghassan Madkour
Housing Managers

EDA
Minutes
January 15, 2025

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, Dave Burbank, Andrew Cowell, Patrick McDermott, Brian Savage, and Doug Voss. Commissioners absent: Corey Mensink. Also present were Troy Klecker, Sean Williams, Lisa Cochran, Glenda Smith, Dave Beaver, and Kristen Kopp.

Election of Officers. Commissioner Boeke nominated Doug Voss for President with a second by Commissioner Cowell. All Commissioners voting Aye, the motion passed. Commissioner Boeke nominated Andrew Cowell for Vice President with a second by Commissioner Savage. All Commissioners voting Aye, the motion passed.

Approval of Minutes. Commissioner Boeke moved approval of the minutes of the December 18, 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 December. He said there will be another month of potential bills for 2024, but he is not anticipating much. The next meeting's budget will be for the first month of 2025.

Loan Report. OABDC Director Sean Williams presented the Loan Report for December. He said that all the loans are current. Klecker said that the Family First loans will be starting soon. We awarded that loan a while ago, but they have not started work. It is on the report, but no payments have been made yet.

President Voss welcomed Dave Burbank to the EDA board.

MainStreet Report. MainStreet Director Lisa Cochran presented the quarterly MainStreet Report. Voss said the North Cedar looks really nice with the banners. Cowell said excellent job with the Lighted Parade. Cochran said that they estimate around 5,000 people attended the parade.

Tourism Report. Tourism Director Glenda Smith presented the quarterly Tourism Report. She gave some highlights from the 4th quarter of 2024. There were 10 different groups that visited. They worked closely with MainStreet and City Park and Rec on the upcoming Bold and Cold coming up next week. They are working on video production and started a website overhaul. She highlighted some upcoming events for 2025 including State bowling tournaments, Catholic Daughters, and Corky's Early Bird Softball. She said lodging occupancy held pretty steady throughout the year. She highlighted web traffic and social media.

OABDC Report. OABDC Director Sean Williams presented the OABDC Report for December. He said the second cohort of the Southeast Minnesota Software Studio is starting on February 21. The Innovators & Business Owners Connect-Up will be in February. There is a Get Your Business Started workshop coming up on February 8. He said the number of consulting hours is up from 100 in 2023 to 251.25 in 2024.

Airport Report. Airport Manager Dave Beaver presented the quarterly Airport Report. He said 2024 was a good year, with increased fuel. They completed a number of projects to improve infrastructure, as well as security gates, and painting the aircraft display. The flight school continues to do a lot of good things out there. They have been here for five years and each year they have increased their activity. They are looking to renew with us for another five years and looking to expand into public aircraft maintenance. Civil Air Patrol is also growing. A lot of exciting things are happening. He highlighted economic development activity at the Airport. Klecker said they will be redoing the parking lot and have talked about the City securing some state or federal dollars for a commercial hangar. Burbank asked if they plan to add to the length of the runway. Klecker said that they are planning to add to the runway. It is a multi-year process and we are taking steps. It is in the CIP.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for December. He said the Cemstone building is underway. There is still a letter of intent for 117 West Bridge Street. MSB is shooting to move by the end of the month and 22 of 69 of the units in the Ascend Apartments are leased. Scooter's Coffee is done with everything they need to do and they could open any time.

New Business.

Forgivable Loans. Williams said that they have about \$45,000 left from past years in the Forgivable Loan account. Klecker said that they will hit the end at some point, but there are still dollars available for new applicants, so no decision needs to be made now. Cowell asked if there was a date in the application. Klecker said that it is a first come, first served kind of thing. From previous discussion about the buildings with double frontage and multiple businesses, Williams said that they will be combining the Forgivable Loan applications together. Klecker said they looked at re-wording the loan program guidelines for these properties, but when the numbers came in, they were all under \$10,000 together and could be combined into one loan. He said it would be best to apply that to exterior improvements only and not interior improvements. He said they can approve the new wording or not add it since, in this situation, the applicant can apply for one loan. McDermott said he would be inclined to put it in and Cowell agreed. They agreed that they were okay with the wording. A motion was made by McDermott and seconded by Cowell to approve the addition to the Loan Program Guidelines. All Commissioners voting Aye, the motion passed.

Forgivable Loan: Health Nutz / HC Properties – 127 W. Broadway Street – Exterior (\$1,700), Coldwell Banker / HC Properties – 128 W. Bridge Street – Exterior (\$2,000), and Unique Abilities / HC Properties – 129 W. Broadway Street – Exterior (\$3,400). A motion was made by Savage and seconded by Boeke to approve the Forgivable Loan for HC Properties

at 127 W. Broadway Street, 128 W. Bridge Street, and 129 W. Broadway Street for exterior improvements totaling \$7,100. All Commissioners voting Aye, the motion passed.

Low Doc Loans: Uncaged VR & Game Lounge – Tier 1 (up to \$5,000 at 0% interest) & Tier 2 (up to \$20,000 at 3.875%) – 303 Mineral Springs Road. Cowell recused himself from this discussion and motion. Williams said this is the former Kwik Trip. A motion was made by Boeke and seconded by Burbank to approve the Low Doc Loans for Uncaged VR & Game Lounge. With Cowell abstaining, All Commissioners voted Aye, the motion carried.

Voss asked if we could ever have an EDA meeting at the Airport. Klecker said that we could tentatively plan to have the next quarterly meeting in April at the Airport.

Schedule Next Meeting. The next EDA meeting is scheduled for **February 19, 2025** 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 Boeke and seconded by Burbank adjourn the meeting at 5:04 pm. All Commissioners voting Aye, the motion passed.

Airport Commission Meeting Minutes
January 16, 2025 – 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

Anthony Louris	Vice Chair
Dave Purscell	Commissioner
Daren Tarpenning	Commissioner
Matt Thurnau	Chair
Greg Krueger	Commissioner

Commissioners Absent

Tim McManimon	Commissioner
Madeleine Haberman	Commissioner

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

4. Minutes

Commissioner Purcell made a motion to approve the minutes from the December 19, 2024, Airport Commission meeting and Commissioner Tarpenning seconded the motion. All Commissioners voting Aye, the motion carried.

5. Action Items

Chair Reports

None.

Election of Officers

Commissioner Louris nominated Matt Thurnau for Chair with a second by Commissioner Krueger. All Commissioners voting Aye, the motion carried.

Commissioner Krueger nominated Anthony Louris for Vice Chair with second by Commissioner Thurnau. All Commissioners voting Aye, the motion carried.

Staff Reports

Airport Manager Dave Beaver said he should have year-end numbers by the February meeting. There was some discussion about the Civil Air Patrol's proposal for a hangar. There is nothing definitive about where they would place a hangar. The Council approved the CIP. There was some discussion about fuel prices and strategies. Beaver gave an update on the flight conflicts and are continuing to work with neighboring flight schools about increased traffic.

Accelerated Aviation Update

Airport Manager Dave Beaver said that the Accelerated Aviation lease was expiring. It was a five-year lease, expiring this January. He and Troy met with them on Monday about the renewal. They want to renew their lease for an additional five years. They've also been talking about expanding aircraft maintenance. He said they are working on space needs. There was some discussion about signage.

Dome Hangar #10 Roof Replacement Project Update

Melissa Underwood gave an update on the Dome Hangar Roof Replacement. She said it is substantially complete with some edging and gutters left. The warranties will be sent to Dave. Beaver said they had a big crew out there. Underwood said SEH had their structural engineers here and it all went well.

6. Adjournment

The Airport Commission meeting was adjourned at 8:53 am.

Airport Commission Meeting Minutes
February 20, 2025 – 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

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

Commissioners Absent

Greg Krueger	Commissioner
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Staff Attending

Dave Beaver	Airport Manager
Kristen Kopp	Sr. Administrative Technician

Visitors Attendings

Melissa Underwood	SEH, Inc.
Corey Madrid	Civil Air Patrol
Daren	Civil Air Patrol

3. Approval of Agenda

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

4. Minutes

Commissioner Tarpenning made a motion to approve the minutes from the January 16, 2025, Airport Commission meeting and Commissioner Louris seconded the motion. All Commissioners voting Aye, the motion carried.

5. Action Items

Chair Reports

None.

Staff Reports

Airport Manager Dave Beaver said that he will present the 2024 year-end budget numbers at the March meeting as they were still entering 2024 invoices. Accelerated is reviewing the lease renewal, which is a five-year lease for the dome hangar and office area. He said we also presented them an aircraft maintenance agreement. The goal is to get those to City Council in March. They're working on a new fuel system point of sale computer for staff to use. He said he's working with Communications Manager Deanna Sheely and Glenda at the Chamber on a wall mural with the new branding and points of interest in the City. He said that there are four new hangar leases going to Council. The equipment grant for the pull-behind mower is available to us now.

Owatonna Squadron Civil Air Patrol (CAP) Update

Corey Madrid, CAP, thanked the Commissioners for considering their proposal for the T-Hangar lease. It helps with storage and is a morale booster for their members. CAP had proposed the construction of a new hangar at the Airport and he understood there were some questions about the location. He said that the biggest reason they chose that location was the visibility from the Interstate. Also, if it were farther back, it is harder for cadets and their parents to get past the security checkpoints. Chair Thurnau asked what other spots would be available for the construction of a hangar. Beaver said that the site they proposed is laid out on a map showing areas for future development. They wanted to make use of the ramp, but it doesn't mean the CAP couldn't use it, too. Dave pointed out other areas that could work. Purscell said that location the CAP proposed is a prime spot for a commercial location. Beaver said that the main benefit of the location is the ramp, which is needed for a corporate jet. Madrid said that the location Dave mentioned would also work and he hadn't considered the ramp for larger aircraft. Beaver said it would be nice to see CAP in a hangar. Corey said that they would like to see an aircraft here. He said he would need some sort of commitment in writing in support of a hangar. His goal is to get it done before (their) session ends on May 19, but might have to come later this year. He said they will discuss at a staff meeting and come to the next Airport Commission meeting. The CAP said they also see the benefits to having the hangar in the center. Purscell asked how they plan to utilize the space in the building. CAP Corey said that they have other activities and could open it up for community uses, too, such as scouts. It would be a staging area for disaster response as well. The state has been looking for a facility down this way. Corey said they love being in Owatonna.

Dome Hangar #10 Roof Replacement Project Update

Melissa Underwood gave an update on the Dome Hangar Roof Replacement. She said they are waiting for warmer temperatures to get the gutters up. There is a \$44,358.70 change order for the labor and a dumpster to get an additional roof off, as well as hurricane clips. The original contract was \$224,631.00, so it will be 268,989.70 and it's a 70/30 split. They should have an updated schedule by next month. A motion by Purscell and seconded by Louris to approve the change order as presented. All Commissioners voting Aye, the motion carried.

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

Melissa Underwood said for Federal Fiscal Year 2025 the two projects they proposed were the parking lot reconstruction and additional parking spaces and the taxilane project. This will be funded using AIG funds, or the bill funding that the airport has received for five years (2022 to 2026), so we know that the funds are guaranteed. There is a 95% Federal share and 2.5% State, 2.5% local, so the local share is cut in half. They are proposing to do the design for both of those projects. There are portions that are not Federally eligible around the taxilane area. That won't be Federally funded, but would be covered by the State at their 70/30 rate. They would like consideration for the Professional Services Agreement and consideration for bid advertising. They would go to Council on March 4 for the design contract and they would like to go to Council on March 18 to advertise to bid. Since there isn't a Commission meeting before that, they would like consideration to bid for the project. At the March board they would bring construction administration scope and fee. They would publish the project with the bid opening in April and come back with a recommendation at the May meeting. They propose to do the grant application on May 21 and anticipate the grant funds in July or August. The project would be done later this summer. Beaver said he has it written up and ready to go to Council pending approval. A motion was made by Tarpenning and seconded by Purscell to recommend City Council approval of the Professional Services Agreement for the Taxilane and Parking Lot Design and bid advertising. All Commissioners voting Aye, the motion carried.

6. Adjournment

The Airport Commission meeting was adjourned at 8:55 am.

Airport Commission Meeting Minutes
March 20, 2025 – 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 8:06 am.

2. Roll Call

Commissioners Attending

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

Commissioners Absent

Daren Tarpenning	Commissioner
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Staff Attending

Dave Beaver	Airport Manager
Kristen Kopp	Sr. Administrative Technician

Visitors Attendings

Melissa Underwood	SEH, Inc.
Don McCann	City Council

3. Approval of Agenda

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

4. Minutes

Commissioner Haberman made a motion to approve the minutes from the February 20, 2025, Airport Commission meeting and Commissioner Louris seconded the motion. All Commissioners voting Aye, the motion carried.

5. Action Items

Chair Reports

None.

Staff Reports

Airport Manager Dave Beaver said activity has been good. The access cards for the gates have been functioning correctly. That project is due for closeout. Operationally they are working on snow removal and getting the mowing equipment ready. He gave an update on fuel pedestal upgrades and said it will be an improvement. CAP wasn't able to join today, but are still looking for Airport Commission support when the time comes. Accelerated Aviation continues to be busy. Their five-year lease renewal is up and they have a copy of it. We adjusted the rate a little bit, but are trying to write a second lease with them for aircraft maintenance. They already have two full-time mechanics and want to hire up to four. That company will be called Fountain Aviation. He said he hopes to meet out at the Airport next month as renovations have been mostly completed. He presented a preliminary drawing of a mural which they hope to put up inside the terminal. He said it will help people orient themselves as they fly into Owatonna and also to let them know that we are business friendly. He said that farmland leases and T-Hangar leases were approved by City Council. Haberman asked if Kevin Oylo could come in to give an update on the painting of the T-38 display. Beaver said that he can have him come in and give an update.

Dome Hangar #10 Roof Replacement Project Update

Melissa Underwood gave an update on the Dome Hangar Roof Replacement. She said the contractor will be back to do the metal flashing and gutters and come back a second time to do the drain spouts. It's getting close. Beaver said that Jake and Melissa have done a good job of putting the grant amendment together. We were uncertain whether that amount would be covered, but we were just informed that they are going to cover the whole thing.

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

Melissa Underwood said that it is \$75,400 total. There is a portion that is not federally eligible. They're hoping to open bids on April 25. Beaver said some coordination will be needed when the work is done as it is an 18-day project. He said that SEH has two projects going and the fee seems to be reasonable. The local project cost is \$16,000. Melissa said that communication to the tenants is important. Beaver said this is just part of a comprehensive pavement plan. From there we will move onto other pavement needs. A motion was made by Commissioner Krueger and seconded by Commissioner Louris to approve the Professional Services Agreement – Taxilane and Parking Lot Construction Services – SEH, Inc.

6. Adjournment

The Airport Commission meeting was adjourned at 8:38 am.

OWATONNA PLANNING COMMISSION MINUTES FOR APRIL 8, 2025

The Owatonna Planning Commission met in regular session at 5:30 p.m. in the Crandall Center – Chambers with Chairperson Kelly Rooks conducting the meeting. Present at roll call were Commissioners Kelly Rooks, Rachel Springer-Gasner, John Eickhoff, Nick Peake, and Dave Effertz. Commissioners Mark Meier and Mark Wilson were absent. Community Development Manager Greg Kruschke and Senior Administrative Technician Kristen Kopp were also present.

A motion was made by Effertz and seconded by Springer-Gasner to approve the minutes of the regular meeting of December 10, 2024. All Commissioners voting Aye, the motion carried.

Application No. RZ-10, which is a request by Christine Rotthoff, CRK Properties LLC to rezone property from I-1, Light Industrial District, to PUD, Planned Unit Development for the purposes of continuing to operate a multi-use facility including office spaces, contractor spaces, and an educational facility for the property located at 631 Cedar Avenue North, was presented by Community Development Manager Greg Kruschke. (Refer to report on file.) Public hearing opened at 5:35 pm. No comments were made regarding this request. Public hearing closed at 5:36 pm. Eickhoff said he didn't have any concerns about the request as it looks to be the same uses with some updates. A motion was made by Springer-Gasner and seconded by Effertz to recommend City Council approval of the rezoning property from I-1, Light Industrial District, to PUD, Planned Unit Development for the purposes of continuing to operate a multi-use facility including office spaces, contractor spaces, and an educational facility for the property located at 631 Cedar Avenue North with the following conditions on the PUD:

- 1) All building codes shall be met at all times.
- 2) All exterior signs require a sign permit.
- 3) All drop offs will need to occur in private parking stalls unless it is a school bus and permitted by State Statute.
- 4) The properties shall be combined into one lot in order to remove all property lines from inside the building prior to any new tenants occupying the space.
- 5) All future uses shall be in compliance with the current underlying zoning district or an amendment to the PUD required.

All Commissioners voting Aye, the motion carried.

Main Street Parking Change – Mid Block Crosswalk Area was presented by Community Development Manager Greg Kruschke. (Refer to report on file.) They have been working with Federated, the County, and City Engineer to remove a few parking stalls around the mid block crosswalk and install an ADA stall. One of the main reasons is to increase visibility around the crosswalk. In the meantime, nobody wants to see any accidents. Staff is recommending approval of this request. Eickhoff said this is a safety issue. A motion was made by Eickhoff and seconded by Springer-Gasner to recommend City Council approval of this Main Street Parking Change. All Commissioners voting Aye, the motion carried.

Community Development Manager Greg Kruschke gave an update on previous items. He said that the next step with the Comprehensive Plan is the Zoning and Subdivision Ordinance. They have held on to that a little bit because there are a couple of proposals at the State level so they don't waste any dollars getting a consultant on board.

TIF Compliance Resolution TIF 3-18 – Sputtering Components was presented by Community Development Manager Greg Kruschke. (Refer to report on file.) Effertz said he's a big fan of how the City uses TIF. A motion was made by Effertz and seconded by Peake to approve the TIF Compliance Resolution TIF 3-18 for Sputtering Components. All Commissioners voting Aye, the motion carried.

He said they have hired a new Planning Specialist Emma Bransford, who is finishing up at the University of Minnesota. She's part-time right now, but will be starting full-time on June 2.

A motion was made by Eickhoff to adjourn and seconded by Springer-Gasner at 5:47 p.m. All Commissioners voting Aye, the motion carried.

Respectfully Submitted,

Greg Kruschke
Community Development Manager

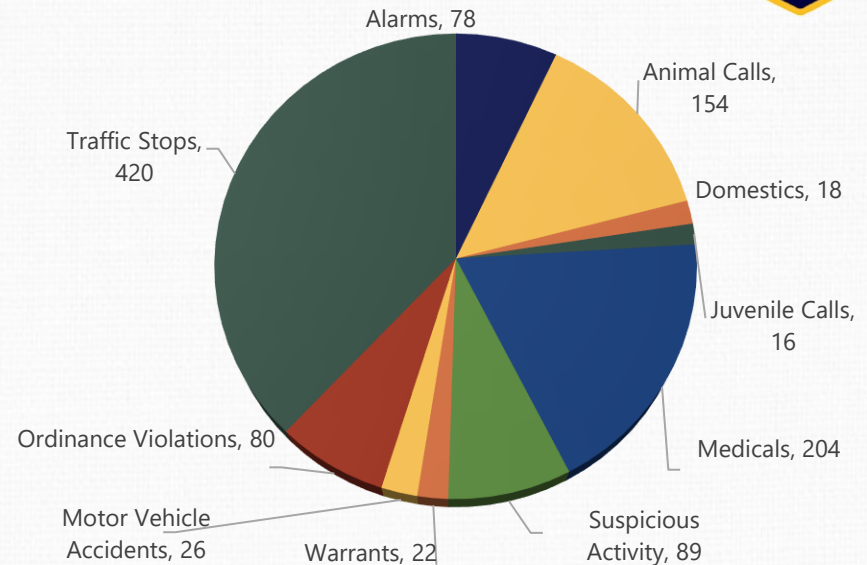
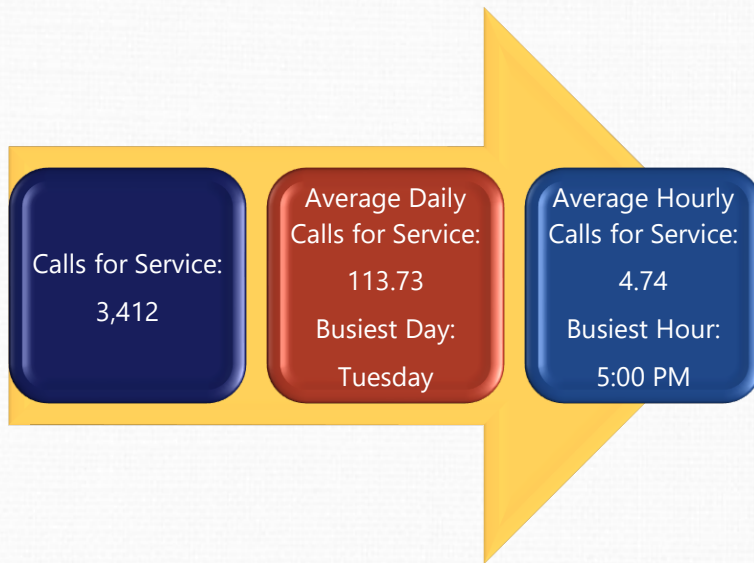


CITY OF
OWATONNA

Department Reports

Owatonna Police Department Crime Clock

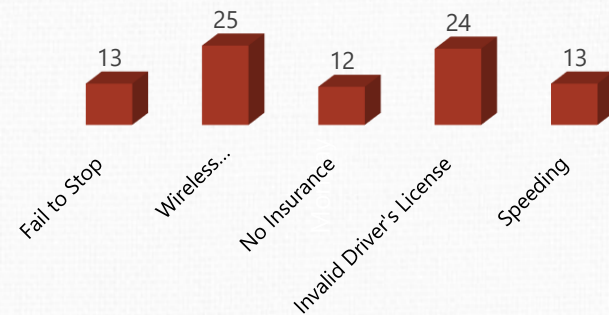
April 2025



The Owatonna Police Department issued a total of 113 citations and 290 warnings in April.



Top 5 Citation Types



The above statistics are based on calls for service reports compiled monthly. Official crime data can be found in our [annual reports](#).



Owatonna Police Department

April 2025 Crime Statistics

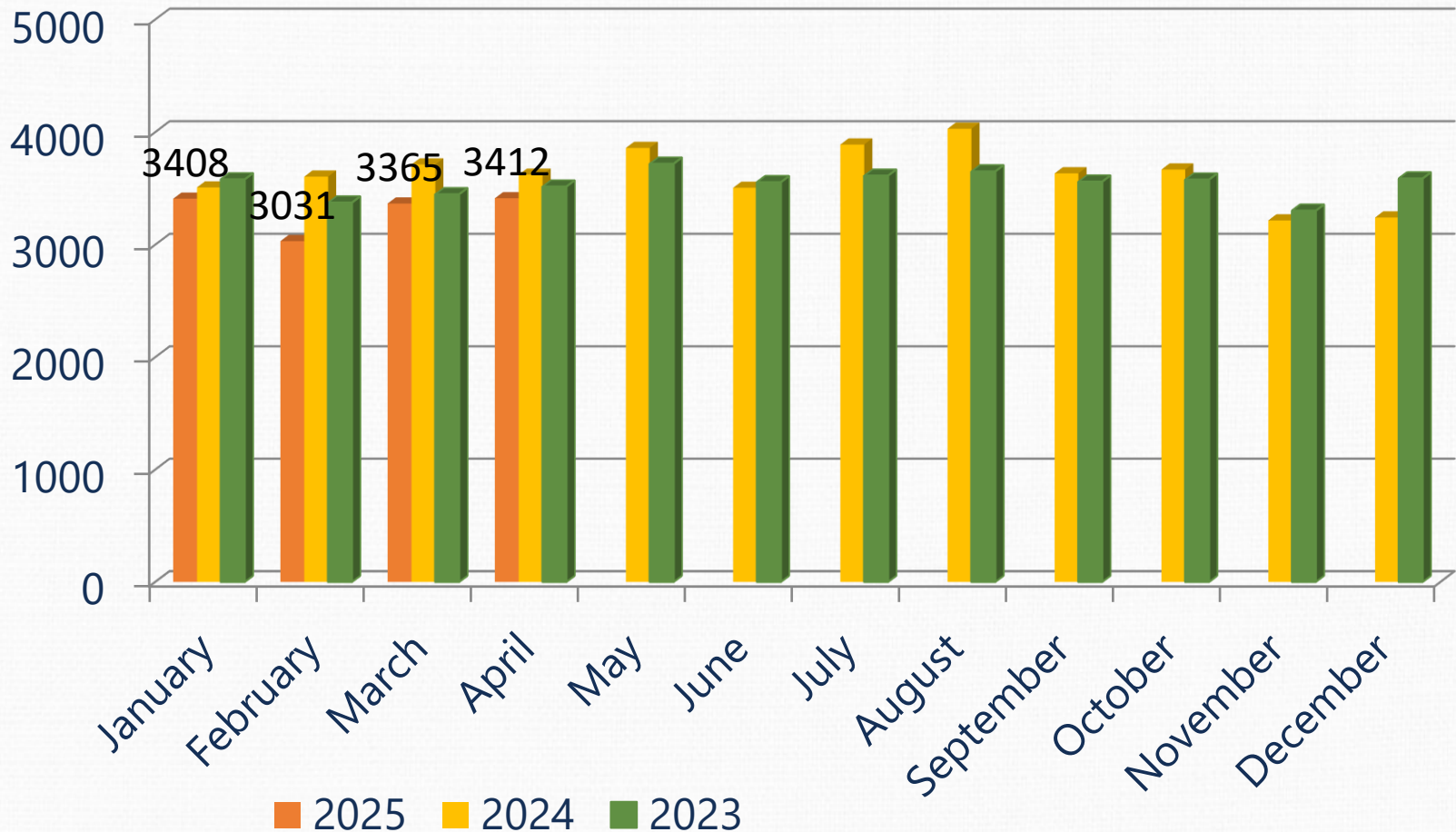


CITY OF
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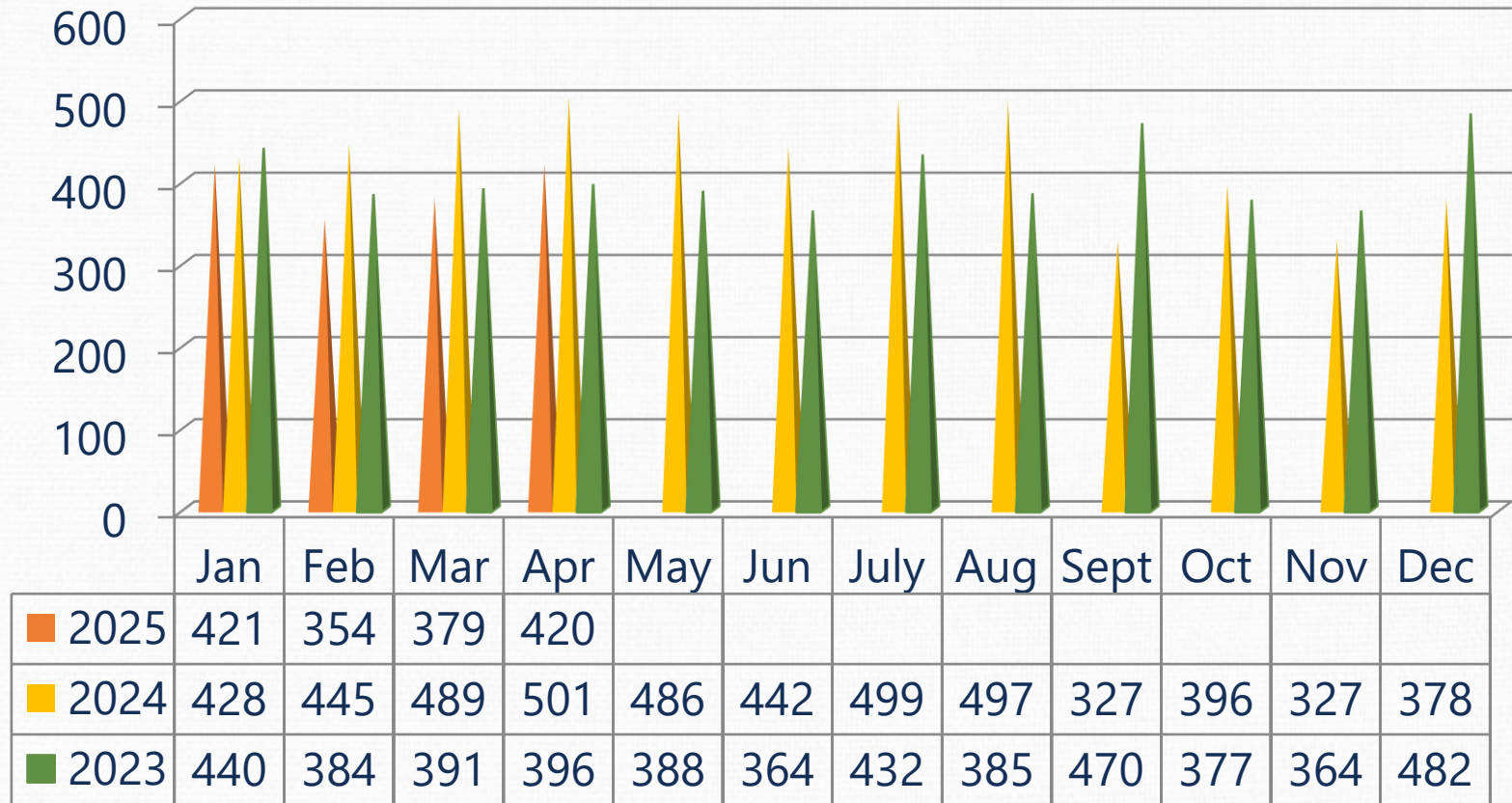


**The following statistics are based on calls for service reports compiled monthly.
Official crime data can be found in our [annual reports](#).**

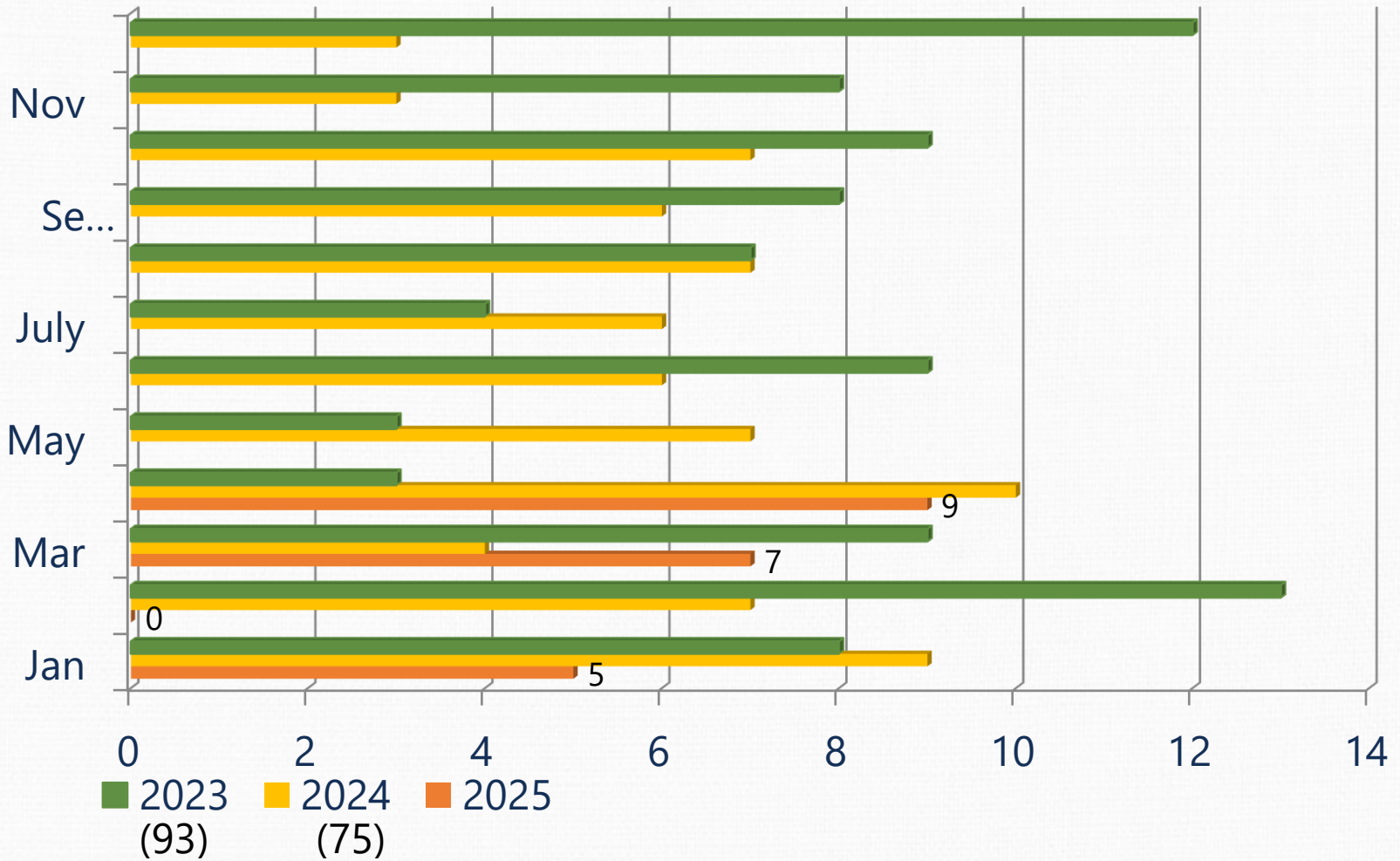
Total Calls for Service



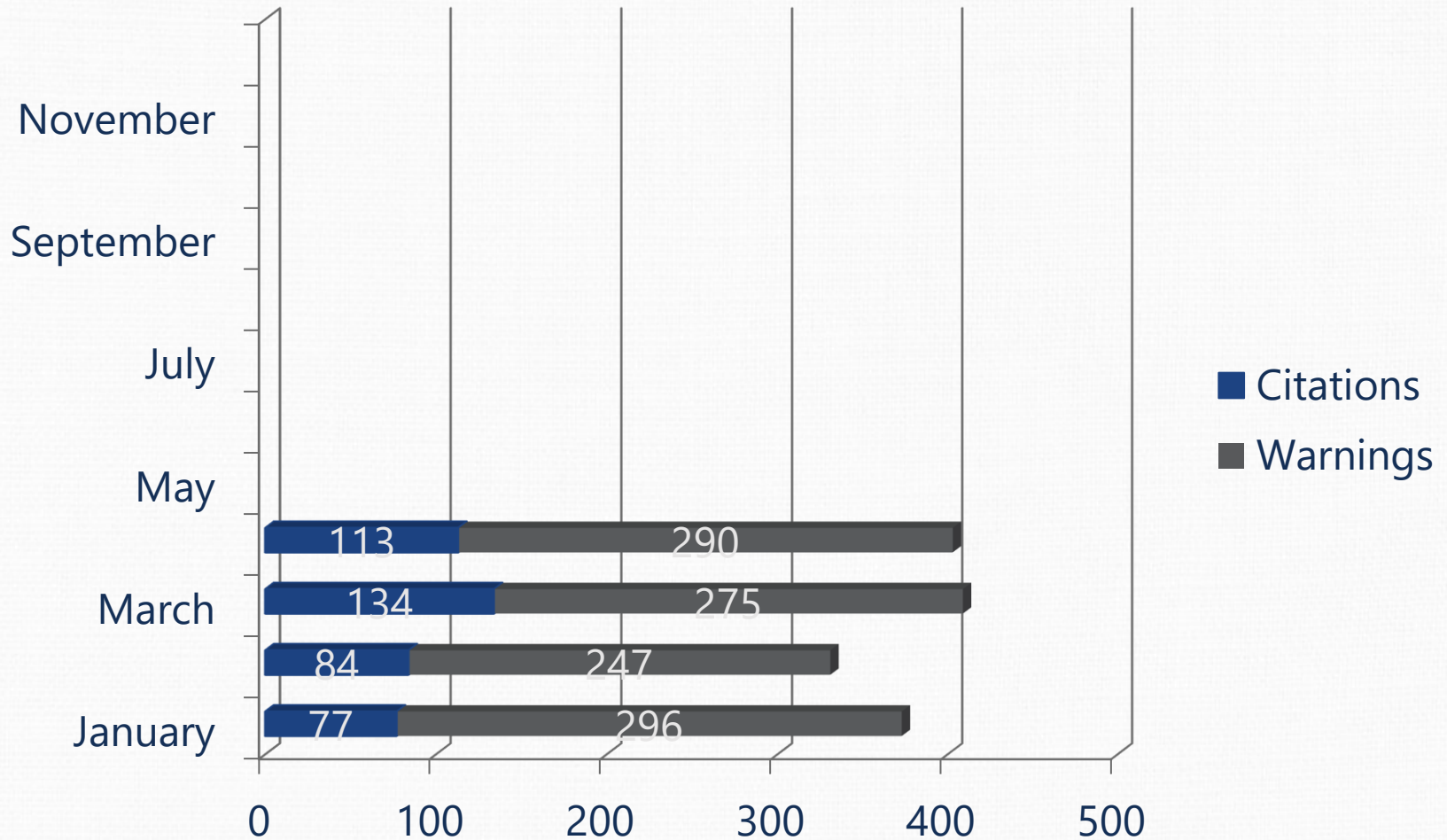
Traffic Stops



DWI



Citations and Warnings



Group A Crimes

Murder and Non-Negligent Manslaughter	0	Pocket-Picking	10	Identity Theft	2
Kidnapping/Abduction	0	Shoplifting	12	Hacking/Computer Invasion	1
Rape	1	Theft From Building	1	Embezzlement	2
Sodomy	0	Theft From Motor Vehicle	3	Stolen Property Offenses	0
Fondling	3	Theft of Motor Vehicle Parts or Accessories	1	Destruction/Damage/Vandalism of Property	11
Robbery	1	All Other Larceny	12	Drug/Narcotic Violations	8
Aggravated Assault	6	Motor Vehicle Theft	4	Drug Equipment Violations	0
Simple Assault	28	Counterfeiting/Forgery	3	Incest	1
Intimidation (Assault)	17	False Pretenses/Swindle/Confidence Game	8	Pornography/Obscene Material	1
Arson	1	Credit Card/Automated Teller Machine Fraud	1	Weapon Law Violations	0
Extortion/Blackmail	0	Impersonation	0	Human Trafficking, Commercial Sex Acts	0
Burglary/Breaking & Entering	4	Wire Fraud	1	Animal Cruelty	1
				TOTAL: 144	

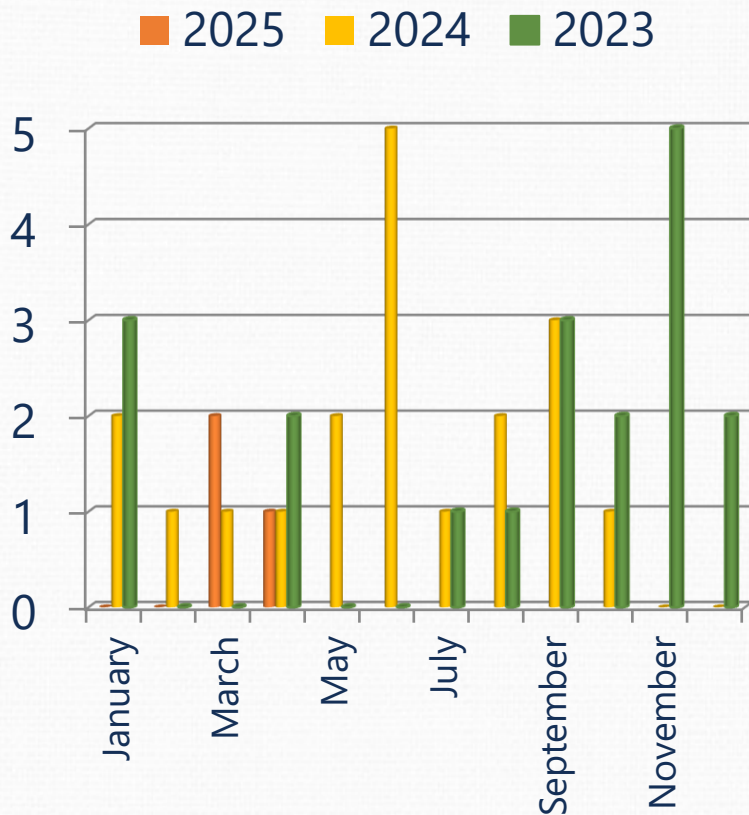
Group B Crimes

Curfew/Loitering/Vagrancy Violations	0
Disorderly Conduct	14
Driving Under the Influence	30
Family Offenses, Nonviolent	4
Liquor Law Violations	2
Trespass of Real Property	1
All Other Offenses	36

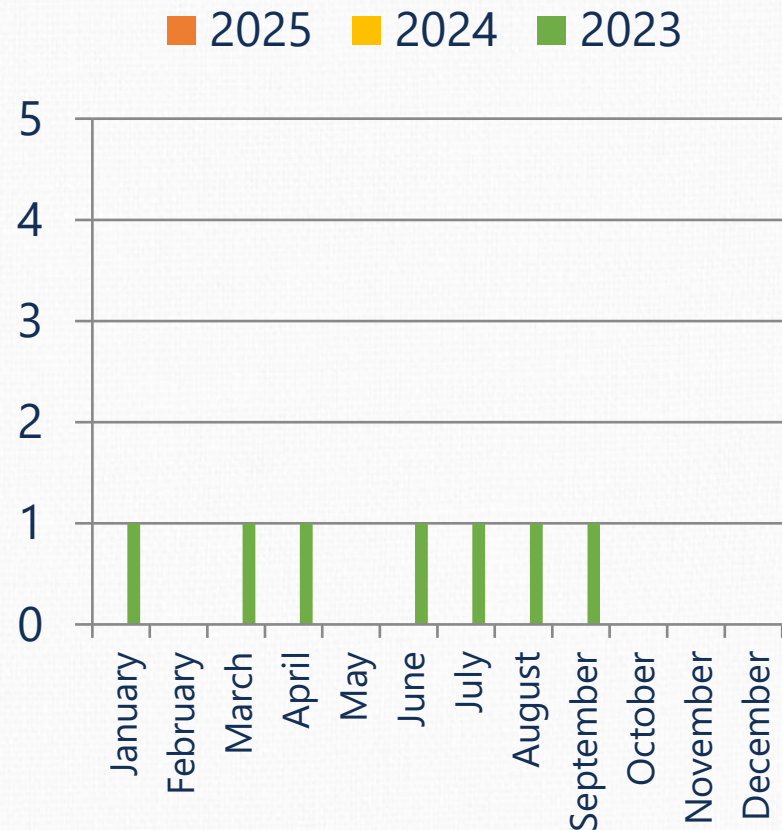
Total: 87

Disorderly and Nuisance Violations

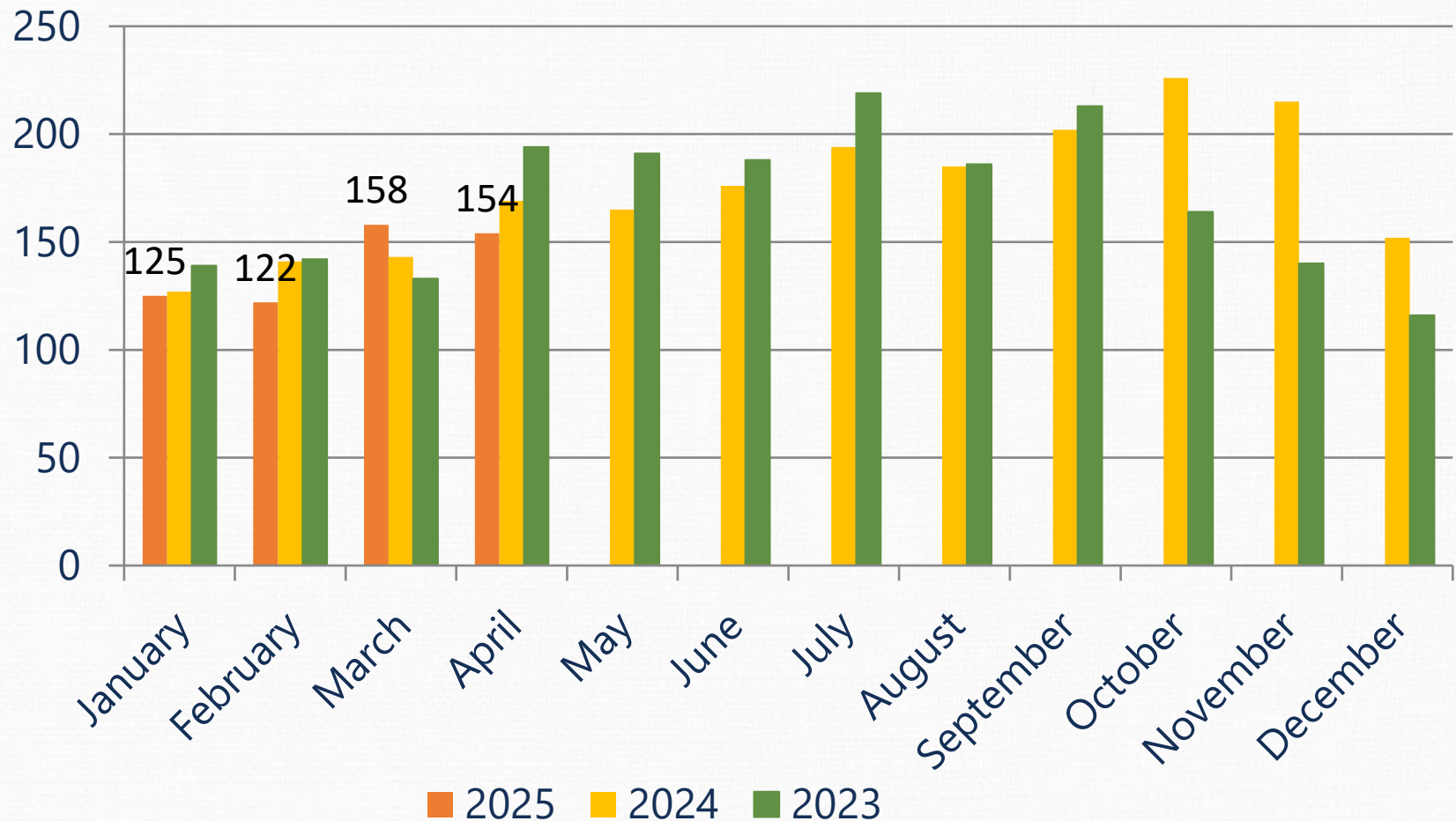
Disorderly Violations



Nuisance Violations



Animal Control Calls



COMPARISON REPORT OF BUILDING DONE IN CITY OF OWATONNA IN YEARS 2024 AND 2025												Ken Beck, Building Official			
	DWELLINGS		ACCESSORY		COMMERCIAL		ADD. & ALT.		DUPLEX/APTS		DEMO	TOTAL			
Month	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	NO.	VALUE		
Jan '24	0	0	2	6,500	33	7,806,205	95	763,150	0	0	0	130	8,575,855		
Jan '25	0	0	0	0	22	13,865,031	85	566,740	0	0	0	107	14,431,771		
Feb '24	2	700,000	4	7,500	52	8,218,972.00	198	1,725,152.62	0	0	0	256	10,651,624.62		
Feb '25	1	317,000	1	500	40	15,540,396.00	185	1,110,858.11				227	16,968,754.11		
Mar '24	3	940,000	5	8,250	75	10,847,903	289	\$ 2,612,593.78				372	\$ 14,408,746.78		
Mar '25	1	317,000	14	51,721	59	17,995,810	278	\$ 1,975,163.16			2	354	\$ 20,339,694.16		
Apr '24	3	940,000	19	81,750	107	44,321,109	446	\$ 3,981,714.59	0	0	0	575	\$49,324,573.59		
Apr '25	6	1,502,000	25	102,117	73	22,381,515	395	3,025,025.86	0	0	3	502	27,010,657.86		
May '24	3	940,000	38	235,738	125	46,373,553.00	586	5,141,328.01				752	52,690,619.00		
May '25															
Jun '24	3	940,000	52	338,988.00	141	48,105,001.10	730	6,515,257.09	2	400,000	2	930	56,299,246.19		
Jun '25															
Jul '24	5	2,040,000	67	387,488.00	180	53,277,518.10	888	7,891,334.33	4	980,000	5	1149	64,576,340.43		
Jul '25															
Aug '24	6	2,290,000	82	479,826.00	210	57,328,157.10	1058	9,938,435.49	4	980,000	5	1,365	71,016,418.59		
Aug '25															
Sep '24	8	2,990,000	98	617,836.55	252	66,465,557.10	1187	11,171,273.45	4	980,000	6	1,555	82,224,667.10		
Sep '25															
Oct '24	9	3,325,000	111	734,836.55	275	71,587,459.47	1,344	12,774,301.43	4	980,000	10	1,753	89,401,597.45		
Oct '25															
Nov '24	10	3,675,000	117	763,486.55	297	73,111,653.47	1,441	13,487,903.07	4	980,000	10	1,879	92,018,043.09		
Nov '25															
Dec '24	10	3,675,000	121	791,519.55	309	74,198,304	1,542	14,427,159.25	4	980,000	11	1,997	94,071,983.27		
Dec '25															

**Starting April 2023, Commerical and Industrial are combined

Owatonna Building Inspection Department Comparison Report- Construction to Date 2024/2025

Construction Report for Permits Issued through April, 2025

TYPE OF WORK	2024 PERMITS ISSUED	PERMITS ISSUED FOR CONSTRUCTION COST	Units	2025 PERMITS ISSUED	PERMITS ISSUED FOR CONSTRUCTION COST	Units
NEW DWELLINGS	3	940,000		6	1,502,000	
ACCESSORY BUILDINGS (INCLUDES GARAGES, UTIL. BLDGS, SW. POOLS, ETC.)	19	81,750.00		25	102,117.00	
COMMERCIAL AND INDUSTRIAL PERMITS	107	44,321,109.00		73	22,381,515.00	
RESIDENTIAL ADD. & ALT.	446	3,981,714.59		395	3,025,025.86	
DUPLEXES & APTS. (INCLUDES ATTACHED SF)	0	0	0	0	0	0
DEMOLITION PERMITS	0	0		3	0	
TOTAL PERMITS ISSUED	575	49,324,574	0	502	27,010,658	0



CITY OF
OWATONNA

Licenses Permits



DATE: May 6, 2025
TO: Mayor and City Council
FROM: Ed Hoffman, Fire Chief
SUBJECT: Retail Fireworks License - Lowe's

Purpose:

Standard retail fireworks license for Lowe's for 2025.

Background:

This is a standard retail fireworks license application for Lowe's for 2025.

Section 111.03. License Required.

No person shall keep for retail sale or wholesale distribution, sell at retail or wholesale, or otherwise supply or furnish as part of a commercial transaction any permitted consumer fireworks without first having obtained a current license hereunder, paid the required license fee and conspicuously posted the license on the licensed premises.

Section 111.04. License Fee; Term of License.

(A) The annual license fee shall be in the amount duly established by the Council from time to time. The license fee shall cover the administrative and enforcement costs, including the conduct of unannounced compliance checks, inspections by the Fire Chief, inspections by the Police Department or other city department, as well as sampling and testing of the merchandise to ascertain chemical content. Full payment of the required license fee shall accompany the application.

(E) The annual license expires December 31 of each year.

Budget Impact:

Revenue generated for the license is \$100.00.

Staff Recommendation:

Recommend approval of the retail fireworks license.

Attachments:

1. Lowe's Retail Fireworks License App



Owatonna Fire Department

107 West Main Street
Owatonna, Minnesota 55060-2913

Michael Johnson
Fire Chief
(507) 444-2454

FIREWORKS DEALER'S LICENSE APPLICATION

SECTION 420

1992 ORDINANCE CODE OF OWATONNA

Name of Applicant LOWES HOME IMPROVEMENT 2518

Circle One: Natural person, (Corporation) Partnership, Business Association, Organization

Address 1280 21st Ave NW, Owatonna MN 55060

Phone Number 507-446-4900 Hours of operation Mon-Saturday 6am-9pm Sunday 8am-5pm

Street Address of premises to be licensed 1280 21st Ave NW

Zoning District of licensed premises B-2

Are all real estate and personal property taxes that are due and payable for the premises paid? ☒ YES ☐ NO

Does applicant own the business premises? ☒ YES ☐ NO If not, a true and correct copy of the current, executed lease and the written authorization of the property owner for the applicant's use of the property for the sale of permitted consumer fireworks is required.

Description of on-site management and parking facilities _____

Submit detailed site plan illustrating and describing proposed sales and storage areas to be covered by this license.

Name of Person in Charge of Premises Tim Ward

Address 1280 21st Avenue NW

Phone Number 507-446-4900

I have read the above mentioned Section 420, 1992 Ordinance Code of Owatonna and have knowledge of its terms and provisions, and I agree to obey all the terms, provisions and requirements of said ordinance and all other ordinances of the City of Owatonna and all the laws of the State of Minnesota.

[Signature]
Signature of Applicant

4/15/25
Date

CERTIFICATION OF COMPLIANCE
MINNESOTA WORKERS' COMPENSATION LAW

Minnesota Statute, Section 176.182 requires every state and local licensing agency to withhold the issuance or renewal of a license or permit to operate a business or engage in an activity in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of MSS Chapter 176. the information required is the name of the insurance company, the policy number, and dates of coverage or the permit to self-insure. This information will be collected by the licensing agency and retained in their files.

This information is required by law, and licenses and permits to operate a business may not be issued or renewed if it is not provided and/or is falsely reported. Furthermore, if this information is not provided or falsely stated, it may result in a \$1,000 penalty assessed against the applicant by the Commissioner of the Department of Labor and Industry.

Insurance company Name: Liberty Mutual Insurance
(**NOT** the insurance agent)

Policy Number: WC 5651294595025

Dates of Coverage: 4/1/2025 to 4/1/2026

(Or)

I am not required to have workers' compensation liability coverage because:

() I have no employees

() I am self insured (include permit to self-insure)

() I have no employees who are covered by the workers' compensation law (these include Spouse, Parents, Children, and certain farm employees)

I certify that the information provided above is accurate and complete and that a valid workers' compensation policy will be kept in effect at all times as required by law.

Name: Garrett, Sheryl
(last, first, middle)

Doing Business As: Lower's Home Centers, LLC
(business name if different than your name)

Business Address: 1280 21st Avenue NW

City, State, Zip: Owatonna, MN 55060 Phone: (507) 446-4900

Signature: Sheryl Garrett Date: 4/14/25



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/1/2025 11/14/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lockton Companies, LLC DBA Lockton Insurance Brokers, LLC in CA CA license #0F15767 3280 Peachtree Rd. NE, Ste. 1000 Atlanta GA 30305 (404) 460-3600	CONTACT NAME: PHONE (A/C, No. Ext): FAX (A/C, No): E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: Century Surety Company INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	NAIC # 36951
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COVERAGES	CERTIFICATE NUMBER: 17432309	REVISION NUMBER: XXXXXXXX
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THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☒ LOC OTHER:	N	N	CCP1219465	12/1/2024	11/1/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ Excluded PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY			NOT APPLICABLE			COMBINED SINGLE LIMIT (Ea accident) \$ XXXXXXXX BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED ☐ RETENTION \$			NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX AGGREGATE \$ XXXXXXXX
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y / N ☐ N / A			NOT APPLICABLE			PER STATUTE ☐ OTH-ER ☐ E.L. EACH ACCIDENT \$ XXXXXXXX E.L. DISEASE - EA EMPLOYEE \$ XXXXXXXX E.L. DISEASE - POLICY LIMIT \$ XXXXXXXX

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Certificate holder is an additional insured on the General Liability as required by written contract subject to policy terms, conditions, and exclusions.

CERTIFICATE HOLDER 17432309 LOWES HOME IMPROVEMENT 2518 CITY OF OWATONNA 1280 21ST AVE NW OWATONNA MN 55060	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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TNT® FIREWORKS

Site Plan Worksheet

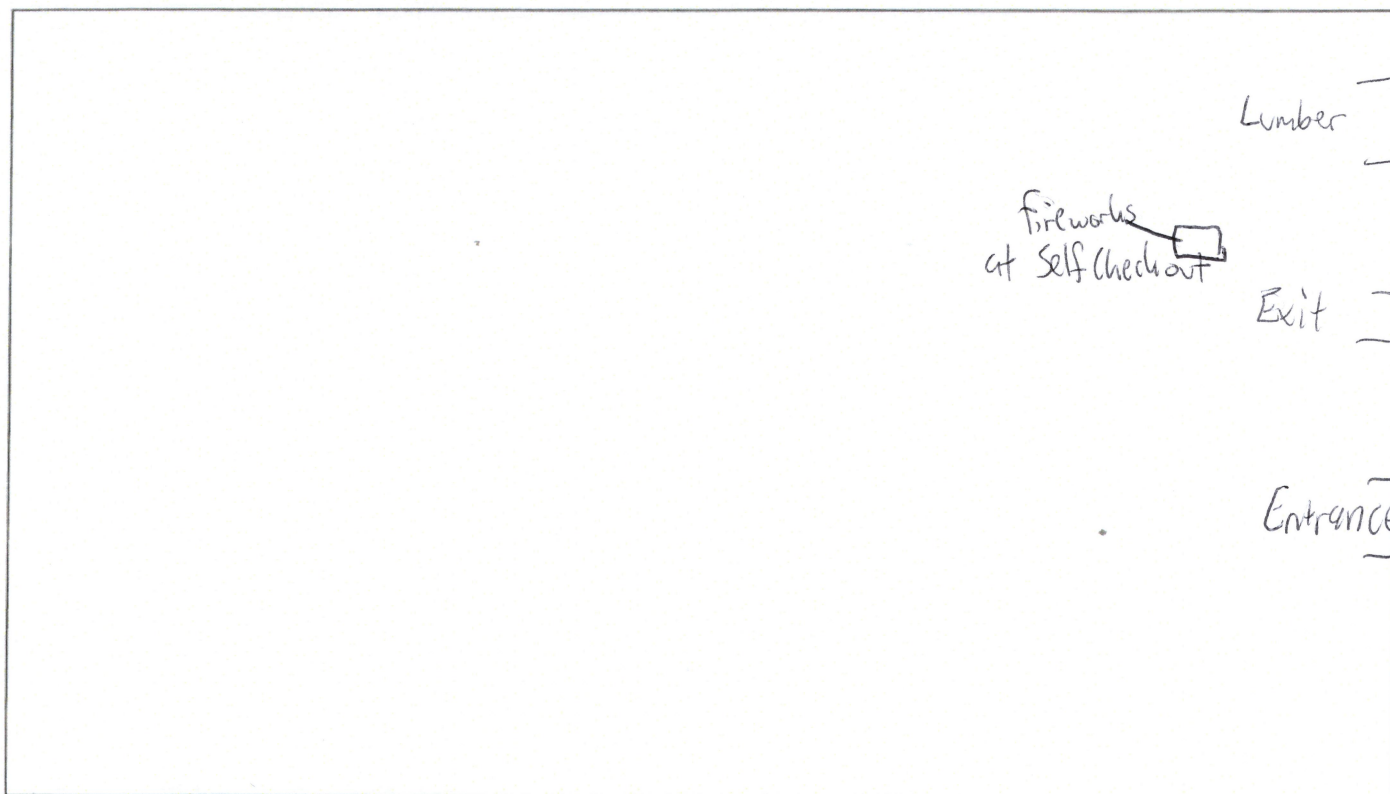
ADDRESS 1280 21st Ave NW

CITY Owatonna STATE MN ZIP 55060 PHONE 507-446-4900

STORE NAME / LOCATION # Lowe's 2518

TYPE OF EVENT: In-store sales of state-approved fireworks

NORTH



SOUTH

SPECIAL INSTRUCTIONS _____

SIGNATURE _____

STORE MANAGER / TNT® Representative

DATE 4/15/25

TNT00C
NEWTON

J'

Ship To:LOWES HOME IMPROVEMENT 2518
1280 21ST AVENUE NW
OWATONNA MN 55060

***** NOVELTIES *****

***** COUNTER CASES *****

102717	PROUD EAGLE SS ALL RR J22	21.56	LBS
--------	---------------------------	-------	-----

TOTAL NEC	62.90	LBS
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DATE: May 6, 2025
TO: Mayor and City Council
FROM: Ed Hoffman, Fire Chief
SUBJECT: Retail Fireworks License - Target

Purpose:

Standard retail fireworks license for Target for 2025.

Background:

This is a standard retail fireworks license application for Target for 2025.

Section 111.03. License Required.

No person shall keep for retail sale or wholesale distribution, sell at retail or wholesale, or otherwise supply or furnish as part of a commercial transaction any permitted consumer fireworks without first having obtained a current license hereunder, paid the required license fee and conspicuously posted the license on the licensed premises.

Section 111.04. License Fee; Term of License.

(A) The annual license fee shall be in the amount duly established by the Council from time to time. The license fee shall cover the administrative and enforcement costs, including the conduct of unannounced compliance checks, inspections by the Fire Chief, inspections by the Police Department or other city department, as well as sampling and testing of the merchandise to ascertain chemical content. Full payment of the required license fee shall accompany the application.

(E) The annual license expires December 31 of each year.

Budget Impact:

Revenue generated for the license is \$100.00.

Staff Recommendation:

Recommend approval of the retail fireworks license.

Attachments:

1. Target Fireworks Packet 2025



Owatonna Fire Department

107 West Main Street
Owatonna, Minnesota 55060-2913

Michael Johnson
Fire Chief
(507) 444-2454

FIREWORKS DEALER'S LICENSE APPLICATION

SECTION 420

1992 ORDINANCE CODE OF OWATONNA

Name of Applicant TARGET 1068

Circle One: Natural person, Corporation, Partnership, Business Association, Organization

Address 301 Park Drive, Owatonna, MN 55060

Phone Number 507-451-1882 Hours of operation 8am - 10 pm

Street Address of premises to be licensed 301 Park Dr Owatonna MN

Zoning District of licensed premises B-2

Are all real estate and personal property taxes that are due and payable for the premises paid? X YES NO

Does applicant own the business premises? X YES NO If not, a true and correct copy of the current, executed lease and the written authorization of the property owner for the applicant's use of the property for the sale of permitted consumer fireworks is required.

Description of on-site management and parking facilities Main walk way

Submit detailed site plan illustrating and describing proposed sales and storage areas to be covered by this license.

Name of Person in Charge of Premises Chris Page

Address 301 Park Dr Owatonna MN

Phone Number 507-514-7672

I have read the above mentioned Section 420, 1992 Ordinance Code of Owatonna and have knowledge of its terms and provisions, and I agree to obey all the terms, provisions and requirements of said ordinance and all other ordinances of the City of Owatonna and all the laws of the State of Minnesota.

[Signature]
Signature of Applicant

4/25/25
Date

CERTIFICATION OF COMPLIANCE
MINNESOTA WORKERS' COMPENSATION LAW

Minnesota Statute, Section 176.182 requires every state and local licensing agency to withhold the issuance or renewal of a license or permit to operate a business or engage in an activity in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of MSS Chapter 176. the information required is the name of the insurance company, the policy number, and dates of coverage or the permit to self-insure. This information will be collected by the licensing agency and retained in their files.

This information is required by law, and licenses and permits to operate a business may not be issued or renewed if it is not provided and/or is falsely reported. Furthermore, if this information is not provided or falsely stated, it may result in a \$1,000 penalty assessed against the applicant by the Commissioner of the Department of Labor and Industry.

Insurance company Name: Everest Indemnity Insurance Company
(**NOT** the insurance agent)

Policy Number: 8IG00242-231

Dates of Coverage: 11/1/24 to 11/1/25

(Or)

I am not required to have workers' compensation liability coverage because:

() I have no employees

() I am self insured (include permit to self-insure)

() I have no employees who are covered by the workers' compensation law (these include Spouse, Parents, Children, and certain farm employees)

I certify that the information provided above is accurate and complete and that a valid workers' compensation policy will be kept in effect at all times as required by law.

Name: Page Chris James
(last, first, middle)

Doing Business As: Target
(business name if different than your name)

Business Address: 301 Park Drive

City, State, Zip: Watson MN 55060 Phone: (507) 451-1882

Signature: [Signature] Date: 4/25/25



CERTIFICATE OF LIABILITY INSURANCE

11/1/2025

DATE (MM/DD/YYYY)

11/14/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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PRODUCER Lockton Companies, LLC DBA Lockton Insurance Brokers, LLC in CA CA license #0F15767 3280 Peachtree Rd. NE, Ste. 1000 Atlanta GA 30305 (404) 460-3600	CONTACT NAME: PHONE (A/C, No. Ext): FAX (A/C, No): E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: Century Surety Company INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	NAIC # 36951
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COVERAGES**CERTIFICATE NUMBER:** 12291716**REVISION NUMBER:** XXXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☒ LOC OTHER:	N	N	CCP1219465	12/1/2024	11/1/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ Excluded PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY			NOT APPLICABLE			COMBINED SINGLE LIMIT (Ea accident) \$ XXXXXXXX BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$			NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX AGGREGATE \$ XXXXXXXX
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☐	N/A	NOT APPLICABLE			PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ XXXXXXXX E.L. DISEASE - EA EMPLOYEE \$ XXXXXXXX E.L. DISEASE - POLICY LIMIT \$ XXXXXXXX

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate holder is an additional insured on the General Liability as required by written contract subject to policy terms, conditions, and exclusions.

CERTIFICATE HOLDER**CANCELLATION**

12291716
TARGET 1068
CITY OF OWATONNA
301 PARK DRIVE N.W.
OWATONNA MN 55060

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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TNT® FIREWORKS

Site Plan Worksheet

ADDRESS 301 Park Dr

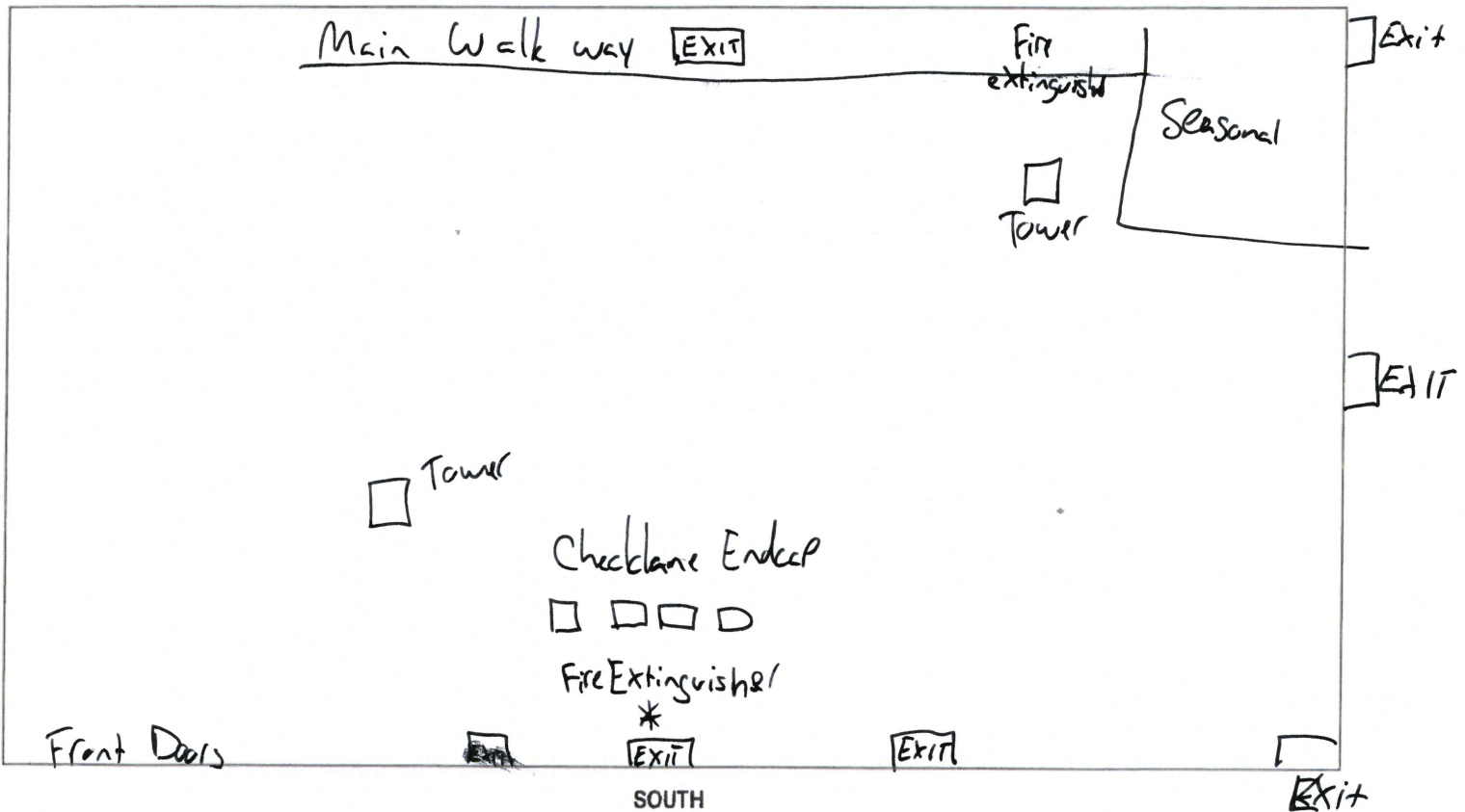
CITY Owatonna STATE MN

ZIP 55060 PHONE 507-451-1882

STORE NAME / LOCATION # Target T1068

TYPE OF EVENT: In-store sales of state-approved fireworks

NORTH



SPECIAL INSTRUCTIONS We'll have them at the front of Store on a tower
on a Checklane endcap and in Seasonal department

SIGNATURE [Signature]

STORE MANAGER / TNT® Representative

DATE 4/25/25

Wholesale Distributor
OC TNT FIREWORKS

Projected Order

TNT00C
NEWTON

Account No Date Location

1410006 3/3/2025 TAR1068

Sold To: TARGET - CORPORATE 00001
PO BOX 1296
MINNEAPOLIS MN 55440

Ship To: TARGET 1068
301 PARK DRIVE NW
OWATONNA MN 55060

Item No Description Qty Total
Cases Weigh

COUNTER CASES

674700	DSP ALTMASS SS NR J25 FULL	1	
201712	SUPER VALUE PACK PATRIOTIC J25		18.00 LBS
351052	SMOKE BALLS BOX OF 8 J12		7.83 LBS
730644E	SIGN NFPA SM FRWKS NO SMOKING		
290157A	GROUND BLOOM FLOWER 20 CT BOX		17.00 LBS
201249	WHIMSY J18		14.67 LBS
201250	TACO TUESDAY		22.00 LBS
320676	2 PAK SNAP 4 PDQS J19		18.00 LBS
230032A	RAINBOW STIX J22		10.58 LBS
201567	DISCO TURKEY PDQ J22		5.00 LBS
201571	MAD TROLLS J22		6.00 LBS
380322	#8 SPARKLERS ASST 2 PDQS J19		19.00 LBS
380395	#20 NEON SPARKLERS J22		28.00 LBS
102853	MEGA STORM SS BOX RR J24		97.33 LBS
102855	STORM SURGE SS BOX RR J24		80.08 LBS
102854	THUNDERBOLT SS RR J24		64.00 LBS
230043	GLOW SABER 2PK J24		24.00 LBS
201624	DINO 2 PACK J24		8.08 LBS
102953	STRIKER TRAY SS USA RR J25		18.75 LBS

TOTAL CASES 1

TOTAL WEIGHT OF FIREWORKS 385.49 LBS

TOTAL WEIGHT OF NOVELTIES 72.83 LBS

TOTAL NEC 96.37 LBS



DATE: May 6, 2025
TO: Mayor and City Council
FROM: Ed Hoffman, Fire Chief
SUBJECT: Retail Fireworks License - Cash Wise

Purpose:

Standard retail fireworks license for Cash Wise for 2025.

Background:

This is a standard retail fireworks license application for Cash Wise for 2025.

Section 111.03. License Required.

No person shall keep for retail sale or wholesale distribution, sell at retail or wholesale, or otherwise supply or furnish as part of a commercial transaction any permitted consumer fireworks without first having obtained a current license hereunder, paid the required license fee and conspicuously posted the license on the licensed premises.

Section 111.04. License Fee; Term of License.

(A) The annual license fee shall be in the amount duly established by the Council from time to time. The license fee shall cover the administrative and enforcement costs, including the conduct of unannounced compliance checks, inspections by the Fire Chief, inspections by the Police Department or other city department, as well as sampling and testing of the merchandise to ascertain chemical content. Full payment of the required license fee shall accompany the application.

(E) The annual license expires December 31 of each year.

Budget Impact:

Revenue generated for the license is \$100.00.

Staff Recommendation:

Recommend approval of the retail fireworks license.

Attachments:

1. Cash Wise Fireworks License Application



Owatonna Fire Department

107 West Main Street
Owatonna, Minnesota 55060-2913

Michael Johnson
Fire Chief
(507) 444-2454

FIREWORKS DEALER'S LICENSE APPLICATION

SECTION 420

1992 ORDINANCE CODE OF OWATONNA

Name of Applicant Coborn's, Incorporated

Circle One: Natural person, Corporation, Partnership, Business Association, Organization

Address 1921 Coborn Blvd, St. Cloud, MN, 56301

Phone Number 507-451-7220 Hours of operation 6 am - 10 pm

Street Address of premises to be licensed 495 W North St, Owatonna, MN 55060

Zoning District of licensed premises B-2

Are all real estate and personal property taxes that are due and payable for the premises paid? ☒ YES ☐ NO

Does applicant own the business premises? ☒ YES ☐ NO If not, a true and correct copy of the current, executed lease and the written authorization of the property owner for the applicant's use of the property for the sale of permitted consumer fireworks is required.

Description of on-site management and parking facilities _____

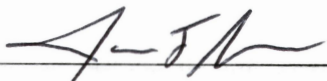
Submit detailed site plan illustrating and describing proposed sales and storage areas to be covered by this license.

Name of Person in Charge of Premises Troy Hinrichs

Address 495 W North St, Owatonna, MN 55060

Phone Number 507-451-7220

I have read the above mentioned Section 420, 1992 Ordinance Code of Owatonna and have knowledge of its terms and provisions, and I agree to obey all the terms, provisions and requirements of said ordinance and all other ordinances of the City of Owatonna and all the laws of the State of Minnesota.


Signature of Applicant

4/24/2025
Date

CERTIFICATION OF COMPLIANCE
MINNESOTA WORKERS' COMPENSATION LAW

Minnesota Statute, Section 176.182 requires every state and local licensing agency to withhold the issuance or renewal of a license or permit to operate a business or engage in an activity in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of MSS Chapter 176. the information required is the name of the insurance company, the policy number, and dates of coverage or the permit to self-insure. This information will be collected by the licensing agency and retained in their files.

This information is required by law, and licenses and permits to operate a business may not be issued or renewed if it is not provided and/or is falsely reported. Furthermore, if this information is not provided or falsely stated, it may result in a \$1,000 penalty assessed against the applicant by the Commissioner of the Department of Labor and Industry.

Insurance company Name: Sentry Insurance
(**NOT** the insurance agent)

Policy Number: 90-03061

Dates of Coverage: 07/01/2024 to 6/30/2025

(Or)

I am not required to have workers' compensation liability coverage because:

() I have no employees

() I am self insured (include permit to self-insure)

() I have no employees who are covered by the workers' compensation law (these include Spouse, Parents, Children, and certain farm employees)

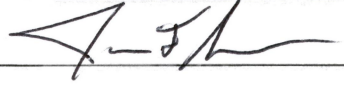
I certify that the information provided above is accurate and complete and that a valid workers' compensation policy will be kept in effect at all times as required by law.

Name: James Francis Shaw, for Coborn's, Incorporated
(last, first, middle)

Doing Business As: Cash Wise Foods
(business name if different than your name)

Business Address: 495 W North St

City, State, Zip: Owatonna, MN 55060 Phone: (507) 451-7220

Signature:  Date: 4/24/2025



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/1/2025

11/14/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lockton Companies, LLC DBA Lockton Insurance Brokers, LLC in CA CA license #0F15767 3280 Peachtree Rd. NE, Ste. 1000 Atlanta GA 30305 (404) 460-3600	CONTACT NAME: PHONE (A/C, No. Ext): FAX (A/C, No): E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: Century Surety Company INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	NAIC # 36951
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COVERAGES **CERTIFICATE NUMBER:** 12291711 **REVISION NUMBER:** XXXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☒ LOC OTHER:	N	N	CCP1219465	12/1/2024	11/1/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ Excluded PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY			NOT APPLICABLE			COMBINED SINGLE LIMIT (Ea accident) \$ XXXXXXXX BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$			NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX AGGREGATE \$ XXXXXXXX
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) ☐ Y / N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	NOT APPLICABLE			PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ XXXXXXXX E.L. DISEASE - EA EMPLOYEE \$ XXXXXXXX E.L. DISEASE - POLICY LIMIT \$ XXXXXXXX

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate holder is an additional insured on the General Liability as required by written contract subject to policy terms, conditions, and exclusions.

CERTIFICATE HOLDER

CANCELLATION

12291711
CASH WISE FOODS 3014
CITY OF OWATONNA
540 West Hills Circle
OWATONNA MN 55060

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Wholesale Distributor
OC TNT FIREWORKS

Projected Order

TNT000
NEWTON

Account No Date Location

J2

1332306 4/8/2025 CWF3014

Sold To: COBORN'S, INC. CO 2
1921 COBORN BLVD
ST. CLOUD MN 56301

Ship To: CASH WISE FOODS 3014
495 WEST NORTH STREET
OWATONNA MN 55060

Item No	Description	Qty Cases	Total Weight
***** NOVELTIES *****			
320674	FDP 2 PAK SNAP 160 J19	2	40.00 LBS
***** SPARKLERS *****			
380398	FDP #8 SPARKLER ASST(110) J22	2	56.22 LBS
***** COUNTER CASES *****			
674757	FDP NOV PATRIOTIC(SMKSNPSPK) 25	1	
380393	#8 SPARKLERS ASST 2 PDQS J22		5.43 LBS
320964	PATRIOT SNAP 75 CT 4 PDQS J25		4.73 LBS
351140	RWB SMK STICKS 3PK PDQ J24		5.29 LBS
380452D	STAR SPARKLER PDQ YP J25		1.07 LBS
380453D	RWB SPARKLER 8PK PDQ YP J25		1.25 LBS

TOTAL CASES 5

TOTAL WEIGHT OF FIREWORKS LBS

TOTAL WEIGHT OF NOVELTIES 113.99 LBS

TOTAL NEC LBS

TNT® FIREWORKS

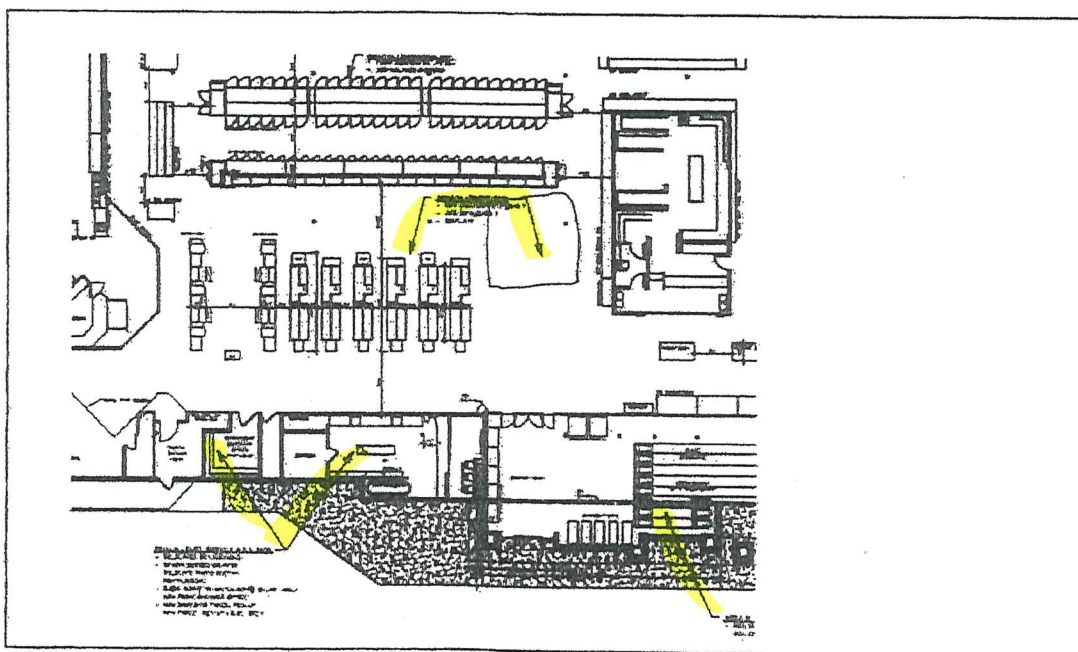
Site Plan Worksheet

ADDRESS 495 W North Street

CITY Owatonna STATE MN ZIP 55060 PHONE 507-451-7220

STORE NAME / LOCATION # Cash Wise #3014

TYPE OF EVENT: In-store sales of state-approved fireworks



Front of store



DATE: May 6, 2025
TO: Mayor and City Council
FROM: Jeanette Clawson, Administrative Coordinator
SUBJECT: Renew Annual Tree Trimmer Permit - Sargents, LLC dba Strobel Tree & Boom Services

Purpose:

Council to approve a renewal application received for a Tree Trimmer Permit.

Background:

The City Code considers it "unlawful for any person to cut, trim, prune, remove, spray or otherwise treat trees, shrubs or vines which are located on or extend over any public street, boulevard, park or other public place, for another, without a license therefor." The City's Tree Trimmer Permits expire March 31st each year.

This application was received from Ed Stobel for Sargent, LLC dba Strobel Tree & Boom Services from Waterville, MN with payment of the annual fee and required insurance.

Budget Impact:

An annual Tree Trimmer's Permit is \$50.00.

Staff Recommendation:

Staff recommends approval.

Attachments:

None



CITY OF
OWATONNA

Miscellaneous



DATE: May 6, 2025
TO: Mayor and City Council
FROM: Jeffrey Mundale, Police Chief
SUBJECT: Renew Joint Powers Agreement - MN Department Public Safety Human Trafficking Investigators Task Force

Purpose:

To approve the Joint Powers Agreement (JPA) between the City of Owatonna and the Minnesota Department of Public Safety Human Trafficking Investigators Task Force.

Background:

This JPA is a renewal between the Department of Public Safety on behalf of the Bureau of Criminal Apprehension (BCA) to access and share resources to target human trafficking crimes that may occur locally and cross-jurisdictional boundaries.

Budget Impact:

None. There may be reimbursements back to the City for eligible expenses.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Joint Powers Agreement



STATE OF MINNESOTA HUMAN TRAFFICKING INVESTIGATORS TASK FORCE JOINT POWERS AGREEMENT

This Joint Powers Agreement ("Agreement") is between the State of Minnesota, acting through its Commissioner of Public Safety on behalf of the Bureau of Criminal Apprehension ("BCA"), **and the City of Owatonna on behalf of its Police Department 204 E Pearl Street Owatonna, MN 55060** ("Governmental Unit"). The BCA and Governmental Unit may be referred to jointly as "Parties".

Recitals

Under Minnesota Statutes § 471.59, the BCA and the Governmental Unit are empowered to engage in agreements that are necessary to exercise their powers. The Parties wish to work together to investigate and prosecute human trafficking, which includes sex and labor trafficking. The Governmental Unit wants to participate in the Minnesota Human Trafficking Investigators Task Force ("MNHITF") as an Affiliate member.

Agreement

1. Term of Agreement

- 1.1 Effective Date.** This Agreement is effective on the date BCA obtains all required signatures pursuant to Minnesota Statutes § 16C.05, subdivision 2.
- 1.2 Expiration Date.** This Agreement expires five (5) years from the Effective Date unless terminated earlier pursuant to clause 12.

2. Purpose

The Governmental Unit and BCA enter into this Agreement to make the Governmental Unit part of the MNHITF that will use a three-pronged approach to combat human trafficking, which includes sex and labor trafficking: **prevention, education, and enforcement**. The BCA will provide an Assistant Special Agent in Charge (ASAIC) who will serve as the Commander of the Task Force (Commander) and who reports to a Special Agent in Charge (SAIC). The Governmental Unit will provide to the Task Force an affiliate member(s) ("Members").

3. Standards

The Governmental Unit will adhere to the MNHITF Standards identified below.

- 3.1** Members will investigate human trafficking crimes committed by organized groups or individuals, with a priority on minors being trafficked.
- 3.2** Members will participate in pro-active human trafficking operations and recover victims of human trafficking, having a priority focus on minors, with the goal of identifying their traffickers.
- 3.3** Members will follow state and/or federal laws in obtaining arrest warrants, search warrants and civil and criminal forfeitures.
- 3.4** Members will follow proper legal procedures in securing evidence, including electronic devices.
- 3.5** Members will understand and use appropriate legal procedures in the use of informants including documentation of identity, monitoring of activities, and use and recordation of payments.
- 3.6** Members will use, as appropriate, a broad array of investigative technologies and techniques.
- 3.7** Members will interview and prepare reports of victim recoveries and direct those victims to appropriate public and private resources to help ensure their safety and integration back into

society.

- 3.8** Members must be willing to respond and/or work jointly on human trafficking crimes within their jurisdiction and complete their assigned duties for the duration of the term of this Agreement.
- 3.9** Members must be licensed peace officers.
- 3.10** Members will investigate cases involving multi-jurisdictional, complex and/or organized groups involving human trafficking, which may require travel to neighboring jurisdictions as investigations expand.
- 3.11** Members will prepare an operational briefing sheet for each active operation related to the MNHITF investigations and activities, to be approved by the Commander.
- 3.12** Members will prepare investigative reports related to the MNHITF investigations and activities to be submitted to the Commander.
- 3.13** Members must submit statistics to the Commander on a quarterly basis.
- 3.14** Members are assigned to their home agencies and may request assistance and resources on a case-by-case basis as approved by the Commander.
- 3.15** Members will utilize a deconfliction system to share and receive information to promote deconfliction with other agencies.

4. Responsibilities of the Governmental Unit and the BCA

4.1 The Governmental Unit will:

- 4.1.1** Conduct investigations in accordance with provisions of the MNHITF Standards, identified in clause 3 above, and conclude such investigations in a timely manner.
- 4.1.2** Maintain accurate records of prevention, education, and enforcement activities, to be collected and forwarded quarterly to the BCA for statistical reporting purposes.
- 4.1.3** Continue to directly supervise Members that are assigned to the MNHITF. Members remain under the employ of the Governmental Unit while assigned to and performing MNHITF assignments. All services, duties, acts or omissions performed by Members will be within the course and duty of the Members' employment and therefore covered by the Workers Compensation and other compensation programs of then Governmental Unit including fringe benefits.
- 4.1.4** Make a reasonable good faith attempt to be represented at all scheduled MNHITF meetings in order to share information and resources among members of the MNHITF.
- 4.1.5** Participate fully in any audits required by the MNHITF.
- 4.1.6** Upon request, provide the BCA with a copy of any body worn camera footage that was captured while working within the capacity of the MNHITF under this Agreement. Said footage must be turned over to the BCA within 48 hours via a secured cloud storage service or thumb drive, as directed by the Authorized Representative for inclusion in the BCA's case files. The copy of the footage will be maintained in the BCA's system.
- 4.1.7** Consult the BCA in advance of any release of body worn camera footage to allow the BCA to consider and consult any private, not public, or confidential data that may require redaction. Any release of data captured in the course of MNHITF operations must adhere to state and federal laws.
- 4.1.8** Adhere to MNHITF's operations plans or other operational guidance issued by the SAIC and ASAIC, including new procedures governing the MNHITF while conducting MNHITF investigations and activities.
- 4.1.9** Comply with the use of force provisions of their home agency's policies and procedures. Members must also comply with directives issued by the SAIC and ASAIC. In the event of a conflict between the use of force requirements of the Members' home agency policy, and the policies or directives of the MNHITF, the policies and procedures of the home agency shall govern. Prior to deployment in the field, Members will confer with the SAIC or ASAIC to identify any potential use of force policy conflicts and work to resolve them in advance of operational activities.
- 4.1.10** Promptly submit to the Authorized Representative any and all investigation reports and supplementary reports created and generated while conducting MNHITF activities.
- 4.1.11** Report any performance measure data collected related to MNHITF to the Authorized Representative on a quarterly basis each year for the duration of this Agreement.
- 4.1.12** Generate quarterly expense reports covering previously approved expenses incurred

within that quarterly period. Requests for reimbursement for that quarter's expenses must be submitted to the ASAIC in the requested format for reimbursement within fourteen (14) days from the end of each quarter.

- 4.1.13** Submit requests for reimbursement within fourteen (14) days of notification of the grant's expiration, otherwise, the Governmental Unit will forfeit its reimbursement.

4.2 The BCA will:

4.2.1 Provide an ASAIC who will serve as the Commander of the Task Force.

4.2.2 Review and approve or decline reimbursement requests under clause 5.1 within three (3) business days of the reimbursement request. To process the request for reimbursement will require fourteen (14) business days upon receipt of the approved request.

- 4.3** Nothing in this Agreement shall otherwise limit the jurisdiction, powers, and responsibilities normally possessed by a member as an employee of the Governmental Unit.

5. Payment

5.1 The Governmental Unit must make a written request for funds and receive approval from the Commander or designee.

5.2 The Governmental Unit must supply original receipts to be reimbursed on pre-approved requests. Approved reimbursement will be paid directly by the BCA to the Governmental Unit within thirty (30) calendar days of the invoice date with payment made to the Governmental Unit Authorized Representative's address listed below.

6. Authorized Representatives

The BCA's Authorized Representative is the following person or her successor:

Name: Rachel Pearson, Commander of BCA-led MNHITF
 Address: Department of Public Safety; Bureau of Criminal Apprehension
 1430 Maryland Street East
 Saint Paul, MN 55106
 Telephone: 651.793.7000
 E-mail Address: Rachel.Pearson@state.mn.us

The Governmental Unit's Authorized Representative is the person below or his/her successor:

Name: Jeffrey E Mundale, Chief
 Address: 204 E Pearl Street
 Owatonna, MN 55060
 Telephone: (507) 774- 7200
 E-mail Address: Jeffrey.Mundale@ci.owatonna.mn.us

If the Governmental Unit's Authorized Representative changes at any time during this Agreement, the Governmental Unit must immediately notify the BCA's Authorized Representative in writing by email.

7. Assignment, Amendments, Waiver, and Agreement Complete

7.1 Assignment. The Governmental Unit may neither assign nor transfer any rights or obligations under this Agreement.

7.2 Amendments. Any amendment to this Agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Agreement, or their successors in office.

7.3 Waiver. If the BCA fails to enforce any provision of this Agreement, that failure does not waive the provision or its right to enforce it.

7.4 Agreement Complete. This Agreement contains all negotiations and agreements between the BCA and the Governmental Unit. No other understanding regarding this Agreement, whether written or oral, may be used to bind either party.

8. Liability

The BCA and the Governmental Unit agree each party will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of any others

and the results thereof. The BCA's liability shall be governed by provisions of the Minnesota Tort Claims Act, Minnesota Statutes § 3.736, and other applicable law. The Governmental Unit's liability shall be governed by provisions of the Municipal Tort Claims Act, Minnesota Statutes §§ 466.01-466.15, and other applicable law.

9. Audits

Under Minnesota Statutes § 16C.05, subdivision 5, the Governmental Unit's books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by the BCA and/or the State Auditor and/or Legislative Auditor, as appropriate, for a minimum of six (6) years from the end of this Agreement.

10. Government Data Practices

The Governmental Unit and the BCA must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, and other applicable law, as it applies to all data provided by the BCA under this Agreement and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Governmental Unit under this Agreement. The civil remedies of Minnesota Statutes § 13.08 apply to the release of the data referred to in this clause by either the Governmental Unit or the BCA.

If the Governmental Unit receives a request to release the data referred to in this Clause, the Governmental Unit must immediately notify the BCA. The BCA will give the Governmental Unit instructions concerning the release of the data to the requesting party before the data is released.

11. Venue

The venue for all legal proceedings out of this Agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

12. Expiration and Termination

12.1 Either party may terminate this Agreement at any time, with or without cause, upon 30 days written notice to the other party. To the extent funds are available, the Governmental Unit shall receive reimbursement in accordance with the terms of this Agreement through the date of termination.

12.2 Upon expiration or earlier termination of this Agreement, the Governmental Unit shall provide the Commander all investigative equipment that was acquired under this Agreement.

13. Continuing Obligations

The following clauses survive the expiration or cancellation of this Agreement: 8, Liability; 9, Audits; 10, Government Data Practices; and 11, Venue.

The remaining balance of this page intentionally left blank.

The parties indicate their agreement and authority to execute this Agreement by signing below.

1. STATE ENCUMBRANCE VERIFICATION
Individual certifies that funds have been encumbered as required by Minnesota Statutes §§ 16A.15 and 16C.05.

Signed: _____

Date: _____

SWIFT PO Number: 3000101894

**3. DEPARTMENT OF PUBLIC SAFETY;
BUREAU OF CRIMINAL APPREHENSION**

By: _____
(with delegated authority)

Title: _____

Date: _____

2. GOVERNMENTAL UNIT
Governmental Unit certifies that the appropriate person(s) has(have) executed this Agreement on behalf of the Governmental Unit and its jurisdictional government entity as required by applicable articles, laws, by-laws, resolutions or ordinances.

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

4. COMMISSIONER OF ADMINISTRATION
As delegated to the Office of State Procurement

By: _____

Date: _____



DATE: May 6, 2025
TO: Mayor and City Council
FROM: Emily Thamert, Human Resources Director
SUBJECT: Business Associate Agreement - National Insurance Service

Purpose:

Approve the Business Associate Agreement with National Insurance Services (NIS).

Background:

The City has utilized National Insurance Services as a full-service employee benefits consultant since January 2019. The proposed business associate agreement enables covered entity to meet applicable requirements of the regulations issued under the administrative provisions of the Health Insurance Portability and Accountability Act of 1996.

Budget Impact:

There is no known budget impact to this agreement.

Staff Recommendation:

Staff recommends approval of the Business Associate Agreement with NIS.

Attachments:

1. Business Associate Agreement

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement is entered into between the employee health plans of OWATONNA CITY OF (the “Plan Sponsor”) and National Insurance Services of Wisconsin (“Business Associate”), effective, except as otherwise provided in this Agreement, as of 3/24/2025.

The parties wish to enter into this Agreement to enable Covered Entity to meet applicable requirements of the regulations issued under administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), and this Agreement shall be interpreted accordingly. This Agreement also is intended to satisfy certain requirements of the Health Information Technology for Economic and Clinical Health Act (the “HITECH Act”), included in the American Recovery and Reinvestment Act of 2009 (“ARRA”), when and as they become applicable to either Covered Entity or Business Associate and this Agreement shall be interpreted accordingly.

ARTICLE 1 DEFINITIONS

The following terms, for purposes of this Agreement, have the meanings indicated, unless the context clearly requires otherwise:

- 1.1 Business Associate means National Insurance Services of Wisconsin.
- 1.2 Breach has the same meaning as the term “breach” under 45 CFR Section 164.402.
- 1.3 Covered Entity means the employee health plans sponsored by OWATONNA CITY OF
- 1.4 Individual has the same meaning as the term “individual” in 45 CFR Section 160.103 and includes a person who qualifies as a personal representative in accordance with 45 CFR Section 164.502(g).
- 1.5 Privacy Rule means the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.
- 1.6 Protected Health Information or PHI means information that qualifies as protected health information under 45 CFR Section 160.103 with respect to Covered Entity.
- 1.7 Required by Law has the meaning set forth in 45 CFR Section 164.103.
- 1.8 Secretary means the Secretary of the Department of Health and Human Services or his or her designee.
- 1.9 Security Standards means the federal regulations issued as Health Insurance Reform: Security Standards and codified at 45 CFR parts 160, 162 and 164.
- 1.10 Security Incident means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system, but only to the extent that the incident involves electronic PHI.

1.11 Unsecured Protected Health Information has the same meaning as that term has under 45 CFR Section 164.402, but limited to information that is accessed, maintained, retained, modified, recorded, stored, destroyed or otherwise held, used or disclosed by Business Associate on behalf of Covered Entity.

1.12 Terms used, but not otherwise defined, in this Agreement have the same meaning as those terms have in 45 CFR Sections 160.103, 164.103, 164.402 and 164.501 or in Section 13400 of ARRA.

ARTICLE 2 OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

2.1 Business Associate agrees that it will not use or further disclose PHI other than as permitted or required by this Agreement or as Required by Law.

2.2 Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for by this Agreement.

2.3 Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.

2.4 Business Associate agrees to report to Covered Entity any use or disclosure of PHI not provided for by this Agreement of which it becomes aware.

2.5 Business Associate agrees to ensure that any agent, including a subcontractor, that creates, receives, maintains or transmits PHI on behalf of Business Associate, agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to that information by entering into an agreement with the subcontractor or other agent that satisfies the requirements of 45 CFR Section 164.504(e)(5). To the extent that a subcontractor or other agent of Business Associate creates, receives, maintains or transmits electronic PHI on behalf of Business Associate, Business Associate will ensure that the subcontractor or agent agrees to comply with the applicable requirements of the Security Standards by entering into an agreement that complies with 45 CFR Section 164.314.

2.6 If Business Associate has PHI in a Designated Record Set, Business Associate agrees to provide access, at the request of Covered Entity or an Individual, and in the time and manner designated by Covered Entity, to such PHI, to Covered Entity or, as directed by Covered Entity, to an Individual, in order to meet the requirements under 45 CFR Section 164.524.

2.7 To the extent reasonably necessary for Covered Entity to comply with 45 CFR Section 164.524(c)(2), if Business Associate maintains PHI in an electronic format for any Individual, Business Associate agrees to provide, at the request of an Individual, and in the time and manner designated by the Individual, a copy of such information in the electronic format designated by the Individual to that Individual or, if clearly, conspicuously and specifically directed by the Individual to transmit an electronic copy of that information directly to an entity or person designated by the Individual. If electronic information described in the preceding sentence is not readily producible in the form and format requested by the Individual, it will be provided in a readable electronic form and format as agreed to by Business Associate and the individual, or, if

no agreement is reached in a hard copy format. Any fee charged by Business Associate to the Individual for providing such information (or a summary or explanation of such information) cannot exceed the amount described in 45 CFR Section 164.524(c)(4). Except as otherwise expressly provided in this Section 2.7, any information provided pursuant to this Section will comply with the requirements of 45 CFR Section 164.524 as they apply to Covered Entity. If a request described in this Section 2.7 is made by the Individual to Covered Entity instead of Business Associate, Business Associate agrees to work with Covered Entity to allow Covered Entity to respond to the request in accordance with Section 164.524.

2.8 If Business Associate has PHI in a Designated Record Set, Business Associate agrees to make any amendment to such information that Covered Entity directs or agrees to pursuant to 45 CFR Section 164.526 at the request of Covered Entity or an Individual, and in the time and manner designated by Covered Entity.

2.9 Business Associate agrees to make internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, or at the request of the Covered Entity to the Secretary, in a time and manner designated by the Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.

2.10 Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528. In addition, effective beginning on the date the requirements of regulations issued pursuant to Section 13405(c) of ARRA become applicable to Covered Entity, if Business Associate maintains information in an electronic format, to the extent necessary for Covered Entity to comply with ARRA Section 13405(c) and applicable regulations, Business Associate agrees to document access to and disclosures of PHI in electronic form, including applicable disclosures for payment, treatment or health care operation purposes and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528, as modified in accordance with ARRA Section 13405(c).

Business Associate agrees to provide to Covered Entity or an Individual, in a reasonable time and manner designated by Covered Entity, information collected in accordance with this Section 2.10, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

2.11 In conducting any electronic transaction that is subject to the Electronic Transaction Regulations on behalf of Covered Entity, Business Associate agrees to comply with all requirements of the Electronic Transaction Regulations that would apply to Covered Entity if Covered Entity were conducting the transaction itself.

2.12 To the extent that Business Associate creates, receives, maintains or transmits electronic PHI on behalf of Covered Entity, Business Associate agrees to maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of all electronic PHI and to otherwise comply with applicable requirements of the Security Standards.

2.13 To the extent that Business Associate creates, receives, maintains or transmits electronic PHI on behalf of Covered Entity, Business Associate agrees to report to Covered Entity any Security Incident of which it becomes aware. For any successful Security Incident, i.e. any Security Incident that results in the unauthorized access, use, disclosure, modification, or destruction of electronic PHI or interference with system operations on an information system on which electronic PHI is maintained, the report will be provided without unreasonable delay and in no event later than ten days after Business Associate becomes aware of the incident.

For any unsuccessful Security Incidents (i.e., all Security Incidents not described in the previous paragraph), following a written request by Covered Entity, Business Associate will promptly provide to Covered Entity a report summarizing all such previously unreported incidents. Also, no later than the next January 31 following the end of each calendar year, Business Associate will provide to Covered Entity a written report summarizing all unsuccessful Security Incidents that have not previously been reported to Covered Entity. Unsuccessful Security Incidents include but are not limited to pings on the Business Associate's firewall, port scans, attempts to log onto a system or enter a database with an invalid password or username, denial-of-service attacks that do not result in the system being taken off-line, or malware such as worms or viruses and similar failed attempts to access systems that include electronic PHI.

For successful Security Incidents, each incident report will:

1. Identify each individual whose PHI is known to have been, or is reasonably believed by Business Associate to have been accessed, acquired, or disclosed during the incident;
2. Identify the nature of the non-permitted access, use, or disclosure and the date of the incident and the date of discovery;
3. Identify the PHI accessed, used, or disclosed;
4. Identify who made the non-permitted access, use, or received the non-permitted disclosure;
5. Identify any corrective action Business Associate has taken or will take to prevent similar Security Incidents in the future;
6. Identify any actions Business Associate has taken or will take to mitigate any harmful effects of the Security Incident; and
7. Provide such other information, as Covered Entity may reasonably request.

To the extent that any of the above information is not available to be included in the Security Incident report, the report must include an explanation of why such information is not available to Business Associate.

For unsuccessful Security Incidents, each annual or requested incident report will summarize the types and number of occurrences or frequency of unsuccessful Security Incidents; will indicate whether Business Associate believes its current security measures are adequate to address all unsuccessful Security Incidents, given the scope and nature of such attempts; and if existing security measures are not adequate, the report will describe the measures Business Associate will implement to address the security inadequacies. Notwithstanding the preceding, to the extent that the parties agree that no report of an unsuccessful Security Incident (or of specific types of unsuccessful Security Incidents) is required under applicable law, no such report will be required under this Agreement.

2.14 To the extent that Business Associate accesses, maintains, retains, modifies, records, stores, destroys, or otherwise holds, uses or discloses Unsecured Protected Health Information on behalf of Covered Entity, Business Associate agrees to notify Covered Entity of any Breach of such information. Such notification will comply with 45 CFR Section 164.410 including, to the extent possible, identifying each individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired or disclosed during the Breach. In addition, the notice described in the preceding sentence will include all information that is reasonably available to Business Associate that Covered Entity would reasonably be expected to need to fulfill its legal obligations with respect to the Breach, including the information required to be provided in a report of a successful Security Incident as described in this Agreement. If additional information described in the preceding sentence becomes available after the original notice is provided to Covered Entity, Business Associate agrees to promptly provide the additional information to Covered Entity as it becomes available.

Business Associate agrees to provide notice of the Breach without unreasonable delay and in no case later than 60 calendar days after Business Associate discovers the Breach. For purposes of the preceding sentence, Business Associate will be treated as discovering the Breach on the first day on which the Breach is known (or should reasonably have been known) to Business Associate (including any employee, officer or other agent of Business Associate other than the person committing the Breach). Whether a Breach has occurred will be determined in accordance with applicable regulations or other authoritative guidance issued pursuant to the HITECH Act. A delay in notification of a Breach that qualifies as a “law enforcement delay” under 45 CFR Section 164.412 or other applicable guidance will not be treated as a violation of this Agreement.

2.15 To the extent that Business Associate agrees, under the terms of this Agreement or a general services agreement or otherwise, to carry out any obligation that the Covered Entity may have under the Privacy Rule at 45 CFR part 164, subpart E, Business Associate agrees to comply with the requirements of subpart E that would apply to Covered Entity in performing that obligation.

ARTICLE 3

PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

3.1 Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the general service agreement between Business Associate and Covered Entity, provided that such use or disclosure would not violate the Privacy Rule, the Security Standards or the HITECH Act if done by Covered Entity.

3.2 Except as otherwise limited in this Agreement, Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

3.3 Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of the Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

3.4 Except as otherwise limited in this Agreement, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 CFR Section 164.504(e)(2)(i)(B).

3.5 Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR Section 164.502(j)(1).

ARTICLE 4

OBLIGATIONS OF COVERED ENTITY

4.1 Covered Entity shall notify Business Associate of any limitation in its notice of privacy practices that Covered Entity produces in accordance with 45 CFR Section 164.520, to the extent that that limitation may affect Business Associate's permitted or required uses and disclosures.

4.2 Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose PHI, if those changes affect Business Associate's permitted or required uses and disclosures.

4.3 Covered Entity shall notify Business Associate of any restriction on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR Section 164.522.

ARTICLE 5
PERMISSIBLE REQUESTS BY COVERED ENTITY

5.1 Except as permitted under Sections 3.2, 3.3 or 3.4 of this Agreement, Covered Entity shall not request that Business Associate use or disclose PHI in any manner that would not be permitted under the Privacy Rule, the Security Standards or the HITECH Act if done by Covered Entity, unless such use or disclosure is otherwise permitted under the Privacy Rule, the Security Standards or the HITECH Act if done by the Business Associate on behalf of Covered Entity and is consistent with the requirements of the general services agreement between Covered Entity and Business Associate.

ARTICLE 6
TERM AND TERMINATION

6.1 Term. This Agreement is effective beginning 3/24/2025 and will terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions of this Article 6.

6.2 Termination for Cause. If Covered Entity becomes aware of a material breach of this Agreement by Business Associate, Covered Entity shall (1) provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement (and any applicable portion of a general services agreement between the parties) if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity, or (2) immediately terminate this Agreement (and any applicable portion of a general services agreement that covers the services that Business Associate performs for Covered Entity) if Business Associate has breached a material term of this Agreement and cure is not possible.

6.3 Effect of Termination.

(a) Except as provided in paragraph (b) of this Section, upon termination of this Agreement for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision applies to PHI that is in the possession of subcontractors or agents of Business Associate. Except as provided in paragraph (b) of this Section, Business Associate shall retain no copies of the PHI.

(b) If Business Associate determines that returning or destroying PHI is infeasible, Business Associate shall notify Covered Entity of the conditions that make return or destruction infeasible and Business Associate will extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

ARTICLE 7
MISCELLANEOUS

7.1 Regulatory and Statutory References. A reference in this Agreement to a regulation or a statute means that regulation or statute as in effect and as amended at the time of reference

and as interpreted pursuant to any applicable guidance provided by the Secretary or other responsible regulatory authority and any applicable case law.

7.2 Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity and Business Associate to comply with the requirements of the Administrative Simplification provisions of HIPAA or the HITECH Act, and of the regulations issued pursuant to those laws. The Parties may agree to amend this Agreement from time to time in any other respect as they deem appropriate. This Agreement shall not be amended except by written instrument executed by Covered Entity and Business Associate.

7.3 Survival. The respective rights and obligations of Business Associate under Section 6.3 of this Agreement shall survive the termination of this Agreement.

7.4 Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with applicable requirements of the HIPAA Administrative Simplification regulations and with the applicable requirements of the HITECH Act. Also, nothing in this Agreement shall be construed to require Business Associate to violate its obligations to comply with any requirements of the Privacy Rule or the Security Standards that apply directly to Business Associate.

7.5 Effective Date. Notwithstanding any other provision of this Agreement, Business Associate shall not be required to comply with any obligation imposed on it by this Agreement which is intended to provide for a Covered Entity's compliance with a requirement of the Administrative Simplification Regulations or the HITECH Act or regulations or other guidance issued pursuant to the HITECH Act until the date on which Covered Entity is first required to comply with that requirement.

7.6 Relationship of Parties. None of the provisions of this Agreement are intended to create or shall be deemed to create any relationship between the Parties other than that of independent parties contracting with each other solely for the purposes of effecting the provisions of this Agreement and any other Arrangement between the Parties.

7.7 No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person or entity other than Plan Sponsor, Business Associate and their respective successors and assigns, any rights, remedies, obligations or liabilities whatsoever.

7.8 Successors and Assigns. This Agreement shall be binding on the parties and their successors, but neither party may assign the Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld.

7.9 Waiver. No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any occasion.

7.10 Severability. In the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect.

7.11 Notice. Any notice to the other party pursuant to this Agreement shall be deemed provided if sent by first class United States mail, postage prepaid, as follows:

To Business Associate: National Insurance Services of Wisconsin
250 South Executive Drive
Brookfield, WI 53005
Attn: Hank Ehram, President
Attn: Al LeGrand, COO

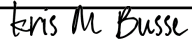
To Plan Sponsor: Privacy Officer
City of Owatonna
540 West Hills Circle
Owatonna, MN 55060

7.12 Indemnification.

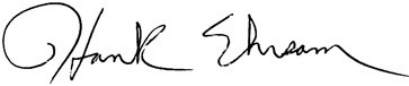
- i. Plan Sponsor shall indemnify and hold harmless Business Associate from and against any and all losses, expense, damage or injury that Business Associate may sustain as a result of, or arising out of a breach of this Agreement by Plan Sponsor or its agents or subcontractors, including but not limited to any unauthorized use, disclosure, damage, or destruction of PHI.
- ii. Business Associate shall indemnify and hold harmless Plan Sponsor from and against any and all losses, expense, damage or injury that Plan Sponsor may sustain as a result of, or arising out of a breach of this Agreement by Business Associate or its agents or subcontractors, including but not limited to any unauthorized use, disclosure, damage, or destruction of PHI.

7.13 Entire Agreement. This Agreement sets forth the entire understanding of the Parties with respect to its subject matter and supersedes all prior agreements, arrangements and communications, whether oral or written, pertaining to the subject matter of this Agreement.

The parties have caused this Agreement to be executed by their authorized representatives.

OWATONNA CITY OF
Signed by:
By: 
11CC9829C84B411...
Print Name: Kris M. Busse
Print Title: City Administrator
Date: 4/29/2025

NATIONAL INSURANCE SERVICES OF WISCOSNIN

By: 
Print Name: Hank Ehram
Print Title: President
Date: 3/24/2025

REPRODUCTIVE HEALTH CARE ADDENDUM

This Reproductive Health Care Addendum (“Addendum”) shall expand upon the terms of the Business Associate Agreement (“Agreement”) as necessary to comply with the HIPAA Privacy Rule to Support Reproductive Health Care Privacy (“2024 Rule”). Notwithstanding the prior sentence, if any provision of the 2024 Rule is held to be invalid or unenforceable facially, or as applied to any person, plaintiff, or circumstance, this Addendum shall give maximum effect to the provision(s) permitted by law unless such holding shall be one of utter invalidity or unenforceability, in which case the provision shall be severable from the Addendum, and shall not affect the remainder thereof or the application of the provision to other persons not similarly situated or to other dissimilar circumstances.

1. The Agreement shall incorporate and apply the following definitions:

“Person” means a natural person (meaning a human being who is born alive), trust or estate, partnership, corporation, professional association or corporation, or other entity, public or private as the term is defined in 45 C.F.R. § 160.103.

“Public Health” as used in the terms “public health surveillance,” “public health investigation,” and “public health intervention,” means population-level activities to prevent disease in and promote the health of populations. Such activities include identifying, monitoring, preventing, or mitigating ongoing or prospective threats to the health or safety of a population, which may involve the collection of protected health information (PHI). But such activities do not include those with any of the following purposes:

- (1) To conduct a criminal, civil, or administrative investigation into any person for the mere act of seeking, obtaining, providing, or facilitating health care
- (2) To impose criminal, civil, or administrative liability on any person for the mere act of seeking, obtaining, providing, or facilitating health care.
- (3) To identify any person for any of the activities described at paragraphs (1) or (2) of this definition.

“Reproductive Health Care” means health care that affects the health of an individual in all matters relating to the reproductive system and to its functions and processes. This definition shall not be construed to set forth a standard of care for or regulate what constitutes clinically appropriate reproductive health care, as the term is defined in 45 C.F.R. § 160.103.

2. The Agreement shall incorporate and apply the following additional limitations to the permissible uses and disclosures as related to Reproductive Health Care.

Business Associate will coordinate with Covered Entity upon receipt of a disclosure request where the relevant activity is in connection with any person seeking, obtaining, providing, or facilitating Reproductive Health Care, so that PHI is not used or disclosed for any of the following activities:

- (1) To conduct a criminal, civil, or administrative investigation into any person for the mere act of seeking, obtaining, providing, or facilitating Reproductive Health Care.

- (2) To impose criminal, civil or administrative liability on any person for the mere act of seeking, obtaining, providing, or facilitating Reproductive Health Care.
- (3) To identify any person for any purposes described in (1) and (2) above.

To the extent requested, Business Associate will assist Covered Entity in its reasonable determination that one or more of the following conditions exist, as related to such a request for PHI:

- (1) The Reproductive Health Care is lawful under the law of the state in which such health care is provided under the circumstances in which it is provided;
- (2) The Reproductive Health Care is protected, required, or authorized by Federal law, including the United States Constitution, under the circumstances in which such health care is provided, regardless of the state in which it is provided; or
- (3) The presumption stated immediately below applies.

There is a presumption that the Reproductive Health Care provided by another person is presumed lawful, unless the Covered Entity or Business Associate has any of the following:

- (1) Actual knowledge that the Reproductive Health Care was not lawful under the circumstances in which it was provided.
- (2) Factual information supplied by the person requesting the use or disclosure of PHI that demonstrates a substantial factual basis that the Reproductive Health Care was not lawful under the specific circumstances in which it was provided. 164.502(a)(5)(iii)(C).

For purposes of this Addendum, activity that is in connection with any person seeking, obtaining, providing or facilitating Reproductive Health Care includes, but is not limited to, the following: expressed an interest in, using, performing, furnishing, paying for, disseminating information about, arranging, insuring, administering, authorizing, providing coverage for, approving, counseling about, assisting, or otherwise taking action to engage in Reproductive Health Care, or attempting any of the same.

In the event that the use or disclosure request for PHI is potentially related to Reproductive Health Care for health oversight activities (45 C.F.R. §164.512(d)), judicial and administrative proceedings (45 C.F.R. §164.512(e)), law enforcement purposes (45 C.F.R. §164.512(f)), or coroners and medical examiners regarding a decedent (45 C.F.R. §164.512(g)(1)) to which an individual's authorization or opportunity to agree or object is not required, Business Associate will coordinate with Covered Entity to ensure Covered Entity's compliance with all applicable conditions established by the 2024 Rule, including, but not limited to, the obligation to first obtain a Valid Attestation (as outlined in the 2024 Rule).

If, at any time, Business Associate discovers a reasonable showing that any representation made in an attestation believed to be a Valid Attestation was materially false, leading to a use or disclosure for a purpose prohibited by 164.5028(a)(5)(iii), the Business Associate shall notify the Covered Entity of the discovery and cease the applicable use or disclosure.



DATE: May 6, 2025
TO: Mayor and City Council
FROM: Greg Kruschke, Community Development Manager
SUBJECT: Utility Disconnection Agreement for Renneberg Hardwoods - 1430 State Avenue

Purpose:

Approve the agreements delaying the disconnection of water and sewer services from the mains to allow for development and the ultimate combination of all of the lots.

Background:

Renneberg Hardwoods has purchased 3 lots along State Avenue and is in the process of replatting them. The applicant wishes to enter into the agreement and disconnect the services in the future per the agreement.

Previously when a property owner combined lots and it was clear the water and sewer services were not going to be used they were required to be disconnected at the mains. This involved digging into the street and added significant cost to the property owner.

City Staff met with OPU Staff late last fall with the intent of trying to minimize the amount of times we were digging into the streets. We were able to develop this agreement, to be recorded against the property, to accomplish what every party was looking for. City Staff, OPU Staff, and City Attorney Walbran have all reviewed the agreement and feel it is a good solution.

Budget Impact:

There is no budget impact to the City other than staff time. All future responsibility is the property owners and the agreement lays out the process. The applicant also pays the \$46 recording fee.

Staff Recommendation:

Staff is recommending approval of the Utility Disconnection Agreement for Renneberg Hardwoods.

Attachments:

1. Renneberg Hardwoods Utility Disconnection Letter of Understanding

LETTER OF UNDERSTANDING

This Letter of Understanding is entered into between the City of Owatonna, hereinafter referred to as the City, Owatonna Public Utilities, hereinafter referred to as OPU, and R2 Holdings, LLC, owner of the subject property, hereinafter referred to as Owner, this ____ day of _____, 2025, with regard to the premises of the Owner, located at 1430 State Avenue NW, Owatonna, Minnesota, and as legally described in the attached Exhibit A.

- 1) The Owner is requesting to demolish a structure on a lot with no plans for new construction in the future. This parcel will have a water and sewer service that will no longer be needed.
- 2) The City requires that the sewer service be disconnected at the sewer main. The disconnection at the main is to prevent inflow and infiltration into the public sanitary sewer service resulting in overflow at the wastewater treatment facility.
- 3) OPU requires that the water service be disconnected at the water main. The disconnection at the main is to prevent a leaking water service resulting in unused resources and erosion damages to public street or private property.
- 4) The City also has a desire to minimize the amount of street openings that occur in order to protect and extend the life of the existing street network.
- 5) The Owner hereby acknowledges the inherent risk associated with leaving the water and sewer services connected to the respective public mains and the benefit accruing to its property by their removal and agrees that the Owner is fully responsible for the disconnection of the water and sewer services from their respective mains in the future.
- 6) The Owner agrees to disconnect the water and sewer service from the public main within 30 days of receiving notice from the City or OPU once an issue is discovered. If action is not taken the City will contract for the required work and all costs will be assessed to the Owner with an additional 20% oversight fee for completing the necessary work.
- 7) The Owner agrees that the service will be removed when the subject street has the pavement removed for any reason. This work will be performed by the City's contractor and will be billed directly to the Owner. Please note that this will include the excavation and service removal. Pavement removal and repaving will be included in the street project.
- 8) The City, OPU and Owner hereby declare that the above described premises are subject to the above conditions and which shall run with the land and part thereof and shall apply to and bind each and every successor in interest thereof.
- 9) In the event the City of Owatonna has to take enforcement action to enforce the terms of this agreement, in addition to any other remedies that may be available to it pursuant to the Owatonna Code of Ordinances or Minnesota Statutes, the City of Owatonna shall be entitled to recover the costs of enforcement including reasonable attorney fees.

Owner:

Dated: _____

BY: _____

Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

 This instrument was acknowledged before me this _____ day of _____, 2025 on
_____, 20____, by _____, its
_____ of R2 Holdings LLC, a Minnesota Limited Liability Company
under the laws of the State of Minnesota, Owner of the subject property.

Signature of person taking acknowledgment

CITY OF OWATONNA

Dated: _____

By: _____
Matthew Jessop
Its: Mayor

By: _____
Kris M. Busse
Its: City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing instrument was acknowledged before me this _____ day of _____,
20___ by Matthew Jessop, Mayor and Kris M. Busse, City Administrator, of the City of Owatonna, a
Municipal Corporation, a municipal corporation under the laws of the State of Minnesota.

Signature of person taking acknowledgment

OWATONNA PUBLIC UTILITIES

Dated: _____

By: _____
Roger Warehime
Its: General Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ by Roger Warehime, its General Manager, of Owatonna Public Utilities, a Municipal Corporation, a municipal corporation under the laws of the State of Minnesota.

Signature of person taking acknowledgment

Exhibit A

Lot 1, Block1, Renneberg Hardwoods Addition, Steele County, Minnesota



CITY OF
OWATONNA

Action Items



CITY OF
OWATONNA

Finance Report

RECAP:

\$ 44,719.07 CivicPlus - annual fees 6/2024 - 6/2025 - Recreation
38,787.50 ESRI
- Annual Enterprise agreement software/maintenance - \$35,900.00
- Annual ARCGIS Enterprise Mobile Worker subscription - \$2,887.50
24,273.34 Hawkins - chemicals - WWTF
108,994.86 Hydro Klean - 2025 CIPPS projects - pay est #1
30,000.00 James E Elsbecker - 502 Maple Dr earnest money
23,800.00 John Deere Credit - compact utility tractor u #25420 - Park
145,903.22 Nero Engineering - WWTF upgrade & expansion project - March 2025
90,857.20 Original Mechanics Inc - Yanmar TL100VS Track Loader u #25280 - Street
64,360.97 Owatonna Motor Company - VRF Ford 550 Super Duty flatbed u #25426 - Park
965,889.57 Rice Lake Construction Group - WWTP Expansion - pay est #34
56,631.01 Schmidt Goodman Office Products
- office furniture \$47,045.30 - WWTF
- office furniture - \$9,585.71 - Records
46,894.86 Short Elliot Hendrickson - 18th St SE reconstruction services - March 2025
148,647.86 Southeast Service Cooperative - April 2025 health ins premiums
21,600.04 US Bank - entire organization monthly credit card purchases - Feb/March 2025
250,112.00 Walbran Furness & Trust
- Ridge Rd NE lot purchase - \$ 220,146.00
- 315 Lemond Rd purchase - \$29,966.00
22,619.00 Ziegler - ES2632 26' Electric Scissor Lift - WWTF

460,323.32 OTHER EXPENDITURES

\$ 2,544,413.82 *SUBTOTAL*

101,591.00 HRA HOUSING ASSISTANCE PAYMENTS

\$ 2,646,004.82 TOTAL EXPENDITURES PRESENTED FOR APPROVAL

NOTE: Checks over \$20,000 are detailed out individually

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
Cash Account: 999-19100-000-000-000000					
382567	04/10/25	IMAGE APARTMENT	850.00	R	ACH
382568	04/20/25	CLOVER CONNECT	1,727.68	R	Wire Transfer
382569	04/20/25	GLOBAL PAYMENTS INTEGRATED	8,088.70	R	Wire Transfer
382570	04/20/25	MN DEPT OF LABOR AND INDUSTRY	1,635.64	R	Wire Transfer
382571	04/20/25	MN DEPT OF REVENUE	6,173.38	R	Wire Transfer
382572	04/20/25	PAYMENTECH	25.00	R	Wire Transfer
382573	04/20/25	SOUTHEAST SERVICE COOPERATIVE	148,647.86	R	Wire Transfer
382574	04/20/25	US BANK	21,600.04	R	Wire Transfer
382575	04/20/25	WEX BANK	1,465.03	R	Wire Transfer
382576	04/20/25	WEX HEALTH INC	354.75	R	Wire Transfer
382577	04/22/25	ADVANCED ENGINEERING & ENVIRON	2,484.00	0	Regular
382578	04/22/25	ALEXANDER LUMBER COMPANY	1,080.94	0	Regular
382579	04/22/25	AMERICAN RED CROSS	80.00	0	Regular
382580	04/22/25	ANHORN'S GAS & TIRE	177.20	0	Regular
382581	04/22/25	APG MEDIA OF SO MINNESOTA LLC	1,892.38	0	Regular
382582	04/22/25	APG MEDIA OF SO MINNESOTA LLC	185.63	0	Regular
382583	04/22/25	APG MEDIA OF SO MINNESOTA LLC	2.78	0	Regular
382584	04/22/25	APG MEDIA OF SO MINNESOTA LLC	2.78	0	Regular
382585	04/22/25	APG MEDIA OF SO MINNESOTA LLC	2.78	0	Regular
382586	04/22/25	APG MEDIA OF SO MINNESOTA LLC	2.78	0	Regular
382587	04/22/25	ASCAP	448.67	0	Regular
382588	04/22/25	AWARDS DIRECT INC	259.72	0	Regular
382589	04/22/25	AXON ENTERPRISE INC	2,636.64	0	Regular
382590	04/22/25	BAKER & TAYLOR BOOKS	830.46	R	ACH
382591	04/22/25	BARNUM COMPANIES INC	464.88	0	Regular
382592	04/22/25	BENJAMIN METCALF	15.01	0	Regular
382593	04/22/25	BENJAMIN R JOHNSON	147.71	0	Regular
382594	04/22/25	BRIAR BONIN	111.61	0	Regular
382595	04/22/25	CAVALIER COACHES INC	750.00	0	Regular
382596	04/22/25	CEMSTONE PRODUCTS CO	478.16	0	Regular
382597	04/22/25	CENTRAL FARM SERVICE	108.33	0	Regular
382598	04/22/25	CIVICPLUS LLC	44,719.07	R	ACH
382599	04/22/25	CLIFTONLARSONALLEN LLP	3,937.50	0	Regular
382600	04/22/25	CORPORATE RECOGNITION	243.50	R	ACH
382601	04/22/25	COURT SPORTS AND MORE	87.00	R	ACH
382602	04/22/25	CULLIGAN OF OWATONNA	34.90	R	ACH
382603	04/22/25	CUSTOM COMMUNICATIONS INC	195.00	0	Regular
382604	04/22/25	DAKOTA CO FINANCIAL SERVICES	8,694.00	0	Regular
382605	04/22/25	DAVID J UNMACHT LLC	4,375.00	0	Regular
382606	04/22/25	DEAN'S WESTSIDE TOWING	200.00	R	ACH
382607	04/22/25	DENISE STEWART	208.28	0	Regular
382608	04/22/25	DISH	174.49	0	Regular
382609	04/22/25	DLL FINANCE LLC	9,156.08	0	Regular
382610	04/22/25	EARL F ANDERSEN & ASSOC	3,429.30	0	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
382611	04/22/25	ESRI	38,787.50	R	ACH
382612	04/22/25	EZ STEP PRODUCTS	3,762.00	0	Regular
382613	04/22/25	FASTENAL COMPANY	110.16	R	ACH
382614	04/22/25	FIRST SUPPLY OWATONNA	229.00	R	ACH
382615	04/22/25	FLAHERTY & HOOD PA	7,212.50	R	ACH
382616	04/22/25	FOUR SEASONS ELECTRIC	4,685.96	R	ACH
382617	04/22/25	GALLAGHER BENEFIT SERVICES INC	1,041.67	R	ACH
382618	04/22/25	GENERAL TRAFFIC CONTROLS INC	250.00	R	ACH
382619	04/22/25	GENUINE PARTS COMPANY - NAPA	1,380.16	R	ACH
382620	04/22/25	GRAINGER	209.11	R	ACH
382621	04/22/25	GS DIRECT INC	120.62	0	Regular
382622	04/22/25	HEALTHNUTZ	6,650.00	0	Regular
382623	04/22/25	HERITAGE CRYSTAL CLEAN LLC	858.58	0	Regular
382624	04/22/25	HILLYARD INC	1,422.59	0	Regular
382625	04/22/25	HUBER SUPPLY CO INC	46.00	0	Regular
382626	04/22/25	IFACS	493.33	R	ACH
382627	04/22/25	INNOVATIVE OFFICE SOLUTIONS	1,088.66	0	Regular
382628	04/22/25	JD DRIVER LTD	5,000.00	0	Regular
382629	04/22/25	JETTER CLEAN INC	675.00	R	ACH
382630	04/22/25	KATHRYN MOUW MSW LICSW LADC	150.00	0	Regular
382631	04/22/25	KENDELL DOORS & HARDWARE INC	427.40	R	ACH
382632	04/22/25	KWIK TRIP INC	107.56	0	Regular
382633	04/22/25	LAWSON PRODUCTS	68.22	0	Regular
382634	04/22/25	LEADER CONSTRUCTION	92.45	0	Regular
382635	04/22/25	LEAGUE OF MN CITIES	425.00	0	Regular
382636	04/22/25	LEGACY SIGNS INC	708.00	R	ACH
382637	04/22/25	LOCKRIDGE GRINDAL NAUEN PLLP	3,333.33	0	Regular
382638	04/22/25	MACQUEEN EQUIPMENT CO	1,182.88	R	ACH
382639	04/22/25	MARCO TECHNOLOGIES LLC	113.49	R	ACH
382640	04/22/25	METRO SALES INC	359.60	0	Regular
382641	04/22/25	METRONET SYSTEMS HOLDINGS LLC	688.17	R	ACH
382642	04/22/25	MID-AMERICAN RESEARCH CHEMICAL	625.00	0	Regular
382643	04/22/25	MIDWEST TAPE LLC	611.49	R	ACH
382644	04/22/25	MINA ADSIT ARCHITECTURE & PLAN	3,500.00	R	ACH
382645	04/22/25	MN GOLF ASSOCIATION	180.00	0	Regular
382646	04/22/25	MN SECRETARY OF STATE - NOTARY	120.00	0	Regular
382647	04/22/25	MRI SOFTWARE LLC	75.00	R	ACH
382648	04/22/25	MTI DISTRIBUTING INC	695.91	R	ACH
382649	04/22/25	NAVAL SURFACE WARFARE CTR-CRAN	1,800.00	R	ACH
382650	04/22/25	NERO ENGINEERING	145,903.22	R	ACH
382651	04/22/25	NORTHLAND FARM SYSTEMS	355.30	R	ACH
382652	04/22/25	ORIGINAL MECHANICS INC	90,857.20	0	Regular
382653	04/22/25	OWATONNA AREA CHAMBER OF COMM	17,950.62	0	Regular
382654	04/22/25	OWATONNA PUBLIC UTILITIES	3,451.06	R	ACH
382655	04/22/25	OWT HARDWARE	250.79	0	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
382656	04/22/25	PARTNERS FOR PROGRESS	12,000.00	0	Regular
382657	04/22/25	PIONEER MANUFACTURING COMPANY	2,655.00	R	ACH
382658	04/22/25	PRESENCE TELEHEALTH PLLC	212.00	R	ACH
382659	04/22/25	RAINY FALLS VENTURE LLC	137.50	0	Regular
382660	04/22/25	RAMY TURF PRODUCTS	525.00	0	Regular
382661	04/22/25	REINDERS INC	1,359.30	R	ACH
382662	04/22/25	RICE LAKE CONSTRUCTION GROUP	965,889.57	R	ACH
382663	04/22/25	RIVER CITY ELECTRIC CO	18,096.53	0	Regular
382664	04/22/25	RIVERLAND COMMUNITY COLLEGE	660.00	0	Regular
382665	04/22/25	RONCO ENGINEERING SALES	115.98	R	ACH
382666	04/22/25	ROOT RIVER HARDWOODS INC	1,266.00	0	Regular
382667	04/22/25	SCHMIDT GOODMAN OFFICE PRODUCT	56,631.01	R	ACH
382668	04/22/25	SCHUTT SPORTS LLC	3,140.75	0	Regular
382669	04/22/25	SCOTT F LIMBERG	800.00	R	ACH
382670	04/22/25	SENIORPLACE INC	246.00	0	Regular
382671	04/22/25	SEYKORA ASPHALT MAINT & PAVG	2,184.00	0	Regular
382672	04/22/25	SHARE CORPORATION	321.87	R	ACH
382673	04/22/25	SHERWIN WILLIAMS COMPANY	59.98	0	Regular
382674	04/22/25	SHI INTERNATIONAL CORP	510.35	0	Regular
382675	04/22/25	SHORT ELLIOTT HENDRICKSON INC	46,894.86	R	ACH
382676	04/22/25	SHOWCASES	57.50	0	Regular
382677	04/22/25	SHRED RIGHT	42.53	R	ACH
382678	04/22/25	SIGN PRO OF OWATONNA	513.15	R	ACH
382679	04/22/25	SPARETIME ENTERTAINMENT LLC	3,346.00	0	Regular
382680	04/22/25	STEELE COUNTY RECORDER	92.00	0	Regular
382681	04/22/25	STEELE COUNTY TREASURER	6,272.00	0	Regular
382682	04/22/25	STEVE JAMES EXCAVATING INC	240.00	R	ACH
382683	04/22/25	STEWART COMPANIES INC	35.29	0	Regular
382684	04/22/25	STEWART SANITATION	1,012.06	0	Regular
382685	04/22/25	SYNCHRONY BANK	218.59	0	Regular
382686	04/22/25	SYNCHRONY BANK - LOWE'S	1,779.71	0	Regular
382687	04/22/25	TAIKOARTS MIDWEST	3,000.00	0	Regular
382688	04/22/25	TAMMY R INGVALDSON	99.00	0	Regular
382689	04/22/25	TEXAS REFINERY CORP	1,746.25	R	ACH
382690	04/22/25	THE TESSMAN COMPANY	1,545.07	0	Regular
382691	04/22/25	THOMPSON SANITATION INC	17.50	R	ACH
382692	04/22/25	TJD REPAIR & SERVICE	79.65	0	Regular
382693	04/22/25	TOWMASTER	850.00	R	ACH
382694	04/22/25	TRI M GRAPHICS	396.96	R	ACH
382695	04/22/25	UNITED WAY	80.00	0	Regular
382696	04/22/25	VAN METER INC	3,126.18	0	Regular
382697	04/22/25	VAULT HEALTH	249.57	0	Regular
382698	04/22/25	VENTURE HYDRAULICS INC	418.43	R	ACH
382699	04/22/25	VERIZON WIRELESS	2,806.83	0	Regular
382700	04/22/25	VERTEX UNMANNED SOLUTIONS LLC	7,565.00	0	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
382701	04/22/25	VESTIS FIRST AID	479.53	0	Regular
382702	04/22/25	VESTIS GROUP INC	270.67	0	Regular
382703	04/22/25	WALBRAN & FURNESS CHARTERED	5,123.45	R	ACH
382704	04/22/25	WASECA COUNTY HWY DEPT	61.34	0	Regular
382705	04/22/25	WASECA POLICE DEPARTMENT	5,941.28	0	Regular
382706	04/22/25	WEN-COL INC	1,137.78	0	Regular
382707	04/22/25	WENCL PLUMBING	132.12	0	Regular
382708	04/22/25	WEST PUBLISHING CORPORATION	610.50	R	ACH
382709	04/22/25	WHKS & CO	249.61	R	ACH
382710	04/22/25	ZIEGLER INC	3,000.00	R	ACH
382711	04/22/25	ZIEGLER INC	22,619.00	R	ACH
382712	04/24/25	JAMES E ELSBECKER	30,000.00	R	ACH
382713	04/24/25	WALBRAN & FURNESS TRUST	220,146.00	0	Regular
382714	04/24/25	WALBRAN & FURNESS TRUST	29,966.00	0	Regular
382715	04/25/25	STEELE COUNTY TREASURER	656.62	0	Regular
382716	04/25/25	STEELE COUNTY TREASURER	248.60	0	Regular
382717	05/01/25	A & K LLC	395.00	R	ACH
382718	05/01/25	A&H PROPERTIES	647.00	R	ACH
382719	05/01/25	ACADEMY APARTMENTS OF OWA LLC	2,069.00	R	ACH
382720	05/01/25	ALL AREA MANAGEMENT LLC	1,635.00	R	ACH
382721	05/01/25	APACHE APARTMENTS	607.00	R	ACH
382722	05/01/25	ATM PROPERTIES LLC	1,891.00	R	ACH
382723	05/01/25	AUSTIN HRA	1,456.00	0	Regular
382724	05/01/25	BROWN CYNTHIA	524.00	R	ACH
382725	05/01/25	BRYCEN GREGOR	2,903.00	R	ACH
382726	05/01/25	CAPELLE COMPANIES LLC	870.00	R	ACH
382727	05/01/25	CEDAR HILLS ESTATES LLC	3,553.00	R	ACH
382728	05/01/25	CEDAR RIDGE APARTMENTS	64.00	R	ACH
382729	05/01/25	CEDAR ROSE ASSOCIATES LLC	1,260.00	R	ACH
382730	05/01/25	CEDAR RUN TOWN HOMES MDI #41	3,743.00	R	ACH
382731	05/01/25	CEDARDALE NORTH APARTMENTS	828.00	R	ACH
382732	05/01/25	CEDARDALE SOUTH APARTMENTS	616.00	R	ACH
382733	05/01/25	CEDARDALE WEST APARTMENTS	600.00	R	ACH
382734	05/01/25	CHAD STANNARD	436.00	R	ACH
382735	05/01/25	CHASE BLUM	629.00	R	ACH
382736	05/01/25	CHRIS PROHASKI	1,222.00	R	ACH
382737	05/01/25	COMMON CENTS PROPERTIES LLC	459.00	R	ACH
382738	05/01/25	COOPERS COURT LLC	597.00	R	ACH
382739	05/01/25	DANIEL SCHLEGEL	486.00	R	ACH
382740	05/01/25	DSBMT, LLC	595.00	R	ACH
382741	05/01/25	FREDRICKSON PROPERTIES	1,323.00	R	ACH
382742	05/01/25	IMAGE APARTMENT	3,570.00	R	ACH
382743	05/01/25	JANESVILLE APARTMENTS	288.00	R	ACH
382744	05/01/25	JBLL EQUITIES LLC	482.00	R	ACH
382745	05/01/25	JPF PROPERTIES	473.00	R	ACH

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
382746	05/01/25	JULIE WERSAL	705.00	R	ACH
382747	05/01/25	KEG INVESTMENTS LLC	1,727.00	R	ACH
382748	05/01/25	KEITH MARTIN	1,400.00	R	ACH
382749	05/01/25	KLEVOS GREG	769.00	R	ACH
382750	05/01/25	L&L LEGACY PROPERTIES	865.00	R	ACH
382751	05/01/25	LINCOLN SQUARE APARTMENTS	6,490.00	R	ACH
382752	05/01/25	LINDSAY MACHT	53.00	R	ACH
382753	05/01/25	LWO LIMITED PARTNERSHIP #116	4,385.00	R	ACH
382754	05/01/25	MARQUARDT DENNIS	2,356.00	R	ACH
382755	05/01/25	MARTIN FAMILY LLC	3,638.00	R	ACH
382756	05/01/25	MCCAULEY CONSTRUCTION	434.00	R	ACH
382757	05/01/25	MIDWEST INVEST LLC	573.00	R	ACH
382758	05/01/25	MOSSEE PROP INV LLC	646.00	R	ACH
382759	05/01/25	NECHVILLE SUSAN	2,607.00	R	ACH
382760	05/01/25	NORTHCOURT APARTMENTS	725.00	R	ACH
382761	05/01/25	NORTHGATE	2,069.00	R	ACH
382762	05/01/25	NORTHSTAR HOLDINGS LLC	595.00	R	ACH
382763	05/01/25	NORTHWEST MANOR	5,817.00	R	ACH
382764	05/01/25	OWATONNA PUBLIC UTILITIES	256.00	R	ACH
382765	05/01/25	PARKVIEW OWATONNA LLC	443.00	R	ACH
382766	05/01/25	PEACH INVESTMENTS LLC	218.00	R	ACH
382767	05/01/25	PETER BIEL	693.00	R	ACH
382768	05/01/25	POSITIVE SHARE LLC	552.00	R	ACH
382769	05/01/25	PROHASKI PROPERTIES	1,299.00	R	ACH
382770	05/01/25	QUALITY RENTALS OF OWATONNA LL	858.00	R	ACH
382771	05/01/25	REDLINE DEVELOPMENT GRP LLC	827.00	R	ACH
382772	05/01/25	RICHARD ELLINGSON	926.00	R	ACH
382773	05/01/25	SIXSPARKS LLC	627.00	R	ACH
382774	05/01/25	SMITH REAL ESTATE LLC	1,148.00	R	ACH
382775	05/01/25	SMITH VENTURES LLC	895.00	R	ACH
382776	05/01/25	SPERO	3,380.00	R	ACH
382777	05/01/25	SUMMIT MANOR	450.00	R	ACH
382778	05/01/25	SUSAN I JOHNSON	4,286.00	R	ACH
382779	05/01/25	USDA RURAL DEVELOPMENT	476.00	0	Regular
382780	05/01/25	USDA RURAL DEVELOPMENT	590.00	0	Regular
382781	05/01/25	WILLOW RUN I MDI #58	3,895.00	R	ACH
382782	05/01/25	WILLOW RUN II MDI #85	3,882.00	R	ACH
382783	05/01/25	YOUNGDAHL DEVELOPMENT LLC	2,529.00	R	ACH
382784	05/01/25	ZK INVESTORS LLC	3,286.00	R	ACH
382785	05/06/25	ABDO PUBLISHING	1,038.95	R	ACH
382786	05/06/25	ADVANCED ENGINEERING & ENVIRON	7,306.75	0	Regular
382787	05/06/25	AFLAC	2,867.06	R	ACH
382788	05/06/25	ALEXANDER LUMBER COMPANY	2,008.71	0	Regular
382789	05/06/25	AMERICAN ENGINEERING TESTING	760.00	R	ACH
382790	05/06/25	ANHORN'S GAS & TIRE	50.45	0	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
382791	05/06/25	APG MEDIA OF SO MINNESOTA LLC	534.88	0	Regular
382792	05/06/25	APG MEDIA OF SO MINNESOTA LLC	96.25	0	Regular
382793	05/06/25	APPLE INC	899.00	0	Regular
382794	05/06/25	ASPEN MILLS INCORPORATED	176.44	0	Regular
382795	05/06/25	AVFUEL CORPORATION	16,276.57	R	ACH
382796	05/06/25	AWARDS DIRECT INC	20.00	0	Regular
382797	05/06/25	BACHMAN'S CREDIT DEPT	3,854.50	R	ACH
382798	05/06/25	BAKER & TAYLOR BOOKS	650.69	R	ACH
382799	05/06/25	BLUEBEAM INC	325.00	R	ACH
382800	05/06/25	CANADIAN PACIFIC RAILWAY CO	635.00	0	Regular
382801	05/06/25	CBM LLC	399.21	0	Regular
382802	05/06/25	CDW GOVERNMENT INC	47.96	0	Regular
382803	05/06/25	CEMSTONE CONCRETE MATERIAL LLC	9,248.19	0	Regular
382804	05/06/25	CEMSTONE PRODUCTS CO	1,280.02	0	Regular
382805	05/06/25	CHOSEN VALLEY TESTING	454.00	0	Regular
382806	05/06/25	CLAREYS SAFETY EQUIPMENT	385.00	R	ACH
382807	05/06/25	CLIFTONLARSONALLEN LLP	9,450.00	0	Regular
382808	05/06/25	COLORS & GLASS INC	571.54	0	Regular
382809	05/06/25	CORE & MAIN	5,436.19	0	Regular
382810	05/06/25	COURT SPORTS AND MORE	7,411.00	R	ACH
382811	05/06/25	CROSSFIT INNERDRIVE	175.00	R	ACH
382812	05/06/25	CUSHMAN MOTOR CO INC	191.94	R	ACH
382813	05/06/25	CUSTOM COMMUNICATIONS INC	7,861.36	0	Regular
382814	05/06/25	DENISE STEWART	228.82	0	Regular
382815	05/06/25	DH ATHLETICS LLC	2,844.80	0	Regular
382816	05/06/25	DIAMOND VOGEL	6,050.00	R	ACH
382817	05/06/25	DONALD ROOKS	23.44	0	Regular
382818	05/06/25	EARL F ANDERSEN & ASSOC	2,110.35	0	Regular
382819	05/06/25	ENTENMANN-ROVIN CO	96.00	R	ACH
382820	05/06/25	FARM & HOME PUBLISHERS	621.60	0	Regular
382821	05/06/25	FARMERS FEED AND PET SUPPLY	84.95	0	Regular
382822	05/06/25	FIRST SUPPLY OWATONNA	687.12	R	ACH
382823	05/06/25	FLEXIBLE PIPE TOOLS & EQUIP	1,240.00	R	ACH
382824	05/06/25	FOUR SEASONS ELECTRIC	338.44	R	ACH
382825	05/06/25	FROM THE GROUND UP LLC	430.02	R	ACH
382826	05/06/25	GENUINE PARTS COMPANY - NAPA	1,130.48	R	ACH
382827	05/06/25	GRAINGER	556.65	R	ACH
382828	05/06/25	HAWKINS INC	24,273.34	R	ACH
382829	05/06/25	HEALTHPARTNERS INC	5,065.51	0	Regular
382830	05/06/25	HORIZON COMMERCIAL POOL SUPPLY	9,069.88	R	ACH
382831	05/06/25	HYDRO-KLEAN LLC	108,994.86	R	ACH
382832	05/06/25	I U O E LOCAL 70	3,001.00	0	Regular
382833	05/06/25	IFACS	1,098.18	R	ACH
382834	05/06/25	INNOVATIVE OFFICE SOLUTIONS	374.55	0	Regular
382835	05/06/25	JASON MARSHALL STAYTON	359.00	R	ACH

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
382836	05/06/25	JOHN DEERE CREDIT	.58	0	Regular
382837	05/06/25	JOHN DEERE CREDIT	23,800.00	0	Regular
382838	05/06/25	JOHNSON HARDWARE CO	4,795.00	0	Regular
382839	05/06/25	KEEKER INC	549.00	R	ACH
382840	05/06/25	LAWSON AUTOMOTIVE LLC	267.59	R	ACH
382841	05/06/25	LAWSON PRODUCTS	355.81	0	Regular
382842	05/06/25	LEGACY SIGNS INC	285.00	R	ACH
382843	05/06/25	MACQUEEN EQUIPMENT CO	3,338.90	R	ACH
382844	05/06/25	MADISON NATL LIF INS CO INC	2,177.40	0	Regular
382845	05/06/25	MANKE'S OUTDOOR EQUIP & APPL	96.16	R	ACH
382846	05/06/25	MANTRONICS MAILING SYSTEMS INC	80.80	R	ACH
382847	05/06/25	MARCO TECHNOLOGIES LLC	1,417.26	R	ACH
382848	05/06/25	MATTHEW HOKANSON	607.50	0	Regular
382849	05/06/25	MCMaster-CARR SUPPLY CO	85.68	R	ACH
382850	05/06/25	METAL SERVICES OF BP INC	446.72	0	Regular
382851	05/06/25	METRONET SYSTEMS HOLDINGS LLC	1,185.41	R	ACH
382852	05/06/25	MIDWEST TAPE LLC	50.22	R	ACH
382853	05/06/25	MINNESOTA LIFE	3,071.90	0	Regular
382854	05/06/25	MN DRIVER & VEHICLE SERVICES	30.50	0	Regular
382855	05/06/25	MN LAW ENFORCE EXPLORER ASSN	48.00	0	Regular
382856	05/06/25	MN NCPERS GROUP LIFE INSURANCE	416.00	0	Regular
382857	05/06/25	MN PUBLIC EMPLOYEES ASSOC	1,392.00	R	ACH
382858	05/06/25	MN UNEMPLOYMENT INS FUND	31.10	0	Regular
382859	05/06/25	MN VALLEY TESTING LABS INC	411.75	R	ACH
382860	05/06/25	MSL LANDSCAPING & FENCING	3,550.00	0	Regular
382861	05/06/25	MTI DISTRIBUTING INC	8,094.75	R	ACH
382862	05/06/25	NORTHLAND SECURITIES INC	5,400.00	R	ACH
382863	05/06/25	OAK GLENN	3,597.60	R	ACH
382864	05/06/25	ORIGINAL MECHANICS INC	164.53	0	Regular
382865	05/06/25	OWATONNA AREA BUSINESS DEV CTR	10,000.00	0	Regular
382866	05/06/25	OWATONNA EAGLES 1791	3,259.44	0	Regular
382867	05/06/25	OWATONNA FILTERS LLC	367.92	0	Regular
382868	05/06/25	OWATONNA HEATING & COOLING INC	795.00	R	ACH
382869	05/06/25	OWATONNA MOTOR COMPANY	64,360.97	0	Regular
382870	05/06/25	OWATONNA PEOPLE'S PRESS	267.80	0	Regular
382871	05/06/25	OWATONNA PUB SCHOOLS ISD 761	304.00	R	ACH
382872	05/06/25	OWT HARDWARE	27.78	0	Regular
382873	05/06/25	PB PARENT HOLDCO, LP	639.00	R	ACH
382874	05/06/25	PDI	46.66	0	Regular
382875	05/06/25	PHONE STATION INC	1,190.00	0	Regular
382876	05/06/25	PLUNKETT'S PEST CONTROL INC	141.96	R	ACH
382877	05/06/25	PRESENCE TELEHEALTH PLLC	422.00	R	ACH
382878	05/06/25	RAMY TURF PRODUCTS	4,785.00	0	Regular
382879	05/06/25	RECREATION SUPPLY CO INC	348.80	R	ACH
382880	05/06/25	REINDERS INC	2,185.16	R	ACH

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
382881	05/06/25	RENT N SAVE PORTABLE SERVICES	435.00	R	ACH
382882	05/06/25	RICE STEELE 911 CENTER	2,542.75	0	Regular
382883	05/06/25	ROCON INCORPORATED	2,212.00	0	Regular
382884	05/06/25	ROOT RIVER HARDWOODS INC	184.00	0	Regular
382885	05/06/25	SAFE-FAST INC	612.00	R	ACH
382886	05/06/25	SENIORPLACE INC	135.00	0	Regular
382887	05/06/25	SHI INTERNATIONAL CORP	267.45	0	Regular
382888	05/06/25	SHORT ELLIOTT HENDRICKSON INC	997.88	R	ACH
382889	05/06/25	SHRED RIGHT	97.18	R	ACH
382890	05/06/25	SIGN PRO OF OWATONNA	261.00	R	ACH
382891	05/06/25	SPEX CERTIPREP LLC	121.04	R	ACH
382892	05/06/25	STEELE COUNTY SHERIFF	5,092.80	0	Regular
382893	05/06/25	STEELE COUNTY TREASURER	7,678.44	0	Regular
382894	05/06/25	STENDEL BRIAN & SUSAN	6,624.00	0	Regular
382895	05/06/25	STEVE JAMES EXCAVATING INC	645.00	R	ACH
382896	05/06/25	SUMMIT COMPANIES	354.40	R	ACH
382897	05/06/25	T-MOBILE	2,192.71	0	Regular
382898	05/06/25	THE CHILD'S WORLD	543.85	0	Regular
382899	05/06/25	TIMOTHY FINLEY	130.00	0	Regular
382900	05/06/25	TOR SPERLING	175.11	R	ACH
382901	05/06/25	UNITED WAY	80.00	0	Regular
382902	05/06/25	USABUEBOOK	348.76	R	ACH
382903	05/06/25	UTILITY CONSULTANTS INC	2,432.82	R	ACH
382904	05/06/25	VAN METER INC	64.00	0	Regular
382905	05/06/25	VESTIS FIRST AID	172.04	0	Regular
382906	05/06/25	VESTIS GROUP INC	299.37	0	Regular
382907	05/06/25	W W GOETSCH ASSOCIATES INC	1,185.00	0	Regular
382908	05/06/25	WALBRAN & FURNESS CHARTERED	5,123.25	R	ACH
382909	05/06/25	WEN-COL INC	1,060.97	0	Regular
382910	05/06/25	WORLD FUEL SERVICES INC	2,186.45	0	Regular
382911	05/06/25	XCEL ENERGY	3.59	0	Regular

159	Checks total:	724,008.37
177	ACH total:	1,732,278.37
0	EFTPS total:	
9	Wire transfer total:	189,718.08
0	Payment Manager total:	
345	GRAND TOTALS	2,646,004.82



CITY OF
OWATONNA

Ordinances



DATE: May 6, 2025
TO: Mayor and City Council
FROM: Greg Kruschke, Community Development Manager
SUBJECT: Second/Final Reading Proposed Ordinance 25-07: RZ-10 a PUD Request at 631 Cedar Avenue N - CRK Properties

Purpose:

Request Council approval of the Proposed Ordinance 25-07, RZ-10, a zoning change at 631 Cedar Avenue North.

Background:

Christine Rotthoff of CRK Properties LLC requested a change in the zoning of the property located at 631 Cedar Avenue North from I-1 Light Industrial District to PUD, Planned Unit Development. The purpose of this change is the continued operation of a multi-use facility, including office spaces, contractor spaces and an educational facility. Attached Staff Report was presented during the Planning Commission Meeting on April 9th; the Planning Commission recommends approval.

City Council approved the first reading of this proposed ordinance during their April 15, 2025, meeting and there have been no changes since.

Budget Impact:

None.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Proposed Ordinance 25-07 RZ-10 631 N Cedar
2. Staff Report: RZ-10 631 N Cedar PUD

Proposed Ordinance No. 25-07

ORDINANCE NO. ____

AN ORDINANCE AMENDING ORDINANCE NO. 157,
OWATONNA ZONING ORDINANCE

WHEREAS, the owner of the hereinafter described lands has made application for a change in zone classification for said lands and public hearing has been held according to the provisions of Section 157.098, of Ordinance No. 157, and the Planning Commission of the City of Owatonna has recommended the change in zone classification as requested.

THE CITY COUNCIL OF THE CITY OF OWATONNA DO ORDAIN:

SECTION 1. Ordinance No. 157, Zoning Ordinance, is hereby amended so that the zoning map that is thereby incorporated by reference shall be changed as follows:

1. Pursuant to Application No. RZ-10 filed with the City of Owatonna, Minnesota, to change the zone classification, and after public hearing, held April 8, 2025, said application is hereby approved and the zone classification is hereby changed from I-1, Light Industrial District to PUD, Planned Unit Development for the following described property:

ATTACHED AS EXHIBIT A

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 roll call vote:

Aye:

No:

Absent:

Approved and signed this _____ day of _____, 2025.

ATTEST:

Matt Jessop, Mayor

Kris M. Busse, City Administrator/City Clerk

EXHIBIT A

LEGAL DESCRIPTIONS:

631 and 625 Cedar Avenue:

Lot 3, in Block 2, Jolly Addition, Owatonna, Minnesota; AND

Lot 4, in Block 2, Jolly Addition, Owatonna, Minnesota; AND

Lot 5, in Block 2, Jolly Addition, Owatonna, Minnesota; AND

Commencing at the Northwest corner of the Southwest Quarter of the Northwest Quarter of Section 10, Township 107 North, Range 20 West, said corner being the intersection of the center line of Cedar Street and the South line of 33 feet Union Street, and running thence South 0 ° East along said Cedar Street center line and West line of said Northwest Quarter 396.55 feet to the center line of 30 foot road, which is the point of beginning of land herein to be conveyed: thence South 81°05'30" East 100.74 feet along center line of said 30 foot road; thence South 8°54'30" West 58.4 feet to a point on approximate spur track center line, said point being 30 foot at 90 degrees from Chicago and North Western Railroad main track center line; thence North 81°05'30" West 93.40 feet, more or less, to the center line of Cedar Street, thence North along the said center line of Cedar Street to the point of beginning; EXCEPT: A strip of land lying between the center line of said spur track and a line parallel to and 39 feet Northerly at 90 degrees to the center line of said main track, said bearing being assumed and based on the West line of said Northwest Quarter being North 0° East.

April 3, 2025

To: Planning Commission

From: Community Development Department

RE: Application No. RZ-10, by Christine Rotthoff, CRK Properties LLC, a request for a zone change from I-1 Light Industrial District to PUD, Planned Unit Development for the purposes of continuing to operate a multi-use facility including office spaces, contractor spaces and an educational facility for the property located at 631 Cedar Avenue North.

Application Review:

Applicant/Owner: Christine Rotthoff, CRK Properties LLC

Legal Description: Part of Block 2, Jolly Addition

Existing Zoning: I-1, Light Industrial District

Existing Land Use: Industrial / Office Uses

Adjacent Zoning & Land Uses: North: Amerigas zoned I-1

South: Railroad

East: Owatonna Glass zoned I-1

West: Gas Station zoned I-1

Report Attachments:

1. Application Materials
2. Location Maps

Proposed Development:

- ◆ Application No. RZ-10, by Christine Rotthoff, CRK Properties LLC, a request for a zone change from I-1 Light Industrial District to PUD, Planned Unit Development for the purposes of continuing to operate a multi-use facility including office spaces, contractor spaces and an educational facility for the property located at 631 Cedar Avenue North.
- ◆ The building is currently occupied by a staffing agency, Steele County Community Corrections, and two different contractors.
- ◆ The applicant has a space being vacated by Steele County Community Corrections. Choice Technical Academy wishes to relocate into this space. Due to the existing zoning the property needs to be rezoned in order to accommodate this user.
- ◆ The school currently has 51 students enrolled and 15 staff members. The office user has 2 employees at this location and the two contractors have 3 employees total at this location.

- ◆ Code would require 36 parking stalls for these uses. The applicant is showing a total of 42 stalls available for this building. Two ADA stalls are also included in that number and are currently located at the front door.
- ◆ The applicant has a drop off area shown on the site plan. This drop off area appears to impede traffic on Cedar Avenue. All drop offs will need to occur in private parking stalls unless it is a school bus and permitted by State Statute.
- ◆ During the Comprehensive Plan process we discussed the north downtown area extensively. Due to the slow transition of this area to commercial uses, the nonconformity of all of the industrial buildings it was determined that this area should have a new blended zoning district created as part of the code update process. This process will begin this year but will not be completed for a while.

Staff Review:

Staff feels that the proposed rezoning would fit in with the surroundings and the desired use of this property as designated within the Comprehensive Plan. Staff is recommending approval of the rezoning property from I-1, Light Industrial District to PUD Planned Unit Development for the property located at 631 Cedar Avenue North with the following conditions on the PUD:

- 1) All building codes shall be met at all times.
- 2) All exterior signs require a sign permit.
- 3) All drop offs will need to occur in private parking stalls unless it is a school bus and permitted by State Statute.
- 4) The properties shall be combined into one lot in order to remove all property lines from inside the building prior to any new tenants occupying the space.
- 5) All future uses shall be in compliance with the current underlying zoning district or an amendment to the PUD is required.

Planning Commission:

Application No. RZ-10, which is a request by Christine Rotthoff, CRK Properties LLC to rezone property from I-1, Light Industrial District, to PUD, Planned Unit Development for the purposes of continuing to operate a multi-use facility including office spaces, contractor spaces, and an educational facility for the property located at 631 Cedar Avenue North, was presented by Community Development Manager Greg Kruschke. (Refer to report on file.) Public hearing opened at 5:35 pm. No comments were made regarding this request. Public hearing closed at 5:36 pm. Eickhoff said he didn't have any concerns about the request as it looks to be the same uses with some updates. A motion was made by Springer-Gasner and seconded by Effertz to recommend City Council approval of the rezoning property from I-1, Light Industrial District, to PUD, Planned Unit Development for the purposes of continuing to operate a multi-use facility including office spaces, contractor spaces, and an educational facility for the property located at 631 Cedar Avenue North with the following conditions on the PUD:

- 1) All building codes shall be met at all times.
- 2) All exterior signs require a sign permit.

- 3) All drop offs will need to occur in private parking stalls unless it is a school bus and permitted by State Statute.
- 4) The properties shall be combined into one lot in order to remove all property lines from inside the building prior to any new tenants occupying the space.
- 5) All future uses shall be in compliance with the current underlying zoning district or an amendment to the PUD required.

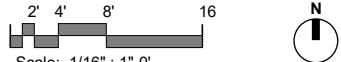
All Commissioners voting Aye, the motion carried.



RZ-10 CRK Properties PUD Request
631 Cedar Avenue N

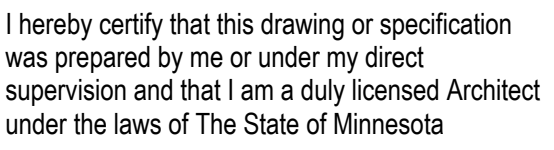
1:1,427

Date: 3/25/2025
Page 119 of 216



CHOICE TECHNICAL ACADEMY IS RE-LOCATING TO AN EXISTING OFFICE BUILDING AT 631 NORTH CEDAR AVENUE. THIS PROJECT CONSISTS OF A NEW EDUCATION OCCUPANCY IN A SPACE THAT PREVIOUSLY SERVED AS A BUSINESS OFFICE. SCOPE OF WORK CONSISTS ONLY OF IMPROVEMENTS NECESSARY TO COMPLY WITH CODE AS ENTAILED BY CHANGE OF OCCUPANCY.

OCCUPANCY	TENANT
E	CHOICE TECHNICAL ACADEMY SUITE 100
B	MASTERTSON STAFFING SUITE 200
S-1	SOUTHERN MN DRILLING SUITE 300
S-1	MECHANICAL CONTRACTOR SUITE 400



PRINT NAME: MATHIAS MORTENSON
SIGNATURE:
LIC.# 52496 DATE:



CIVIL ENGINEER:

STRUCT. ENG.:

CONTRACTOR:

LANDSCAPE
ARCHITECT:

ARCHITECT:
HMM ARCHITECTS
821 2nd AVE. N.
MINNEAPOLIS MN 55405
612.655.3745

OWNER:
CRK Properties, LLC
380 BRECKENRIDGE PL NW
OWATONNA, MN 55060
952.210.8812

DRAWN BY

PROJECT ADDRESS:
631 NORTH CEDAR AVE.
OWATONNA, MN 55060

KEY PLAN

CHOICE TECHNICAL ACADEMY

PROJECT INFO

FLOOR PLANS

FIRE + LIFE SAFETY

PRINT DATE:
arch 21, 2025

$$\frac{A0}{00}$$

To: City of Owatonna
From: CRK Properties, LLC and Choice Technical Academy
RE: 631 N Cedar Avenue; Rezoning Request

We are respectfully requesting the rezoning of the multi-tenant property at 631 and 625 Cedar Avenue to a PUD to allow an “E” education occupancy use. The building has historically been 4 suites with mixed uses B-1 and S-1 tenants; offices and shop/ warehouse spaces. This area of Owatonna is located North of downtown and is an area of transition.

This zoning request is triggered by a tenant vacating the front office area, Suite 100, 6,180 SF. Choice Technical Academy Charter School has completed their evaluation of the location and determined the location is a fit for their operation. The Central location will provide more visibility for the school. The interior is updated to allow student spaces and staff offices to be efficient for classes and administration. The Charter school serves students in grades 7 -12 and has a current enrollment of 51 students with 15 staff members. The school is open September – June and provides summer school opportunities as well. Primary school hours are from 7:00 am to 4:00 pm Monday through Friday. The majority of students arrive by bus or school van to the school. Some students will be dropped off by parents, a student drop off/ pick up zone will be created at the front entrance. Very rarely do students drive themselves to the school. Events that include parents happen several times per year typically in the evening. The school user volume and parking is similar to historic uses of the space. The 20 parking stalls along the front of the suite as well as 12 stalls to the south of the space are available for daily use. Additionally, there is over flow parking to the East on the property. Students arrive generally at the same time and leave at the same time daily create a stable flow of movement at the property.

Thank you for your consideration.



CITY OF
OWATONNA

Resolutions



DATE: May 6, 2025
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: Resolution 20-25: Accept Bids and Award Contract - 2025 Street Maintenance Project

Purpose:

Requesting City Council approval of Resolution 20-25: 2025 Street Maintenance Project Bid Acceptance and Contract Awarding.

Background:

Bids were received on April 30, 2025 for the 2025 Street Maintenance Project. Bids were received from two (2) companies:

Pearson Bros	\$210,696.80
Allied Blacktop Company	\$277,976.70
Engineer's Estimate	\$215,077.50

The lowest responsible bidder was Pearson Bros, Inc. of Hanover, MN. The bid was \$4,380.70 or 2% under the Engineer's Estimate.

Budget Impact:

The contracted project cost will be \$210,696.80. The 2025 Street Maintenance Project will be paid for with funds from the Street Repair operating budget.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Resolution 20-25 Approving Bids - Award Contract 2025 Street Maintenance Project
2. 25005 Street Maintenance Bid Tab

RESOLUTION NO. 20-25

A RESOLUTION ACCEPTING BID AND AWARDING CONTRACT

WHEREAS, pursuant to an Advertisement for Bids for the 2025 Street Maintenance Project bids were received from two (2) companies. The following bids were received:

Pearson Bros, Inc. of Hanover, MN		\$210,696.80
Allied Blacktop Company of Maple Grove, MN		\$277,976.70
Engineer's Estimate:		\$215,077.50

WHEREAS, the lowest responsible bidder was Pearson Bros, Inc of Hanover MN.

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

1. The Mayor and Clerk are hereby authorized and directed to enter into a contract with Pearson Bros Inc in the name of the City of Owatonna for the 2025 Street Maintenance Project according to the plans and specifications therefore approved by the City Council and on file in the office of the City Clerk.
2. The City Clerk is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

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

2025 Street Maintenance (#9497808)

Owner: Owatonna MN, City of

Solicitor: Owatonna MN, City of

04/30/2025 01:00 PM CDT

				Engineer Estimate		Pearson Bros, Inc. Hanover, MN		Allied Blacktop Company	
Item Code	Item Description	UofM	Quantity	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
2331.619	ROUT & SEAL BITUMINOUS PAVEMENT CRACKS	RDST	265.2	\$105.00	\$27,846.00	\$125.00	\$33,150.00	\$334.00	\$88,576.80
2356.504	BITUMINOUS SEAL COAT	SQ YD	103870	\$1.00	\$103,870.00	\$0.91	\$94,521.70	\$1.02	\$105,947.40
2356.506	BITUMINOUS MATERIAL FOR SEAL COAT	GAL	29090	\$2.35	\$68,361.50	\$2.39	\$69,525.10	\$2.25	\$65,452.50
2573.502	STORM DRAIN INLET PROTECTION	EACH	150	\$100.00	\$15,000.00	\$90.00	\$13,500.00	\$120.00	\$18,000.00
Base Bid Total:				\$215,077.50		\$210,696.80		\$277,976.70	



DATE: May 6, 2025
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: Resolution 21-25: Accept Bids and Award Contract - CIP Overlay Project

Purpose:

Requesting City Council approval of Resolution 21-25: 2025 CIP Overlay Project Bid Acceptance and Contract Awarding.

Background:

Bids were received on April 30, 2025 for the 2025 CIP Overlay Project. Bids were received from three (3) companies:

Crane Creek Asphalt (Div. of Mathy Constr.)	\$463,857.69
Bituminous Materials, Inc.	\$498,047.85
Ulland Brothers Inc.	\$522,789.39
Engineer's Estimate	\$513,514.24

The lowest responsible bidder was Crane Creek Asphalt of Faribault, MN. The bid was \$49,656.55 or 10% under the Engineer's Estimate.

Budget Impact:

The contracted project cost will be \$513,514.24. The 2025 CIP Project will be paid for with the current year bond issue.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Resolution 21-25 Approving Bids - Award Contract 2025 CIP Mill and Overlay Project
2. 25007 CIP Overlay Bid Tab

RESOLUTION NO. 21-25

A RESOLUTION ACCEPTING BID AND AWARDING CONTRACT

WHEREAS, pursuant to an Advertisement for Bids for the 2025 CIP Mill & Overlay Project bids were received from 3 (three) companies. The following bids were received:

Crane Creek Asphalt Division of Mathy Construction Company of Faribault, MN	\$463,857.69
Bituminous Materials Inc of Faribault, MN	\$498,047.85
Ulland Brothers Inc of Albert Lea, MN	\$522,789.39
Engineer's Estimate:	\$513,514.24

WHEREAS, the lowest responsible bidder was Crane Creek Asphalt Division of Mathy Construction Company of Faribault, MN

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

1. The Mayor and Clerk are hereby authorized and directed to enter into a contract with Pearson Bros Inc in the name of the City of Owatonna for the 2025 CIP Mill & Overlay Project according to the plans and specifications therefore approved by the City Council and on file in the office of the City Clerk.
2. The City Clerk is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

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

CIP Overlay (#9616510)
Owner: City of Owatonna
Solicitor: Owatonna MN, City of
04/30/2025 01:00 PM CDT

				Engineer Estimate		Crane Creek Asphalt (Div. of Mathy Constr.) Faribault, MN		Bituminous Materials, Inc. Faribault, MN		Ulland Brothers Inc. Albert Lea, MN	
Item Code	Item Description	UofM	Quantity	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
2021.501	MOBILIZATION	LS	1	\$13,500.00	\$13,500.00	\$26,200.00	\$26,200.00	\$8,500.00	\$8,500.00	\$25,000.00	\$25,000.00
2104.503	SAWING BIT PAVEMENT (FULL DEPTH)	L F	190	\$3.00	\$570.00	\$1.00	\$190.00	\$2.00	\$380.00	\$2.00	\$380.00
2104.503	REMOVE CURB & GUTTER	L F	12	\$3.30	\$39.60	\$24.00	\$288.00	\$30.00	\$360.00	\$38.00	\$456.00
2104.504	REMOVE BITUMINOUS PAVEMENT	S Y	17	\$2.40	\$40.80	\$10.00	\$170.00	\$20.00	\$340.00	\$12.00	\$204.00
2211.509	AGGREGATE BASE CLASS 5	TON	24	\$22.00	\$528.00	\$25.00	\$600.00	\$42.00	\$1,008.00	\$30.00	\$720.00
2232.504	MILL BITUMINOUS SURFACE (2.0")	SY	35346	\$2.50	\$88,365.00	\$2.15	\$75,993.90	\$1.55	\$54,786.30	\$2.10	\$74,226.60
2357.506	BITUMINOUS MATERIAL FOR TACK COAT	GAL	2479	\$0.50	\$1,239.50	\$0.01	\$24.79	\$3.60	\$8,924.40	\$0.01	\$24.79
2360.509	TYPE SP 12.5 WEARING COURSE MIX (2;C)	TON	4069	\$93.10	\$378,823.90	\$80.00	\$325,520.00	\$95.35	\$387,979.15	\$97.00	\$394,693.00
2531.503	CONCRETE CURB & GUTTER DESIGN B-618	L F	12	\$39.07	\$468.84	\$150.00	\$1,800.00	\$120.00	\$1,440.00	\$150.00	\$1,800.00
2563.601	TRAFFIC CONTROL	LS	1	\$5,716.50	\$5,716.50	\$7,500.00	\$7,500.00	\$1,600.00	\$1,600.00	\$3,000.00	\$3,000.00
2573.502	STORM DRAIN INLET PROTECTION	EACH	41	\$186.80	\$7,658.80	\$50.00	\$2,050.00	\$210.00	\$8,610.00	\$190.00	\$7,790.00
2573.503	SEDIMENT CONTROL LOG TYPE STRAW	L F	40	\$2.90	\$116.00	\$10.25	\$410.00	\$4.25	\$170.00	\$4.50	\$180.00
2575.604	PERMANENT TURF ESTABLISHMENT	LS	1	\$200.00	\$200.00	\$1,000.00	\$1,000.00	\$1,200.00	\$1,200.00	\$500.00	\$500.00
2104.502	REMOVE CASTING	EACH	1	\$200.00	\$200.00	\$120.00	\$120.00	\$225.00	\$225.00	\$90.00	\$90.00
2104.502	REMOVE DRAINAGE STRUCTURE	EACH	1	\$390.00	\$390.00	\$901.00	\$901.00	\$500.00	\$500.00	\$450.00	\$450.00
2506.502	CONST DRAINAGE STRUCTURE DESIGN SPECIAL (2'X3')	EACH	1	\$504.10	\$504.10	\$5,700.00	\$5,700.00	\$4,500.00	\$4,500.00	\$3,500.00	\$3,500.00
2506.502	CASTING ASSEMBLY	EACH	1	\$1,187.90	\$1,187.90	\$995.00	\$995.00	\$1,450.00	\$1,450.00	\$1,500.00	\$1,500.00
2506.602	ADJUST FRAME & RING CASTING	EACH	1	\$850.00	\$850.00	\$645.00	\$645.00	\$750.00	\$750.00	\$500.00	\$500.00
2104.502	REMOVE CASTING	EACH	7	\$200.00	\$1,400.00	\$120.00	\$840.00	\$225.00	\$1,575.00	\$250.00	\$1,750.00
2506.502	CASTING ASSEMBLY (SANITARY)	EACH	7	\$1,187.90	\$8,315.30	\$1,350.00	\$9,450.00	\$1,450.00	\$10,150.00	\$575.00	\$4,025.00
2506.602	ADJUST FRAME & RING CASTING	EACH	4	\$850.00	\$3,400.00	\$865.00	\$3,460.00	\$900.00	\$3,600.00	\$500.00	\$2,000.00
				Base Bid Total:	\$513,514.24	\$463,857.69		\$498,047.85		\$522,789.39	



DATE: May 6, 2025
TO: Mayor and City Council
FROM: David Beaver, Airport Manager
SUBJECT: Resolution 22-25: Authorization to Execute the MnDOT Grant Agreement for Federal Airport Expense Reimbursement

Purpose:

To approve Resolution authorizing MnDOT agreement to facilitate federal grant funding reimbursement.

Background:

A number of airport coronavirus relief grants were approved from 2020-2022. Reimbursement requests for allowable costs on these grants have been spread out over the life of the grant agreements. This agency agreement allows MnDOT to facilitate the FAA reimbursements under the remaining FAA Airport Coronavirus Response Grant Program. The grant to be reimbursed is the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) grant which expires in July of 2025.

The Federal Aviation Administration (FAA) distributes funding under this CRRSA grant for eligible expenses related to the airport's operations and maintenance. In order to receive these reimbursements, the MnDOT agreement needs to be approved to allow the Office of Aeronautics to act as the Local Government's agent in accepting these funds and allowing disbursement of the federal funds to the City.

Budget Impact:

The agency agreement allows MnDOT to facilitate the FAA/CRRSA grant funding that reimburses 100% of allowable costs incurred by the airport up to the grant amount of \$13,000.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Res 22-25 MnDOT FAA Reimbursement Agency Agreement
2. Agency Agreement - Federal Airport Expense Reimbursement

RESOLUTION NO. 22-25

RESOLUTION FOR AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT
OF TRANSPORTATION GRANT AGREEMENT FOR FEDERAL AIRPORT EXPENSE
REIMBURSEMENT

IT IS RESOLVED by the City of Owatonna, Minnesota, as follows:

1. That the state of Minnesota Agreement No. 1046777, "Grant Agreement for Federal Airport Expense Reimbursement," for State Project No. A7401-C2 at the Owatonna Degner Regional Airport is accepted.

2. That Kris M. Busse, City Administrator is hereby authorized to execute this agreement on behalf of the City of Owatonna.

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



STATE OF MINNESOTA
AGENCY AGREEMENT for
FEDERAL AIRPORT EXPENSES REIMBURSEMENT

This agreement is entered into by and between the City of Owatonna ("Local Government") and the State of Minnesota, acting through its Commissioner of Transportation ("MnDOT").

RECITALS

1. Local Government has received an Airport Coronavirus Response Grant Program ("ACRGP") Grant under the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSA Act") (Public Law 116-260) directly from the Federal Aviation Administration ("FAA") to reimburse eligible airport expenses at Local Government's airport.
2. This agreement is not a subgrant of the ACRGP Grant funds. The FAA will be conducting oversight and monitoring the ACRGP Grant funding (see CRRSA FAQs for more information, at: <https://www.faa.gov/airports/crrsaa/media/ACRGP-FAQs-20210212.pdf>).
3. Pursuant to Minnesota Statutes Sections 360.016 and 360.039, subd. 2, the Local Government desires MnDOT to act as the Local Government's agent in accepting the federal funds on the Local Government's behalf and disbursing the federal funds to the Local Government for expenses at the airport.

AGREEMENT TERMS

1. Term of Agreement

- 1.1. Effective Date: This agreement will be effective on the date the MnDOT obtains all required signatures under Minn. Stat. §16C.05, Subd. 2.
- 1.2. Expiration Date: This agreement will expire on July 31, 2025.

2. Local Government's Duties

- 2.1. The Local Government designates MnDOT to act as its agent in accepting the federal funds on its behalf and disbursing the federal funds to the Local Government for airport expenses deemed allowable by the FAA under the CRRSA Act.
- 2.2. The Local Government will prepare reports, keep records, and perform work so as to meet federal requirements and to enable MnDOT to disburse the federal aid sought by the Local Government.
- 2.3. The Local Government will comply with all applicable Federal, State, and local laws, ordinances, and regulations. The Local Government will comply with all requirements and assurances in the ACRGP Grant, which is incorporated into this contract by reference.

3. MnDOT's Duties

- 3.1. MnDOT accepts designation as agent of the Local Government for the receipt of the federal funds and disbursement of the federal funds to the Local Government and will act in accordance herewith.
- 3.2. MnDOT will make the necessary requests to the FAA for authorization to disburse federal funds for airport expenses and for reimbursement of eligible costs under the CRRSA Act.
- 3.3. MnDOT may withhold federal funds where the FAA determines that airport expenditures were not made in compliance with federal requirements.

- 3.4. MnDOT, the FAA, or duly authorized representatives of the state and federal government will have the right to audit the work performed under this agreement. The Local Government will make available all books, records, and documents pertaining to the work hereunder, for a minimum of six years following the closing of the contract.

4. **Payment**

- 4.1. **Eligibility.** Eligible expenses under the act include costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments. Eligible expenses will be determined by the Federal Aviation Administration. Eligible expenses will be determined in accordance with FAA's Policy and Procedures Concerning the Use of Airport Revenues, 64 Federal Register 7696 (64 FR 7696), as amended by 78 Federal Register 55330 (78 FR 55330), which is incorporated into this agreement by reference, and the CRRSA Act.
- 4.2. **Reimbursement.** Local Government has been awarded \$13,000 in Federal CRRSA Act funding to reimburse federally-eligible expenses at airport(s) it operates. Local Government will be reimbursed for 100% of federally-eligible expenses not reimbursed by any other source. The Local Government will pay any part of the cost or expense that is not paid by federal, state, or other funds. MnDOT will receive the federal funds to be paid by the FAA for eligible expenses and will reimburse the Local Government from said federal funds for each payment request, subject to the limits of those funds.
- 4.3. **Payment Requests.** The Local Government will prepare payment requests in accordance with the terms of the federal award.
- 4.3.1. In the event MnDOT does not obtain funding from the Minnesota Legislature or other funding source, or funding cannot be continued at a sufficient level to allow for the processing of the federal aid reimbursement requests, the Local Government may work directly with FAA to receive the federal funds under the CRRSA Act grant pursuant to any terms and conditions imposed by FAA.
- 4.4. **Federal Funds.** Payments under this Agreement will be made from federal funds. The Local Government is responsible for compliance with all federal requirements imposed on these funds and accepts full financial responsibility for the Local Government's failure to comply with federal requirements. The Local Government agrees to pay any and all lawful claims arising out of or incidental to the performance of the work covered by this Agreement in the event the federal government does not pay the same.
- 4.5. **Closeout.** The Local Government must liquidate all obligations incurred under this Agreement and submit all financial, performance, and other reports as required by the terms of the Federal award. The FAA will determine whether a closeout audit is required prior to final payment approval. If a closeout audit is required, final payment will be held until the audit has been completed.

5. **Conditions of Payment.** Local Government's use of federal funds disbursed under this agreement must be in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Local Government will not receive reimbursement under this Agreement for expenses that are not eligible as described in Section 4.1 above.

6. **Authorized Representatives**

- 6.1. MnDOT's Authorized Representative is:
- Name: Crystal Nickles, or her successor or designee.
- Title: Grants Specialist
- Email: crystal.nickles@state.mn.us

6.2. The Local Government's Authorized Representative is:

Name: Dave Beaver

Title: Airport Manager

Email: dave.beaver@ci.owatonna.mn.us

If the Local Government's Authorized Representative changes at any time during this agreement, the Local Government will immediately notify MnDOT.

7. Assignment Amendments, Waiver, and Agreement Complete

- 7.1. **Assignment.** The Local Government may neither assign nor transfer any rights or obligations under this agreement without the prior written consent of MnDOT and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this agreement, or their successors in office.
- 7.2. **Amendments.** Any amendments to this agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in office.
- 7.3. **Waiver.** If MnDOT fails to enforce any provision of this agreement, that failure does not waive the provision or MnDOT's right to subsequently enforce it.
- 7.4. **Agreement Complete.** This agreement contains all negotiations and agreements between MnDOT and the Local Government. No other understanding regarding this agreement, whether written or oral, may be used to bind either party.
- 7.5. **Severability.** If any provision of this Agreement or the application thereof is found invalid or unenforceable to any extent, the remainder of the Agreement, including all material provisions and the application of such provisions, will not be affected and will be enforceable to the greatest extent permitted by the law.
- 7.6. **Electronic Records and Signatures.** The parties agree to contract by electronic means. This includes using electronic signatures and converting original documents to electronic records.

8. Liability and Claims

- 8.1. **Tort Liability.** Each party is responsible for its own acts and omissions and the results thereof to the extent authorized by law and will not be responsible for the acts and omissions of any others and the results thereof. The Minnesota Tort Claims Act, Minnesota Statutes Section 3.736, governs MnDOT liability. Minnesota Statutes Section 466.04 governs Local Government Liability.
- 8.2. **Claims.** The Local Government acknowledges that MnDOT is acting only as the Local Government's agent for acceptance and disbursement of federal funds, and not as a principal or co-principal with respect to this agreement. The Local Government will indemnify, defend (to the extent permitted by the Minnesota Attorney General), and hold MnDOT harmless from any and all lawful claims or costs arising out of or incidental to Local Government's acts or omissions under this agreement and any *ultra vires* acts, including reasonable attorney fees incurred by MnDOT.

9. Audits

- 9.1. Under Minn. Stat. § 16C.05, Subd.5, the Local Government's books, records, documents, and accounting procedures and practices of the Local Government, or other party relevant to this agreement or transaction, are subject to examination by MnDOT and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later. The Local Government will take timely and appropriate action on all deficiencies identified by an audit.

9.2. All requests for reimbursement are subject to audit by FAA or MnDOT.

10. **Government Data Practices.** The Local Government and MnDOT must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by MnDOT under this agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Local Government under this agreement.
11. **Workers Compensation.** The Local Government certifies that it is in compliance with [Minn. Stat. §176.181](#), Subd. 2, pertaining to workers' compensation insurance coverage. The Local Government's employees and agents will not be considered MnDOT employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way MnDOT's obligation or responsibility.
12. **Governing Law, Jurisdiction, and Venue.** Minnesota law, without regard to its choice-of-law provisions, governs this agreement. Venue for all legal proceedings out of this agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.
13. **Termination for Cause.** MnDOT may terminate this agreement if Local Government fails to observe or perform any of the terms, conditions, or covenants required to be observed or performed by it pursuant to this agreement and such failure continues for a period of 30 calendar days after MnDOT has given written notice to Local Government of such default or, in the event that such default shall be incapable of cure with reasonable diligence during said 30 day period, shall have failed to commence to cure said default within 30 days of the date of said notice and to diligently pursue the same to completion.
14. **Data Disclosure.** Under Minn. Stat. § 270C.65, Subd. 3, and other applicable law, the Local Government consents to disclosure of its federal employer tax identification number, and/or Minnesota tax identification number, already provided to MnDOT, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Local Government to file state tax returns and pay delinquent state tax liabilities, if any.
15. **Fund Use Prohibited.** The Local Government will not utilize any funds received pursuant to this Agreement to compensate, either directly or indirectly, any contractor, corporation, partnership, or business, however organized, which is disqualified or debarred from entering into or receiving a federal or state contract. This restriction applies regardless of whether the disqualified or debarred party acts in the capacity of a general contractor, a subcontractor, or as an equipment or material supplier. This restriction does not prevent the Local Government from utilizing these funds to pay any party who might be disqualified or debarred after the Local Government's contract award on this agreement.
16. **Discrimination Prohibited by Minnesota Statutes §181.59.** The Local Government will comply with the provisions of Minnesota Statutes §181.59, if applicable, which requires that every contract for or on behalf of the State of Minnesota, or any county, city, town, township, school, school district or any other district in the state, for materials, supplies or construction will contain provisions by which Contractor agrees: 1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no Contractor, material supplier or vendor, will, by reason of race, creed or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; 2) That no Contractor, material supplier, or vendor, will, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause 1 of this section, or on being hired, prevent or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed or color; 3) That a violation of this section is a misdemeanor; and 4) That this contract may be canceled or terminated by the state of Minnesota, or any county, city, town, township, school, school district or any other person authorized to contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this

Agreement.

- 17. Limitation.** Under this contract, MnDOT is only responsible for disbursing funds. Nothing in this contract will be construed to make MnDOT a principal, co-principal, partner, or joint venturer with respect to this agreement. MnDOT may provide technical advice and assistance as requested by the Local Government, however, the Local Government will remain responsible for all aspects of administering this agreement.

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LOCAL GOVERNMENT

Local Government certifies that the appropriate person(s) have executed the contract on behalf of the Local Government as required by applicable articles, bylaws, resolutions or ordinances

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

STATE ENCUMBRANCE VERIFICATION

The individual certifies funds have been encumbered as required by Minn. Stat. 16A.15 and 16C.05

By: _____

Date: _____

SWIFT Contract # _____

SWIFT Purchase Order # _____

DEPARTMENT OF TRANSPORTATION

By: _____

Title: _____

Date: _____

COMMISSIONER OF ADMINISTRATION

By: _____

Date: _____



DATE: May 6, 2025
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: Resolution 23-25: Lakeside Foods Notice of Violation

Purpose:

Requesting City Council approval to issue a Notice of Violation to Lakeside Foods for violations of the City's Code of Ordinances and the Industrial Wastewater Discharge Permit (the "Permit") that the City issued to Lakeside Foods with the effective date of January 1, 2021.

Background:

As detailed in the Notice of Violation ("NOV"), the City has determined that Lakeside Foods violated City Code and the Permit by discharging untreated industrial wastewater to the City's treatment system via an unknown and unauthorized connection during August and September of 2023. The unauthorized discharge substantially exceeded the permit limits for Biochemical Oxygen Demand ("BOD") and Total Suspended Solids ("TSS") and caused the City to incur additional costs and damages to identify the cause of and treat the excessive pollutant loadings to maintain compliance with the City's National Pollutant Discharge Elimination System ("NPDES") permit.

The City intends to enforce the violations and collect user charges and additional costs in the amount of \$326,319.02 and requires Lakeside Foods to complete specified corrective actions to ensure ongoing and future compliance with the Permit and City Code.

Budget Impact:

Pursuant to the City of Owatonna's Ordinance defining heavy industrial user rates, the City is applying a user charge of \$282,319.02 as a result of BOD and TSS loads Lakeside Foods discharged to the City's collection system. The City will also collect \$44,000 in additional costs to identify the source of significant loading and to carry out the process for issuing the NOV.

In addition, as detailed in the attached proposed Draft Administrative Order, the City intends to enforce the violations detailed in the NOV by imposing total fines/penalties in the amount of \$216,000 and requires Lakeside Foods to complete specified corrective actions to ensure ongoing and future compliance with the Permit and City Code. Upon demonstration of completion of the corrective actions included in the draft Administrative Order, the City may partially or wholly forgive \$216,000 of the fines/penalties.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Resolution 23-25 Lakeside Notice of Violation
2. 2025-04-29 - Lakeside Foods NOV - Final
3. 2025-04-29 - Lakeside Foods AO - Final DRAFT

RESOLUTION NO. 23-25

A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF OWATONNA IN THE MATTER
OF LAKESIDE FOODS INDUSTRIAL WASTEWATER DISCHARGE PERMIT

WHEREAS, pursuant to Sections 50 and 51 of its Code of Ordinances, the Council of the City of Owatonna (the "City"), and its authorized agents and representatives, have the authority to regulate and control connections to its wastewater treatment system and all domestic and industrial wastewater discharges to that system;

WHEREAS, pursuant to Sections 50 and 51 of its Code of Ordinances, the City's National Pollutant Discharge Elimination System Permit No. MN0051284 and the authorities delegated to the City by the Minnesota Pollution Control Agency and the United States Environmental Protection Agency pursuant to Minn. R. ch. 7049 and 40 C.F.R. Part 403, the City is authorized and required to issue permits to Significant Industrial Users and enforce its Code of Ordinances, permits and all applicable local, state, and federal regulations related to industrial wastewater;

WHEREAS, Lakeside Foods is an important business and employer in the community that operates a vegetable canning facility that typically sends pretreated wastewater to the City's wastewater treatment system during the winter months (mid-November to mid-May);

WHEREAS, because Lakeside Food is a Significant Industrial User pursuant to the above referenced authorities, the City issued Lakeside Foods Inc., an Industrial Wastewater Discharge Permit (the "Permit") with an effective date of January 1, 2021 (incorporated by reference herein);

WHEREAS, the City's Industrial Pretreatment Ordinance and the Permit requires Lakeside Foods to Comply with City Code, pretreat its industrial wastewater prior to being discharged to the City's wastewater treatment system, and meet specific permit limits and monitoring requirements;

WHEREAS, in August of 2023 the City's wastewater treatment facility began receiving more than double the historical daily average of pounds per day (lbs/day) of biochemical oxygen demand (BOD) and total suspended solids (TSS) as confirmed by routine testing;

WHEREAS, the significant increase in loading of BOD and TSS started causing problems for the City's wastewater treatment facility and required the City to incur costs of more than \$44,000 that are not covered by the applicable user rates;

WHEREAS, the City initiated an investigation and determined that Lakeside Foods caused the increase loading and had operated its facility for at least 48 days between August and September of 2023 and these increased loads of BOD and TSS were entering the City's treatment system via a previously unknown and unpermitted connection between the Lakeside Foods processing facility and the City's collection system (see Exhibit A, Loading Analysis);

WHEREAS, the City's investigation and analysis found that Lakeside Foods committed substantial violations of the Permit and City Code as reflected in the attached Notice of Violation;

WHEREAS, based on the City's Heavy Industrial User rates that were effective in 2023, Lakeside Foods owes the City a user charge of \$282,319.02 to cover the standard costs the City incurred to treat Lakeside Foods discharge in August and September of 2023;

WHEREAS, the City's Code of Ordinances authorizes the City to charge Lakeside Foods the additional costs of \$85,000 that are not covered by the City's applicable Heavy Significant Industrial User Rates;

WHEREAS, the City's Code of Ordinances authorizes the City to impose a surcharge (in addition to the standard user charges) on Lakeside Foods of up to twice the applicable user rates;

WHEREAS, the City's Code of Ordinances authorizes the City to impose a maximum \$1000 penalty (per day, per violation), which in this case would result in a maximum penalty of \$216,000;

WHEREAS, in January 2024, City staff informed Lakeside that the City Council would consider formal action to address the violations, and that the City would expect Lakeside to pay the applicable user charges \$282,319.02 and a reduced cost assessment of \$44,000 to cover the costs incurred by the City as determined by the City in a memorandum dated February 27, 2024 from Nero Engineering (incorporated by reference herein), but that the City would not impose any surcharges or penalties if Lakeside would take certain actions to ensure its compliance with the Permit and City Code in the future;

WHEREAS, Lakeside responded by sending the City Council a letter dated January 12, 2024 (incorporated by reference herein) suggesting it may pursue litigation if the City moved forward to enforce the violations and requested to meet with the City to resolve the matter;

WHEREAS, City leadership, staff, and consultants participated in multiple meetings with Lakeside Foods and its team seeking to resolve the matter in good faith, but no resolution was reached;

WHEREAS, in March of 2025, City staff again informed Lakeside that the City intended to move forward to address Lakeside's Permit and Code violations by requiring Lakeside to pay the applicable user charges and additional costs incurred by the City (while not imposing surcharges or penalties) and Lakeside again sent a letter to the City Council dated April 8, 2025 (incorporated by reference herein) referencing potential litigation and requesting to meet with the City to resolve the matter;

WHEREAS, City Staff again met with Lakeside Foods on April 25 in an attempt to address Lakeside's concerns and still no agreement has been reached.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:

That the Mayor and City Staff are hereby authorized and directed to issue Lakeside Foods a formal notice of violation (consistent with the attached notice of violation) as required by City Code;

That along with the above referenced notice of violation, the Mayor and City Staff are hereby authorized to send to Lakeside Foods a draft (non-final) Administrative Order consistent with the

attached, that if issued would require Lakeside Foods to pay the City the applicable user charge and reduced costs assessment referenced above, but does not impose surcharges, fines or penalties, contingent upon Lakeside Foods taking the corrective actions outlined in the draft order.

That Lakeside Food's shall be given 30 days to review, comment, and meet with the City to discuss the notice of violation and draft order.

That after the 30-day period concludes, City staff are directed to bring this matter back to Council for consideration of potential amendments to and final issuance of an Administrative Order.

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 VIOLATION

IN THE MATTER OF

Lakeside Foods Industrial Wastewater Discharge Permit
900 North Cedar Ave
Owatonna, MN 55060

I. LEGAL AUTHORITY

1. WHEREAS, pursuant to Sections 50 and 51 of its Code of Ordinances, the Council of the City of Owatonna (the "City"), and its authorized agents and representatives, have the authority to regulate and control connections to its wastewater treatment system and all domestic and industrial wastewater discharges to that system;
2. WHEREAS, pursuant to Sections 50 and 51 of its Code of Ordinances, the City's National Pollutant Discharge Elimination System Permit No. MN0051284 and the authorities delegated to the City by the Minnesota Pollution Control Agency and the United States Environmental Protection Agency pursuant to Minn. R. ch. 7049 and 40 C.F.R. Part 403, the City is authorized and required to issue permits to Significant Industrial Users and enforce its Code of Ordinances, permits and all applicable local, state, and federal regulations related to industrial wastewater;
3. WHEREAS, Lakeside Foods is a Significant Industrial User and operates a vegetable canning facility in the City and typically sends pretreated wastewater to the City's wastewater treatment system during the winter months (mid-November to mid-May);
4. WHEREAS, pursuant to the above referenced authorities the City issued Lakeside Foods Inc., an Industrial Wastewater Discharge Permit (the "Permit") with an effective date of January 1, 2021.
5. WHEREAS, the City's Industrial Pretreatment Ordinance and the Permit requires that Lakeside Foods shall pretreat industrial wastewater with a Dissolved Air Flotation System prior to being discharged to the City's wastewater treatment system (§ 50.18; § 51.11; Permit at p. 3);
6. WHEREAS, the City's Industrial Pretreatment Ordinance and the Permit requires Lakeside Foods to collect representative composite samples during plant operations a minimum of 3 days per week for the following parameters: pH, 5-day CBOD, and TSS (§ 51.11; Permit at p. 3);
7. WHEREAS the City's Industrial Pretreatment Ordinance and the Permit requires Lakeside Foods to comply with the following specific effluent limits (§ 51.11; Permit at p. 3);

Parameter	Daily Max
Biochemical Oxygen Demand (BOD)	2919 lbs/day or 1400 mg/L
Total Suspended Solids (TSS)	834 lbs/day or 400 mg/l

8. WHEREAS, the City's Industrial Pretreatment Ordinance and the Permit prohibits unlawful and unpermitted discharges to the City's system (§ 50.21(A)(4));
9. WHEREAS, the City's Industrial Pretreatment Ordinance and the Permit prohibits the discharge of slug loads to the City's system, which means "any pollutant, including oxygen demand pollutants (BOD and the like), released in a discharge of such volume or strength as to cause inhibition or disruption in the wastewater treatment system" (§51.03(A)(9));
10. WHEREAS, the City Code of Ordinances contains Heavy Significant Industrial User rates that were developed and adopted in manner consistent with state law and local ordinance and were in effect in 2023;
11. WHEREAS the City's Code of Ordinances and the permit authorizes the City to impose surcharges on industrial users for discharging excessive loadings of BOD and TSS;
12. WHEREAS, the City's Code of Ordinances and the permit authorize the City to impose fines, penalties, costs, and require the completion of corrective actions to address violations of the Code or Permit and ensure ongoing and future compliance with the same;

II. FINDINGS OF FACT

1. WHEREAS, in August of 2023 the City's wastewater treatment facility began receiving more than double the historical daily average of pounds per day (lbs/day) of BOD and TSS as confirmed by routine influent testing;
2. WHEREAS, the significant increase in loading of BOD and TSS started causing problems for the City's wastewater treatment facility and required the City to use additional treatment chemicals, commence the use of a second blower for the first time in the 35 years substantially increasing energy costs, and necessitated significant additional staff and consultant time to address the issue and determine its cause;
3. WHEREAS, upon investigation by the City it was discovered that Lakeside Foods had operated its facility for at least 48 days between August and September of 2023 and these increased loads of BOD and TSS were entering the City's treatment system via a previously unknown and unpermitted connection between the Lakeside Foods processing facility and the City's collection system;
4. WHEREAS, the City's investigation and analysis found that between August – September 2023 Lakeside Foods violated the above referenced effluent limit for BOD at least forty-eight (48) individual days;
5. WHEREAS, the City's investigation and analysis found that between August – September 2023 Lakeside Foods violated the above referenced effluent limit for TSS on at least forty-eight (48) individual days;
6. WHEREAS, the City's investigation and analysis found that Lakeside Foods failed to pretreat its wastewater discharge as required by the permit before it entered the City's system on at least forty-eight (48) individual days between August – September 2023;

7. WHEREAS, the City's investigation and analysis found that Lakeside Foods failed to conduct the required sampling on a minimum of twenty-four (24) days during its facility operations from August – September 2023;
8. WHEREAS, the City determined that Lakeside Foods discharged the following loads of BOD and TSS from August to September of 2023 resulting in a user charge of \$282,319.02 pursuant to the City's adopted and effective heavy industrial user rates:

Lakeside Foods Contribution		CBOD (lb/month)	TSS (lb/month)
Monthly Total (Avg*31)	8/2023	136,975	163,606
Monthly Total (Avg*30)	9/2023	168,796	294,108

User Charge – Standard Heavy Industrial Rates		CBOD	TSS
Heavy Industrial Rates (per 1000 lb/parameter)		\$481.95	\$294.84
Monthly User Charge	8/2023	\$66,015.06	\$48,237.62
	9/2023	\$81,351.41	\$86,714.94
Total User Charge by Parameter		\$147,366.46	\$134,952.56
Total User Charge		\$282,319.02	

9. WHEREAS, the City determined that the City incurred \$44,000 of additional costs not covered by the above industrial user charges, as a result of Lakeside's violations of the Code and Permit.

III. NOTICE OF VIOLATIONS

THEREFORE, BASED ON THE ABOVE FINDINGS LAKESIDE FOODS IS HEREBY NOTIFIED THAT:

1. Lakeside Foods violated the BOD effluent limit in its permit on forty-eight (48) individual days between August and September of 2023;
2. Lakeside Foods violated the TSS effluent limit in its permit on forty-eight (48) individual days between August and September of 2023;
3. Lakeside Foods violated the prohibition against discharging slug loads to the City's system on forty-eight (48) individual days between August and September of 2023;
4. Lakeside Foods violated the pretreatment requirement in its permit and the City Code of Ordinance on forty-eight (48) individual days between August and September of 2023;
5. Lakeside Foods violated the sampling requirements in its permit on twenty-four (24) individual days between August and September of 2023.

IV. NOTICE OF POTENTIAL ENFORCEMENT VIA ADMINISTRATIVE ORDER

THEREFORE, BASED ON THE ABOVE FINDINGS

1. The City has determined that Lakeside Foods has violated its Permit and the City's Code of Ordinances **216 times** between August and September of 2023 and reserves the right to exercise its authority to enforce those violations by an Administrative Order, which imposes user charges, fines, penalties, costs, and requires Lakeside Foods to complete certain corrective actions in a manner consistent with the Permit and City's Code of Ordinances.
2. Pursuant to City's heavy industrial user rates the City has the authority and reserves the right to impose a user charge of up to **\$282,319.02** because of excess BOD and TSS loads that Lakeside Foods discharged to the City's system.
3. Pursuant to the City's Code and the Permit the City has the authority and reserves the right to recover additional costs of up to **\$44,000** that were documented by the City and not covered by the user charge that the City incurred as direct result of the violations.
4. Pursuant to the City's Code of Ordinances, the City has the authority and reserves the right to impose a surcharge of up to twice the applicable user rates, in addition to the applicable user rates;
5. Pursuant to the City's Code and the Permit the City has the authority and reserves the right to impose total fines and penalties of **\$216,000**, for the violations.
6. Pursuant to the City's Code and the Permit, the City has the authority and reserves the right to require Lakeside foods to complete any corrective actions the City determines are necessary to address the non-compliance and **the City may forgive surcharges, fines, and penalties** upon demonstration of completion of any corrective actions required by the City;
7. Pursuant to the City Code and Permit, the City has the authority and reserves the right to issue Lakeside Foods a final Administrative Order (AO) that is consistent with the attached draft AO. The **attached draft AO is not final** and **makes all surcharges, fines and penalties forgivable upon completion of certain corrective actions.**
8. Pursuant to the City Code and Permit, the City hereby provides Lakeside Foods **30 days or until June____, 2025** to review, comment, and meet with the City to discuss this notice of violation and the draft AO. After such period the City Council will reconvene to consider amendments to and issue a final AO.

Signed: _____
Kris Busse, City Administrator

Date: _____

Signed: _____
Sean Murphy, Public Works Director

Date _____

(Enclosure: draft AO)

Memorandum



Date: Wednesday, January 08, 2025

To: Kris Busse

Copy: Sean Murphy, Andrew Fischer

From: Jennifer Svennes, Bruno Hespanhol, Eric Meester – Nero Engineering

Re: Owatonna Wastewater Treatment Facility
2023 Lakeside Loading Event
Loading Analysis and Impact on WWTF

The wastewater treatment facility (WWTF) in the City of Owatonna collects and treats wastewater from residential, commercial, and industrial users. The largest industries enter into Significant Industrial User (SIU) agreements with the City to ensure the waste sent to the facility stays within its treatment capabilities and to charge the industry appropriately for the cost of treating its wastewater.

Lakeside Foods (Lakeside) is an SIU and operates a vegetable canning facility in Owatonna. Lakeside typically only sends pretreated wastewater to the Owatonna WWTF during the winter months (mid-November to mid-May). The pretreatment consists of dissolved air floatation to reduce total suspended solids (TSS) and carbonaceous biological oxygen demand (CBOD) before the wastewater is discharged to the City's collection system and WWTF. From mid-May to mid-November (when there is no frost in the ground), Lakeside pumps untreated wastewater to a pond and disposes of the liquid by spray irrigation.

Starting in August, 2023, an increased CBOD and TSS load was noticed in the influent of the WWTF. Increased loading causes symptoms throughout the process and the first signs were high oxygen demand and increased solids in the aeration basins. A shift in biological activity shortly followed and needed to be treated with additional chemicals. The increased loading was confirmed with the routine influent testing; however, it takes about a week to receive CBOD results so an event like this causes constant attention by plant operators to determine steps needed ensure the WWTF is still performing as necessary to meet permitted effluent limits. On August 21st, a second blower was started to meet the oxygen demand of the high loading. A second blower has never been required to operate in the 35-year life of the facility. The loading continued to increase through the end of September.

The only industry in town capable of sending such a heavy, sustained load to the WWTF is Lakeside. Calls were made initially by the WWTF Superintendent to ask if they had changed anything in their operations or had any idea how wastewater from the facility could be making its way to the WWTF. In early September, a visit to the site was performed by WWTF personnel and Nero Engineering to review operations and ask questions. With no success in finding the issue through these methods, the City started investigations in the collection system. The City completed dye testing from Lakeside's floor drains,

additional sample collection and testing in manholes, and running a camera through the collection system around the facility.

The additional sampling proved higher CBOD and TSS results in a manhole downstream of Lakeside. With the location of the source narrowed down, City staff started visually inspecting manholes and found a suspicious flow at a manhole immediately downstream of a manhole which appeared to contain normal domestic wastewater. On September 28th, the City collected video between these two manholes and found an unknown service from Lakeside connected to the collection system. The City determined, based on communications with Lakeside staff, that Lakeside was processing vegetables at least 48 days between August and September and sending high-strength waste (not-pretreated) to the City on those days. Lakeside also indicated cleaning and washdown procedures may taken place on other days.

When Lakeside knowingly discharges to the City's WWTF (Nov-May), they are required to collect representative composite samples over the normal hours of plant operations a minimum of 3 days per week. The samples must be tested for the following parameters: pH, 5-day CBOD, and TSS. The volume associated with the collected samples is determined by City water meter readings. Lakeside is then charged according to the heavy industrial user rates based on CBOD and TSS loading. The current user charges are \$481.95 per 1,000 pounds of CBOD and \$294.85 per 1,000 pounds of TSS.

Because there was an unknown connection from Lakeside to the City's collection system, the typical way of collecting, sampling and monitoring the discharge was not possible. However, routine data collected of the WWTF influent proved the collective loading to the plant was much higher than typical. By comparing the collective loading during the event to typical loadings, the loadings of CBOD and TSS from Lakeside were estimated.

The monthly average loadings in August and September of 2023 were compared to the average loadings of the months of June through October in 2021 and 2022. There were several reasons for using this data for the comparison including:

- The collective influent WWTF flow was similar in the years of 2021, 2022, and 2023.
- The June through October data does not include the months Lakeside typically sends wastewater to the City.
- It is unknown when flow started entering the City's collection system through the illegal connection from Lakeside. Therefore, the summer months leading up to August 2023 were excluded.
- There are numerous variables within wastewater so limiting the comparison to the most recent summers as opposed to a wider data set reduces variations due to significant rain events and natural growth and changes in the City over a longer time period.

The following figures illustrate the comparison of the data. Figure 1 shows the average influent flow to the WWTF. Figure 2 shows the average influent CBOD loading to the WWTF. Figure 3 shows the average influent TSS loading to the WWTF. Table 1 presents the data numerically and summarizes the calculated average CBOD and TSS loading from Lakeside during the months of August and September, 2023. Based on these loadings, user charges were calculated in Table 2 based on the City applicable adopted industrial rates.

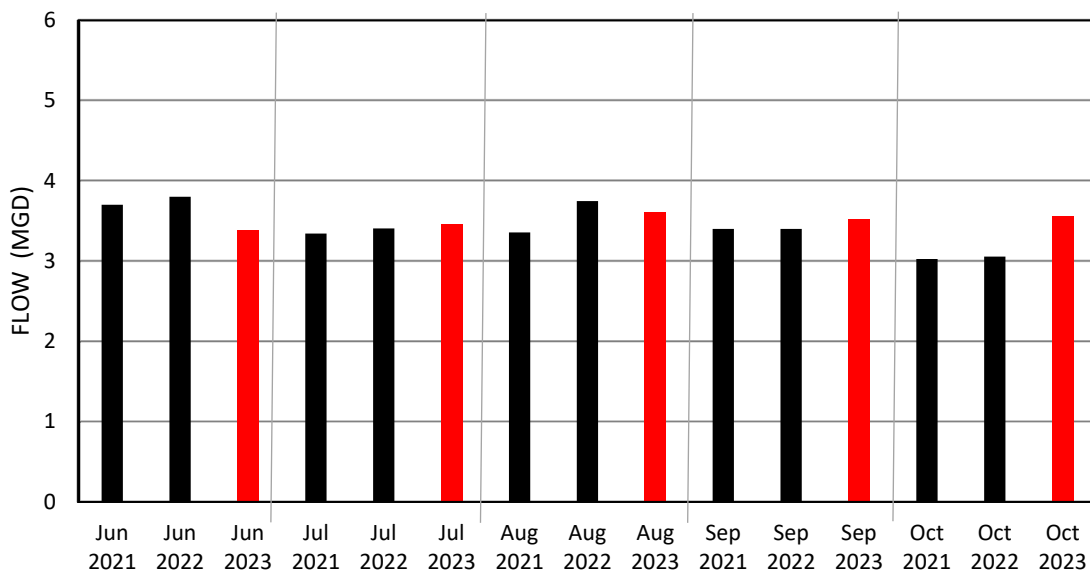


Figure 1: WWTF Influent Average Flow (Jun-Oct, 2021-2023)

As shown in Figure 1, the influent flow was relatively the same throughout the years during the same period of time from the years of 2021 through 2023. This helps illustrate the high strength of the waste from Lakeside since from a flow perspective, the illegal connection was not noticeable.

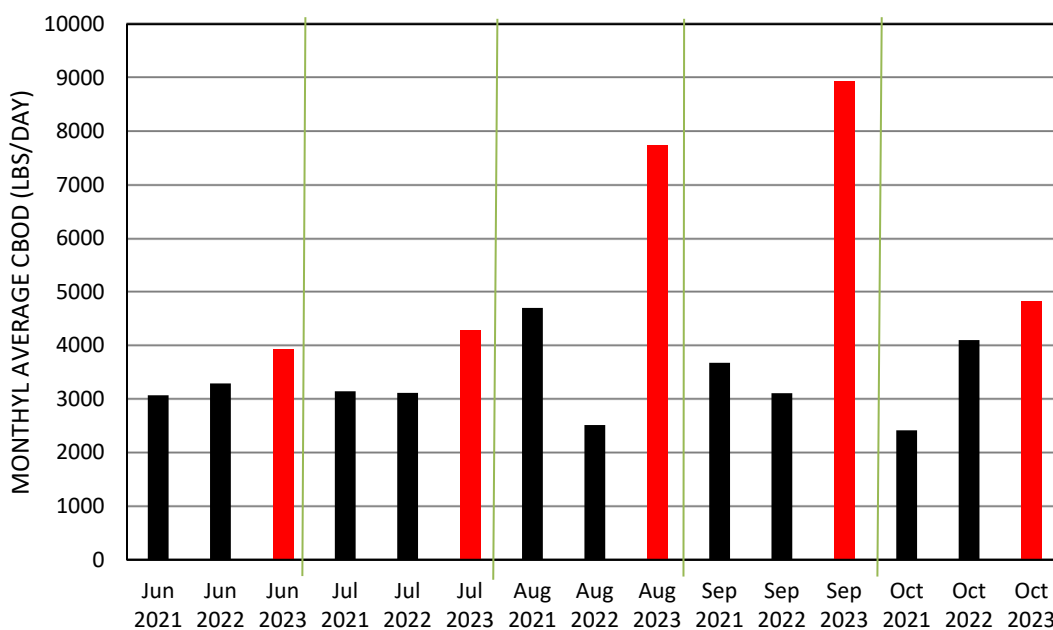


Figure 2: WWTF Influent Average CBOD (Jun-Oct, 2021-2023)

Figure 2 highlights the significant increase in CBOD influent loading into Owatonna's WWTF in the months of August and September of 2023.

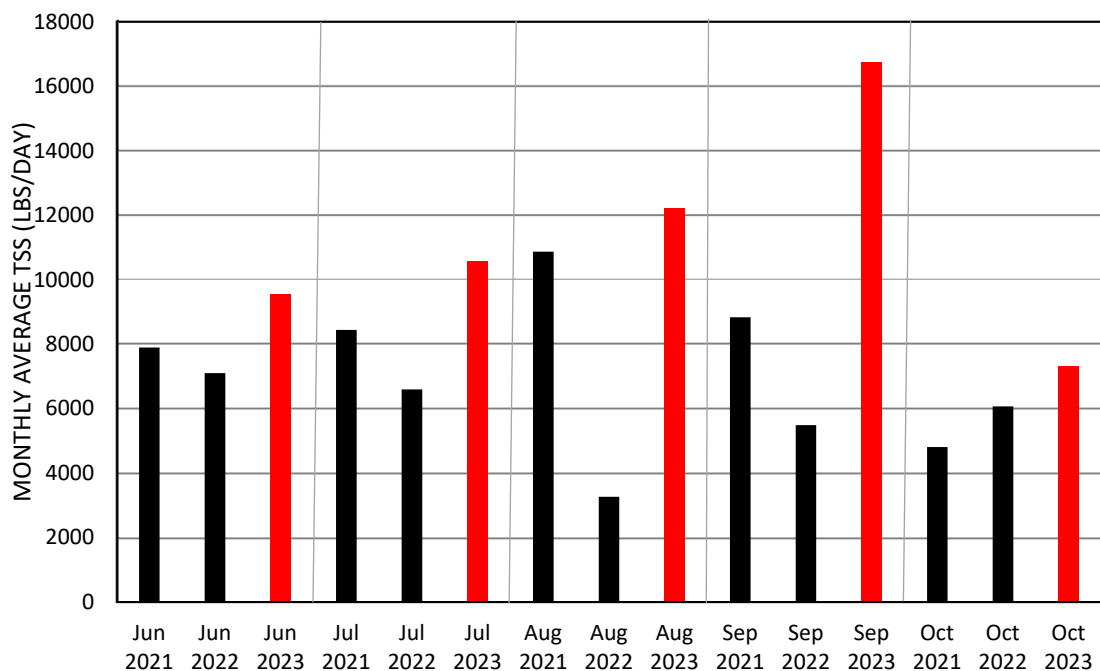


Figure 3: WWTF Influent Average TSS (Jun-Oct, 2021-2023)

Similarly, Figure 3 highlights the significant increase in TSS influent loading into Owatonna's WWTF in the months of August and September of 2023.

Table 1: August and September 2023 compared to 2021 and 2023 Summer Averages

Description	Timeframe	CBOD (lb/d)	TSS (lb/d)
WWTF Influent Data			
Average Influent during summer 2021	Jun-Oct 2021	3,401	8,168
Average Influent during summer 2022	Jun-Oct 2022	3,226	5,701
Average Influent during summers 2021 and 2022		3,313	6,934
Monthly Average WWTF Influent	Aug 2023	7,732	12,212
Monthly Average WWTF Influent	Sept 2023	8,940	16,738
Lakeside Contribution			
Aug 2023 minus 21/22 Summer average	Aug 2023	4,419	5,278
Sept 2023 minus 21/22 Summer average	Sept 2023	5,627	9,804
		CBOD (lb/month)	TSS (lb/month)
Monthly Total	8/2023	136,975	163,606
Monthly Total	9/2023	168,796	294,108

The above monthly average daily loads represent substantial violations of the permitted daily max limits for BOD (2919 lb/day and TSS (834 lbs/day)

Table 2: User Charge Determination

		CBOD	TSS
Heavy Industrial Rate (per 1000 lb/parameter)		\$481.95	\$294.84
Monthly User Charge	8/2023	\$66,015.06	\$48,237.62
	9/2023	\$81,351.41	\$86,714.94
Total User Charge by Parameter		\$147,366.46	\$134,952.56
Total User Charge		\$282,319.02	

DRAFT – NOT FINAL ACTION BY CITY COUNCIL

**CITY OF OWATONNA MINNESOTA
ADMINISTRATIVE ORDER**

IN THE MATTER OF

Lakeside Foods Industrial Wastewater Discharge Permit
900 North Cedar Ave Owatonna, MN 55060

This Administrative Order (the “Order” or “AO”) is issued by the Council of the City of Owatonna, Minnesota (the “City”) pursuant to Sections 50 and 51 of the City’s Code of Ordinances. This AO requires Lakeside Foods to take action to correct violations of its Industrial Wastewater Discharge Permit (the “Permit”) and the City’s Code of Ordinances. This AO is effective upon final adoption and signature by the Mayor, City Administrator and/or Public Works Director.

I. VIOLATIONS

Sections I – IV of the Notice of Violation dated _____, is hereby incorporated by reference and the City finds that Lakeside Foods has committed the below violations of the City’s Code and the Permit:

1. Lakeside Foods violated the Biochemical Oxygen Demand (BOD) effluent limit of 2919 lbs/day in its Permit on forty-eight (48) individual days between August and September of 2023. (City Code § 51.11; Permit at p. 3).
2. Lakeside Foods violated the Total Suspended Solids (TSS) effluent limit of 834 lbs/day in its permit on forty-eight (48) individual days between August and September of 2023. (City Code § 51.11; Permit at p. 3).
3. Lakeside Foods violated the prohibition against discharging slug loads to the City’s system on forty-eight (48) individual days between August and September of 2023 (City Code § 51.03(A)(9)).
4. Lakeside Foods violated the requirement to pretreat its wastewater with a Dissolved Air Flotation System prior to being discharged to the City’s wastewater treatment on forty-eight (48) individual days between August and September of 2023. (City Code § 51.11; Permit at p. 3).
5. Lakeside Foods violated the sampling requirements in its permit on twenty-four (24) individual days between August and September of 2023. (City Code § 51.11; Permit at p. 3).

Remainder of page left intentionally blank

II. USER CHARGES

Pursuant to the City's Industrial User Rates the City is assessing Lakeside Foods a user charge in the amount of **\$282,319.02** for the BOD and TSS loads that Lakeside Foods discharged to the City's system in August and September of 2023:

Lakeside Contribution			
		CBOD (lb/month)	TSS (lb/month)
Monthly Total (Avg*31)	8/2023	136,975	163,606
Monthly Total (Avg*30)	9/2023	168,796	294,108

User Charge Determination		CBOD	TSS
Heavy Industrial Rate (per 1000 lb/parameter)		\$481.95	\$294.84
Monthly User charge	8/2023	\$66,015.06	\$48,237.62
	9/2023	\$81,351.41	\$86,714.94
Total User Charge by Parameter		\$147,366.46	\$134,952.56
Total User Charge		\$282,319.02	

The total user charge of **\$282,319.02** is due within **30 days** after receipt of this Order and the user charge invoice.

III. ADDITIONAL COSTS

Pursuant to § 51.99 (B) of the City's Code, the City has the authority to assess costs for any expenses, loss, or damage caused by Lakeside's violations or discharge. Based on the above, the City has found that Lakeside Foods' permit violations between August and September of 2023 resulted in expenses and losses to the City of \$44,000.

The cost assessment is **\$44,000**, which is due within **30 days** after receipt of this Order.

IV. NO SURCHARGE & FORGIVEABLE PENALTY

Pursuant to §50.18 (B) of the City's Code, the City has the authority and discretion to impose a surcharge equal to twice the applicable heavy significant industrial user rates, in addition to the applicable rates. However, at this time the City will waive any applicable surcharges.

Pursuant to § 51.99 (A) of the City's Code, the City has the authority to issue civil penalties and fines of not more than \$1,000 per day per violation. Based on the above, the City has found that Lakeside Foods violated its permit and/or City ordinance 216 times between August and September of 2023 and therefore imposes a **penalty of \$216,000**. However, the City proposes to forgive the entire penalty contingent upon timely compliance with this order and completion of the required corrective actions by Lakeside.

If Lakeside performs and documents the completion of all the corrective action requirements listed above to the satisfaction of the City within 365 days after the receipt of this Order, the **\$216,000** penalty shall be forgiven.

V. REQUIRED CORRECTIVE ACTIONS

Pursuant to sections 50 and 51 of the City's Code of Ordinances and the Permit, Lakeside Foods is required to correct the above violations and ensure ongoing and future compliance with City Code and the Permit by taking the following actions within the timeframes indicated:

1. Within 30 days after receipt of this Order, pay the user charges (**\$282,319.02**) and non-forgivable cost assessment (**\$44,000**) detailed above.
2. Within 30 days after receipt of this Order, submit a Slug Discharge Plan to the City for approval that, at minimum, contains the following:
 - a) An evaluation of options for real-time identification of slug loads (e.g. excessive BOD and TSS).
 - b) Evaluation and identification of process changes that can be implemented to eliminate or substantially reduce the risk of future Permit violations.
 - c) A clear schedule for implementation of specified actions.
3. Within 365 days, complete comprehensive televising of all internal and exterior sanitary piping and conveyance systems. The deliverable to the City shall include a map or plan of all sanitary pipe and conveyances televised including all direct connections to City infrastructure. Provide documentation of any device or fitting controlling discharge to City infrastructure.
4. Within 365 days, complete a sanitary piping and conveyance system condition assessment provided by a third-party reviewer. The third-party reviewer shall be approved by the City based on a qualification package.
5. Within 365 days, permit all facilities within City right-of-way or easement, including but not limited to, conveyance features, above ground structures, small utilities, and others as specified by the City.
6. Within 365 days, acquire Limited Use Agreements as determined by the City.
7. Within 365 days, provide all plans for the main force discharging to the spray field.
8. Within 365 days, remove all non-contact cooling water connections from sanitary sewer.

To obtain forgiveness of the costs, surcharges, and penalties indicated above, Lakeside Foods must, within **365 days of the date of this Order**, submit a written report and evidence to the City demonstrating that tasks 1-8 above have been completed. Lakeside Foods may make a written request for an extension of any of the above timelines. The City may grant an extension in writing for good cause.

If the regulated party fails to complete the corrective actions within the appropriate time frame the City reserves the right to impose the entire penalty assessment (\$216,000) and may initiate proceedings to suspend and/or terminate the connection between Lakeside Foods and the City's wastewater treatment facility. Future costs associated with corrective action compliance shall be the sole responsibility of Lakeside Foods.

VI. RIGHT TO APPEAL

APPEAL TO CITY COUNCIL – Lakeside Foods has the right to Appeal the final Order with the City Council within 30 days after it becomes final pursuant to § 51.21.

Issued by the City of Owatonna, Minnesota on the ____th day of ____, 2025

Mayor, Matt Jesop

City Administrator, Kris Busse

Public Works Director, Sean Murphy

Address questions and the submittals requested above to:

Sean Murphy, Public Works Director
Andrew Fischer, Wastewater Manager



DATE: May 6, 2025
TO: Mayor and City Council
FROM: Emily Burns, Finance Director
SUBJECT: Resolution 24-25: Appoint Fiscal Agent - Bond Trust Services Corporation

Purpose:

Requesting City Council approval of Resolution 24-25: Appointing Bond Trust Services Corporation as Fiscal Agent.

Background:

The City of Owatonna has contracted with Baker Tilly US, LLP for municipal bond issuance, arbitrage services, and advising for nearly 15 years. Due to the resignation of the City's longtime Baker Tilly Director in March 2025, other municipal advising options were explored by the Finance Director and City Administration throughout the month of April 2025.

After careful consideration, City Administration determined Ehlers and Associates, Inc. based in Roseville, MN, has a comparable fee schedule to Baker Tilly for services and meets the City's municipal advisor needs, specifically municipal bond issuance, arbitrage services, as well as financial management planning and advisement. The transition comes at a critical time for the City with 2025 capital improvement projects on the horizon and the start of Phase 2 of the Public Safety Center project.

By entering into the Agreement Relating to Paying Agency, Registrar, and Transfer Agency, the City authorizes Bond Trust Services Corporation (BTSC), a wholly owned subsidiary of Ehlers and Associates, Inc., the City authorizes the issuance of all current bonds and designates BTSC as the paying agent, registrar, and transfer agent for the bonds.

Budget Impact:

The paying agent fees are invoiced annually and are already accounted for in the current year's budget.

Staff Recommendation:

Staff recommends approval of Resolution 24-25.

Attachments:

1. Resolution Appointing BTSC MAY 6
2. BTSC Agreement

CITY OF OWATONNA, MINNESOTA

RESOLUTION NO. 24-25 APPOINTING BOND TRUST SERVICES CORPORATION AS FISCAL AGENT IN CONNECTION WITH CERTAIN OUTSTANDING OBLIGATIONS

WHEREAS, the City of OWATONNA (the “CITY”) has outstanding certain debt obligations described below (collectively, the “Obligations”);

- I. \$1,685,000 General Obligation Bonds, Series 2015A
- II. \$5,660,000 General Obligation Bonds, Series 2016A
- III. \$2,015,000 General Obligation Bonds, Series 2017A
- IV. \$4,825,000 General Obligation Street Reconstruction Bonds, Series 2018A
- V. \$1,860,000 General Obligation Improvement Bonds, Series 2019A
- VI. \$1,545,000 General Obligation Street Reconstruction Bonds, Series 2020A
- VII. \$3,250,000 General Obligation Street Reconstruction Bonds, Series 2021A
- VIII. \$2,440,000 General Obligation Street Reconstruction Bonds, Series 2023B
- IX. \$1,690,000 General Obligation Bonds, Series 2024A
- X. \$4,875,000 General Obligation Tax Abatement Bonds, Series 2024B

WHEREAS, the Obligations were issued in book-entry-only form registered in the name of CEDE & CO. as nominee of The Depository Trust Company, New York, New York (“DTC”), and DTC acts as securities depository for the Obligations;

WHEREAS, the CITY Council deems it to be necessary, desirable and in the best interest of the CITY to appoint a new bank or trust company to serve as fiscal agent and to perform the duties of registrar, paying agent, transfer agent, authenticating agent and fiscal agent (the “Fiscal Agent”) for such Obligations; and

WHEREAS, U.S. Bank Trust Company, a national banking association, is currently acting as Fiscal Agent for the Obligations and deems it to be necessary, desirable and in the best interest of the CITY to appoint Bond Trust Services Corporation as successor Fiscal Agent for the Obligations.

NOW, THEREFORE, the CITY Council of the OWATONNA, MN, does resolve that:

Section 1. Appointment of Fiscal Agent. The principal of and interest on the Obligations shall be paid by Bond Trust Services Corporation, Roseville, Minnesota, which is hereby appointed as the CITY’s Fiscal Agent (“BTSC”), pursuant to the provisions of Section Sec. 475.553, Minnesota Statutes, to be effective immediately upon adoption and approval as of the

date of this resolution and upon compliance with all requirements to appoint a successor Fiscal Agent under the documents relating to the Obligations.

Section 2. Fiscal Agency Agreement. The Fiscal Agency Agreement between the CITY and BTSC shall be substantially in the forms attached hereto as Exhibit A and is hereby approved, and the CITY shall pay such fees and expenses of BTSC set forth in the Fiscal Agency Agreement. The CITY "City Clerk and Finance Manager" are hereby authorized to execute the Fiscal Agency Agreement.

Section 3. Notice of Appointment of Fiscal Agent. The officers of the CITY are authorized and directed to work with the CITY 's financial advisor and dissemination agent, Ehlers & Associates, Inc., to provide notice of the appointment of the BTSC to DTC and to issue a material event notice regarding the appointment of the BTSC in accordance with the terms of the CITY continuing disclosure obligations with respect to the Obligations under Rule 15c2-12 of the Securities and Exchange Commission.

Adopted and recorded this 6 Day of May, 2025

[Matt Jessop, Mayor]

Attest:

[Kris M. Busse, City Manager]

[SEAL]

AGREEMENT RELATING TO PAYING AGENCY, REGISTRAR, AND TRANSFER AGENCY

THIS AGREEMENT, entered into on May 6, 2025, by and between the City of Owatonna, Minnesota (the “Issuer”) and **BOND TRUST SERVICES CORPORATION**, a wholly owned subsidiary of Ehlers & Associates, Inc. (the “Agent”), a corporation duly organized and existing as a limited purpose trust company under the laws of the State of Minnesota, Section 48A.03.

WHEREAS, the Issuer has by Resolution (the "Bond Resolution"), authorized the issuance of the following (the “Bonds”);

- \$1,685,000 General Obligation Bonds, Series 2015A
- \$5,660,000 General Obligation Bonds, Series 2016A
- \$2,015,000 General Obligation Bonds, Series 2017A
- \$4,825,000 General Obligation Street Reconstruction Bonds, Series 2018A
- \$1,860,000 General Obligation Improvement Bonds, Series 2019A
- \$1,545,000 General Obligation Street Reconstruction Bonds, Series 2020A
- \$3,250,000 General Obligation Street Reconstruction Bonds, Series 2021A
- \$2,440,000 General Obligation Street Reconstruction Bonds, Series 2023B
- \$1,690,000 General Obligation Bonds, Series 2024A
- \$4,875,000 General Obligation Tax Abatement Bonds, Series 2024B

WHEREAS, the Issuer has designated the Agent as the paying agent, registrar and transfer agent for the Bonds;

WHEREAS, the Agent has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve in such capacities for the Bonds;

NOW THEREFORE, the Issuer and the Agent, each in consideration of the representations,

covenants and agreements of the other as set forth herein, mutually represent, covenant and agree as follows:

Section 1. Agent's Duties.

- 1.1 Registrar. The Agent shall keep at its principal corporate trust office in Roseville, Minnesota a Bond Register in which the Agent, in its capacity as registrar, shall provide for the registration of ownership of the bonds and the registration of transfers and exchanges of the Bonds entitled to be registered, transferred or exchanged pursuant to the terms of the Bonds Resolution and the Bonds.
- 1.2. Transfer of Bonds. Upon surrender to the Agent for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Agent duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, together with a guarantee of the signature satisfactory to the Agent, the Agent shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Agent may, however, close the books for registration of any transfer after the 15th day of the month preceding each interest payment date and until such interest payment date.
- 1.3. Exchange of Bonds. Whenever any Bonds are surrendered to the Agent for exchange, the Agent shall authenticate and deliver the Bonds which, under the Bond Resolution, the owner making the exchange is entitled to receive.
- 1.4. Cancellation. All Bonds or coupons surrendered upon any transfer or exchange and unissued inventory at maturity shall be marked paid and canceled by the Agent and destroyed pursuant to Minnesota statutes, Section 475.553, subd. 2, unless otherwise directed by the Issuer.
- 1.5. Improper or Unauthorized Transfer. When any Bond is presented to the Agent for transfer, the Agent may refuse to transfer the same until it is satisfied that the endorsement on such Bond or written instrument of transfer is valid and genuine and the requested transfer is legally authorized. The Agent shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.
- 1.6. Persons Deemed Owners. The Agent shall treat the person in whose name any Bond is at any time registered in the Bond Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.
- 1.7. Taxes, Fees and Charges. For every transfer or exchange of Bonds the Agent may impose upon the owner thereof a charge sufficient to pay or reimburse the Agent for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered

for redemption.

1.8. Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Agent shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Agent in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing by the owner with the Agent of evidence satisfactory to it that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Agent of an appropriate bond of indemnity in form, substance and amount as may be required by law and as is satisfactory to the Agent, in which bond the Issuer and the Agent shall be named as obligees. All Bonds so surrendered to the Agent shall be canceled by it and evidence of such cancellation shall be given to the Issuer. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment, provided that the owner shall first provide the Agent with a bond of indemnity as set forth above.

1.9. Records, Statements, Payment of Interest and Principal. The Agent shall:

- (a) keep true and accurate accounts of the outstanding principal balance of the Bonds;
- (b) not less than thirty (30) days before the due date of any principal of or interest on the Bonds, send a statement to the Issuer of the amount which will be required to pay the principal of and interest on the Bonds on such date;
- (c) pay such of the interest on the Bonds as is due on each stated interest payment date, with the funds received from the Issuer, by check or draft mailed, no later than the interest payment date, to the registered owners of the Bonds as of the close of business on the 15th day (whether or not a business day) of the preceding month, at their addresses as they appear on the Bond Register;
- (d) pay such of the principal of the Bonds as is due on the stated payment dates, with the funds received from the Issuer, upon presentation of the Bonds for payment;
- (e) if Agent fails to make timely payment, the Agent will pay all charges from depositories for untimely payments;.
- (f) forthwith upon presentation and payment of the Bonds cancel the same and retain and dispose of the same in the manner set forth in Section 1.4 hereof; and

The Agent shall not be required to pay interest on any funds of the Issuer for any period during which such funds are held by the Agent awaiting the interest payment date or the presentation of the Bonds for payment. Any funds remaining in the possession of the Agent for payment of the Bonds three (3) years after the date for the payment thereof has expired shall, subject to any applicable escheat law, be returned to the Issuer upon demand.

1.10. Reliance on Documents. The Agent may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates, opinions or other documents furnished to the Agent by or on behalf of the Issuer. The Agent shall not be liable for any error or judgment made in good faith by or on behalf of Agent in the performance of the duties of Agent herein.

- 1.11. Delivery of Records to Issuer; Retention. The Agent may, from time to time at its discretion, deliver to the Issuer, for safekeeping or disposition by the Issuer in accordance with law, such records accumulated in the performance of its duties as it may deem expedient, and the Issuer assumes all responsibility for any failure thereafter to produce any paper, record or document so returned, if and when required.

Section 2. Issuer's Duties.

- 2.1 Provision of the Executed Bonds. The Issuer shall provide the Agent with such executed Bonds as are required to issue the Bonds in exchange for or upon transfer of outstanding Bonds.
- 2.2 Provision of Funds to pay Principal and Interest. The Issuer may pay the Agent for the interest and principal due by check, however, the check must be received by the Agent for deposit no later than *five business days* before the debt service payment date in order for the bondholder payments to be released on the payment date. Check payments received from the Issuer after the deadline will result in bondholder payments being released after a *three business day* clearance. If the Issuer pays by wire, the wire should be sent to the Agent *one business day* prior to the debt service payment date.

OR The Issuer has agreed to participate in the **Minnesota City Credit Enhancement Program** for this issue, and has committed to comply with all requirements of this program. By state law, participation in the program requires that an amount sufficient for each payment be paid to the paying agent at least **three business days** prior to the payment date. In order to ensure clearance of the funds within the required time, check payments must be received by the Agent for deposit at least *five business days* before the payment date. If the Issuer pays by wire, the wire must be sent to the Agent at least *three business days* before the payment date.

- 2.3 Payment of Fees and Charges of Agent. The Issuer shall pay to the Agent reasonable fees and charges for services performed hereunder in accordance with the Agent's fee schedule attached hereto as Schedule A for the first two years of the Agreement and thereafter according to Agent's then current fee schedule in effect at the time of the service. The fees and charges of said Agent shall in no event become a charge against the funds remitted by the Issuer for payment of principal and interest on the Bonds.
- 2.4 Payment of Reimbursable Charges Incurred by Agent. The Issuer agrees to reimburse Agent, upon Agent's request, for all reasonable expenses, disbursements and advances incurred or made by the Agent in accordance with any of the provisions of the Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel)
- 2.5 Failure to Provide Funds. If available funds needed for payment do not reach the Agent by any interest payment date, payment of items may be refused and the Issuer may be charged for reasonable expenses incurred and extra service performed in accordance with the Agent's fee schedule in effect at the time of the payment date. The Issuer shall pay all charges or penalties from depositories if they fail to make timely payments provided, however, that the Agent agrees to abide by the depository requirement for same day wire transfer of funds for debt service payment.

- 2.6 Indemnification. The Issuer shall indemnify and hold the Agent harmless from and against any loss, cost, charge, expense, judgment or liability that it may incur in the exercise of its powers and duties hereunder and which is not due to its negligence or default.

Section 3. Termination.

This agreement will terminate upon the later of the date of final payment of the principal and interest on the Bonds to the holders thereof or the date on which any remaining funds held by the Agent are remitted to the Issuer. Either party may terminate this agreement by written notice mailed to the other party at least thirty (30) days prior to termination date, upon which event the Agent shall return all cash and Bonds in its possession to the Issuer or its order and shall deliver the Bond Register to the Issuer or its order and the Issuer shall pay any accrued and unpaid fees and service charges to the Agent. In the event that such termination is by the Issuer, Issuer shall pay a termination fee as set forth by the Agent at the time of termination. No termination fee will be charged to the Issuer if the termination is due to the failure by the Agent to provide the services outlined in this Agreement. No early termination hereunder shall be effective until a successor Paying Agent/Registrar has been appointed by the Issuer and notice of the appointment of the successor has been given to the holder of Bonds.

IN WITNESS WHEREOF, the Issuer and the Agent have caused this agreement to be executed in their respective names by their duly authorized representatives, in two counterparts, each of which shall be deemed an original.

City of Owatonna, Minnesota
540 W Hills Circle
Owatonna, MN 55060-4701

By: _____

Printed Name: Kris M. Busse
Printed Title: City Manager

BOND TRUST SERVICES CORPORATION
3060 Centre Pointe Drive, Suite 110
Roseville, MN 55113



By:
Nha Nguyen
Paying Agent Administrator

REGISTRAR AND PAYING AGENT FEE SCHEDULE FOR BOOK-ENTRY ONLY TRANSACTION

I. Initial Fee: \$450.00

The initial fee payable at closing covers:

- 1) Review of final bond documents;
- 2) Communication with Municipal Advisor and Bond Counsel;
- 3) Coordination of delivery of Bond(s) for closing; and
- 4) Set up of necessary accounts and records.

II. Annual Administration Fee: \$475.00

The annual fee, payable in advance, covers:

- 1) Invoicing and collection of scheduled debt service payments;
- 2) Documentation and wiring of scheduled debt service payments;
- 3) Handling all correspondence and communications with The Depository Trust Company;
- 4) Maintenance of Issuer's account;
- 5) Destruction of Bond(s);
- 6) Processing of optional redemption notices; and
- 7) Audit verification letters.

III. Additional Services:

- 1) Processing of Mandatory Sinking Fund Notices - \$100 per notice

Fees for services other than those listed above not contemplated at the time of issuance will be charged based on the type of service performed, expenses incurred, time involved, and responsibility assumed.

The above fees may be subject to periodic review and/or adjustment.



DATE: May 6, 2025
TO: Mayor and City Council
FROM: Greg Kruschke, Community Development Manager
SUBJECT: Resolution 25-25: Preliminary Plat - Renneberg Hardwoods Addition

Purpose:

Request Council approval of Resolution 25-25 to approve the preliminary plat of the Renneberg Hardwoods Addition.

Background:

See attached staff report.

Budget Impact:

None.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Resolution 25-25 Preliminary Plat - Renneberg Hardwoods Addition
2. Staff Report - Preliminary Report - Renneberg Hardwoods Addition with Planning Commission

RESOLUTION NO. 25-25

A RESOLUTION APPROVING PRELIMINARY
PLAT OF RENNEBERG HARDWOODS ADDITION

WHEREAS, on May 6, 2025, the City Council accepted and approved the preliminary plat of Renneberg Hardwoods Addition to the City of Owatonna, as the same was approved and recommended by the Planning Commission of the City.

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

1. That said plat is in accordance with and conformity to the plans and regulations established by the City for a comprehensive plan for the development of the City.
2. That said plat be and the same hereby is approved with the following conditions:
 - a) The final plat shall be approved within one year of the date of approval of the preliminary plat.
 - b) The title opinion shall be approved by the City Attorney prior to recording of the final plat.
 - c) A disconnection agreement shall be entered into prior to recording of the plat regarding the remaining water and sewer services.
 - d) All comments of the City Engineer's memo shall be met.
3. That the Clerk cause a certified copy of this resolution to be filed in the office of the County Recorder of Steele County, Minnesota, and to be given to the applicants of said plat.

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

April 17, 2025

To: Planning Commission
From: Community Development Department
RE: Preliminary Plat of Renneberg Hardwoods Addition

Background

Kevin Anderson, on behalf of Renneberg Companies, a request for preliminary plat of Renneberg Hardwoods Addition, a one lot commercial plat. The applicant purchased the property last year with the intention of constructing their facility this year. Since the three parcels are in two different plats they need to replat the property prior to a permit being issued.

All utilities are available to the project. There are three sets of services stubbed into this lot. Since only one set of the services will be used with this project the other services are required to go under an agreement regarding removal or are required to be removed at the main. Staff is in favor of the agreement in this case.

Access for the property is proposed to come from 2 existing locations. State Avenue (CR 45) was master planned from an access point when it was constructed. The apron is installed and located where the access point is. There is secondary access on 12th Avenue NW along the south property line. They will also be using that.

Application Review:

Applicant/Owner:	Kevin Anderson, on behalf of Renneberg Companies
Location of Property:	1430 State Avenue NW
Existing Zoning:	B-2, Community Business District
Existing Land Use:	The land is currently vacant land.
Report Attachments:	1. Location Maps 2. Preliminary Plat 3. Application Letter 4. City Engineer's Memo

Proposed Development:

Size of Subdivision:	3.6± acres
Number of Lots:	One commercial lot
Lot Configuration:	The lot is generally rectangular in shape.
Street Pattern:	The street pattern will not change from what exists today.

Services: Sanitary Sewer and water are available from existing services along State Avenue. There are two services to the west that will not be used with this project.

Timing/Financing of Development: The applicant is hoping to record the final plat soon and start construction this spring.

Outstanding Assessments: None

Floodplain: None

Wetlands: None

Storm Water Drainage: The applicant is proposing to construct a pond on the east side of the property that will outlet into the State Avenue storm sewer system.

Easements: The applicant is accommodating the existing easements on the property and proposing new perimeter easements. There is a 50 foot utility easement on the south side of the lot. There is also a larger utility easement on the west side of the property.

County/MNDOT Review: The county returned comments that they have none at this time. The property is not adjacent to a MNDOT right of way.

Staff Review:

Staff recommends approval of the preliminary plat of Renneberg Hardwoods Addition with the following conditions:

- 1) The final plat shall be approved within one year of the date of approval of the preliminary plat.
- 2) The title opinion shall be approved by the City Attorney prior to recording of the final plat.
- 3) A disconnection agreement shall be entered into prior to recording of the plat regarding the remaining water and sewer services.
- 4) All comments of the City Engineer's memo shall be met.

Planning Commission:

Preliminary Plat of Renneberg Hardwoods Addition, which is a 3.6± acre tract of land zoned B-2, Community Business District, by Kevin Anderson on behalf of Renneberg Companies and located at 1430 State Avenue NW, was presented by Community Development Manager Greg Kruschke. (Refer to report on file.) Public hearing opened at 5:33 p.m. No comments were made regarding this request. Public hearing closed at 5:34 p.m. Effertz asked what type of building would be on the lot. Kruschke said office and warehouse. There will be roughly 10,000 square feet of warehouse and 2,000 square feet of office. It will be a new business locating in the city. A motion was made by Springer-Gasner and seconded by Peake to recommend City Council approval of this preliminary plat of Renneberg Hardwoods Addition with the following conditions:

- 1) The final plat shall be approved within one year of the date of approval of the preliminary plat.
- 2) The title opinion shall be approved by the City Attorney prior to recording of the final plat.
- 3) A disconnection agreement shall be entered into prior to recording of the plat regarding the remaining water and sewer services.
- 4) All comments of the City Engineer's memo shall be met.

All Commissioners voting Aye, the motion carried.



Renneberg Hardwoods Addition
1430 State Avenue NW

1:5,415

Date: 4/8/2025
Page 164 of 216

- LEGEND**
- 848 = EXISTING ELEVATION CONTOUR LINE
 - = Catch Basin
 - E = Electric
 - ⦿ = Fire hydrant
 - G = Gas Main
 - ⊙ = Guy Anchor
 - ☆ = Light Pole
 - OH = Overhead
 - ⦿ = Power Pole
 - RCP = Reinforced Concrete Pipe
 - ⦿ = Telephone Pedestal
 - T = Telephone
 - W = Water Main

OWNER INFORMATION
R2 HOLDINGS
WESLEY RENNEBERG
PO BOX 188
MENAUGA, MN 56464
800-950-8553
KEVINA@RENNEBERGCOMPANIES.COM

LAND SURVEYOR
JONES HAUGH & SMITH, INC.
SCOTT A. TUCHTENHAGEN
415 WEST NORTH STREET
OWATONNA, MN 55060
507-451-4598
SCOTT@JHSENG.COM

ZONING
EXISTING ZONE: B-2 COMMERCIAL BUSINESS
PROPOSED ZONE: B-2 COMMERCIAL BUSINESS

SETBACKS:
ZONE: 30'
REAR: 20'
SIDE: 10'

EXISTING LEGAL DESCRIPTION
LOTS 1-2, BLOCK 1, STATE AVENUE ADDITION NO. 3
AND
LOT 3, BLOCK 2, STATE AVENUE ADDITION NO. 2

UTILITIES NOTE:
WATER MAIN, NATURAL GAS, AND ELECTRIC FACILITIES SHOWN PER OPU DIGITAL RECORDS

I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Scott A. Tuchtenhagen
Scott A. Tuchtenhagen, L.S. No. 52646 Date: 4/1/25

30 0 30
HORIZ. SCALE FEET

DRAWINGS ON 11x17 SHEETS ARE HALF SCALE

REV.	BY	DATE	REVISION DESCRIPTION

DESIGNED: JHS

DRAWN: JHS

CHECKED: SAT

Date: 4/1/25

DWG: 25-1017

JONES HAUGH SMITH

Engineers + Surveyors

415 West North Street Owatonna, MN 56001-4598

1

OF

3

PRELIMINARY PLAT

RENNEBERG HARDWOODS ADDITION

L1-2 B1 STATE AVE NO. 3 & L3 B2 STATE AVE NO. 2

EXISTING CONDITIONS

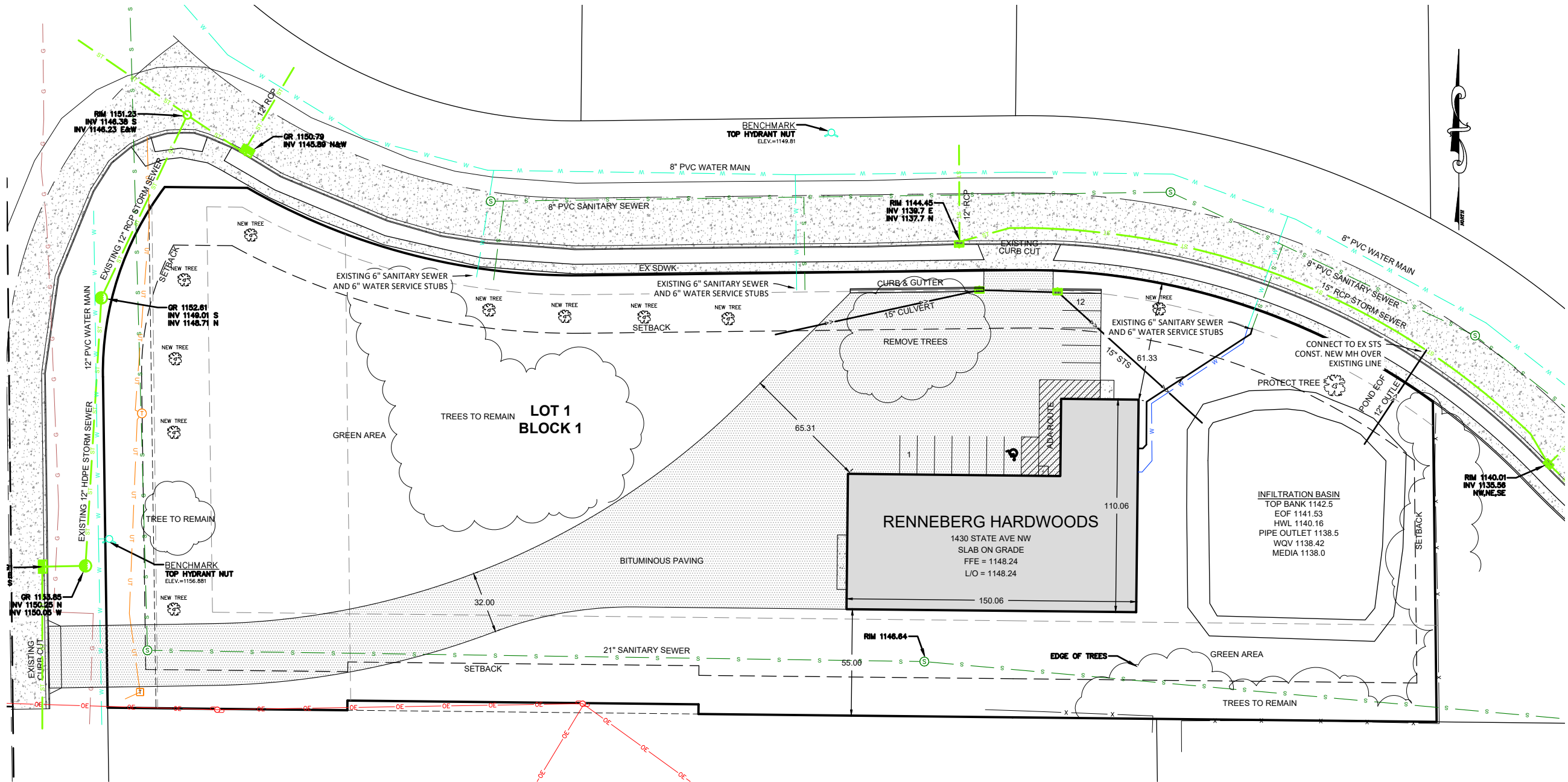
1

OF

3

Page 165 of 216

- LEGEND**
- 848— = EXISTING ELEVATION CONTOUR LINE
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 - OH = Overhead
 - ⚡ = Power Pole
 - RCP = Reinforced Concrete Pipe
 - ⌵ = Telephone Pedestal
 - T = Telephone
 - W = Water Main



PARKING CALCULATION

BUILDING SIZE = 12124 SF, WAREHOUSE USE
REQUIRED STALLS = 8 + 1 PER 500 SF OR 8 + 1 PER 2 EMPLOYEES
OWNER INTENDS 8 EMPLOYEES

8 + 8/2 = 12 STALLS

12 STALLS SHOWN INCLUDING 1 ADA STALL WITH VAN SPACE.

UTILITIES NOTE:

WATER MAIN, NATURAL GAS, AND ELECTRIC FACILITIES SHOWN PER OPU DIGITAL RECORDS



DRAWINGS ON 11x17 SHEETS ARE HALF SCALE

REV.	BY	DATE	REVISION DESCRIPTION



415 West North Street Owatonna, MN 56057-4518
507-451-4598

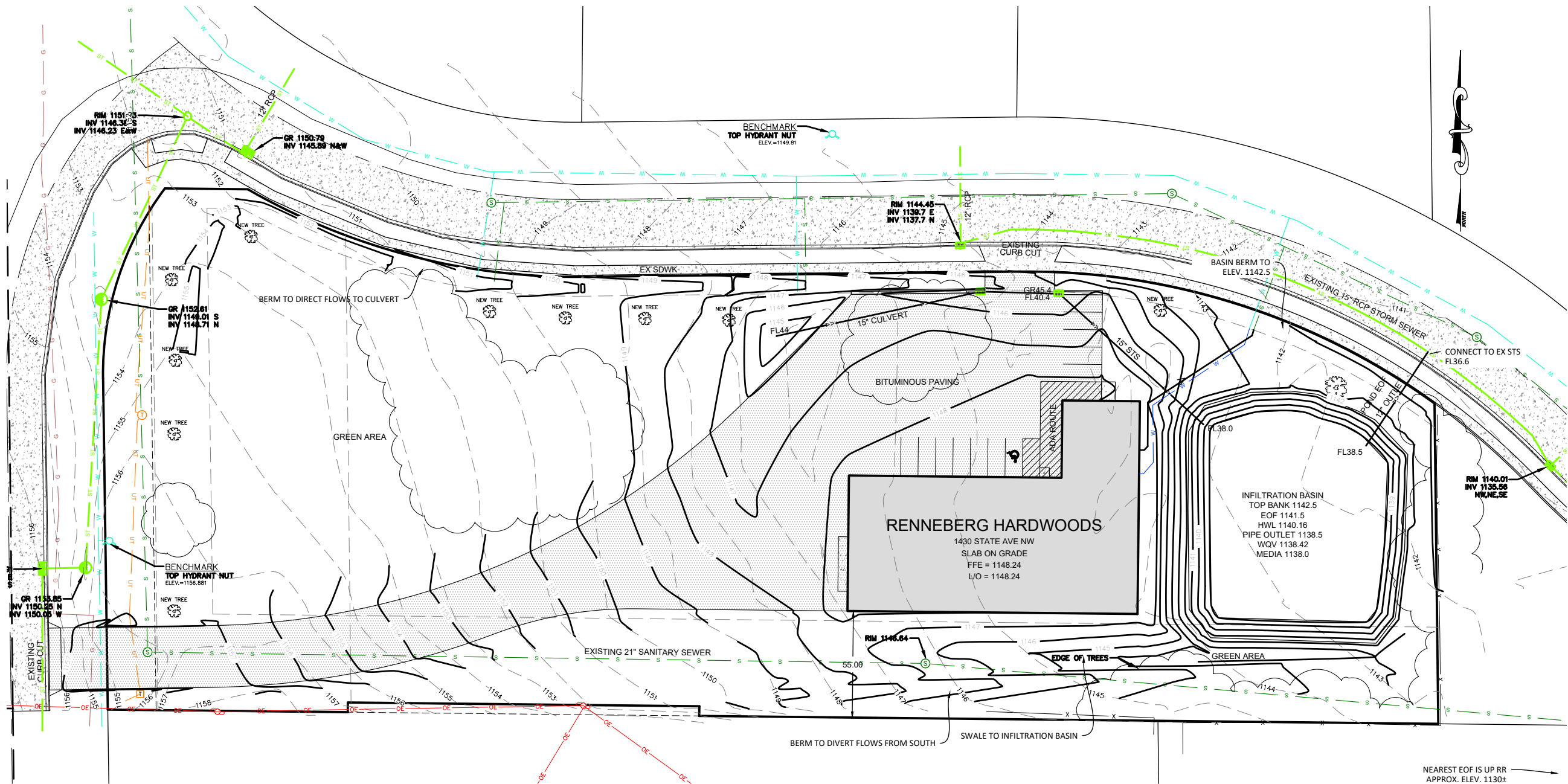
DESIGNED: JHS
DRAWN: JHS
CHECKED: SAT
Date: 4/1/25
DWG: 25-1017

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

John H. Schulte V
License No. 44639 Date: 4/1/25

PRELIMINARY PLAT		SHEET 2 OF 3
RENNEBERG HARDWOODS ADDITION		
L1-2 B1 STATE AVE NO. 3 & L3 B2 STATE AVE NO. 2		
SITE PLAN		

- LEGEND**
- 848 = EXISTING ELEVATION CONTOUR LINE
 - CB = Catch Basin
 - E = Electric
 - FD = Fire hydrant
 - G = Gas Main
 - GA = Guy Anchor
 - LP = Light Pole
 - OH = Overhead
 - PP = Power Pole
 - RCP = Reinforced Concrete Pipe
 - TP = Telephone Pedestal
 - T = Telephone
 - W = Water Main



GENERAL STORMWATER NOTES:

SITE AREA: 3.6 AC
EXISTING IMPERVIOUS SURFACE: 0.0 AC
PROPOSED IMPERVIOUS SURFACE: 1.07 AC
FUTURE IMPERVIOUS SURFACE: 0.0 AC

PEAK STORMWATER FLOWS LEAVING SITE (CFS):

12TH AVE NW	2-YEAR	10-YEAR	100-YEAR
EXISTING	0.25	0.51	1.09
DESIGN	0.25	0.51	1.09

STATE AVE NW

	2-YEAR	10-YEAR	100-YEAR
EXISTING	0.53	2.59	9.01
BASIN	0.14	1.13	4.26
DIRECT OFFSITE	0.05	0.25	0.87
DES. TOTAL	0.19	1.38	5.13

UTILITIES NOTE:

WATER MAIN, NATURAL GAS, AND ELECTRIC FACILITIES SHOWN PER OPU DIGITAL RECORDS



DRAWINGS ON 11x17 SHEETS ARE HALF SCALE

REV.	BY	DATE	REVISION DESCRIPTION



415 West North Street Owatonna, MN 56057-4517
507-451-4598

DESIGNED: JHS
DRAWN: JHS
CHECKED: SAT
Date: 4/1/25
DWG: 25-1017

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

John H. Schulte V
License No. 44639 Date: 4/1/25

PRELIMINARY PLAT
RENNEBERG HARDWOODS ADDITION
L1-2 B1 STATE AVE NO. 3 & L3 B2 STATE AVE NO. 2
GRADING PLAN

SHEET
3
OF
3



STEELE COUNTY

Soil and Water Conservation District

235 Cedardale Drive SE
Owatonna MN 55060
507-451-6730 Ext. 3
www.steeleswcd.org

4/14/25

Re: State Ave. Additions 2 and 3, Rennenberg Hardwoods

To Whom It May Concern:

I have reviewed this site at 1430 State Ave. NW for any wetland that would be regulated under the Minnesota Wetland Conservation Act. No evidence of regulated wetland was found on the parcel. This was determined by satellite imagery review on the National Wetland Inventory and by conducting a site visit.

If you have any questions, please contact me.

Eric Gulbransen
Steele SWCD
235 Cedardale Dr. SE
Owatonna, MN 55060
(507)451-6730 x3

Renneberg Hardwoods Inc.
11773 State Highway 87 West
Menahga, MN 56464
Kevina@rennebergcompanies.com
218-252-0925
2/12/2025

Mayor Matt Jessop
City of Owatonna MN
Council Members Doug Boss, Dan Boeke, Dave Burbank, Nathan Dotson, Kevin P. Raney, Don McCann, Brent Svenby
540 W Hills Circle
Owatonna, MN 55060

Subject: Request for Plat Approval – Renneberg Hardwoods Addition

Dear Mayor Jessop and City Council Members,

I am writing to formally request approval for the platting of Renneberg Hardwoods Addition, located at Lots 1 and 2, Block 1, State Avenue Addition No. 3, Steele County, Minnesota. Lot 3 Block 2, State Avenue Addition No. 2, Steele County, Minnesota. Our intent is to build a hardwood lumber/sheetgoods sales warehouse in accordance with the city's planning and zoning regulations.

We appreciate your time and consideration of this request and look forward to working with the city to complete this process efficiently. Please let us know if you need additional information.

Thank you for your time and service to our community. I look forward to your response.

Sincerely,

Kevin Anderson
Vice President of Special Projects
Renneberg Hardwoods Inc.



Public Works Department

Date: 04/18/2025

Project: Renneberg Hardwoods Addition

Preliminary Plat Application #: PP-25-1

Staff Review Comments:

Engineering

1. Access to sanitary interceptor manholes shall be provided at all times. Design shall incorporate measures to ensure no illicit discharges or clear water enters the sanitary collection system.
2. Utility permit with Steele county is required for storm sewer connection proposed in Steele County right of way and inspected by City Engineering Department.
3. Unused sanitary and water services may remain conditioned on the owner executing a waiver with the city and Owatonna public utilities accepting maintenance responsibilities and any futures costs for removal.
4. Driveway aprons shall be concrete.
5. Label soil boring locations corresponding to Geotechnical Report boring log.
6. Several design features are present on the existing conditions plan.

Stormwater

7. All construction drawings, plans, reports, and documentation used to obtain the City Grading Permit shall be prepared in accordance with the most recent design standards, checklists, and guidance documents.
 - a. Applicant is responsible to self-review and ensure the submissions are prepared and conform with these standards.
8. All development is subject to the items listed in this review document and the following provisions:
 - a. City of Owatonna Stormwater Management Code 52.00.
 - b. City of Owatonna Grading Permit and associated design requirements.
 - c. Minnesota Pollution Control Agency (MPCA) NPDES/SDS MS4 Permit MNR040000 post construction stormwater management criteria.
 - d. MPCA NPDES/SDS Construction Stormwater General Permit MNR100001.
 - e. MN Stormwater Manual recommendations and guidance.
9. All existing and proposed utilities within 150 feet shall be clearly labeled with grades, size, material, and dimensions.
10. All existing and proposed contours shall be shown to a minimum of 150 feet into adjacent properties.
11. All critical elevations shall be provided including:
 - a. Emergency overflow elevations, locations, directions, and routing for the development shall be shown in the preliminary plat.
 - b. 100-yr HWL for all low areas and areas of ponding water.
 - c. Elevations of nearby structure low openings.
 - d. Spot/control elevations and slope percent for all swales, ditches, and drainage paths.
12. Stormwater BMPs shall be designed to meet all applicable requirements for development:
 - a. Attenuation of peak discharge rates for (Atlas 14) 2-yr, 10-yr, and 100-yr 24-hr rain events.

PUBLIC WORKS DEPARTMENT

540 WEST HILLS CIRCLE | OWATONNA, MN 55060-4701 | OWATONNA.GOV | 507.444.4350

- b. Onsite treatment of required water quality volume calculated as an instantaneous volume of 1" times the new and fully reconstructed impervious surface areas.
 - c. Structure details, cross sections, etc. for storm sewer and treatment system shall include accurate and specific elevation data.
- 13. Infiltration basin shall provide pretreatment per MN Stormwater Manual recommendations and Pretreatment Tool.
- 14. Infiltration testing shall be provided prior to installation of basin per MN Stormwater Manual requirements.
- 15. Proposed infiltration basin is located in an active karst region and additional testing may be required to ensure infiltration is viable.
 - a. Further geotechnical investigation for the infiltration basin areas may be required. The applicant shall revisit the soil borings and Geotechnical Report with a qualified professional prior to construction of the system and examine suitability to infiltrate in an area mapped as active karst.
 - b. This may require deeper soil boring exploration.
- 16. All permanent stormwater facilities require a Stormwater Facility Maintenance Agreement signed by the property owner and executed with the City.
- 17. The City will record the easement/agreement document with the County Recorder's office.
- 18. All permanent stormwater facilities require a site-specific Operations, Inspections, and Maintenance Plan.
 - a. This includes the property owner's plan to fund the future maintenance costs.
- 19. All grading permit termination requirements shall be met including:
 - a. Payment of any outstanding fees, fines, or penalties related to the construction project.
 - b. Submission of SWPPP Self-inspection records and project completion photographs.
 - c. Final topographic survey, As-built, and updated Record Drawing will be required. The record drawing and as-built information shall be submitted as .pdf and GIS compatible format that includes geospatial reference data (CAD or shapefile is acceptable).
 - d. Submission of the Engineer's Certification of Stormwater Compliance form.
- 20. Applicant shall provide documentation that the infiltration facility performs as designed.
 - a. Time and date stamped photographs to show that the infiltration facility drains dry within 48 hours after a natural precipitation event approximately equivalent to the design storm.
 - b. Time and date stamped photographs showing that the infiltration facility drains dry within 48 hours after the practice is filled with water from an alternative supply.
 - c. Double ring infiltrometer tests, permeameter, or similar instrument.

Please provide a written response to each review item in this document. Include the applicant's comments in distinct text color along with each comment provided by the City. All plan revisions shall be summarized, signed, and dated accordingly. When uploading new plans, the submission date shall be included in the title. It is the responsibility of your project team to review each City standard applicable to this project for inclusion and accuracy in submitted documents, plans, drawings, and application details.



Sean Murphy, PE
Director of Public Works and City Engineer



CITY OF
OWATONNA

Miscellaneous



DATE: May 6, 2025
TO: Mayor and City Council
FROM: Jenna Tuma, Assistant City Administrator
SUBJECT: University of Minnesota Local Options Sales Tax Study Agreement

Purpose:

Approve the University of Minnesota Local Options Sales Tax Study Agreement.

Background:

In the spring of 2024, the City Council directed staff to explore the feasibility of a community center. In the summer of 2024, an 18-member community center task force was created. The task force has been meeting monthly. This winter, it toured several community centers around the metro area and southern Minnesota.

The University of Minnesota, through the Extension Center for Community Vitality, provides sales tax studies. As part of this agreement, the University will conduct a Local Option Sales Tax (LOST) study for the City of Owatonna. The result will be a report that summarizes the following:

- a) An overview of the City of Owatonna economy from the available data.
- b) a trend analysis of taxable sales in the City of Owatonna from 2013 to 2022 or for the years and industry categories where data is available
- c) estimates of tax proceeds generated at different levels of local option sales tax taxation for the City of Owatonna,
- d) an estimate of what proportion of the local option sales tax proceeds may be paid by permanent, year-round residents vs visitors, travelers and seasonal residents for the City of Owatonna
- e) changes occurring from 2018 to 2022 and in what sectors
- f) a hypothetical analysis of taxes generated by implementing a 0.5% local sales tax for 2022, 2023 and 2024.

The study findings will be presented in a concise report. An Extension educator will be available for Q&A.

Budget Impact:

The cost is \$3000. This work was planned for in the approved CIP GB-25-004 Community Center project.

Staff Recommendation:

Staff recommend approval.

Attachments:

1. University of Minnesota LOST Service Agreement 2025

EXTENSION**Program Agreement**

This Program Agreement along with its Exhibits and Addenda (the “Agreement”), dated as of the date of last signature (the “Effective Date”), is between the Regents of the University of Minnesota (the “**University**”), a Minnesota constitutional corporation, through its Extension Center for Community Vitality, Community Economics, at 240 Coffey Hall, 1420 Eckles Avenue, St.Paul, MN 55108 (“**Extension**”) and City of Owatonna an Government, municipality at 540 West Hills Circle, Owatonna, MN 55060 (“**Customer**”).

The Parties agree as follows:

1. **Program.** Extension shall provide a Local Option Sales Tax study. Program shall be delivered on 3/26/25 through 6/28/25 for City of Owatonna. See Exhibit A for detailed description of program, as applicable, and responsibilities of Extension and Customer.
2. **Term and Notices.** The term of this Agreement shall commence on the Effective Date and shall expire on 6/29/2025 unless extended by mutual written agreement or terminated earlier according to Section 5. Notices shall be sent to the parties at the addresses above.
3. **Payment.** For the program described in Section 1, Customer shall pay University the program fee of Three thousand and 0/100 Dollars \$3,000.00. Compensation shall be paid in the following manner (check one of the following):
 - ☐ ___% per installment on the following dates: .
 - ☒ ___ Upon the completion of the Program
4. **Invoicing.** University shall deliver to Customer an invoice for the Program Fee, and Customer shall pay to University the Program Fee within thirty (30) days of the delivery of the invoice. Invoices shall be sent to: Jenna Tuma (first and last); 540 West Hills Circle, Owatonna, MN 55060; jenna.tuma@owatonna.gov; and 507-774-7361.
5. **Cancellation/Termination.** Either party may cancel a specific program or terminate this Agreement by delivering to the other Party a written notice of cancellation within thirty (30) days prior to the Program. If Customer cancels for any reason less than 30 days before the Program, except for reasons beyond its reasonable control, Customer remains obligated for the full amount set forth in Section 3.
6. **Disclaimer of Warranty.** While the services will be performed in a professional manner, University makes no warranties, express or implied, concerning the goods and services provided under this program agreement, including, without limitation, implied warranties of non-infringement, of merchant ability and of fitness for a particular purpose.
7. **Liability** Each Party shall be solely liable for its and its employees, agents and contractors’ acts and omissions. In no event shall a Party be liable under this agreement for personal injury or property damages (except to the extent of the other party’s intentional acts) OR lost profits, lost business opportunity, lost data, incidental or consequential damages, of any kind. In no event shall a Party’s total liability for any and all direct damages exceed the amounts paid to University under this agreement.
8. **Indemnification.** Customer shall indemnify, defend, and hold harmless University against any and all claims, costs, or liabilities, including attorneys’ fees and court costs for any loss, damage, injury, or loss of life arising out of (i) use by Customer (or any third party acting on behalf of or under authorization from Customer) of information, reports, deliverables, materials, products, or other results of University’s work to be performed or deliverables to be provided under this Agreement, or (ii) Customer’s infringement of a third party’s intellectual property rights or violation of any law, rule, or regulation in the provision of any materials to the University. In the event services are conducted for commercial use or purpose, Customer represents that Customer has in force a policy of general

liability insurance, with limits not less than \$1,000,000 each occurrence, and Customer agrees to furnish proof of insurance upon request.

9. **Governing Law and Forum.** The laws of the state of Minnesota shall govern this Agreement. The state courts in Hennepin County, Minnesota shall have exclusive jurisdiction on a suit brought under this Agreement.
10. **Use of University Logo and Ownership of Materials.** Customer shall not permit others to use University's name, marks, or logos or state or imply University approval or endorsement of Customer without the prior written approval of an authorized representative of the University. University retains and shall hold all rights, title and interest in any works or other intellectual property prepared or generated in connection with the Program. Company may not copy or distribute materials provided during or in connection with the Program without the express written consent of University. Customer may not copy or record the Program without the express written consent of University.
11. **Non-discrimination.** Customer attests that it is in compliance with Federal, State, and University civil rights laws, statutes, and policies and that its programs, facilities, and employment are accessible to anyone without regard to race, color, creed, religion, national origin, gender, age, marital status, familial status, disability, public assistance status, membership or activity in a local commission created for the purpose of dealing with discrimination, veteran status, sexual orientation, gender identity, or gender expression.
12. **Programs with Minors.** If the Program will be open to minors who are not accompanied by a parent or legal guardian, unless otherwise stated on Exhibit A, Customer shall be responsible for providing qualified, properly trained and responsible adults to supervise minors who are attending the Program to ensure minors are safe and comply with all rules, regulations, and procedures associated with the Program and the location where the Program will be held.
13. **Electronic Execution.** This Agreement may be executed in counterparts and/or by electronic signature, each counterpart of which will be deemed an original, and all of which together will constitute one Agreement. The executed counterparts of this Agreement may be delivered by electronic means, such as email and/or facsimile, and the receiving party may rely on the receipt of such executed counterpart as if the original had been received.
14. **General.** This Agreement represents the final and complete agreement of the Parties on the subject matter hereof; and this Agreement cancels, supersedes and revokes all prior oral or written negotiations, representations and agreements between the Parties relating to that subject matter. An assignment or amendment to this Agreement shall be void and without legal effect unless it is in writing and duly signed by both Parties. The Parties are acting as independent contractors and independent employers under this Agreement. A Party shall not have any authority to act for or bind the other Party in any respect.

Accepted and Agreed by the undersigned duly authorized representatives of the parties:

University:

Customer:

Regents of the University of Minnesota

City of Owatonna, MN

Signature: _____

Signature: _____

Printed Name:

Printed Name:

Title:

Title:

Date:

Date:

EXTENSION

Program Agreement

Exhibit A

1. Extension shall provide the following:

The University will conduct a Local Option Sales Tax (LOST) study for the City of Owatonna. The result will be a report that summarizes the following: a) an overview of the City of Owatonna economy from the available data, b) a trend analysis of taxable sales in the City of Owatonna from 2013 to 2022 or for the years and industry categories where data is available, c) estimates of tax proceeds generated at different levels of local option sales tax taxation for the City of Owatonna, d) an estimate of what proportion of the local option sales tax proceeds may be paid by permanent, year-round residents vs visitors, travelers and seasonal residents for the City of Owatonna, e) changes occurring from 2018 to 2022 and in what sectors, and f) a hypothetical analysis of taxes generated by implementing a 0.5% local sales tax for the years 2022, 2023 and 2024. Study findings will be presented in a concise report. An Extension educator will be available for a public presentation and Q&A about the study at the request of the City of Owatonna.

2. Customer shall provide the following:

Will coordinate 3-5 staff members for short 'focus group' session to discuss preliminary results

CIVIL RIGHTS NON-DISCRIMINATION FORM

PARTNERS: City of Owatonna, MN

Directions: *Use this form to give notice to partners when a program or service agreement is required and the agreement doesn't include non-discrimination language.*

By partnering with the University of Minnesota Extension, partners (agencies, businesses, and organizations) agree to comply with Federal, State, and University civil rights laws, statutes, and policies and agree that its programs, facilities, and employment are accessible to anyone regardless of race, color, creed, religion, national origin, sex, age, marital status, disability, public assistance status, veteran status, and sexual orientation.

The University of Minnesota abides by the Minnesota Human Rights Act, Minnesota Statute Ch. 363; by the Federal Civil Rights Act, 42 U.S.C. 2000e; by the requirements of Title IX of the Education Amendments of 1972; by sections 503 and 504 of the Rehabilitation Act of 1973; by the Americans With Disabilities Act of 1990; by Executive Order 11246, as amended; by 38 U.S.C. 12201, the Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended; and by other applicable statutes and regulations relating to equality of opportunity.

Inquiries regarding compliance may be directed to the Director, Office of Equal Opportunity and Affirmative Action, University of Minnesota, 419 Morrill Hall, 100 Church Street SE,



DATE: May 6, 2025
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: Accept Proposals and Award Contract - Overlay Prep Project

Purpose:

Requesting City Council approval of Overlay Prep Project Proposal Acceptance and Contract Awarding.

Background:

Quotes were received on April 28, 2025, for the 2025 Overlay Prep Project. Quotes were received from two (2) companies

Steve James Excavating	\$46,615.50
SL Contracting Inc	\$107,000.00
Engineer's Estimate	\$98,649.90

The lowest responsible bidder was Steve James Excavating of Owatonna. The bid was \$53,034.40 or 46% under the Engineer's Estimate.

Budget Impact:

The contracted project cost will be \$46,615.50. The 2025 Overlay Prep Project will be paid for with the Engineering, Stormwater, and Sanitary Sewer Operating Budgets. Owatonna Public Utilities will be reimbursing costs associated with water improvements.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. 25004 Overlay Prep Bid Tabulation
2. Steve James Excavating Response

				Engineer's Estimate		Steve James Excavating		SL CONTRACTING INC.	
Line Item	Description	Quantity	Unit of Measure	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total
A. SURFACE IMPROVEMENTS									
2021.501	MOBILIZATION	1	LS	\$5,000.00	\$5,000.00	\$1,000.00	\$1,000.00	\$3,000.00	\$3,000.00
2104.503	SAWING BIT PAVEMENT (FULL DEPTH)	796	LF	\$10.00	\$7,960.00	\$3.00	\$2,388.00	\$2.45	\$1,950.20
2104.503	REMOVE CURB & GUTTER	8	LF	\$15.00	\$120.00	\$30.00	\$240.00	\$50.00	\$400.00
	REMOVE BITUMINOUS PAVEMENT								
2104.504		73	SY	\$2.40	\$175.20	\$10.00	\$730.00	\$5.00	\$365.00
	AGGREGATE BASE CLASS 5								
2211.509		78	TON	\$35.00	\$2,730.00	\$19.25	\$1,501.50	\$30.00	\$2,340.00
2531.503	CONCRETE CURB & GUTTER DESIGN B618	8	LF	\$75.00	\$600.00	\$90.00	\$720.00	\$100.00	\$800.00
2563.601	TRAFFIC CONTROL	1	LS	\$5,716.50	\$5,716.50	\$1,000.00	\$1,000.00	\$2,000.00	\$2,000.00
	STORM DRAIN INLET PROTECTION								
2573.502		18	EACH	\$186.80	\$3,362.40	\$100.00	\$1,800.00	\$100.00	\$1,800.00
	SEDIMENT CONTROL LOG TYPE STRAW								
2573.503		12	LF	\$2.90	\$34.80	\$3.00	\$36.00	\$7.00	\$84.00
	PERMANENT TURF ESTABLISHMENT								
2575.604		2	SY	\$8,103.00	\$16,206.00	\$100.00	\$200.00	\$250.00	\$500.00
B. STORM SEWER IMPROVEMENTS									
2104.502	REMOVE DRAINAGE STRUCTURE	1	EACH	\$390.00	\$390.00	\$500.00	\$500.00	\$495.00	\$495.00
2104.502	REMOVE CASTING	4	EACH	\$250.00	\$1,000.00	\$150.00	\$600.00	\$125.00	\$500.00
	CONST DRAINAGE STRUCTURE DESIGN								
2506.502	SPECIAL (2'X3')	1	EACH	\$505.00	\$505.00	\$2,250.00	\$2,250.00	\$3,540.80	\$3,540.80
2506.502	CASTING ASSEMBLY (STORM)	4	EACH	\$1,200.00	\$4,800.00	\$950.00	\$3,800.00	\$2,000.00	\$8,000.00
2506.602	ADJUST FRAME & RING CASTING	12	EACH	\$850.00	\$10,200.00	\$350.00	\$4,200.00	\$1,450.00	\$17,400.00
C. SANITARY SEWER IMPROVEMENT:									
2104.502	REMOVE CASTING	16	EACH	\$250.00	\$4,000.00	\$150.00	\$2,400.00	\$125.00	\$2,000.00
2506.502	CASTING ASSEMBLY (SANITARY)	16	EACH	\$1,300.00	\$20,800.00	\$1,100.00	\$17,600.00	\$2,225.00	\$35,600.00
2506.602	ADJUST FRAME & RING CASTING	3	EACH	\$850.00	\$2,550.00	\$350.00	\$1,050.00	\$1,750.00	\$5,250.00
D. WATER IMPROVEMENTS									
2104.502	REMOVE CASTING	1	EACH	\$250.00	\$250.00	\$150.00	\$150.00	\$125.00	\$125.00
2506.502	CASTING ASSEMBLY (WATER)	1	EACH	\$1,200.00	\$1,200.00	\$850.00	\$850.00	\$2,000.00	\$2,000.00
2506.602	ADJUST FRAME & RING CASTING	13	EACH	\$850.00	\$11,050.00	\$200.00	\$2,600.00	\$1,450.00	\$18,850.00
Total					\$98,649.90		\$45,615.50		\$107,000.00

Steve James Excavating Response

Pricing unsealed at Apr 28, 2025 2:01 PM

CONTACT INFORMATION

Company

Steve James Excavating

Email

nick@stevejamesexcavating.com

Contact

Nick James

Address

3835 Park Dr NW

Owatonna, MN 55060

Phone

(507) 380-6337

Website

N/A

Submission Date

Apr 28, 2025 1:31 PM (Central Time)

ADDENDA CONFIRMATION

No addenda issued

QUESTIONNAIRE

1. Type your Legal Company Name Here*

☐ Pass ☐ Fail

State your Company's Name Here. This will be verified against the Minnesota Secretary of State's Website.

Steve James Excavating, Inc.

[Click to Verify](#). Value will be copied to clipboard

2. Confirm the Plans and Specifications and other Contract Documents have been examined and the local conditions affecting the cost of the work or furnishing of materials, labor, and equipment necessary for the construction of the 2025 Overlay Prep Project are understood.*

Yes

☐ Pass ☐ Fail

3. Confirm you are familiar with the work to be done and the conditions under which the work must be performed.*

☐ Pass ☐ Fail

Yes

4. Do you agree to complete the project by July 3, 2025?*

☐ Pass ☐ Fail

Yes

5. Type of Business*

☐ Pass ☐ Fail

S Corporation

6. Evidence of Insurance*☐ Pass ☐ Fail

In addition, the Company shall confirm that they can provide the required commercial liability insurance certificates and endorsements in the coverage and amounts listed herein.

City requires that licensees, lessees, and vendors have an approved Certificate of Insurance (not a declaration or policy) or proof of legal self-insurance on file with the City for the issuance of a permit or contract. Within ten (10) consecutive calendar days of award of contract, successful Company must furnish the City with the Certificates of Insurance proving coverage as specified herein.

☒ Confirmed

7. Disclosure of Government Positions*☐ Pass ☐ Fail

Each Company shall disclose below whether any owner or employee of the Company currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."

None

8. Disclosure of Relationships*☐ Pass ☐ Fail

Please disclose any and all past or current business and personal relationships with any of the City's current elected officials, appointed officials, City employees, or family members of any current City elected officials, appointed officials, or City employees. Any past or current business relationship may not disqualify the Company from consideration. Type N/A if this is not applicable to your Company.

Anna by marriage

9. Litigation*☐ Pass ☐ Fail

The proposal shall identify any litigation, mediation, or arbitration, regarding the performance of any services similar to the Services, in which the Company has been involved in the past five (5) years. If the Services require a license or certification, the proposal shall include any claims or disciplinary action taken against Company or any of Company's key personnel within the past five years. Type N/A if this is not applicable to your Company.

N/A

10. State of Minnesota Responsible Contractor Certificate☐ Pass ☐ Fail

Required if proposal exceeds \$50,000. Download form in the attachment section.

 [Resp.pdf](#)

PRICE TABLES

Line Item	Description	Quantity	Unit of Measure	Unit Cost	Total
A. SURFACE IMPROVEMENTS					
2021.501	MOBILIZATION	1	LS	\$1,000.00	\$1,000.00
2104.503	SAWING BIT PAVEMENT (FULL DEPTH)	796	LF	\$3.00	\$2,388.00
2104.503	REMOVE CURB & GUTTER	8	LF	\$30.00	\$240.00
2104.504	REMOVE BITUMINOUS PAVEMENT	73	SY	\$10.00	\$730.00
2211.509	AGGREGATE BASE CLASS 5	78	TON	\$19.25	\$1,501.50

2531.503	CONCRETE CURB & GUTTER DESIGN B618	8	LF	\$90.00	\$720.00
2563.601	TRAFFIC CONTROL	1	LS	\$1,000.00	\$1,000.00
2573.502	STORM DRAIN INLET PROTECTION	18	EACH	\$100.00	\$1,800.00
2573.503	SEDIMENT CONTROL LOG TYPE STRAW	12	LF	\$3.00	\$36.00
2575.604	PERMANENT TURF ESTABLISHMENT	2	SY	\$100.00	\$200.00
B. STORM SEWER IMPROVEMENTS					
2104.502	REMOVE DRAINAGE STRUCTURE	1	EACH	\$500.00	\$500.00
2104.502	REMOVE CASTING	4	EACH	\$150.00	\$600.00
2506.502	CONST DRAINAGE STRUCTURE DESIGN SPECIAL (2'X3')	1	EACH	\$2,250.00	\$2,250.00
2506.502	CASTING ASSEMBLY (STORM)	4	EACH	\$950.00	\$3,800.00
2506.602	ADJUST FRAME & RING CASTING	12	EACH	\$350.00	\$4,200.00
C. SANITARY SEWER IMPROVEMENTS					
2104.502	REMOVE CASTING	16	EACH	\$150.00	\$2,400.00
2506.502	CASTING ASSEMBLY (SANITARY)	16	EACH	\$1,100.00	\$17,600.00
2506.602	ADJUST FRAME & RING CASTING	3	EACH	\$350.00	\$1,050.00
D. WATER IMPROVEMENTS					
2104.502	REMOVE CASTING	1	EACH	\$150.00	\$150.00
2506.502	CASTING ASSEMBLY (WATER)	1	EACH	\$850.00	\$850.00
2506.602	ADJUST FRAME & RING CASTING	13	EACH	\$200.00	\$2,600.00
Total					\$45,615.50



DATE: May 6, 2025
TO: Mayor and City Council
FROM: Jeffrey Louks, Facilities Manager
SUBJECT: Accept Proposals - Installation of Fiber Optic Cable - Central Park Bandshell

Purpose:

Accept the bids from Cole's Electric and Phone Station to install fiber-optic cable in the Bandshell at Central Park.

Background:

The security cameras at Central Park no longer work. Fiber is needed to update the cameras and incorporate them into the city's camera system. Bids were received from Cole Electric for the directional boring for \$11,200 and the Phone Station for installation of the fiber cable for \$10,250.

Budget Impact:

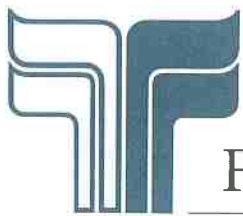
Funds will come from an Owatonna Foundation grant of \$20,000 and the operating budget. This is part of an approved 2024 Capital Improvement Project.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Central Park Fiber



Owatonna Foundation

Supporting community progress

108 W. Park Square • Owatonna, MN 55060
507-455-2995 • email: info@owatonnafoundation.org
www.owatonnafoundation.org

December 12, 2024

City of Owatonna, Parks and Recreation Department
500 Dunnell Drive
Owatonna, MN 55060

Dear Mary Jo,

Thank you for your grant request to the Owatonna Foundation and for taking the time to visit with the Grants Committee. I am pleased to inform you that our Board of Trustees approved a grant in the amount of **up to \$20,000.00 for installation of fiber optic to Central Park Bandshell.**

This letter outlines the terms and conditions of accepting this grant. Please read all the terms and conditions carefully. If your organization agrees to these terms, have an authorized representative sign and return one copy of this letter.

- Funds must be used only as specified in the approved grant proposal by June 30, 2025.
- Your organization must retain records to account for the use of the grant funds.
- The Foundation may include information regarding this grant in its publications and asks that you provide proper acknowledgement in your publications, social media, or website, and issue an appropriate press release to the local media (which we will provide to you). Our logo may be requested via email (info@owatonnafoundation.org).
- **Permanent recognition of the Foundation's gift needs to be prominently displayed.**
- We would ask to briefly meet with your board of directors at a mutually convenient time to be arranged within twelve months of the project's completion. The purpose of this visit is to share information about the Foundation with your board members.
- If you have a website or Facebook page, we ask that you link to the Owatonna Foundation and we, in turn, will link to your website from our Foundation website.

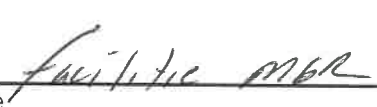
The grant award shall be paid to the City of Owatonna, Parks and Recreation Department upon submission of an invoice(s) for the purchase of the installation of the fiber optic to Central Park Bandshell.

The Board of the Owatonna Foundation appreciates being able to assist your efforts and hopes that these funds will enable you to continue the wonderful service you provide to our community. If you have questions, please don't hesitate to call me at 455-2995 or email me at the above email address.

Sincerely,

Sara McKay, Executive Director

I certify that the City of Owatonna, Parks and Recreation Department accepts the terms outlined in this letter.

 
Name _____ Title _____
Jeff Louks

Proposal

FARIBAULT:
24 NE 2ND ST.
FARIBAULT, MN 55021
PHONE: 507-334-3735
OR 1-800-944-0105
FAX: 507-334-8249



SALES SERVICE INSTALLATION
BUSINESS & RESIDENTIAL
Licensed & Bonded License #CC00312

OWATONNA OFFICE
OWATONNA, MN 55060
507-573-5446

ROCHESTER OFFICE:
ROCHESTER, MN 55904
PHONE: 507-281-2122

PROPOSAL SUBMITTED TO: City of Owatonna	PHONE (507) 676-4253	DATE 04/09/2024
STREET 540 West Hills Dr.	CONTACT NAME Ryan Brown Cell (507) 774-7014	
CITY, STATE AND ZIP CODE Owatonna, MN 555060	Email ryan.brown@owatonna.gov	

We hereby submit specifications and estimates for: **Fire Hall-Town Square Fiber**

Estimate

Install 850 ft. 12 strand OM4 indoor/outdoor plenum armored fiber from the Fire Hall to the pavilion in Town Square.
Terminate fiber in one Leviton rack mounted fiber enclosure with one OM4 LC 12 strand panel on each end.
Furnish and install one 3/4" x 4' x 4' plywood in the pavilion in Town Square.
Furnish and install one Star Tech Tel wall mounted cabinet in the pavilion in Town Square.
Furnish one OM4 3-meter fiber patch cable on each end.

Use the existing/new duct/conduit system from the Fire Hall to Town Square.
Cole Electric to install any new duct or conduit need to get to Town Square.
Cole Electric to install pull string from the Fire Hall to the pavilion in Town Square.

This proposal is an estimate until we can the exact route and fiber footage needed.

STANDARD WARRANTY HOURS: MONDAY THRU FRIDAY 8 AM TO 4:30 PM

We Propose hereby to furnish material and labor - complete in accordance with the above specifications, for the sum of:
Estimate Ten thousand two hundred fifty dollars 00/100's Includes tax Dollars **Est-10,250.00**).

Payment to be made as follows:

1/2 down / balance due upon completion.

ALL EQUIPMENT AND MATERIAL IS PROPERTY OF THE PHONE STATION UNTIL PAID FOR

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alterations or deviations from the above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control. Owner to carry fire, wind damage and other necessary insurance. Unless specified, warranty of labor or material not covered by acts of God (lightning, water, wind, ect).
Our workers are fully covered by Workman's Compensation Insurance.

Authorized

Signature

Mike Friesen

Emailed 04/09/2025

Note: This proposal may be
withdrawn by us if not accepted within 30 days.

Acceptance of Proposal

- The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature _____

Date of Acceptance: _____

Printed Name _____



COLE'S ELECTRIC, INC.

Residential • Farm • Industrial • Commercial

www.coleselectric.com

7596 NW 40th St
Owatonna, Minnesota 55060
(507) 451-1387
Fax (507) 451-7834
coleaselectric@msn.com

Revised

April 10, 2025

City of Owatonna
City Administration Building
540 West Hills Circle
Owatonna, MN 55060

Attn: Jeff

Re: Bore From Southwest Corner of Courthouse to Central Park Pavilion

Furnish and install all labor and materials to bore from southwest corner of Courthouse to Central Park Pavilion including:

- a) Bore 3" pipe - approximately 300ft
- b) Set 30x24 handhole
- c) Core drill road as needed
- d) Install pull string in new and existing pipe for phone station

Total: \$13,200.00-----
Thirteen thousand two hundred and 00/100-----

Bid does include:

*Tracer Wire	*Mobilization	*Pole String
*Gopher 1 Call	*Connections	*Connections or Any Piping
*Potholing of Utilities	*Fusing	*Restoration
*Labor	*Delivery of pipe	

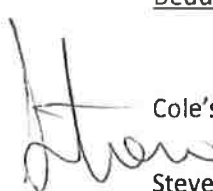
Bid does not include:

*Winter Conditions	*Traffic Control	*Drilling in Rock & Cobble
*Staking	*Permits	*Others to Provide Starter Pits if Needed
*Testing	*Bond	*Removal and Replacement of Asphalt or Concrete
*Erosion Control	*Dewatering	*Private Locates (Locate utilities we are told to locate)
*Backhoe	*Fiber Cable	*Buried Debris

Deduct: If the following work is omitted from the quote

- a) Restoration
- b) Removal of concrete
- c) Reinstall concrete

Deduct Total: \$2,000.00-----
Two Thousand and 00/100-----


Cole's Electric, Inc.
Steve Cole





DATE: May 6, 2025
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: Main Lift Station Improvements Study - Nero Engineering

Purpose:

Requesting City Council approval of an agreement with Nero Engineering to provide professional engineering services to identify alternatives for improvements to the Main Street Lift Station and Grit Removal System.

Background:

The Owatonna Wastewater Treatment Facility (WWTF) is currently going through a major project that expands the facility from 5 mgd to 9.1 mgd (AWW). The project includes improvements to various parts of the original facility, such as the primary clarifiers, aeration basins, anaerobic digesters and sludge storage. The project did not address capacity or improvements with the Main Lift Station or Grit Removal because these two processes were part of an upgrade in 2010. A Sanitary Sewer Study completed in 2023 identified the need to upsize the trunk sewer from the WWTF to McKinley Street, as it operates at or above capacity during peak events. Upsizing the trunk sewer will result in the need to upgrade the Main Lift Station.

This study will identify alternatives for improvements needed at the Main Lift Station to not only accommodate a larger sewer with higher capacity, but also the ability to screen the wastewater prior to pumping and further processing. This study will also evaluate the feasibility of grit removal improvements. The 2010 project incorporated a vortex grit removal system. Unfortunately, as the last 15 years have demonstrated, the vortex grit removal system has proven to be less effective than desired. This study will identify feasible grit removal improvements and costs for capital planning.

See the attached agreement for the entire scope of services.

Budget Impact:

The total cost of the study is not to exceed \$29,680 without authorization and will be paid for using Sanitary Sewer Funds.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Main Street Lift Station Improvements Feasibility Study



ENGINEERING SERVICES AGREEMENT

Project: Main Lift Station Improvements Study (Project)

This Agreement is by and between:

City of Owatonna (Owner)
540 West Hills Circle
Owatonna, MN 55060

and

Nero Engineering, LLC (Nero)
4124 Quebec Ave N
Suite 100
Minneapolis, MN 55427

Who agree as follows:

Owner hereby engages Nero to perform the Services set forth in Part I for the compensation set forth in Part III. Nero will be authorized to commence the Services upon execution and receipt of this Agreement from Owner. Owner and Nero agree that this signature page, together with Parts I through IV attached, constitute the entire agreement for this Project.

APPROVED FOR OWNER

By: _____

Printed Name: _____

Title: _____

Date: _____

APPROVED FOR NERO

By: _____

Printed Name: Eric Meester, PE

Title: President

Date: April 14, 2024

PART I
PROJECT DESCRIPTION/SCOPE OF SERVICES/TIMING

A. PROJECT DESCRIPTION

The Owatonna WWTF is currently going through a major project that expands the facility from 5 mgd to 9.1 mgd (AWW). The project includes improvements to various parts of the original facility, such as the primary clarifiers, aeration basins, anaerobic digesters and sludge storage. The project did not address capacity or improvements with the Main Lift Station or Grit Removal because these two processes were part of an upgrade in 2010.

In 2023, Nero and AE2S submitted a Sanitary Sewer Study to the City, which was a comprehensive sewer plan to identify capacities of the existing sewers, address sewer improvements for capital planning and sewer extensions to accommodate long-term planning growth. One of the first areas of that was determined to need upsizing from the study, is the trunk sewer from the WWTF to McKinley St, generally following the river along Mosher Ave. This section currently functions at or above capacity during peak events and has been known to cause surges. The intent of the City is to replace the trunk sewer from the WWTF to Rose St during Phase 1.

With a larger trunk sewer coming into the WWTF, the Main Lift Station is not currently designed to accommodate a larger trunk sewer size or capacity. And due to the extremely deep main lift station structure (≈40' deep), the ability to accommodate a larger sewer is not so simple or obvious. This study will identify alternatives for improvements needed at the Main Lift Station to not only accommodate a larger sewer with higher capacity, but also the ability to screen the wastewater prior to pumping and further processing.

This study will also evaluate the feasibility of grit removal improvements. The 2010 project incorporated a vortex grit removal system. Unfortunately, as the last 15 years have demonstrated, the vortex grit removal system has proved to be less effective than desired. This is documented from the lack of grit removed by the vortex system (not in the dumpsters) and how much grit is found in the anaerobic digesters (several feet of mounding and drifting). The accumulated grit in the digesters is not only a problem to remove but it also impacts the capacity of the digesters since 10-20% of the volume is consumed by inert silts and sands. The silts and sands also deteriorate the anaerobic digester equipment with excessive wear (abrasive and sand blasting effects).

The ineffectiveness of vortex grit removal system is a symptom of its design which targets coarse grit removal (>212 microns). As staff have identified when cleaning out the anaerobic digesters, the nature of the grit accumulated in the digesters is more defined as silts and fine sands which would not be effectively removed by a coarse grit removal system. In anticipation of this during the current project design, Nero did provide additional hydraulic headroom in the Fine Screen Building to accommodate future process improvements with grit removal to better target silts and sands. This study will identify feasible grit removal improvements and costs for capital planning.

B. SCOPE OF SERVICES

Task 1

- Kickoff Meeting- onsite team meeting to review site, sewer alignments and potential obstructions/conflicts
- Update WWTF hydraulic model and profile- the WWTF hydraulic model was created for the WWTF Upgrade and Expansion project. It will be updated to reflect as-builts and also impacts from the alternatives.
- Interceptor Model Update- Donovan Voeller will update the sewer model to reflect alternative layout impacts.
- Alternatives Brainstorming Session- with the difficulty, feasibility and expense of trying to connect a larger trunk sewer to the existing Main Lift Station, we will conduct an onsite brainstorming session with Owatonna staff to develop 2 or 3 alternatives for connecting a larger trunk sewer. These alternatives will likely include an alternative (or two) with modifying the existing lift station and also an alternative with a new or separate lift station. A consideration with all alternatives will include the ability to coarse screen all raw wastewater which may be difficult to achieve within the existing lift station.
- Develop two conceptual alternatives- the team will develop two conceptual alternatives based upon the discussion and outcomes from the brainstorming session.
- Develop conceptual construction cost estimate.
- Develop constructability plan- concepts of how each alternative could be constructed will be developed along with construction risks and required bypassing and durations.

Task 2:

- Develop concept plan for fine grit removal- in the design of the Fine Screen Building, the elevations were determined such that there would be hydraulic space available if it were needed to make grit removal improvements in its current location. There is also a fairly large fall between the flume and the grit removal system designed in 2009 which will help with hydraulics. We will also evaluate options for grit removal upstream of fine screening. There are two technologies available to provide fine screen removal, which both are by Hydro International, called Headcell and Grit King. We anticipate the Headcell will be a better fit for this plant based on some high-level evaluations we have made. We will obtain design and cost proposals from Hydro International and incorporate them into the existing vortex grit removal system along with necessary structural improvements to accommodate the Headcell unit.
- Develop conceptual construction cost estimate- we will develop a separate cost estimate for the fine grit removal system for capital planning.
- Develop constructability plan- we will develop a constructability plan to identify bypass and construction sequencing needed to incorporate the Headcell unit.

Task 3

Work from Task 1 and 2 will be incorporated into a tech memo and presented to the City in draft form and presented to the City staff. Comments received will be incorporated into the memo and a final tech memo submitted to the City.

C. PROJECT TIMING

To capitalize on the ongoing work at the WWTF and our teams onsite daily presence, Nero would like to begin the work immediately upon authorization. Below is an anticipated schedule:

Anticipated Schedule

- | | |
|---------------------------|-----------------------|
| • Team Kickoff Meeting | May 2025 |
| • Brainstorming Meeting | June 2025 |
| • Alternative Development | June-July 2025 |
| • Cost Estimates | July 2025 |
| • Draft Tech Memo | August 2025 |
| • Final Tech Memo | August/September 2025 |

PART II OWNER RESPONSIBILITIES

- A. In addition to other responsibilities of Owner set forth in this Agreement, Owner shall:
1. Identify a person authorized to act as the Owner's representative to respond to questions and make decisions on behalf of Owner, accept completed documents, approve payments to Nero, and serve as liaison with Nero as necessary for Nero to complete its Services.
 2. Furnish to Nero copies of existing documents and data pertinent to Nero's Scope of Services, including but not limited to and where applicable: design and record drawings for existing facilities; property descriptions, land use restrictions, surveys, geotechnical and environmental studies, or assessments.
 3. Provide to Nero existing information regarding the existence and locations of utilities and other underground facilities.
 4. Provide Nero safe access to premises necessary for Nero to provide the Services.

PART III COMPENSATION, BILLING AND PAYMENT

- A. Compensation for the work as defined in the Scope of Services (Part I) of this Agreement shall be in accordance with Nero's standard chargeout rates in effect at the time the Services are performed (see the attached Fee Schedule). Routine expenses will be billed at cost and subconsultant costs may include a 10% markup. The total cost for these basic Services will not exceed \$29,680 without prior written approval from Owner.
- B. Nero will bill Owner monthly, with net payment due in 30 days.
- C. Nero will notify Owner if Project scope changes require modifications to the above-stated contract value. Services relative to scope changes will not be initiated without authorization from Owner.

Design Fees and Expenses
Main Lift Station Improvements Study
Owatonna, MN



Labor Hours								Expenses	Totals			
Company>	Nero Engineering	Nero	Nero	AE2S*	AE2S*	AE2S*						
Role>	Project Manager	Lead Process Engineer	Design Drafter	Structural Engineer	Electrical	Modeling		Travel	Labor	Subs	Expenses	Total
Hourly Rates >	220	200	170	205	205	200		Travel	Labor	Subs	Expenses	Total
	Svennes	Luthin	Kruschke	Seiwert	Ruda	Voeller						
Task 1- Main Lift Station												
Kickoff Meeting	2	2		2					1,250			1,250
Update WWTF hydraulic model and profile		4							800			800
Interceptor Model Update							8		1,600			1,600
Alternatives Brainstorming Session	4	4		4					2,500			2,500
Develop two conceptual alternatives	4	8	16	4					6,020			6,020
Develop conceptual construction costs	8	8		4	4				5,000			5,000
Develop constructibility plan	4	4							1,680			1,680
Subtotal	94	22	30	14	4	8						
Task 2- Grit Removal												
Develop concept plan for fine grit removal	2	8	8	4					4,220			4,220
Develop conceptual construction cost	2	4		4	2				2,470			2,470
Develop constructibility plan	2	2							840			840
Subtotal	38	6	14	8	2	0						
Task 3- Tech Memo												
Develop Draft Tech Memo	2	8							2,040	0		2,040
Present to Staff	2	2							840	0		840
Submit Final Tech Memo	1	1							420			420
Subtotal	16	5	11									
Total	33	55	24	22	6	8		0	29,680	0	0	29,680



DATE: May 6, 2025
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: Tymco 600 Street Sweeper Purchase - Environmental Equipment & Services

Purpose:

Requesting City Council approval of the purchase of a 2025 Tymco 600 Street Sweeper.

Background:

The existing 2020 Tymco 500X Regenerative Air Street Sweeper is scheduled on a 5-year replacement plan. By following this replacement schedule, we lower the overall cost of ownership, capitalizing on higher trade values and lower maintenance costs.

Budget Impact:

The purchase price of the Tymco 600 is \$367,615. The existing sweeper, which has a trade in value of \$150,000, will be put on MinnBid with a reserve resulting in a maximum purchase price of \$217,615.00.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Environmental Equipment & Services - TYMCO 600 Quote



27365 Zachary Avenue • Elko, MN 55020
Office: 952-461-3650 www.environmentalequipment.com

September 3, 2024

John Martin, Maintenance Manager
City of Owatonna
540 West Hills Circle
Owatonna, MN 55060

Dear John,

Thank you for the opportunity to quote a new TYMCO 600 mounted on a Freightliner M2 Chassis (left hand steer only). The Minnesota State contract number is S-843(5), #244545.

Base Price:	\$311,350.00
Air Dryer Brakes	Standard
LED Light Bar	\$1,900.00
Arrow Board LED	\$1,450.00
Sweeper Deluge System	\$1,200.00
COMDEX – Extra Water, 110 Gallons	\$4,950.00
High Output Water System	\$865.00
Air Horn	\$550.00
Electric Heated West Coast Mirrors	Standard
2 Cameras, Color Monitor	\$2,650.00
12" Parabolic Mirrors	Standard
Cloth High Back Air Ride Seats	Standard
AM / FM / Aux Input	Standard
Abrasion Protection Package	\$1,000.00
Automatic Sweep Interrupt	\$1,950.00
Auxiliary Hydraulic System	\$1,700.00
Gutter Broom Tilt Adjuster (Left & Right)	\$2,800.00
Stainless Steel Blower Housing	\$2,500.00
Stainless Steel Hopper	\$27,500.00
Gutter Broom Drop Down	\$1,600.00
Left & Right Inspection Door (No Steps Needed)	Standard
Hydraulic Curtain Lifter System	\$1,700.00
Pick-Up Head Pressure Inlet Water Injection System (PIWI)	\$1,950.00
Spring Factory Training for up to 4 People in Waco, TX	Standard
	\$367,615.00
Less Trade-In of (titled) TYMCO 500X:	<u>-\$150,000.00</u>
	= \$217,615.00

The City of Owatonna is responsible for motor vehicle sales tax, title & registration fees. Thank you for your interest. I look forward to doing business with you.

Sincerely,

Alan Walford
Vice President

Maintenance Manager

9/13/2024



DATE: May 6, 2025
TO: Mayor and City Council
FROM: Emily Burns, Finance Director
SUBJECT: Appoint Municipal Advisor - Ehlers Associations, Inc.

Purpose:

Council to appoint Ehlers Associates, Inc. as the city's Municipal Advisor.

Background:

As the issuer of municipal securities, the City must comply with all continuing disclosure obligations outlined in the Continuing Disclosure Agreement/Certificate/Undertaking ("CDU") associated with each issuance of securities subject to Rule 15c2-12 of the Securities and Exchange Commission.

Due to a change in our municipal advisor at Baker Tilly, the City will now work with Ehlers to meet all CDU obligations as the Dissemination Agent. This responsibility entails conducting research, preparing, and filing disclosure reports within specified timeframes.

The Letter of Engagement, which outlines and clarifies the terms of the City's engagement with Ehlers as the Issuer's Dissemination Agent, is attached. In this regard, Ehlers agrees to provide the City with the services described in Appendix A and the scheduled fees for service outlined in Exhibit B.

Budget Impact:

Charges incurred by Ehlers are primarily connected to the City's debt issues and are paid as part of the debt service obligations. Any cost increases would impact future debt service obligations.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Letters of Engagement
2. Professional Services Agreement

April 23, 2025

CONTINUING DISCLOSURE SERVICES CONTRACT FOR:

The City of Owatonna, Minnesota



Prepared by:

Ehlers
3060 Centre Pointe Drive
Roseville, MN 55113

BUILDING COMMUNITIES. IT'S WHAT WE DO.



April 23, 2025

City of Owatonna, Minnesota
540 W Hills Circle
Owatonna, MN 55060-4701

Re: Letter of Engagement to Retain Ehlers as Dissemination Agent for Continuing Disclosure

As an issuer of municipal securities, the City of Owatonna, Minnesota (“Issuer”) is required to comply with all continuing disclosure obligations enumerated in the Continuing Disclosure Agreement/Certificate/Undertaking (“CDU”) associated with each issue of securities subject to the Rule 15c2-12 of the Securities and Exchange Commission. Many Issuers have CDUs that vary significantly from one CDU to another. Ehlers & Associates, Inc. (“Ehlers”) can help you comply with all CDU obligations as Dissemination Agent. Fulfilling this obligation requires research, preparation and filing of disclosure reports within specific time frames.

This Letter of Engagement (“Letter”) is being presented to memorialize and clarify the terms of the Issuer’s engagement of Ehlers as the Issuer’s Dissemination Agent. In this regard, Ehlers agrees to provide Issuer with those services described in Appendix A (“Services”). Ehlers shall be entitled to compensation by the Issuer also as described in Appendix A.

This Letter shall be effective as of the date of its execution by the Issuer and shall remain in effect for a period of one (1) year (the “Initial Term”). This Letter shall renew automatically on each anniversary of the effective date of this Letter (each an “Additional Term”). Notwithstanding the foregoing, this Letter may be terminated by either party upon sixty (60) days prior written notice. The Initial Term and each Additional Term shall collectively be referred to herein as the “Term”.

To perform the Services described in this Letter, Issuer agrees to provide Ehlers all information as deemed necessary by Ehlers to fulfill the Issuer’s reporting requirements relating to its continuing disclosure obligations (“Continuing Disclosure Information”), and within the applicable timeframe as specified by Ehlers. Issuer acknowledges that Ehlers shall be entitled to rely on all Continuing Disclosure Information provided by the Issuer without further investigation as to its completeness or accuracy.

Issuer shall indemnify, hold harmless and defend Ehlers from and against any damages, costs or other liabilities (including reasonable attorneys’ fees) arising from or relating to any breach of this Letter by Issuer, including, but not limited to, damages, costs and other liabilities arising out of any Disclosure Information received and disseminated by Ehlers.

Further, in no event shall Ehlers' total aggregate liability under this Letter be in excess of the amount of fees paid by Issuer to Ehlers during the Term then in effect notwithstanding anything contained herein. In addition, Issuer acknowledges that Ehlers shall not be responsible and/or liable for any errors, misstatements or omissions associated with any continuing disclosure report or filing, or for the correction thereof, that was prepared or disseminated by any party other than Ehlers.

If our engagement under the terms of this Letter is acceptable, please sign this Letter in the appropriate signature block below and return a signed copy to us for our records. If, however, you do not wish to engage our services, please note that election in writing by the appropriate Issuer staff. Please contact me if you have any questions or would like to discuss our engagement further.

Sincerely,

EHLERS & ASSOCIATES, INC.

Dan Tienter
Municipal Advisor

SO ACCEPTED BY ISSUER

Issuer hereby accepts this Letter and engages Ehlers to provide the services noted herein and executes this Letter as of the date noted below:

By: _____ Title: _____

Name: _____ Date: _____

Appendix A

Disclosure Services

Annual Filings, or More Frequently, if Required

- Review and catalog all (CDU)'s of Issuer relative to current and future issues of securities subject to the Rule.
- Collection of information from third parties and Issuer, as applicable, to the extent necessary to prepare the annual (or more frequently, if required) continuing disclosure report.
- Preparing and submitting the annual (or more frequently, if required) continuing disclosure report in a standardized format acceptable for submission to the EMMA system, or any future industry standard.

Event Notices

- Informing Issuer of the events that may require a filing of an Event Notice and the required reporting period for such notices.
- Upon notification by Issuer of any circumstances that may require the filing of an Event Notice, preparing, filing, and providing confirmation of filing the required Event Notice.

Description of Fees

Full Disclosure Services fees shall be assessed as follows:

Number of Issuer Continuing Disclosure Undertakings	Annual Fee
One (1) to three (3) CDU's	\$3,150
Four (4) to six (6) CDU's	\$3,700
Seven (7) or more CDU's	\$4,250

Limited Disclosure Services shall be provided annually for a fee of \$850.

Special Circumstances

If an Issuer's CDU requires periodic filings (quarterly or semiannually) in addition to the annual filings, a fee of \$500 per required CDU filing shall be assessed.

Future Fee Changes

Ehlers reserves the right to adjust fees during the Term of the engagement without prior consent of the Issuer, but not more than annually. Prior to any fee adjustments, the Issuer will be notified in writing of the revised fees and their effective date.

Exhibit B

Schedule of Professional Fees

Fiscal 2025

(as of January 1, 2025)

Debt Issuance Fees

Ehlers' debt issuance fees are based on the amount issued. The below schedule applies to both competitive and negotiated transactions:

Par Value	Fee	Each Additional Purpose
Up to \$2,999,999.99	\$18,000	\$5,000
\$3,000,000.00 to \$4,999,999.99	\$25,000	\$5,000
\$5,000,000.00 to \$9,999,999.99	\$30,000	\$7,500
\$10,000,000.00 to \$24,999,999.99	\$45,000	\$7,500
\$25,000,000.00 to \$49,999,999.99	\$65,000	\$10,000
\$50,000,000.00 to \$74,999,999.99	\$75,000	\$10,000
\$75,000,000.00 to \$99,999,999.99	\$100,000	\$10,000

- » All tax-exempt debt issues for which an official statement is prepared are subject to disclosure and tax-related diligence fee of \$3,000, which is added to the above schedule.
- » Non-ad valorem supported debt and advance refundings shall be compensated at 1.35 times the fees set out above.
- » Contemporaneously sold issues with the same security are charged with the largest issue at full fee and all other issues at 85% of the fee schedule.
- » Use of open market securities within a defeasance escrow requires an additional \$1,000 per escrow.
- » Debt issues not requiring an official statement will carry fees at 80% of the applicable fee for general or revenue-secured obligations that require an official statement, but in no case less than \$7,500.
- » Ehlers will charge flat fees of \$1,500 - \$7,500 in addition to the standard bond fee for authoring of or consultation on planning documents or reports required for authorization of debt issuance, which fee shall include meeting attendance (i.e. Capital Improvement Plans, Street Reconstruction Plans, Tax Abatement, etc.). Such fee and scope of work will be agreed upon between Client and Ehlers in advance.

- » A minimum fee of \$5,000 will apply to soliciting proposals for investment banking services associated with a negotiated underwriting or placement agent engagement.

The Fee Schedule shall remain in effect until December 31, 2026 and thereafter the Contractor may adjust the Fee Schedule on an annual basis following a thirty-day (30) day, written notice to the Client, which may be transmitted via electronic mail.

The Client will be responsible for credit rating fees, legal services, publication of notices (if any), paying agent fees (if any), escrow agent fees (if any), verification agent (if any), and any fees charged by third parties for information required for the official statement.

Non-Bond Related Fees

Most non-bond related advisory services requested by Clients will be billed on an hourly basis, according to the following rates:

Position	Hourly Rate
Senior Municipal Advisor	\$300 - \$350
Municipal Advisor	\$275 - \$300
Financial Analyst	\$275
Senior Fiscal Consultant	\$295 - \$310
Fiscal Consultant	\$265 - \$295
General Staff	\$150
Developer-Funded Pro Forma Review	\$400

Estimated ranges for specific scopes of non-bond related work are detailed below:

Project	Fee Range
Long-Term Financial Management Plan	\$10,000 - \$85,000
Utility Rate Study	\$10,000 - \$70,000
Renovation & Renewal TIF District Creation	\$12,500 - \$18,000
Housing TIF District Creation	\$10,500 - \$12,500
Economic Development TIF District Creation	\$10,500 - \$12,500
Other TIF District Creation	\$10,500 - \$18,000
Tax Abatement	\$3,500 - \$5,000

Continuing Disclosure Fees

Ehlers will assess Continuing Disclosure fees as follows:

Continuing Disclosure Undertakings (CDUs)	Annual Fee
1-3 CDUs	\$3,150
4-6 CDUs	\$3,700
7+ CDUs	\$4,250
Limited Disclosures	\$850
Periodic Filings	\$500

Arbitrage Consulting Fees

Ehlers will assess fixed fees for the following analyses:

Fee	Analysis	Services
\$1,000	<i>Spending Exceptions</i>	
\$3,750	<i>Arbitrage Reporting</i>	» Per 5-year analysis period » Prorated for interim reports
\$1,000	<i>Arbitrage Review</i>	» Per analysis » Up to 5 years

Ehlers will charge \$300 per hour for Arbitrage Consulting services outside of the fixed-fee analysis schedule.

Paying Agent Service Fees

Ehlers will assess paying agent fees annually on a per-issue basis:

Fee	Item	Services
\$450	Initial Set-up (one-time fee)	» Review final bond documents » Communicate with bond counsel & municipal advisor » Coordinate delivery of bonds for closing » Establish necessary accounts & records

Fee	Item	Services
\$475	Annual Administration (per issue)	» Invoice & collect debt service payments from issuer » Document & transmit bond payments per schedule » Coordinate with the Depository Trust Company » Maintain issuer's account » Process optional redemption notices, as needed
\$100	Additional Services (per notice)	» Process mandatory sinking fund notices

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT FOR PROFESSIONAL SERVICES ("Agreement") is made and entered into this _____ day of _____, 2025 by and between the City of Owatonna, a municipal corporation of the State of Minnesota ("Client") and Ehlers and Associates, Inc. ("Contractor").

WHEREAS, the Client desires that the Contractor, as an independent contractor, perform certain services as a municipal advisor, in accordance with the provision of this Agreement, and more fully described herein; and

WHEREAS, Contractor desires to perform such services pursuant to the terms and conditions provided for in the Agreement; and

WHEREAS, the parties hereto desire to set forth certain understandings regarding the services in writing.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

SECTION 1 – SCOPE OF SERVICES

The Client agrees to retain Contractor to provide the services set forth in the Scope of Work ("SOW"), attached hereto and incorporated herein by reference as Exhibit A ("Services"). Contractor shall provide the Services in accordance with the terms and subject to the conditions set forth in this Agreement. Contractor warrants and represents that it has the requisite authority to perform the Services in compliance with the provisions of this Agreement.

SECTION 2 – TERM

The term of this Agreement (the "Term") shall begin as of the date of its execution by both parties, as dated above and continue until the Agreement is terminated pursuant to Section 14 of this Agreement.

SECTION 3 – PROJECT MANAGEMENT

The Client requires the Contractor to assign specific individuals as principal project members and to assure that the major work and coordination with respect to the Services will remain the responsibility of these individuals or their replacements during the term of the Agreement. Removal of any principal project member without replacement by another qualified individual (as determined in the reasonable discretion of Contractor) is grounds for termination of the Agreement by the Client. In its sole discretion, the Client may at any time request that a principal project member no longer provide Services to the Client.

The Client has designated the following individual as the Project Manager for the Agreement, and the individual to whom all communications pertaining to the Agreement shall be addressed. The Project Manager shall have the authority to transmit instructions, receive information, and interpret and define the Client's policy and decisions pertinent to the work covered by this Agreement. The Client Project Manager shall be Daniel Tienter or his successor as identified by the Contractor.

The Client Project Manager will be supported by other personnel of the Contractor based on the needs of specific engagements related to the Services.

SECTION 4 – BILLINGS, PAYMENT, AND INVOICES

The compensation for the Services will be detailed in the SOW attached hereto as Exhibit B (the “Compensation” or “Fee Schedule”). The amounts set forth in the SOW shall fully compensate Contractor for all Services and associated costs. The Client will honor no claim for Services and/or costs provided by the Contractor not specifically provided for in this Agreement, the SOW, or an amendment thereto.

The Fee Schedule shall remain in effect until December 31, 2026 and thereafter the Contractor may adjust the Fee Schedule on an annual basis following a thirty-day (30) day, written notice to the Client, which may be transmitted via electronic mail.

Contractor shall submit an itemized invoice monthly, or after Services are complete. Invoices will clearly itemize all costs and/or Services provided. Upon receipt of the invoice and verification of the charges by the Project Manager, the Client shall make payment to Contractor in accordance with [State] regulations. In any event, payment shall be made not later than forty-five (45) days following invoice receipt.

SECTION 5 – CLIENT RESPONSIBILITY

The Client agrees to provide Contractor with access to any information from Client documents, staff and other sources under the control of the Client needed by Contractor to complete the Services described herein or as set forth in the SOW. The Client hereby acknowledges that Contractor does not take responsibility for verifying the accuracy or completeness of information supplied by the Client’s representatives (“Client Information”) and agrees that if Contractor receives inaccurate, incomplete or improperly formatted Client Information, (a) Contractor will have no liability for relying on the same, and (b) any additional time and expense required to correct the Client Information will be billed to Client as additional Services.

SECTION 6 – AMENDMENT OR CHANGES TO AGREEMENT

6.1 Any alterations, amendments, deletions, or waivers of the provisions of the Agreement shall be valid only when reduced to writing and duly signed (i) by the parties in the case of alterations, amendments or deletions to this Agreement or the SOW; or (ii) by the party making the waiver in the case of waivers.

6.2 Modifications or additional schedules shall not be construed to adversely affect vested rights or causes of actions which have accrued prior to the effective date of such amendment, modifications, or supplement.

6.3 The term “this Agreement” as used herein shall be deemed to include any future amendments, modifications, and additional schedules made in accordance herewith.

6.4 Neither waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in this Agreement, nor shall the waiver of any default be deemed a waiver of any subsequent default.

SECTION 7 – RECORDS, DISSEMINATION OF INFORMATION

7.1 For purposes of this Agreement, the following words and phrases shall have the meanings set forth in this section, except where the context clearly indicates that a different meaning is intended.

“Work Product” shall mean any report, recommendation, paper, presentation, drawing, demonstration, or other materials, whether in written, electronic, or other format that results solely from Contractor’s Services.

“Supporting Documentation” shall mean any surveys, questionnaires, notes, research, papers, analyses, whether in written, electronic, or other format and other evidence which result solely from Contractor’s Services, and which are used to perform the Services or produce the Work Product.

“Business Records” shall mean any books, documents, papers, account records and other evidence, whether written, electronic, or other format, belonging to Contractor and pertaining to the Services.

7.2 All deliverable Work Product and Supporting Documentation shall be delivered to the Client and shall become the property of the Client after final payment is made to Contractor with no right, title or interest in said Work Product or Supporting Documentation vesting in Contractor, except as provided in this Section 7.2. Contractor shall retain the right to all its software, intellectual property and templates that are not a project specific deliverable as well as to individual features of the Work Product and Supporting Documentation which Contractor would reasonably expect to be able to recreate in whole, or in part in other projects.

7.3

(a) Except as otherwise provided by law, Contractor agrees not to disclose or otherwise disseminate non-public information of the Client associated with or generated as a result of the Services without the prior written consent of the Client except for the purpose of providing Services.

(b) If any court or regulatory order requires Contractor to disclose such non-public information provided that such order or demand does not by its terms prohibit such notice, Contractor will promptly provide notice to the Client of such order or demand and cooperate with the Client in responding to it. So long as Contractor is not a party to the proceeding in which the non-public information is sought, the Client will reimburse Contractor for its professional time, as well as all other costs and expenses incurred in responding to such order or demand.

(c) The provisions of this Section 7.3 will survive termination of this Agreement.

7.4 In the event of termination of this Agreement, all Work Product finished or unfinished, and Supporting Documentation prepared by the Contractor under this Agreement, shall be delivered to the Client by Contractor upon payment of amounts due and owing for work performed and expenses incurred on or prior to the date of termination, and there shall be no further obligation of the Client to Contractor.

7.5 The Contractor shall maintain all Business Records relating to this Agreement in such

a manner as will readily conform to the terms of the Agreement and Minnesota records retention statutes and regulations and to make such materials available at its office as required by law at all reasonable times during this Agreement period and for six (6) years from the date of the final payment for the Services in accordance with Minnesota statutes.

SECTION 8 – NOTICES

Except as otherwise stated in this Agreement, any notice or demand to be given under this Agreement shall be delivered in person or deposited in the United States Certified Mail, Return Receipt Requested. Any notices or other communications shall be addressed to the individuals and addresses contained in Section 3.

SECTION 9 – EQUAL OPPORTUNITY/EMPLOYMENT ELIGIBILITY

This Agreement is subject to all applicable laws, regulations and executive orders relating to equal opportunity and non-discrimination in employment and the Contractor represents and warrants that it will not discriminate in its employment practices in violation of any such applicable law, regulation or executive order.

9.1 Contractor shall not knowingly employ or contract with a noncitizen who will perform work under the public contract for Services contemplated in this Agreement and will participate in the E-Verify Program or other program, if any, offered by the State of Minnesota in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for Services contemplated in this Agreement.

9.2 Contractor shall not knowingly enter into a contract with a subcontractor that fails to certify to Contractor that the subcontractor shall not knowingly employ or contract with a noncitizen to perform the Services contemplated in this Agreement.

9.3 Contractor is prohibited from using either the E-Verify Program or other program, if any, offered by the State of Minnesota to undertake pre-employment screening of job applicants while this Agreement is being performed.

9.4 If Contractor obtains actual knowledge that a subcontractor performing the Services under this Agreement knowingly employs or contracts with a noncitizen, Contractor shall be required to:

- (a) Notify the subcontractor and the Client within ten (10) business days that Contractor has actual knowledge that the subcontractor is employing or contracting with a noncitizen.

- (b) Terminate its subcontract with the subcontractor if within ten (10) business days after receiving the notice required above the subcontractor does not stop employing or contracting with the noncitizen; except that Contractor shall not terminate its subcontract with the subcontractor if during such ten (10) business days the subcontractor provides information to Contractor to establish that the subcontractor has not knowingly employed or contracted with an noncitizen.

SECTION 10 – COMPLIANCE WITH APPLICABLE LAW

Contractor agrees to comply in all material respects with all federal, state and local laws or

ordinances, and all applicable rules, regulations and standards established by any agency of such governmental units, insofar as they relate to Contractor's performance of the provisions of this Agreement. It shall be the obligation of Contractor to apply for, pay and obtain any and all permits and/or licenses required.

SECTION 11 – CONFLICT OF INTEREST

For purposes of this Agreement, a "Conflict of Interest" occurs if Contractor or one or more of its directors, officers or employees have a material financial interest in an entity doing business with the Client or are related to a supervisor, manager or director of the Client. To the best of Contractor's knowledge entering into or performing this Agreement does not result in a conflict of interest with any person or entity. Contractor agrees that should any real or perceived conflict of interest become known to Contractor, it will immediately notify the Client so a mitigation of the real or perceived conflict of interest can be made. If no mitigation is available, the Client shall have the right to terminate this Agreement.

SECTION 12 – LIMITED WARRANTY; LIMITATION ON LIABILITY

(a) Contractor warrants to the Client that the Services will be performed in a timely, workmanlike, and professional manner in accordance with generally recognized industry standards for similar services. CONTRACTOR (i) MAKES NO WARRANTIES EXCEPT FOR THAT SET OUT ABOVE AND (ii) DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Contractor's sole and exclusive liability and the Client's sole and exclusive remedy for breach of the limited warranty set out in this Section 12(a) shall be reperformance of the affected Services. If Contractor cannot reperform the Services in compliance with the warranty set forth above within a reasonable time (but no more than thirty (30) days) after the Client's written notice of such breach, the Client may, at its option, terminate this Agreement by serving written notice of termination in accordance with Section 14. Contractor shall within [within thirty (30) days after the effective date of such termination, refund to the Client a portion of the fees previously paid by the Client as of the date of termination corresponding to the defective Services.] Any and all claims will be made within one (1) year from the date the alleged fault or error was made or will be forever barred.

(b) Contractor and the Client agree that the liability of Contractor in connection with the Services provided hereunder will be limited to direct losses the Client suffers as a result of the willful misconduct, gross negligence and/or errors or omissions of Contractor, up to, but in no event to exceed the amount of actual fees paid to Contractor pursuant to the SOW. The parties agree that direct losses shall not include any third-party claims based on the Client's use of the Work Product or the Supporting Documentation. TO THE EXTENT PERMISSIBLE BY LAW, IN NO EVENT SHALL CONTRACTOR BE LIABLE TO THE Client OR TO ANY THIRD PARTY FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT CONTRACTOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

SECTION 13 – ASSIGNMENT; BINDING EFFECT

The Client and Contractor each binds itself and its successors and assigns of such other party, with respect to all covenants of this Agreement; and neither the Client nor Contractor will assign or transfer their interest in this Agreement without the prior written consent of the other party. Any attempted assignment of this Agreement in whole or in part by a party without the prior written consent of the other party shall be null and void and of no effect whatsoever.

SECTION 14 – TERMINATION

14.1 Either party may terminate this Agreement at any time and for any reason upon ninety (90) days advance written notice to the non-terminating party, but such termination shall not terminate any SOW then in effect, which shall continue to be governed by the terms of this Agreement unless otherwise terminated pursuant to Section 14.2.

14.2 Either party may terminate this Agreement, and any SOW then in effect, effective upon written notice to the other party (the "Defaulting Party"). If the Defaulting Party: (i) materially breaches this Agreement, and such breach is incapable of cure, or with respect to a material breach capable of cure, the Defaulting Party does not cure such breach within twenty (20) days after receipt of written notice of such breach; (ii) becomes insolvent or admits its inability to pay its debts generally as they become due; (iii) becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law, which is not fully stayed within seven (7) business days or is not dismissed or vacated within forty-five (45) days after filing; (iv) is dissolved or liquidated or takes any corporate action for such purpose; (v) makes a general assignment for the benefit of creditors; or (vi) has a receiver, trustee, custodian or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business. Notwithstanding anything to the contrary in this section, Contractor may terminate this Agreement, and any SOW then in effect, on written notice if the Client fails to pay any amount when due hereunder and such failure continues for twenty (20) days after Contractor's written notice to the Client of nonpayment.

14.3 Upon termination of this Agreement, (i) neither party shall have any further obligation hereunder except for obligations accruing prior to the date of termination, and (ii) obligations, promises or covenants contained herein which are expressly made to extend beyond the term of this Agreement, or which, by their nature, should survive termination of this Agreement.

14.4 In the event of termination, the Client will pay Contractor for all Services received by the Client up to the receipt of the notice of termination and thereafter until the date of termination. Contractor in accordance with Section 7 will deliver all Work Product and Supporting Documentation developed up to the time of termination to the Client upon receipt of final payment for Services.

SECTION 15 – GOVERNING LAW

15.1 Venue for all actions arising from this Agreement shall be in the District Court in and for the county in which the Client is located. The parties expressly and irrevocably waive any objections or rights which may affect venue of any such action, including, but not limited to *forum non-conveniens* or otherwise. At the Client's request, Contractor shall carry on its duties and obligations under this Agreement during any legal proceedings and the Client shall continue to pay for the Services performed under this Agreement until and unless this Agreement is otherwise terminated.

15.2 The State of Minnesota law shall apply to any dispute, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Minnesota.

SECTION 16 – INDEPENDENT CONTRACTOR

Contractor is an independent contractor and nothing in this Agreement shall constitute or designate Contractor or any of its employees or agents as employees or agents of the Client. Contractor shall have full power and authority to select the means, manner and method of performing its duties under this Agreement, without detailed control or direction from the Client and shall be responsible for supervising its own employees and/or subcontractors. The Client shall not be obligated to secure, and shall not provide, any insurance coverage or employment benefits of any kind or type to or for Contractor or its employees, subcontractors, contractors, agents, or representatives, including coverage or benefits related, but not limited to: local, state or federal income or other tax contributions, insurance contributions (e.g. FICA taxes), workers' compensation, disability, injury, health or life insurance, professional liability insurance, errors and omissions insurance, vacation or sick-time benefits, retirement account contributions, or any other form of taxes, benefits or insurance.

SECTION 17 – SUB-CONTRACTING

Contractor is solely and fully responsible to the Client for the performance of all Services in accordance with the terms set forth in this Agreement, whether performed by Contractor or a subcontractor engaged by Contractor, and the failure of performance thereof by such persons or entities, will not relieve, release, or affect in any manner Contractor's duties, liabilities, or obligations under this Agreement.

SECTION 18 – FORCE MAJEURE

Neither the Client nor contractor shall be held responsible for performance if its performance is prevented by acts or events beyond the party's reasonable control, including, but not limited to severe weather and storms, earthquake or other natural occurrences, terrorist act, fire, war, pandemic, strikes and other labor unrest, power failures, electrical power surges or current fluctuations, civil military emergencies, or acts of the legislature, judiciary, or executive. The impacted party shall promptly give notice to the other party and shall resume performance of its obligations as soon as reasonably practicable after the removal of the cause.

Section 19 – ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between the parties hereto relating to the Services, and sets forth the rights, duties, and obligations of each to the other as of this date. Any prior agreements, promises, negotiations, or representations not expressly set forth in the Agreement are of no force and effect.

SECTION 20 – INSURANCE

20.1 Contractor shall acquire and maintain, at its sole cost and expense, during the entire term of this Agreement, insurance coverages required by state and or federal law.

20.2 At the Client's request, Contractor shall provide the Client with a certificate or certificates evidencing its insurance policies in force, as well as the amounts of coverage for the respective

types of coverage. If the coverage required expires during the term of this Agreement, Contractor shall provide replacement certificate(s) evidencing the continuation of the required policies.

SECTION 21 – NEGOTIATED PROVISIONS

This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the parties, it being acknowledged that each party has contributed substantially to the preparation of this Agreement.

SECTION 22 – SEVERABILITY

If any portion of this Agreement is declared by any court of competent jurisdiction to be invalid, void or unenforceable, such decision shall not affect the validity of any other portion of this Agreement, which shall remain in full force and effect, the intention being that such portion are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid, or unenforceable provision so that the resulting reformed provision is legal, valid, and enforceable.

Section 23 – COUNTERPART EXECUTION

This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written. By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute the Agreement.

CITY OF OWATONNA, MINNESOTA

By: _____

Its: _____

By: _____
Its: _____

EHLERS AND ASSOCIATES, INC.

By: _____

Its: _____



DATE: May 6, 2025
TO: Mayor and City Council
FROM: Emily Thamert, Human Resources Director
SUBJECT: Personnel Policy Revision - Health Insurance Benefit Effective Date

Purpose:

Approve the proposed revision to Personnel Policy 7.1 Health Insurance.

Background:

The proposed revision to Personnel Policy 7.1 Health Insurance would eliminate the thirty-day waiting period following the first workday for eligible employees effective July 1, 2025. Changing the employee health insurance benefit effective date to the first of the month following the first workday for eligible employees is in alignment with best practice and is expected to alleviate the risk of any gap in coverage for new employees. The Employee Health Insurance Advisory Committee discussed this proposed change at their March 24, 2025 meeting and supports the proposed change.

Budget Impact:

The budget impact will be an additional month of employer premium contributions for new employees.

Staff Recommendation:

Staff recommends approval of the proposed personnel policy revision.

Attachments:

1. Q2 2025 Personnel Policy proposed edits

7.1 HEALTH INSURANCE

It is the policy of the City of Owatonna to make available to employees single or dependent health insurance coverage. As a reminder, this complete manual applies to all employees except those cases where a union contract has a differing provision.

Eligibility

All current regular full-time and regular part-time employees working a minimum of 30 hours per week during the prior year measurement period, as defined by applicable rules of the Patient Protection and Affordable Care Act (PPACA), may participate in the City's medical insurance plan.

Coverage/City Contribution

Any change to the city's health insurance plan shall be discussed with the Employee Health Insurance Advisory Committee and subject to approval of the City Council. (eff. 3/1/09)

Complete details of the health insurance coverage can be obtained from the Human Resource Department.

Insurance Availability/Dates of Coverage

Coverage for eligible employees becomes effective on the first of the month following a waiting period of thirty (30) days from the first workday. Examples:

- 1) If an employee's first workday is January 24, insurance coverage begins on March 1.
- 2) If an employee's first workday is January 1, insurance coverage begins on February 1.
- 3) If an employee's first workday is February 1, insurance coverage begins on April 1.

Effective July 1, 2025, coverage for eligible employees becomes effective on the first of the month following the first workday.

Coverage remains effective as long as an eligible employee is in pay status. Coverage for an employee not maintaining pay status shall be effective through the last day of the calendar month in which the employee is in pay status. A terminating employee may continue coverage as provided by law.

Adding/Changing/Dropping Insurance Coverage

Employees electing to add/change/drop health insurance coverage for themselves or any dependents will be unable to add/change/drop coverage through the City until the next open enrollment period unless a life event occurs as defined by HIPAA and the Department of Labor.

Health Insurance Incentive

The City of Owatonna will provide an incentive payment of \$220 per month for eligible employees hired prior to 01/01/16 who do not take city health insurance.

In order to qualify for the incentive payment, Employees will be required to demonstrate proof upon request attesting that they will be continuously covered by a non-city group insurance plan for each of the 12 months of the City's policy year. This policy applies regardless of any changes to the non-city plan that may occur as a result of life event changes as defined by HIPAA and the Department of Labor.

Open Enrollment for the plan year beginning January 1, 2020 will be the last opportunity eligible employees will have to elect the Health Insurance Incentive benefit. No new participants will be allowed to elect this incentive on or after January 1, 2020. Employees actively participating in the Health Insurance Incentive will be permitted to continue their participation per the eligibility parameters above.