

Owatonna City Council Minutes
August 19, 2025

On Tuesday, August 19, 2025, at 7:00 p.m., Council President Raney called the regular session of the Owatonna City Council to order in the Chambers of the Charles S. Crandall Center. Present were Council Members Voss, Dotson, Burbank, Boeke, McCann, Svenby and Raney; Mayor Jessop; City Attorney Walbran; Public Works Director Murphy; Community Development Director Manager Krushke; Finance Director Burns; Fire Chief Hoffman; IT Technology Director Brown, IT Specialist Enz; Police Chief Mundale; Communications Manager Sheely; Facility Manager Louks; Assistant City Administrator/Human Resources Director Thamert; City Administrator Tuma; and Administrative Coordinator Clawson.

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

Mayor Jessop

Mayor Jessop commented he has been looking forward to tonight's meeting and asked new City Administrator Tuma to join him. He administered the Oath of Office for her new position and everyone expressed their congratulations.

Public Hearing – Establish Development District #22 and Adopt Development Program for Development District #22

Community Development Manager Kruschke commented tonight's public hearing was planned to consider the establishment of a district defined as the area within city limits. Previously, Council approved a financing program to incent developers to develop single-family housing. For the program, 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. A public hearing is required to provide a loan for housing development which will establish the development district. After the public hearing, the City Council must approve a resolution to establish Development District 22 and adopt a development program. A loan agreement can then be approved for each development participating in the program. The incentive program provides financing for hard surfacing of streets, curb and gutters and sidewalks for up to 5 years. The program provides that the loan be paid back within 5 years with interest. A loan agreement must be approved for each development that plans to participate in the program.

At 7:05 p.m., Council President Raney open the public hearing for comments. With no comments heard, at 7:06 p.m., Council Member Voss made a motion to close the public hearing, Council Member Boeke seconded the motion, all members voted aye in approval.

Resolution 44-25 – Establish Development District #22 and Adopt Development Program for Development District #22

Council Member Svenby commented that the program was not included in the Council Meeting Packet so he has not had opportunity to review and would not vote to approve this resolution. Council Member Dotson commented he would approve establishment of Development District #22 during tonight's meeting but would also not vote to approve adoption of the development program without review; he suggested modification to the resolution or table the resolution. Council Member Svenby made a motion to table Resolution 44-25, Council Member Dotson seconded the motion, all members voted aye in 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 – August 6, 2025

Minutes - Human Rights Commission Meeting - July 8, 2025

Minutes - EDA Meeting - July 16, 2025

Minutes - Park Board Meeting - August 4, 2025

Police Department Crime Clock and Statistics - July 2025

Fire Department Monthly Dashboard and Activity Report - July 2025

Weed/Nuisance Inspection Report - August 12, 2025

Event Permit - OHS Homecoming Parade - September 19, 2025

Certificate of Substantial Completion - West Lake Meadows Public Improvements

A Certificate of Substantial Completion for the Public Improvements (18th St NW) completed as part of the West Lake Meadows Apartment Complex Project located on 24th Avenue NW included in the development agreement approved by Council on June 6, 2022. These improvements included construction of public street, 18th Street NW, including sanitary sewer main, watermain, sidewalk, storm water treatment, and traffic signage. The date for substantial completion of the project was July 1, 2025, and it shall mark the start of the three-year warranty period. All applicable warranties shall be in place as required by the agreement and warranty bond shall be provided to the City for our records.

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

Finance Report

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

\$ 53,592.14 AvFuel Corp - Airport fuel for resale

24,267.12 Central Farm Service - fleet fuel

26,242.86 Clifton Larson Allen LLP
- 2025 Audit - HRA installment #4 - \$525.00
- 2025 Audit - City installment #4 & 5 - \$25,717.86
199,349.92 Crane Creek Asphalt - asphalt
39,387.42 John Deer Financial
- 2024 John Deere FC20R Flex Wing Rotary Cutter - \$38,440.00 - Airport
- Window and seal - \$947.42 - Airport
202,908.29 Near North Title Group
- Purchase 502 Maple Drive - \$167,908.29
- Earnest money 1301 Oak S - \$35,000.00
31,094.61 Owatonna Area Chamber of Commerce - Lodging Tax May
65,500.00 Road Machinery & Supplies - 2024 Bomag Roller - Streets
21,440.98 Steele County Auditor
- Final 2025 LEC expenditures - \$11,817.56
- Annual election equipment maintenance - \$9,623.42
444,382.89 Ulland Brothers Inc - 23002 18th Street SE Trail - pay est #2
838,336.95 Wencil Construction Inc
- 23005 Vine Street lot - pay est #4 - \$121,994.25
- 25001 Street & Utility - pay est #3 - \$716,342.70
271,256.40 Other Expenditures
\$2,217,759.58 Total Expenditures presented for approval

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

Resolution 45-25 Final Plat – Mineral Springs Estates Addition

& Resolution 46-25 Land Development Agreement, Loan Agreement and Mortgage - Mineral Springs Estates Addition - Mineral Springs Estates, LLC

Community Development Manager Kruschke commented that Steven Wheeler, CEO of Mineral Springs Estates, LLC planned to attend tonight's meeting, but severe storms cancelled his flight plans. He requested action on this resolution be tabled to the next City Council Meeting on September 2, 2025. Council Member Voss made a motion to table action on these resolutions as requested, Council Member Burbank seconded the motion, and all members voted aye for approval.

Proposal - Vevle Hall Networking - Phone Station Inc.

IT Director Brown requested approval of the proposal received from Phone Station Inc for the materials and work needed to run networking wiring for future office spaces in Vevle Hall for use as Park & Rec and IT staff office space. After reviewing the building layout and existing cabling, it was determined the current cabling is old and does not meet current standards so will need to be replaced. Also, the existing cabling was segmented and would have required several networking cabinets, switches, UPS, and other equipment that would have required

additional expenses and complexity, which are unneeded for building this size. We received quotes from two different vendors; this is the lower of the two at \$23,925.00, the other was over \$40,000. Council Member Boeke made a motion for approval, Council Member McCann seconded the motion, and all members voted aye in approval.

STAFF REPORT

Fire Chief Ed Hoffman confirmed the city declared a State of Emergency following the windstorm on July 28, 2025. Staff have been working to clear storm debris, the former Cemstone plant on North Street has been a collection site for staff and contractor use. Today, he met with Steele County Emergency Manager Kristen Sailer to prepare the report requesting state funding towards expenses incurred. Steele County must incur at least \$80,000 in damages to file request for state reimbursement; Steele County submitted a report showing a total of \$920,000.00 damages incurred to date and of that amount, \$736,050 was from the City of Owatonna. Governor Walz's approval is required to receive 75% reimbursement of these costs.

Jeff Louks, Facility Manager gave a brief slide presentation to display facility projects this year: LED lighting and circulating fans at the Mechanics Shop; overhead doors replaced (6 at the Street Shop, 3 at the Mechanics Shop and 1 at the Airport); infrared tube heaters at the Park Shop and Mechanics Shop (this is a 2-year project); evaluation of the Library's roof and chimney; new generator at City Hall (bid has been awarded); City Hall tuckpointing (third year project, will be 85% completed); remodel Merrill Hall (Wee Pals required a second exit for classrooms, opening cut and door built); Library Roof repair following windstorm; plumbing - repair a 12" main under concrete at River Springs Waterpark; maintain the Central Park fountain; maintenance of water fountains and restrooms within the city's parks; built and installed cabinets in the Conference Room at the WWTP; crack seal the Library parking lot; and assist with debris removal following recent storm.

City Administrator Tuma commented that staff built the new door installed at Merrill Hall using raw wood, it is a handcrafted solid wood door. Council Member Boeke added that the Facilities Team does excellent work.

PUBLIC COMMENTS

Annette Duncan, President United Way of Steele County, 245 18th St SE, Suite 1 extended invitation for city leaders to the System Design Clinic planned on September 10th. This event will be in the Morehouse Room at OPU from 9:00 am - 4:00 pm. The National Alliance to End Homelessness, in partnership with Spero and United Way of Steele County through a MN Capacity Building Grant is working to identify how our community can best utilize the assets we have within each organization that supports housing and what gaps may exist that should be considered. All housing sector providers and their leadership have also been invited to attend a Systems Design Clinic on the 9th.

Melissa Zimmerman, 2525 Stony Creek Drive congratulated new City Administrator Tuma on her new position and then commented that during a recent conversation with an Elected Official, they discussed the concept of the City's Consent Agenda. It appears these items are given approval by rubber stamp with no discussion during the City Council Meeting but discussed at other meetings. Also, the City's Transportation Commission has not posted agendas or minutes, and the discussions and potential decision made during these meetings will affect residents. An elected official's e-mail is not public data but when an elected official forwards an e-mail, it becomes public data. The East Side Residents have filed Data Requests for e-mails regarding the East Side Corridor Project and were advised e-mails from former elected officials are missing. The MN Data Statute requires transparency of all public data, and all decisions should be made publicly.

MAYOR AND COUNCIL COMMENTS:

Council Vice President Voss thanked the Fire and Police officers attending tonight's meeting and for their work. He also asked residents with storm grates along curbs near their homes to assist with clearing storm debris from the grates to help prevent blockages.

Council Member Burbank commented he is looking forward to the cooler weather coming soon to replace the recent hot humidity.

Council Member Boeke commented that the City Council appreciates all the things staff do to keep the city running smoothly.

Council Member McCann congratulated new City Administrator Tuma on her position and thanked staff for their work.

Council Member Svenby thanked staff on their efficiency of picking up the recent storm debris.

Mayor Jessop commented he echoes the comments regarding work done by staff members. He has been looking forward to this meeting with the honor and pleasure of administering the Oath of Office to new City Administrator Tuma.

City Administrator Tuma commented she is thankful for the opportunity to serve in her new role as the City Administrator. We have spent several months working through the transition of office and looking forward to her new role and thanking staff members present during tonight's meeting as she took her Oath of Office. Staff have been out working to remove the recent storm debris, we also want to thank staff working behind the scenes which have made this an efficient process so thank you to our Internal Services Team, Communications Manager, IT, and GIS staff members.

Council President Raney thanked everyone for attending. This will be a team effort for transition to new leadership. Thank you everyone for your patience and support during this process, we will build a better together for a lot of great things ahead for this community.

At 7:37 p.m., Council Member Boeke made a motion for adjournment, Council Member Dotson seconded the motion, and all members voted aye approval.

Respectfully submitted, Jeanette Clawson, Administrative Coordinator