Owatonna City Council Minutes

June 17, 2025

On Tuesday, June 17, 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 McCann, Dotson, Svenby, Voss, Burbank, Boeke and Raney; Mayor Jessop; City Attorney Walbran; Community Development Klecker; Finance Director Burns; Fire Chief Hoffman; Library Director Blando; Facilities Manager Louks; IT Technology Specialist Sticken; Communications Manager Sheely; Assistant City Administrator Tuma; City Administrator Busse, Administrative Coordinators Notch and Administrative Coordinator Clawson.

Following roll call, Council President Raney requested a Moment of Silence to reflect on the tragedy this last weekend, the murder of House Speaker Melissa Hortman and her husband Mark as well as the attempted murder of Senator John Hoffman and his wife Yvette. As elected officials, the decisions we make may not be supported or fully understood by some constituents; these incidents have raised concerns about political violence and safety among lawmakers. While public service can be challenging, it should never be dangerous. I also want to recognize the importance of first responders. Let's not ever lose sight of the risks all of our first responders take as part of their pledge to protect others. We also express our thanks to the many people involved in the apprehension of the fugitive.

Council Member Svenby made a motion to approve the Meeting Agenda as presented, Council Member Dotson seconded the motion, and all members voted aye in approval.

House Representative Tom Sexton agreed it was a tragic weekend. There will be a candlelight vigil at the State Capital tomorrow with expectations that thousands will be attending. He commented that he is always available to meet and answer questions. A group from Owatonna came to the capital for the presentation of funds but no municipality received direct funds during this session. Legislators were fighting for LGA Funding for smaller communities and counties. They did not want to pass additional debt to county health programs and funded programs, so no county tax dollars required. They are working to prepare next year's budget with tax dollars to keep up with inflation and not anticipating any new taxes.

Council Member Boeke thanked Representative Sexton for everything he has for Owatonna. Council President Raney agreed with Council Members Boeke's comments and added that we are also very fortunate for assistance from Senator Jasinsiki.

Consent Agenda Items

Council President Raney explained council members review Consent Agenda items prior to the meeting for approval in one motion. Consent Agenda items for this meeting include:

Minutes - City Council Meeting - June 3, 2025
Minutes - Park Board Meeting - June 2, 2025
Building Inspections Monthly Report - May 2025
Fire - Monthly Dashboard and Activity Report - May 2025
Weed/Nuisance Inspection Report - June 11, 2025
Event Permit - Sip & Shop at Grapeful Wine Bar with Harvest by Jane - July 19, 2025
Event Permit - Movie at River Springs Water Park with Exception to City's Noise Ordinance - July 19, 2025
Event Permit - Owatonna Area Chamber of Commerce After Hours - July 22, 2025
Event Permit - Hunter A Frank Memorial Event - September 12, 2025
Retail Fireworks License - Walmart Tent
Renew Annual Liquor Licenses
Renew Annual Charitable Gambling Licenses
American Legion Post #77
Eagles Aerie# 1791 - Owatonna Elks Lodge #1395
Owatonna Knights of Columbus Council
VFW Post 3723
Owatonna Wrestling Association (5 locations) - Just One More, Reggie's Brewhouse, Inside Swing, El Tequila Mexican Restaurant and Train Station Bar & Grill LLC
Owatonna Youth Hockey Association (5 locations) - Wing's Tavern & Grille, Sparetime Entertainment, Timber Lodge Steak House, Mineral Springs Brewery, and Buffalo Wild Wings
Steele County Snowmobile Trail Association - The Dog Pound
Utility Disconnection Agreement - 512 E Main Street Minutes
Agreements delaying the disconnection of water and sewer services from the

mains due to the demolition of the dwelling located at 512 Main Street E. The property owner, Myrtle Schrader, has no intention of rebuilding in the near future. There is no budget impact to the city other than staff time. All future responsibilities are the property owners, and the agreement lays out the process. The applicant is responsible for the $46 recording fee.

T-Hangar Lease Agreement, Sean Walker, Apple Valley, MN 2-year lease for Unit F, Building 1 at $185.00/month.

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:

$ 25,789.34	Cargill Inc - road salt
51,817.00	General Traffic Controls Inc - knockdown 18th St & S Cedar
28,543.00	Legence Subsidiary Holdings LLC
	- Professional service fee - Public Safety Center - May - $14,065.00
	- Professional service fee - River Springs Water Park - interior pool surface - May - $10,333.00
	- Professional service fee - Community Center - $4,145.00
102,729.11	Nero Engineering - WWTF upgrade & expansion project - May 2025
40,000.00	Owatonna Area Chamber of Commerce
	- 1st half Main St contract - $25,000.00
	- 1st half Econ Development Svces - $15,000.00
38,721.36	Owatonna Motor Company
	- Ford F350 Ut 25286, CIP ST-14-002 - $38,053.31
	- Misc parts - $668.05
767,043.48	Rice Lake Construction Group - WWTP Expansion - pay est #36
210,705.19	Other Expenditures
$1,265,348.48	Total Expenditures Presented for Approval

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

First Reading Proposed Ordinance 25-08. Amend Chapter 93 – Health & Sanitation Nuisances - Permits for Use of Designated Park Areas

City Attorney Walbran presented Proposed Ordinance 25-08, this proposed ordinance follows two amendments made to our noise ordinances in February. §93.209 entitled "Noise in Public Parks" and Ordinance §95.030 adopting MPCA noise standards as required by statute. The Park and Recreation Department is in charge of the management and operation of all City public parks and recreation facilities. It issues Park Permits for smaller events that do not use public sidewalks, streets, etc., and do not have food vendors. People who wish to hold larger events requiring use of public rights-of-way, barricades, food vendors, etc. will request an Event Permit issued by the City Council.

A City cannot grant exclusive use of a park, but it may issue a permit for the rights to use designated areas such as a pavilion or green space for their event. Council discussed this during the study session prior to the last Council Meeting on June 3, 2025. Council Member McCann made a motion for approval, Council Member Burbank seconded the motion; with a roll call vote, voting aye were Council Members McCann, Svenby, Voss, Dotson, Burbank, Boeke, and Raney; with no nay votes, the motion carried. The second/final reading for this proposed ordinance will be held during the next City Council Meeting on July 1, 2025.

Resolution 31-25 - Authorize Property Purchase and Other Assistance for Affordable Housing

Community Development Director Klecker requested approval of Resolution 31-25 authorizing property purchase and other assistance for affordable housing for Eastgate 2. Five years ago, the city worked with LWO Properties to apply for and receive tax credits for a 36-unit working housing project, Eastgate Apartments on Cherry Street. The city has been working with the same developer on a second project, Eastgate 2, which will be located next to their first project.

Together, we applied for tax credits for their second project for the last two years but were unsuccessful. This year, we will apply for tax credits for a 37-unit workforce housing project. The unsuccessful applications were for a senior housing project and last year, no new construction senior housing projects were awarded tax credits. We feel we will be more successful with a workforce housing project like Eastgate 1.

The proposed city incentives for this project are the same as they were last year. City incentives are needed to make our application competitive for these tax credits.

Like last year's application, the City would convey the property for $1. The city would also pledge the City's affordable housing aid from 2023 and 2024 towards this project, which amounts to $266,000 and will look to utilize tax increment financing to assist with this project.

The land was purchased for the purpose of redeveloping the property for housing. The TIF used for Eastgate 1 reimburses the city for the land. The affordable housing aid is funds from the state for creating more affordable housing, which this project does. Tax Increment Financing for this project, which is estimated at $251,500.00, would assist the developer with development costs related to the site; none of this assistance will affect the city's Operating Budget. Council Member Voss made a motion for approval, Council Member Svenby seconded the motion; all members voted aye for approval.

Resolution 32-25 Intent to Reimburse Expenditures from Proceeds of Bonds

Finance Director Burns presented Resolution 32-25, approving reimbursement of expenditures from future bond proceeds. When the City uses its funds to cover the upfront costs of a project to later reimburse those costs from future tax-exempt bond proceeds, the IRS requires a formal declaration of this intent. A Reimbursement Resolution fulfills this requirement by documenting the city's plan to reimburse itself for eligible expenses once long-term financing is secured. Adopting this Reimbursement Resolution protects the city's ability to recover early project costs and provides flexibility in managing cash flow for capital projects.

Although the Public Safety Center Project is still in the proposed stage, some resources are already being allocated for the scope and design work. If the project progresses, these expenses will be eligible for reimbursement. Council Member Boeke made a motion for approval; Council Member Voss seconded the motion; all members voted aye for approval.

Purchase Property - 1301 South Oak Avenue

Community Development Director Klecker requested approval to purchase property at 1301 South Oak Avenue. In 2012, the city began a project along South Oak Avenue to redevelop the old Hardee's restaurant and Budget Mart gas station. As part of that redevelopment project, the City realigned Barney Street to intersect Oak Avenue at a right angle. That realignment was the first phase of bringing Barney Street to Park

Street. Staff have talked to the owners of property needed to complete that second phase about acquiring property when they are ready. The property owner of 1301 South Oak Avenue contacted staff about a desire to sell the property towards the end of the year.

Staff now have a signed purchase agreement to purchase this property contingent on City Council approval. Staff are also talking to two adjacent property owners about redeveloping this area and possibly bringing Barney Street through to Park Street. The purchase agreement has the closing happening on or before December 1st of this year. The purchase price is $358,900, which is the assessed value of the property, for an office building and garage on 2 separate parcels. The funds would come from the City's Capital Projects Fund. Council Member Burbank made a motion for approval; Council Member Voss seconded the motion; all members voted aye for approval.

Accept bids to Replace Infrared Unit Heaters at the Mechanic's Shop and Park and Rec Shop

Facilities Director Louks requested Council accept the bid from Faribo Air Conditioning and Heating for the replacement of nine Infrared Unit Heaters. The unit heaters are past their useful life with at least one currently not working. Parts are no longer available for repairs. Two bids were received: Central Heating and Refrigeration-$39,795 and Faribo Air Conditioning and Heating-$34,950. The bid is within the approved amount for this CIP project: GB-25-007 of $35,000. Council Member McCann made a motion for approval; Council Member Svenby seconded the motion; all members voted aye for approval.

City Hall Emergency Generator - Coles Electric

Facility Manager Louks requested Council accept the bid from Coles Electric for the replacement of the emergency generator at City Hall. The City Hall backup generator was installed in 2004 and provides backup power to the critical infrastructure of City Hall and the Art Center. With the addition of the Crandall Center, future expansion of the 3rd floor and the age of the generator, this project is a 2024 scheduled Capital Improvement Project.

ICS scoped the project to determine the coverage needed for the additional space and any service gaps. Four bids were received: Apadana LLC - $189,677, Coles Electric - $94,900, Design Electric - $115,377amd Four Seasons Electric- $106,588. The project is

within the Capital Improvement Project funds, including the ICS scoping work completed this past winter. The low bid is within the approved GB-23-008 CIP project amount of $125,000.

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

Tobacco Permit and Off-Sale 3.2% Malt Liquor License – Fast Lane LLC, 590 State Avenue

City Administrator Busse requested approval of applications received for a Tobacco Permit and an Off-Sale 3.2% Malt Liquor License received for Fast Lane LLC. The applications were received from Dpesh Gautam of West Burlington, IA. Fast Lane LLC is preparing to begin operations at the property located at 590 State Avenue, currently a Cassey's Convenience/Gas Station. They hope to be open within the next few days/weeks and preparing for product deliveries. Request the Tobacco License become effective upon approval, and the Liquor Permit will be effective on July 1st, the beginning of the annual liquor license period.

A Background Verification was completed and Chief Mundale has no objection to the issuance of this permit and license. Council Member Dotson made a motion for approval, Council Member McCann seconded the motion, all members voted aye and the motion was approved.

STAFF REPORT

Library Director Blando commented this year is the library's 125th Anniversary. They will offer various celebration events all year, everyone can follow program information on the city's website. Summer programs will include a library seed exchange and an Adult Reading Program. The Summer Kickoff began a few weeks ago when kids picked up their reading logs. They earn credit for books read which can be used to win a free book. He thanked the schools for encouraging participation in the summer reading programs. A board game day and Nintendo Switch Day are being planned. The library's annual book sale will be in the Gainey Room during Gem Days, August 7th-9th. The Gainey Room is an asset in the community and often used. Some new IT equipment was purchased some new equipment for the Gainey Room: projector, screen and a sleek modern podium. The library roof needs some attention and anticipates there will be more damage, the elevator shaft has caused some leakage.

Council Member Voss commented he that he is taking his grandson to see the ventriloquist tomorrow morning at 10:00 a.m. Council President Raney commented that he saw some pictures of last week's animal safari at the library.

PUBLIC COMMENTS

Colin Whalen, 2435 Briarwood Pl NE commented a recent accident on W Bridge Street supports his safety concern about the proposed east side corridor project use of 29th Street. The county's definition of a safe road is not really about safety of the property owners. During the accident on Bridge Street, a vehicle was pushed onto the front steps of a home, the home is 25' from the roadway and the speed limit on Bridge Street is 30 miles per hour (MPH). The proposed east side corridor will be 17' from homes and traffic traveling up to 50 mph. I don't want to think what could happen if a similar accident were to happen if the proposed plan is used; ask you to think about this accident when considering the East Side Corridor Project.

Matt Sennott, 2519 Sunny Creek Drive commented that the proposed east side corridor is a proposed $30 million project that recently received attention of KALL from Rochester. They interviewed the County Engineer in which he expressed concern about truck traffic connecting Shady Avenue and Crestview. We have submitted a Data Request but received response that there were no documents available for our request and the application was closed. All we have is staff recollection of numerous phone calls over the years and comments made during public meetings on the proposed East Side Corridor Project. We need more data on this, this is a proposed $30 million project. They plan to set the speed limit at 50 mph just 17' from homes. That is crazy, we need your support on this.

Melissa Zimmerman, 2525 Stony Creek Drive commented that during the last council meeting, Council President referenced the television clip about the East Corridor Project and implied that police input might be necessary. That was sending a wrong message, speaking to the news is not a crime. The city is creating an environment asking people to be quiet, we spoke up, we live here, silence is more dangerous. The accident on Bridge Street involved a car hitting a home, it takes 300' to stop a car traveling 50 mph. Matt spoke about citing statements about misinformation we deserve, we deserve current unbiased comments. The public is watching, it is not too late for you to do the right thing.

Bonnie Johnson, 2145 La Casa Lane reminded everyone of the amateur ham radio operation field test planned for this weekend at McKinley School. Owatonna Steele County Amateur Radio Club will demonstrate what amateur radio operators can do when an emergency arises, their club holds a federal license. In 2022, 5,000 clubs participated in the nationwide field day event, this operating event is not a competition. During the event, emergency scenarios occur and clubs demonstrate how they can assist local officials. The event is open to the public, and we want to invite all of you to stop by, our club receives credit for visitors, especially public officials.

Gary Jones, 995 Ridge Road commented that since he began researching deer management programs, he feels like he is looking in from outside. He has MS and will not be out in the woods hunting. Park & Rec is taking charge of the efficiency testing, but tests are done standing on the ground. During the hunt, they cannot stand on the ground, they are 17+ feet in the tree stands. Testing conditions should match the conditions when they are hunting. They might well on the efficiency testing but will they in varying conditions? Testing should be done in dark and cold conditions after they have stood in freezing weather for four hours. Help save lives and move deer hunting out of Mineral Springs or at least change the hunting times to not allow hunting in the dark at Mineral Springs.

Brandon Flores, 1749 SW 48th commented that he represents the Hunter A Flores Foundation. They have an event planned for Sept 13th at the fairgrounds, in memory of his younger brother who was killed while serving in the navy. This is the 5th year this event will be at the fairgrounds. Last year, their foundation donated $40,000 between the Ride for Hope and Operations HEROS; both serve veterans of Steele County. He thanked everyone for their support in previous years and hopes to see many at this year's event in September.

MAYOR AND COUNCIL COMMENTS:

Council Member Voss commented that this morning he took his 5-year-old grandson to watch demolition of the former Aires Hotel on Bixby Road. He really enjoyed watching this and I am looking forward to seeing the development of this area.

Council Member Burbank agreed with Council Member Voss's statement and added it is interesting to watch demolition of old buildings.

Mayor Jessop commented that he spent the day in Alexander for the largest high school trap shooting contest in the country. The Minnesota tournament had 12,000 participants, with nine classes, each class is assigned a separate day for competition and Owatonna was in the largest class. Thank you to Coach Mike Kingland, 26 volunteer coaches, and more than 90 kids involved with this year's Owatonna's team. More than 50 students participated in the tournament today. Congratulations to Coach Kingland, coaches and kids for a great season!

Council President Raney welcomed Administrative Coordinator Notch who was assisting during tonight's meeting. During the last meeting, I made a comment about personal items on public property which the television's video clips confirm. This property should be treated like a park and not as a storage space for personal items. The video memorializes that there are personal items on the city's right-of-way. It has been a good meeting, good night.

At 7:53 p.m., Council Member Dotson made a motion to adjourn, Council Member Boeke seconded the motion and with no objection, the meeting ended.

Respectfully submitted, Jeanette Clawson, Administrative Coordinator