

Owatonna City Council Minutes

August 6, 2025

On Wednesday, August 6, 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 Svenby, Voss, Burbank, Boeke, McCann and Raney; Mayor Jessop; City Attorney Walbran; Public Works Director Murphy; Community Development Director Klecker; Finance Director Burns; Park Director Dieckmann; Human Resources Director Thamert; Fire Chief Hoffman, IT Technology Director Brown, IT Specialist Enz; Assistant City Administrator Tuma; City Administrator Busse; and Administrative Coordinator Clawson. Council Member Dotson was unable to attend.

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

Mayor Jessop

Mayor Jessop commented he approved Resolution 37-25 declaring a State of Emergency as requested by the Owatonna Emergency Manager following a severe storm on Sunday, July 28th. The storm caused a significant amount of damage generating debris and disrupting power distribution systems. Mayor approved this resolution on July 29th and requested City Council ratification, Council Member Svenby made a motion to ratify Resolution 37-25, Council Member Burbank seconded the motion, and all members present voted for approval.

Mayor Jessop then made proclamation for Kris M. Busse Day. Ms. Busse will retire tomorrow, August 7, 2025, after serving as the City Administrator since 2007. The city has benefited from the leadership provided by Administrator Busse. He encouraged community members to express their appreciation to Ms. Busse for her service to the City of Owatonna.

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 – July 15, 2025

- Airport Commission Minutes - July 10, 2025

- Planning Commission Minutes - July 22, 2025

- HRA Board Minutes - July 28, 2025

- Fire - Monthly Dashboard and Activity Report - June 2025

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- Building Inspection Monthly Report - July 2025

- Event Permit - Tree Giveaway in Central Park for Properties in an Environmental Justice Area - September 5, 2025

- Temporary Liquor Permit - Downtown Business Partnership - GEM Days - August 8 & 9, 2025

- Exempt Permits - Owatonna Robotics Booster Club - Bingo/Raffle - September 18, 2025, and October 23, 2025

Change Date of City Council Meeting - Tuesday, November 4th to Wednesday, November 5th, 2025, because of a Special School Election.

Memorandum of Agreement - School Resource Officer - IDS #761

Annual agreement between the School District #761 and the city for the 2025-2026 School Resource Officers (SRO) or September 2, 2025-June 4, 2026. A 5% wage increase was added to the previous year's agreement. The city will receive \$94,216.78 annually for each SRO position.

Geotechnical Services Agreement - 2026 Infrastructure Improvements - Braun Intertec Agreement for the Proposed 2026 Infrastructure Projects. A Request for Proposal (RFP) was sent to multiple testing firms for proposed 2026 Infrastructure project that includes the reconstruction of Cardinal Drive SE, along Rice St from Cedar Ave S and Grove Ave S, and near Partridge Ave NE. The proposed construction will include full roadway reconstructions and new utility lines for watermain, sanitary sewers, and stormwater sewers. Additionally, the construction may also include the addition of a new housing subdivision off Partridge Ave NE. The purpose of the geotechnical evaluation will be to characterize subsurface geologic conditions at selected exploration locations, evaluate their impact on the project, and provide geotechnical recommendations for the design and construction of new city streets and utilities. The cost the geotechnical exploration is \$14,957 without prior authorization.

HealthiestYou Service Agreement - Teladoc Health, Inc.

HealthiestYou by Teladoc is a mobile virtual care app providing convenient access to high quality everyday health care services via phone or video. HealthiestYou provides a comprehensive suite of healthcare services including general medical, expert medical services, mental health, back care, dermatology, and nutrition. It is an affordable way for the City to enhance convenient care options for employees enrolled in the City's medical insurance. An agreement with HealthiestYou was approved by City Council on November 6, 2024, with a January 1, 2025 effective date. Due to unexpected legislative updates at the beginning of the calendar year, the implementation of this program needed to be delayed until August 1, 2025. Cost for HealthiestYou in 2025 will be reduced from \$13,800 to \$5,750.

Subscription Update – NeoGov

The city entered into an agreement with NeoGov in May 2013. NeoGov is a web-based HR software solution designed specifically to meet public sector needs. NeoGov is currently utilized for full circle recruitment in all City departments. This updated subscription will integrate single sign-on security and pre-employment background screening into the current platform. These updates will enhance the security and comprehensiveness of the pre-employment processes. The cost of this update will be \$4,394.17 in 2025.

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

Finance Report

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

\$ 23,520.59	Crane Creek Asphalt – asphalt
30,352.44	Hawkins - chemicals
35,376.74	L & L Street Rods & Sport Truck-police fleet setup units: 2578, 2571 and 2559
109,197.70	Nero Engineering - WWTF upgrade & expansion project - June 2025
970,412.09	Rice Lake Construction Group - WWTP Expansion - pay est #37
153,564.90	Southeast Service Cooperative - July 2025 health ins premiums
21,935.00	Summit Infrastructure LLC - Manhole Rehab (Tri-layer)
<u>393,784.04</u>	Other Expenditures
\$ 1,738,143.50	Subtotal
<u>125,186.00</u>	HRA Housing Assistance Payments
\$ 1,863,329.50	Total Expenditures Presented for Approval

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

Resolution 38-25 Adopt Steele County Hazard Mitigation Plan

Fire Chief Hoffman requested approval of Resolution 39-25 to adopt the current Steele County Multi-Hazard Mitigation Plan. Hazard mitigation planning and preparedness is the most effective instrument to diminish losses by reducing the impact of disasters upon people and property. The development of a local government plan is required in order to maintain eligibility for certain federal disaster assistance and hazard mitigation funding programs. Steele County Emergency Management Director Kristen Sailer was present to answer any questions. Council Member Voss made a motion for approval; Council Member McCann seconded the motion, and all members present voted aye for approval.

Resolution 39-25: CUP-21 Mini Storage Facility - 1980 Austin Road SE

Community Development Director Klecker requested approval of Resolution 39-25 to approve Conditional Use Permit 21. This is a request received from Brent Kaslow of Capital General Contracting, Chris Behne of Prime Garage Door & Moe and B3 Contracting LLC to construct a Mini Storage Facility at 1980 Austin Road SE. This property, 0.95 acres is currently undeveloped, The Planning Commission held a public hearing on this matter on July 22, 2025 and recommend approval with the following conditions:

- 1) Photometrics plan to be submitted and approved prior to the issuance of a building permit.
- 2) Individual storage units shall be under 5,000 square feet in floor area.
- 3) The sole permitted use of all units shall be storage. No commercial business operations shall be permitted.
- 4) All signs shall obtain the necessary permits and comply with B-2 zoning standards.
- 5) All items in the City Engineer's Memo dated July 11, 2025, must be adhered to.

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

Resolution 40-25: Amend 2025 Authorized Signatories

City Administrator Busse requested approval of Resolution 40-25 to amend the list of authorized signatories for 2025. Resolution 1-25 approved during the Annual Organizational Meeting on January 7, 2025 named the mayor, city administrator, finance director, senior accountant and accounting technician to disperse funds through check, electronic funds transfer, wire, or ACH. The list will be updated to replace retiring City Administrator Busse with new City Administrator Jenna Tuma. Council Member McCann made a motion for approval, Council Member Burbank seconded the motion, all members present voted aye in approval.

Resolution 41-25: Name Responsible Authority for Data Practices - Jenna Tuma

City Administrator Busse requested approval to change the City's 2025 Responsible Authority to administer the requirements for government data with the City. During the annual organizational meeting on January 7, 2025, City Administrator Busse was named the city's Responsible Authority for 2025, but she is retiring. This resolution names new City Administrator Jenna Tuma as the city's Responsible Authority for the remainder of 2025. Council Member Voss made a motion for approval, Council Member Boeke seconded the motion, all members present voted aye in approval.

Resolution 42-25: Set Public Hearing on September 2, 2025 - Street Reconstruction Plan

Finance Director Burns requested approval of Resolution 42-25 setting a date for a public hearing for comments on the city's Street Reconstruction Plan. The City will prepare a plan for reconstruction and overlay of streets in the City over the next five years, including a description of the affected streets and estimated costs (the "Plan"), and to issue general obligation bonds to finance the cost of street reconstruction and overlay activities described in the Plan. A public hearing regarding the Plan and issuance of the bonds. The City Council has determined to prepare a Plan for the City for years 2025 through 2029 and to issue general obligation bonds (the "Bonds") in a principal amount not to exceed \$1,800,000, plus any premium received, to finance certain street reconstruction and overlay activities.

Todd Hagen, Municipal Advisor/Vice President Ehlers, Inc. commented the 5-year plan allows an efficient process for planning. The public hearing will be the first step in the bonding process will include a credit rating request from Moody's. The public hearing was set for Tuesday, September 2nd at 7:00 pm in Council Chambers. Council Member Svenby made a motion for approval, Council Member Voss seconded the motion, all members voted aye in approval

Resolution 43-25 Set Date for Public Hearing - Establishment of Development District 22 and Adoption of a Development Program for Development District 22

Community Development Director Klecker requested approval of Resolution 43-25 to set a public hearing to consider establishment of Development District #22 and the adoption of a

Development Program for Development District #22 to provide the incentive for developers to develop single-family housing. Council previously approved a program in which the City would finance the hard surfacing of the streets, curb and gutter and sidewalks of a development for up to five years. Staff are currently working with a developer on such a program. In working with legal counsel, the best way to provide the financing is through a loan agreement. This resolution sets a public hearing for Tuesday, August 19, 2025 at 7:00 pm in Council Chambers. Council Member Voss made a motion for approval, Council Member McCann seconded the motion, all members present voted aye in approval.

Garbage/Refuse Hauler Permit - Junk Solutions LLC - Ellendale MN

City Administrator requested Council approve the application received from Tanner Nelson for a Garbage Hauler and Refuse Permit to do business as Junk Solutions, LLC of Ellendale. Required insurance, payment of fees and background verification completed; Chief Mundale has no objections to issuance of this permit. The city's Garbage Haulers and Refuse Permit is an annual permit which expires December 31st each year. Council Member Voss made a motion for approval, Council Member McCann seconded the motion, all members present voted aye in approval.

On-Sale Wine and 3.2% Malt Liquor License - Little Theatre of Owatonna

City Administrator Busse requested Council approve the applications received for an On-Sale Wine License and a 3.2% Malt Liquor License from David Harinen, Board Member of the Little Theatre of Owatonna (LTO). LTO is the community theater located at 560A Dunnell Drive, in the Merrill Building owned by the city on the West Hills Campus. Renovations were made to Merrill Hall last year and LTO acquired an additional leased space to use as a lobby/reception area. The premise area for these liquor licenses is only the lobby/reception area on the first floor across the hall from the theater entrance. Payment of fees, receipt of the required insurance certificate and background verification have been completed. Council Member Boeke made a motion for approval, Council Member Voss seconded the motion, all members present voted aye in approval.

2025 Street & Utility Project Change Order #1 - Wencil Construction, Inc.

Public Works Director Murphy requested approval of Change Order #1 for the 2025 Street & Utility Project. During the April 15th City Council Meeting, the 2025 Street & Utility Project was awarded to Wencil Construction Inc. of Owatonna, MN. The bid was \$1,809,585.40 (17%) under the Engineer's Estimate. Due to the lower than estimated project cost and the project being located near an area that needed additional watermain replacement, Owatonna Public Utilities requested that we add on utility work for 2nd Ave SW going from Oakdale Street south to Oakdale Lane. The sanitary sewer is also in need of replacement in this location. Wencil Construction agreed to add the work for a Change Order totaling an additional \$135,170.00. This change order brings the project cost to \$1,945,028.40 to be paid for with

funds from OPU, the sanitary sewer fund, and the operating budget. Council Member Boeke made a motion for approval, Council Member Burbank seconded the motion, all members present voted aye in approval.

2025 CIP Overlay Change Order #1 - Crane Creek Asphalt

Public Works Director Murphy requested approval of Change Order #1 for the 2025 CIP Overlay. During the May 6th City Council Meeting, the 2025 CIP Overlay was awarded to Crane Creek Asphalt for a contracted price of \$463,857.69 (10% under the Engineer's Estimate of \$513,514.24). Since the bid was lower than the planned cost, the City proposed adding Ridgeview Place to the project. Crane Creek agreed to the addition for the price of \$30,697.25. The change order brings the project cost to \$494,554.94 to be paid for with the current year bond issue. Council Member McCann made a motion for approval, Council Member Burbank seconded the motion, all members present voted aye in approval.

Public Works Director commented the next four change orders were received from Rice Lake Construction Group for the Wastewater Treatment Facility Project. Each Change Order includes Work Change Directives (WCDs) to address construction issues, design clarifications, and interdisciplinary coordination, or error and/or omissions. Detailed information on each change order and WCD is available in the Engineering Department. The total revised contract amount following these four Change Orders is \$58,968,775.00; a 5.82% increase from the original contract. Eric Meester, Nero, Engineering Consultant was present and commented many of these work directives were for unknown tasks found as they rehab the previous system for connection. Removal of the digester lid was layers of tar which he hasn't seen in other projects. He believes they have exposed all aspects of the project and do not anticipate additional unknown tasks.

WWTF Expansion Change Order #22 - Rice Lake Construction Group

Change Order #22 consists of eleven WCDs and increases project costs by \$36,004.63.

- 140 - Existing Exterior Wall Refinish
- 142 - RWC Pump Connections
- 144 - MBR and DTC HVAC Modifications
- 148 - Admin Sidewalk Modifications
- 150 - DTC Pipe Modifications
- 151 - FO 46 Biogas Odorizer Wiring
- 155 - Classified Overhead Door Operator
- 156 - Digester 1 Fluidizing Line Replacement
- 157 - FO 47 - TSS Sensor Modifications
- 158 - Admin Cabinet Credit
- 159 - DTC Coating Credit

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

WWTF Expansion Change Order #23 - Rice Lake Construction Group

Change Order #23 consists of two WCDs for Price Escalation, the project costs will increase by \$30,607.22.

- 149 - Ductile Iron Pipe Price Escalation
- 153 - Concrete Price Escalation

Council Member Voss made a motion for approval, Council Member Svenby seconded the motion, all members present voted aye in approval.

WWTF Expansion Change Order #24 - Rice Lake Construction Group

Change Order #24 consists of one WCD and increases project costs by \$231,806.80:

- 160 - Primary Digester Lid Removal

Council Member Svenby made a motion for approval, Council Member Voss seconded the motion, all members present voted aye in approval.

WWTF Expansion Change Order #25 - Rice Lake Construction Group

Change Order #25 consists of one WCD and increases project costs by \$33,434.09:

- 161 - Sludge Storage Building Power Refeed

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

End User Agreement - Verified First

Human Resources Director Thamert requested approval of the Verified First End-User Agreement. Pre-employment background checks are currently processed manually by the Owatonna Police Department. The agreement with Verified First will allow the City to tailor background check packages specific to the position needs and integrate seamlessly with the recruitment platform NeoGov resulting in increased efficiency and thoroughness in the pre-employment screening process. The budget impact will be based on the number of background checks processed; estimated impact for 2025 is \$1,500. Council Member Boeke made a motion for approval, Council Member Burbank seconded the motion, all members present voted aye in approval.

STAFF REPORT

IT Director Brown gave a brief update on current tasks within the IT Department. Cyber Security has been a hot topic since the computer system of the City of St Paul was recently compromised. Our staff is working on safety measures for multi-factor sign-on, deploying an end point detection and response system which will report if suspicious activity is detected. He is member of the IT Professionals Group with the League of Minnesota Cities and the Minnesota Whole of State Cybersecurity Group and receives updates on instances of breaches. Fortunately, our system is meeting recommendations with firewalls in place. He has been working with other departments to review how and where data is stored to increase efficiency. He has also assisted staff prepare responses to several data requests. Council Member Boeke asked if he knew what cost has incurred preparing data request responses, Director Brown commented several departments provide responses so unsure of costs. Last week, he spent 5-6 hours identifying data for a request.

PUBLIC COMMENTS

David Harinen, 757 Churchill Drive thanked the city and council members for their support of the Little Theater of Owatonna and arts within the city. This year, they are celebrating their 60th anniversary and looking forward to many more years of offering entertainment.

Gary Jones, 995 Ridge Road commented there have been some good changes to the Deer Management Plan within this last year for public safety. Manthey Park has been eliminated (.91 acres) and required 150' not 100' from maintained trails or the edge of the park. Within Mineral Springs Park, there is only one space that meets these requirements, which is only 1.3 acres. Larger areas are available within other parks and consideration should be given to also remove Mineral Springs Park from the city's program..

MAYOR AND COUNCIL COMMENTS:

Council Vice President Voss commented he rode along with an officer last night and stopped at several neighborhood Night to Unite parties and thanked the Fire Department and Police Departments for their participation. Last month, there was an article in the local paper about the city's plans with the RBG Group for a cannabis dispensary; however, plans have not been finalized, and we will be working with our City Attorney and staff as we proceed. The legislation was poorly written, other cities have incurred problems. During the Summer LMC Conference, he attended a session on Cannabis Legislation and the response to many questions was, I don't know, will have to get back with you, as the legislation is very vague. He then thanked City Administrator Busse for her leadership and congratulations on her pending retirement which begins tomorrow.

Council Member Burbank said he would echo Council Member Voss; it has been a pleasure to know and work with City Administrator Busse. He recommended that she not say yes to anything for the next six months.

Council Member McCann also commented he enjoyed attending several Night to Unite parties, the people were very open and receptive to meet. He thanked City Administrator Busse for her leadership and guidance, and confident that new City Administrator Tuma will also do a great job.

Council Member Svenby commented that he was a member of the interview panel in 2007 when Ms. Busse was selected as the City Administrator. He had questioned what she would bring as she previously worked for Waseca, a much smaller city but she has done a lot, Owatonna is in a much better position than when she began. He thanked Ms. Busse for all that she has done for this community and the pride she has shown in her job. He also thanked her for the work culture she helped create within the city's employees.

Mayor Jessop commented he rode with Captain Sorenson and attended three parties for Night to Unite activities. He thanked City Administrator Busse for helping him to find his footing when he was elected.

Council President Raney reminded everyone the Steele County Fair begins next week and asked everyone be mindful of pedestrians and drive slower near the fairgrounds. Few City Administrators stay with a city for 10 years; the average term is only seven years. Kris has been

here for more than 18 years; her heart is her with this community and she will be missed. He then wished her a long healthy retirement.

City Administrator Busse commented that it was wonderful to hear from so many wishing her congratulations. She was grateful for the comments during a reception prior to this meeting made by Mayor Jessop, City Attorney Walbran, current Council President Raney and previous City Council President Schultz. She feels blessed to retire, someone told her that everyone doesn't get the opportunity to retire so she is very thankful and blessed for this opportunity. She is filled with gratitude to have worked with some wonderful Department Directors and staff; they all work hard for this community. The new culture that this council has started is doing some wonderful things for this city and she is sure that our new City Administrator Tuma will continue to bring this to the next level. She concluded saying she is overwhelmed with gratitude and thanks to everyone; she then added that she did not cry, and she thought she would.

Council President Raney thanked everyone for attending tonight's meeting. At 7:58 p.m., Council Member Svenby made a motion to adjourn, Council Member Burbank seconded the motion, but no members voted aye, and all members present voted nay.

Council Vice President Voss gave some parting words on behalf of the council. Congratulations Kris and wish you the best in your retirement, you have performed your duties with class poise, dignity, honesty and dedication. The City of Owatonna will always be better for it.

With no additional comments, Council Member Voss then made a motion for adjournment, Council Member Boeke seconded the motion and all members voted aye to end the meeting at 8:01 p.m.

Respectfully submitted,

Jeanette Clawson, Administrative Coordinator