

## **Owatonna City Council Minutes**

### **May 20, 2025**

On Tuesday, May 20, 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 Boeke, McCann, Dotson, Svenby, Voss, Burbank and Raney; Mayor Jessop; City Attorney Walbran; Public Works Director Murphy; Community Development Director Klecker; Finance Director Burns; Human Resource Director Thamert; Communications Manager Sheely; Assistant City Administrator Tuma; IT Technology Specialist Enz; Detective Hunt; City Administrator Busse, and Administrative Coordinator Clawson.

Following the roll call, City Administrator Busse commented additional review of Change Order #5 for the North Cedar Streetscape Project is needed and requested Item 3.3.3 be removed from the agenda. Council Member Boeke made a motion to approve the agenda with this item removed, Council Member Svenby seconded the motion, all members voted aye in approval.

#### **Proclamation – Detective John Van Alstine Day – May 15, 2025**

Mayor Jessop commented the annual Owatonna Police Officer Recognition Banquet was last Thursday where he proclaimed the day as Detective John Van Alstine Day. Detective Van Alstine was recognized as the Police Officer of the Year and honored at the banquet hosted by the Moonlighters Exchange Club.

#### **Recommend Board Member Appointment**

Mayor Jessop commented that four applicants were interviewed to fill an open seat on the Owatonna Public Library (OPL) Board and recommended Annie Harman be appointed. Council Member McCann made a motion to approve this recommendation, Council Member Burbank seconded the motion, and all members voted aye in approval. New OPL Member, Annie Harman was present, and Mayor Jessop administered her the Oath of Office. This is a 3-year term to expire on March 31, 2028.

Administrative Coordinator Clawson commented that applications are being accepted to fill an opening on each of the Fire Code of Appeals & Civil Service Board, Housing & Redevelopment Authority, and the Planning Commission. The application form is available on the city's website, [Owatonna.gov](http://Owatonna.gov).

#### **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 – May 6, 2025

Minutes - HRA Board Meeting - February 24, 2025

Minutes - Human Rights Commission Meeting - April 8, 2025

Minutes – EDA Minutes – April 16, 2025

Minutes - Airport Commission Meeting - April 17, 2025  
Minutes - Planning Commission Meeting - April 22, 2025  
Minutes - HRA Board Meeting - April 28, 2025  
Minutes - Fire Department Civil Service Commission Meeting - April 29, 2025  
Minutes - Park Board Meeting - May 5, 2025  
Minutes - Human Rights Commission Meeting - May 13, 2025  
Fire - Monthly Activity Report and Dashboard - April 2025  
Exempt Permit - Raffle - Owatonna Fire Relief Association - June 20, 2025  
Exempt Permit - Raffle - Owatonna Soccer Association - June 26, 2025  
Exempt Permit - Ducks Unlimited Steele County Chapter 5 - September 18, 2025  
Event Permit - Steele County Safety Camp - June 12 & 13, 2025  
Event Permit - Movie in Central Park - June 13, 2025  
Event Permit - OSCAR - June 28, 2025  
Event Permit - Somali Cultural Event / Independence Day - July 6, 2025  
Event Permit - Chet Fest - July 19, 2025  
Event Permit - Reggie's Parking Lot Dance and Bean Bag Tournament - August 2, 2025  
(Includes Exception to City's Noise Ordinance & Extension of Liquor Premises)  
Parks and Recreation Fees Manual Updates  
Warsinski Chalet Independent Contractor Agreement - Martin Equipment, Inc.

This agreement includes all services required for the sale and rental of ice skating, cross-country skiing, and food concessions at Morehouse Park from December through March, as weather permits. Martin Equipment, Inc. will provide all the operations staff with concessions, equipment rental, grounds and rink supervision. This is a three-year agreement with two additional one-year automatically renewable option years. Included is Morehouse Park operations of the Warsinski Chalet warming house, general outdoor activities and skating areas (ponds, dry-land rink and river). The City will pay Martin Equipment, Inc. up to \$6,000 to provide these services. The specific amount paid will be based on weather and the number of days the skating operation is open each season.

#### Service Agreement - Owatonna Trails Association

Owatonna Trails Association (OTA) has helped the city build and maintain bike trails in Kalan's Woods. This agreement formalizes the partnership and scope of service provided to the public by OTA since 2014. The City will reimburse OTA \$1,500 annually for operating expenses such as liability insurance. OTA will purchase liability insurance from a third party and list the City as an additional insured.

#### Stormwater Facility Maintenance Easement Agreement - Aire Apartments

Agreement with Stadheim Properties of Owatonna LLC for their facility located at Aire Apartments Addition. The City requires on-site stormwater management to 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 agreement.

**Hay Ground Land Lease Agreements- 2025-2026 crop years**

Bids were received for cutting and bailing hay on seven parcels. Bids were received on only two of the parcels and lease agreement offered:

Parcel #1: 39 acres, Owatonna Airport South Parcels

\$1,600/yr – Eric Finholdt

Parcel #2: 25.5 acres, Owatonna Airport North Parcels

\$1,152/yr – David Hanson

Parcel #3: 8 acres south of St. Paul Rd. and 26th Street (pond area)

Parcel #4: 1.5 acres north of 30th Street SW and Frontage Rd W.

Parcel #5: 6 acres south of Park Drive NW and 24th Ave NW (pond area)

Parcel #6: 7.5 acres east of 39th Ave. NW and Co Rd. 7 & railroad (pond area)

Parcel #7: 5 acres, 26th Street/Kenyon Rd. and Majestic Ln. NE (pond area)

the airport and at smaller locations of City owned property.

**WW Goetsch Pump Maintenance Agreement**

Lift Stations require annual inspections and maintenance to ensure they are operating properly. Services provided are outlined in the agreement, any additional services and costs must be pre-approved. The annual service agreement fee is \$5,250.

Council Member Svenby made a motion to approve these Consent Agenda items; Council Member Dotson 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.

\$ 23,800.00 Kibble Equipment- replacement check - compact utility tractor u #25420 - Park

835,862.71 Legence Subsidiary Holdings LLC

- Final payment including retainage - Merrill Hall - \$469,470.31

- Professional service fee - Public Safety Center - February - \$114,291.00

- Professional service fee - Public Safety Center - March - \$238,312.00

- CIP backup generator replacement - City Hall - \$9,325.00

- Facility needs consulting - Community Center - \$4,464.40

108,688.03 Nero Engineering - WWTF upgrade & expansion project - April 2025

1,100,946.52 Rice Lake Construction Group - WWTP Expansion - pay est #35

117,419.52 Steele County Treasurer -property taxes - 2025

25,000.00 TPR Enterprises LLC

- WWTP asset development consulting agreement - March - \$12,500.00

- WWTP asset development consulting agreement - April - \$12,500.00

222,385.55 Other Expenditures

2,434,102.33 Total Expenditures Presented for Approval

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

### **Resolution 26-25 - Final Plat of Renneberg Hardwoods Addition**

Community Development Director Klecker requested approval of Resolution 26-25 to adopt the Final Plat of Renneberg Hardwoods Addition. Renneberg Companies, purchased property last year at 1430 State Avenue with the intention of beginning construction this year. The property, 3.6+ acres is currently three vacant parcels in two different plats and must be platted as one commercial lot prior to a Building Permit being issued.

The Planning Commission held a public hearing on this request and recommends it for approval with these conditions:

- 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 recorded within 60 days of approval.
  - B) A disconnection agreement shall be entered into prior to recording the plat regarding the remaining water and sewer services.
  - C) All comments of the City Engineer's memo shall be met.
  - D) The westerly 55' of the plat shall be designated as a drainage and utility easement.
- 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.

Council Member Boeke made a motion for approval as recommended by the Planning Commission; Council Member Voss seconded the motion; all members voted aye for approval.

### **Resolution 27-25 - Preliminary & Final Plat - KEG Addition**

Community Development Director Klecker presented Resolution 27-25 to approve the Plat of the KEG Addition. Eric Martin, on behalf of KEG Investments, LLC, owns the property at 2025 Edgewood Drive and an additional lot to the west. Their request is to relocate the joint property line of the two lots to allow for a larger lot to build on in the future. The property is previously unplatted and City Code requires the properties be platted to relocate the property line.

The house is an existing structure to plat and the additional lot will be an outlot. By Statute, an outlot is unbuildable and require replatting into a lot prior to any construction and would be subject to any ordinances in place at that time.

The Planning Commission held a public hearing on this request and recommends it for approval with these conditions:

- 1) The final plat shall be recorded within 60 days from the date of final approval.
- 2) The applicant shall provide a 10' drainage and utility easement along the perimeter of the plat and 5' on each side of the joint property line.
- 3) The title opinion shall be approved by the City Attorney prior to recording of the plat.
- 4) No structures are permitted on Outlot A until after the property is platted in the future.

- 5) A private utility easement shall be provided with the recording in favor of Lot 1 regarding the telephone and electric utilities crossing Outlot A.

Council Member Boeke made a motion for approval as recommended by the Planning Commission; Council Member Burbank seconded the motion; all members voted aye for approval.

### **Resolution 28-25 - Preliminary Plat - Mineral Springs Estates**

Community Development Director Klecker requested approval of Resolution 28-25 to approve the Preliminary Plat of Mineral Springs Estates. A request from Stephen Wheeler, Prairie LaSalle Partners, and Chad Lange, Festal Farms for a 36 lot and 12 outlot residential development of 82.72 acres east of River Springs Waterpark. The property is being replatted into a master planned neighborhood with a multitude of housing types. The first addition is a little larger than what was approved in 2023 by extending this construction phase to the east boundary, all construction traffic will be using Outlot E for the grading and infrastructure construction. A 20' temporary access road will be constructed to accommodate this traffic. Outlots E, G, & H make up what will be called Stoneridge Lane NE. The City views this street as a local collector as well as a key utility corridor.

The Sanitary Sewer Study shows a 24" trunk sanitary sewer main is proposed in this right of way. This trunk main is needed to service the land to the east. This main needs to be constructed through this development and will be a requirement of future phases within the development agreement.

The City adopted the PUD for the Mineral Springs Estates development in 2023 with an amendment approved in the fall of 2023. The proposed plat conforms to the adopted PUD. As part of the PUD and this development the developer is proposing public sidewalks on both sides of all streets within this phase. The sidewalks will not extend to the south on 7th Avenue and Hemlock Ave as there are none existing within that development. All streets have been narrowed down to 36' wide streets face to face of the curb. These are 4' narrower than the sections of 7th and Hemlock that they will be tying into.

Council Member Boeke made a motion for approval as recommended by the Planning Commission; Council Member Voss seconded the motion; all members voted aye for approval.

The Planning Commission held a public hearing on this request and recommends it for approval with these conditions:

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 recorded within 60 days of approval of the final plat.
  - B) The title opinion shall be approved by the City Attorney prior to recording of the final plat.
  - C) The conditions of the PUD shall be adhered to at all times.
  - D) A development agreement will need to be recorded along with the final plat.

- E) The plans shall adhere to the approved wetland delineation and replacement plan as determined by the Soil & Water Conservation District prior to the final plat approval.
  - F) Temporary turn arounds are required to be constructed at all dead-end streets that do not connect immediately as required per fire code.
  - G) All conditions included in the City Engineer's memo dated 5/8/2025 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.

Council President Raney asked if there would be an access on St Paul Road or 26<sup>th</sup> Street, Klecker responded this would be on St Paul Road. Council Member Voss made a motion for approval as recommended by the Planning Commission; Council Member McCann seconded the motion; all members voted aye for approval.

#### **Resolution 29-25 - Accepting Bids and Awarding Contract - 2025 Taxilane and Parking Lot Reconstruction**

Community Development Director Klecker requested approval of Resolution 29-25 to accept bids and award a contract for the airport's 2025 Taxilane and Parking Lot Reconstruction Project.

The project will reconstruct a section of taxilane located in the airport hangar building area that is in very poor condition with distress to the point that reconstruction is needed. The project also involves the reconstruction of the main automobile parking lot and access road. This pavement has undergone a number of pavement maintenance crack sealing and sealcoats but has deteriorated to the point that the airport engineering firm now recommends reconstruction. The engineer (Short, Elliot, and Hendrickson – SEH) recommends acceptance of the seven bids received April 25, 2025 and awarded project to the lowest responsible bidder, Ulland Brothers, LLC in the amount of \$476,162.51.

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

#### **Professional Services Agreement: Construction Services Taxilane and Parking Lot Reconstruction Project - SEH, Inc.**

Community Development Director Klecker requested approval of a Supplemental Letter Agreement with SEH, Inc. for professional engineering services for the construction phase of the airport taxilane and parking lot reconstruction. The agreement provides survey control, construction observation, preparing pay estimates, recording drawings, and overall project management services to include quality assurance testing by subconsultant.

This project consists of the reconstruction of a taxilane pavement section in the hangar building area and the automobile parking lot and access road. Both pavement areas are deteriorated beyond their useful life. The Airport Commission has reviewed the Supplemental Letter of Agreement and recommends approval.

The professional services agreement for the construction phase of the work is for a total lump sum fee of \$74,700.00 as reflected in the attached supplemental letter agreement. These costs are eligible for a combination of FAA and MnDOT Aeronautics grant funding. The project grant eligibility is generally 95% federal with an additional 2.5% state funding. There are certain portions of the work that are not federally eligible but would be state eligible. the local share of the design agreement is anticipated to be \$3,078.00.

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

#### **Garbage Hauler Permit - Trash Titans, LLC, Owatonna, MN**

City Administrator Busse requested approval of application received from Nicole Gonzales for a Garbage Haulers and Refuse Permit to do business as Trash Titans LLC.

This is a new company which received a grant from SMIF and is working with the Owatonna Business Center to establish a new refuse hauling business within Owatonna. A Background Verification has been completed and \$175 fee payment received. Council Member Dotson made a motion for approval contingent on receipt of the required Certificate of Insurance; Council Member Burbank seconded the motion; all members voted aye for approval.

#### **WWTF Expansion Change Order #21 - Rice Lake Construction Group**

Public Works Director Murphy requested approval of Change Order #21 for the Wastewater Treatment Facility (WWTF) Expansion Project. Work Change Directives (WCDs) are created to address construction issues, design clarifications, and interdisciplinary coordination, or errors and/or omissions. Change Order #21 consists of six WCDs:

- 138 - RSS Retaining Wall
- 141 - RWC EQ Pipe and Control Valves
- 143 - MJ Caps for Existing Scum Lines
- 145 - Digester No. 2 Additional Manway Repair
- 146 - Admin Building Door Stoops
- 147 - Digester Manway Gaskets

The total budget impact of Change Order 21 is an increase of \$465,902.72 for a revised total contract cost of \$58,636,922.25, this is a 5.23% increase from original contract.

Eric Meester, President/Process Engineer of Nero Engineering, the city's consultant for the WWTF project was present. He gave a brief project update, confident the October 31, 2025 construction deadline will be met. This Change Order is substantial and should be the last large amount, there are several small credits pending. A majority of the additional costs incurred were to clear subsoils as this area was previously a junk yard.

Council President Raney asked about the connecting line for the City of Medford. Murphy commented that Medford just presented designs for approval, plan to send out for bids later this week, with hopes to award a contract in June for construction to begin in August. Council Member Dotson made a motion for approval; Council Member Burbank seconded the motion; all members voted aye for approval.

### **Professional Services Agreement – Ehlers**

Finance Director Burns introduced Dan Tienter, Municipal Advisor and Todd Hagen, Sr. Municipal Advisor of Ehlers. They gave a brief presentation of their company's financial services, they are a full financial service provider offering:

- Financial Management Planning,
- Economic Development & Redevelopment
- Debt Issuance & Management
- Investment & Treasury Management

Finance Director Burns requested approval of a Professional Service Agreement with Ehlers to create a Financial Management Plan for the City. This was a new initiative outlined in the City's 2025-2027 Strategic Plans. The Financial Management Plan (FMP) will be a strategic tool to guide the City's fiscal decision-making and ensure long-term financial stability by aligning financial resources with the City's priorities, supporting sustainable service delivery, and provide clear budgeting, capital planning, and debt management framework.

The FMP aims to provide a long-term financial roadmap for the City. This plan will also include a staffing analysis scheduled for 2025, acknowledging that personnel costs represent about 70% of the City's budget. By incorporating this analysis into the FMP, we can take a comprehensive approach to evaluating resource allocations, identifying workforce needs and supporting long-term fiscal sustainability. The cost of the Financial Management Plan is not to exceed \$42,000.

Council Member Svenby made a motion for approval; Council Member McCann seconded the motion; all members voted aye for approval.

### **Accept Quote: Bituminous Material - Crane Creek Asphalt**

Public Works Director Murphy requested approval of a quote for bituminous material from Crane Creek Asphalt. The Street Division purchases bituminous material from Crane Creek Asphalt as it is the nearest asphalt plant and works well for efficient purposes. John Martin, Street Maintenance Manager, requested a bulk purchase quote for the 2025 Pavement Season and Crane Creek responded with a quoted price for all purchases this year. There are no minimum or maximum quantities tied to the bulk price quoted, so there are no obligations to purchase.

The State does offer a state contract price for bituminous material which is weighed against the additional costs to haul a further distance from Mankato (nearest State Contract Plant), the City will haul the material from the plants and incur costs. As of today, the state's contract price has not been released. It is estimated the bulk price is approximately \$5 less per ton than purchasing by the load. This will result in significant cost savings on bituminous material for paving and may allow for additional paving work throughout the city. The city would haul the material from the plant site.

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

## **STAFF REPORT**

**Human Resource Director Thamert** commented that the HR team consists of herself and HR Specialists Angie Jarrett and Rachel Boss. The city employs 144 full-time workers, 20 part-time, 25 paid-on-call and 164 Seasonal/Temporary employees. HR has been busy preparing for summer staffing at the water park and golf course. They have hosted five orientation sessions to welcome the seasonal employees and review the city's policies. Since the beginning of the year, we have welcomed 16 new regular employees. The Culture Team will be hosting quarterly Town Hall Meetings. Last month, 130 employees and their significant other attended the annual Employee Recognition. HR is rolling out a toolbox with new tools and resources for employee's use in conflict resolution approaches. HR Staff also supported the Council through the search process for the next City Administrator. Council President Raney thanked Ms. Thamert and the HR Staff for keeping Council informed during this search process, everything was well organized for Council to come their conclusion; your assistance and expertise was very much appreciated. Council Vice President Voss agreed with Council President Raney's comment.

## **PUBLIC COMMENTS**

**Gary Jones, 995 Ridge Road** expressed concern about use of compound bows when it is dark outside, hunting should not be allowed after dark. We have made some great progress in the city's Deer Management programs over the last few years. Signs have gotten bigger and are better seen. The signs serve as a warning but cannot be seen in the dark. Hunting should be allowed from sunrise to sunset and not half an hour before sunrise to half an hour after sunset. Mineral Springs is a heavy wooded area and too dark after sunset to allow hunting, the hunters should be able to see what they are shooting at.

## **MAYOR AND COUNCIL COMMENTS:**

**Council Member Svenby** expressed thanks to the three candidates who interviewed today for the City Administrator position, he enjoyed meeting each of them.

**Council Member Voss** commented that the city's future looks bright, there were three outstanding candidate interviews today and thank you to all the candidates.

**City Administrator Busse** commented she would echo these comments and also thanked HR Director Thamert and HR staff members for providing an outstanding interview process.

**Council President Raney** commented that City Administrator Busse has only five City Council Meetings prior to her retirement in August. He also thanked the three finalist applicants for spending their day in Owatonna.

At 8:05 p.m., Council Member Boeke made a motion to adjourn, Council Member Burbank seconded the motion and with no objection, the meeting ended.

Respectfully submitted, Jeanette Clawson, Administrative Coordinator