Owatonna City Council Minutes
June 3, 2025

On Tuesday, June 3, 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; Public Works Director Murphy; Finance Director Burns; Fire Chief Hoffman; Park Director Dieckmann; IT Technology Specialist Enz; Communications Manager Sheely; Assistant City Administrator Tuma; City Administrator Busse, and Administrative Coordinator Clawson.

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

Letter of Resignation - Park Board Member Eileen Wohlenhaus

Mayor Jessop advised the Council a Letter of Resignation was received from current Park & Rec Board Member Eileen Wohlenhaus. Council Member Svenby made a motion accepting this resignation, Council Member Dotson seconded the motion, all members voted aye in approval.

Proclamation -Juneteenth

Mayor Jessop commented that June 19th is the Juneteenth Holiday. The Alliance for Greater Equity will host a Juneteenth Event on Saturday, June 22nd in the Beer Garden at the Steele County Fairgrounds from 1-4 pm. He encouraged all residents to take cognizance of this occasion by learning more about its origins, reflecting on how they can promote equity and honoring the resiliency, achievements, and legacy of our Black community.

Amended OPU Irrigation Restriction Policy

Christian Fenstermacher, Director, Engineering & Field Operations at OPU presented the Water Conservation & Emergency Restriction Policy. Reasons for updating the policy include spreading out irrigation to reduce demand; the previous penalty system was impractical; the need to tie levels of action to the DNR drought response phases; stress the shared responsibility for natural resources and move from a punitive approach to a collaborative/incentive-driven approach. This matters because conserving water is in the best interest of the public; the DNR will evaluate if we are addressing high water use when we seek well permits; high demand stresses the system; and it is important to put measures in place before any issues occur.

Key pieces of the revised policy include avoiding irrigation between the hours of 9:00 a.m. and 6:00 p.m. with no irrigation on Mondays. Water during the week will be based on a customer's address. Customers with addresses ending in an odd number can water on Tuesday, Thursday, Saturday. Customers with addresses ending in an even number can water on Wednesday, Friday, Sunday. Penalties have been removed from the policy; OPU's response levels have been tied to the DNR's Drought Phase triggers; and OPU will put a large emphasis on customer education, community engagement and incentives.

The agreement and additional information are available on the OPU website: Owatonnautilities.com. This amended policy was approved by the OPU Commission to be effective April 1, 2025.

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 20, 2025
Minutes - City Council Meeting - May 23, 2025
Minutes - OPU Commission Meeting - March 25, 2025
Minutes - OPU Commission Meeting - April 22, 2025
Minutes - Planning Commission Meeting - May 13, 2025
Minutes - Airport Commission Meeting - May 15, 2025
Minutes - EDA Meeting - May 21, 2025
Minutes - Planning Commission Meeting - May 27, 2025
Weed/Nuisance Inspection Report - May 28, 2025
Event Permit - Farmer's Markets on Third Thursdays - June-October 2025
Event Permit - Downtown Thursday Model T-Style - July 24, 2025
Event Permit - Orphanage Museum Fall Celebration - September 13, 2025
Exempt Permit - Steele County Purple Ribbon Club - August 17, 2025
Ice Cream Vendor Permit - Sunny's Ice Cream, Austin MN
Change Order No 1 - 18th Street Trail Extension – MN Department of Transportation
With a modification in traffic control plans, there was a negotiated cost increase on the lump sum line-item price. The contract cost will increase by $2,750 for a total contract price of $914,046.47.
T-Hangar Lease Agreement - William Lieske, Lonsdale MN
A two-year lease agreement for Building 2, Unit H. The rental fee provided for in the agreement is $185.00/month; a total of $2,220.00/year of rental revenue.
Athletic Trainer(s) Strength Coach Service Agreement - Olmsted Medical Center
Services agreement with Olmsted Medical Center to perform athletic training and strength coaching services for the fire department employees. The cost of the program is $3,000 for 12 months. OMC will bill the fire department monthly based on usage up to the total amount of the agreement. There is also a $10/yr cost for an app for each participant to access online exercises. This fee will be paid by each individual participating in the program.
Customized Training Income Contract - Riverland Community College
As part of the fire department's ongoing training, we are planning on bringing in an outside instructor to instruct an Advanced Pumps class for the full-time firefighters. Running the pumps on the fire engines is one of the primary responsibilities of the FT staff. Bringing in an outside instructor allows us to learn new and advanced techniques to better perform our jobs. The cost of this class is $700, the training will occur on our scheduled full-time training day in June.

Council Member Burbank made a motion to approve these Consent Agenda items; Council Member Boeke 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:

$ 27,621.49	AvFuel Corp - Airport fuel for resale
228,305.08	Hydro-Klean - 2025 CIPPS projects - pay est #2
383,211.00	League of MN Cities Ins Trust - renewal property & liability insurance
50,338.90	Short Elliot Hendrickson
	- St SE reconstruction services - April 2025 - $47,389.32
	- Miscellaneous on-call traffic services - $2,949.58
153,536.84	Southeast Service Cooperative - May 2025 health ins premiums
220,698.80	Wencl Construction
	- 25001 Street & Utility - pay est #1 - $217,544.30
	- 18th Street Pond outlet - $3,154.50
244,673.00	Other Expenditures
$1,308,385.11	Subtotal
105,490.00	HRA Housing Assistance Payment
$ 1,413,875.11	Total Expenditures Presented for approval

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

Resolution 30-25: Safe Streets for All Funding

Public Works Director Murphy requested approval of Resolution 30-25 supporting the submission of the Safe Streets and Roads for All Comprehensive Safety Action Plan Grant Application and, if awarded, authorizing the use of funds to proceed with the plan creation.

The U.S. Department of Transportation will award funding for the development of a Comprehensive Safety Action Plan through the Safe Streets and Roads for All discretionary grant program. The Bipartisan Infrastructure Law (BIL) established the Safe Streets and Roads for All (SS4A) discretionary program with $5 billion in appropriated funds over five years from 2022-2026 with approximately $2 billion still available for future funding rounds. The SS4A program supports the U.S. Department of Transportation's National Roadway Safety Strategy and funds regional, local, and tribal initiatives through grants to prevent roadway deaths and serious injuries, and crashes in the city of Owatonna resulting in serious injuries and loss of life continue to be a major concern, particularly for vulnerable road users such as children who walk or bike to school.

A Comprehensive Safety Action Plan will set an eventual goal of zero roadway deaths and serious injuries on our region's roadways and create healthy, safe, equitable mobility for all, and will identify a high-injury network and provide high-impact strategies that can be implemented to improve safety across a wide geographic region, with a focus on safety

for all users, including vulnerable users. A Comprehensive Safety Action Plan will allow for the City to center efforts around the people most impacted by traffic crashes and, upon plan adoption, would make the City eligible to apply for Implementation Grant funds through the Safe Streets and Roads for All discretionary grant program, and the City of Owatonna is applying as a Co-Applicant to Steele County's SS4A application which will result in a more collaborative, efficient, and consistent planning process while still assessing the needs of both the County and City's concerns.

The grant application will request $312,500 to develop a Comprehensive Safety Action Plan for both Steele County and the City of Owatonna. If grant funds are awarded, a 20% local match ($62,500) is required. This will be split evenly between Steele County and Owatonna, with the city share being $31,250. The County is also covering consultant costs for preparing the application.

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

Proposal Construction Testing Services - 18th Street Trail - American Engineering Testing

Public Works Director Murphy requested approval of American Engineering Testing's Proposal for Material Testing for the 18th Street Trail Project. The 18th Street Trail Project consists of a new Bituminous Trail, Concrete Driveways, Curb and Gutter, Concrete Sidewalk, and Pedestrian Facilities. The project will require material testing per specifications, State Aid, and FHWA requirements. AET will provide MnDOT certified technicians to perform this material testing. The proposed amount is $20,806.75 which is based upon an estimate of required tests for the project. Depending on how the Contractor prosecutes the work, number of trips and tests could vary from the estimate. Costs will be paid for using state aid funds. Council Member Voss made a motion for approval, Council Member Svenby seconded the motion; all members voted aye for approval.

Professional Service Agreement – Annual Tax Increment District Reporting – Ehlers

Finance Director Burns presented an agreement with Ehlers for professional services. Cities with development authorities must submit annual financial reports for each Tax Increment Financing (TIF) district to the Office of the State Auditor (OSA). This requirement starts in the year a TIF district is certified and continues annually until the district is decertified and all tax increment revenues have been expended. The city currently has 26 districts to report by August 1st each year. Ehlers, our public finance advisors can provide these reports, the cost of the Tax Increment District reports is an eligible administrative expense and will be paid using funds from the TIF District. The TIF reporting is billed at $395 per hour based on actual hours worked. The estimated cost per district is $2,765 for the first year (including one-time setup) and $1,580 for each following year. Optional disclosure and publication items add an estimated one hour annually. Council Member Svenby made a motion for approval, Council Member Burbank seconded the motion; all members voted aye for approval.

Professional Service Agreement - Investment Advisory – Ehlers

Finance Director Burns requested approval of an agreement appointing Ehlers as the city's Investment Advisor. The city currently works with three firms for its investments and consolidating to a single firm that actively shops the marketplace on behalf of the City will enhance efficiency and provide a comprehensive approach with improved market access. Ehlers Investments will operate as an extension of City staff, offering holistic investment advisory and portfolio management services. They will leverage their portfolio management expertise and market access to enhance the City's investment program through various market and business cycles. In addition to their active portfolio management, Ehlers can assist the City with various investment-related services, including cash flow forecasting, updating investment policies, and providing investment training and education. We believe that utilizing Ehlers for the City's investments will improve long-term investment performance and allow staff to focus more on the daily aspects of finance functions.

The fees for this service are based solely on assets under management, and the city would be billed monthly in arrears. The cost could be debited directly from the City's custodial account if preferred. The annual fee structure for investment advisory services is as follows:

Assets Under Management	Annualized Fee
First $25 Million	0.15%
Next $25 Million	0.12%
Next $50 million	0.10%
Over $100 Million	0.08%

Council Member McCann asked if the fees would be less than those currently paid to three firms for this service. Burns responded the fees would be similar and this will allow staff easier reconciliations and tracking. Council Member Dotson made a motion for approval; Council Member Voss seconded the motion; all members voted aye for approval.

Cooperative Agreement CR 180 (School Street) at CPKC Railroad Crossing Improvements - Steele County

Public Works Director Murphy requested approval of the CR 180 (School Street) at CPKC Railroad Crossing Improvements Cooperative Agreement with Steele County. The CPKC railroad crossing of CR 180 (School Street) has been programmed for crossing improvements including crossing gates and signals under a federally funded rail crossing improvement program. The roadway crossing approaches are deteriorating and need reconstruction and a multi-use trail extension will be constructed to accommodate pedestrian and other non-motorized vehicles.

CR 180 (School Street) is under the jurisdiction of the County of Steele, for purposes of maintenance and improvements, and the County and the City will share the costs of the improvements that are not funded by the federal grants. The Framework for Construction project cost sharing on County Routes within City Limits was adopted in 2017 and outlines

each party's cost participation for projects such as this. Based upon this agreement, the County will:

- Prepare plans and specifications with an estimate of cost for crossing improvement project; Manage the bidding process according to state statute;
- Provide surveying and construction inspection, observation and administrative engineering services;
- Obtain all permits and approvals required from other governmental agencies; and
- Address public concerns with the project.

The County will be responsible for costs it incurs in performing its obligations under this Agreement. The County agrees to do all things necessary for the work of said project except as set forth in the attached agreement. The City will assist the County in addressing the concerns of the public relating to the County intersection improvement project and be responsible for all costs it incurs in performing its obligations under this Agreement.

Project planning and development, railroad, construction, and construction observation costs for the city are estimated to be $85,851.84, which is 25% of the total estimated project costs. Upon completion and final acceptance of the project, an invoice detailing the final project costs will be sent to the City of Owatonna and will be paid to reimburse Steele County. Council Member Boeke made a motion for approval; Council Member Burbank seconded the motion; all members voted aye for approval.

STAFF REPORT

Fire Chief Hoffman commented that staff have been busy, we have handled about 10% more calls this year in comparison to the amount at this time last year. He has been working with Human Resources, interviews were just completed to fill a full-time firefighter position with several good applicants. Interviews are also underway to fill the Assistant Fire Chief position. Several Paid-on-Call firefighters just completed training and received their state certification, and we plan to add more within the next few months. After the spring rains we have growing grass and weeds, the Weed Inspector is out to follow up on compliance complaints. Staff have been doing rental property inspections, we are working to become more efficient during this process so reinspections are not needed. Our Commercial Inspection process is also under review. Training is a priority, monthly we hold small squad training and full-time staff do weekly training sessions. We are reviewing the onboarding process for development of our new staff members. Downtown Thursdays begin this week, staff will be out to meet people in front of the Fire Station. Next week, Thursday and Friday is the Annual Safety Camp at Lake Kohlmier, Kaplan Woods and the fairgrounds. If planning fireworks for the 4th of July, use legal fireworks for a safe holiday. Safety tips include keep fireworks away from animals, trees & houses; have water available; and not near trash or children.

Council Member Boeke thanked Chief Hoffman for the rental inspection process. Last year, two rental properties were identified which needed improvements and repairs were done to provide a safe structure for the occupants.

Finance Director Burns presented the 2025 First Quarter Finance Report. As of March 31st, there is approximately 78% revenue and expenditure items available in the budget. A debt service payment was made at the end of March, the next payment is due on August 1st. Staff are working to wrap up the 2024 audit, we should have a report to share within the next few weeks.

PUBLIC COMMENTS

Matt Sennott, 2519 Sunny Creek Drive commented on the East Side Corridor Project which will impact approximately 150 homes. When the project was first considered in the 1990's, the closest home was 1200 feet from the proposed route. In the early 2000's, the plan was abandoned, and the city and county were advised not to build in the right-of-way. Beginning in 2004 homes were built on the right-of-way and now there are 150 homes. The current project plan is proposing a county highway 17' from a house. We elected you to serve and you all have a high level of intelligence. The federal government said a noise wall would be required for the proposed route or the route should be pushed out 600-700 feet. Federal funding was removed from the project so there is no requirement for a noise wall but ethically, the project should still require a noise wall, and we are holding all of you accountable for that.

Melissa Zimmerman, 2525 Stony Creek Drive commented she will echo the concerns expressed by Mr. Sennott. We are told to trust the experts but believe assumptions and exiting road plans have been written for predetermined routes. Misrepresentation and biased decision making have occurred, data proves these are not random instances. We are your constituents doing the due diligence that we were told was already done.

Gary Jones, 995 Ridge Road commented he has concerns with hunting deer after dark in Mineral Springs Park. He asked why hunters are given efficiency tests on good days when the hunting season will occur in the winter when cold and windy. The efficiency test is also done during the day and not at night when it is dark. He requested the hunting time be changed to sunrise to sunset so it would not be in the dark and the hunters would match the scores on their efficiency tests.

MAYOR AND COUNCIL COMMENTS:

Council Member Dotson commented that school will soon be out for the summer and asked everyone to watch out for kids that will be out and about.

City Administrator Busse commented that the first 2025 Downtown Thursday event is this week. This month, the library will host the city's booth. There will be candy and prizes so I hope that many will stop by in the park.

Mayor Jessop – commented he would echo City Administrator Busse's comment and encouraged everyone to attend the Downtown Thursday event this week. There will be thousands of people experiencing the downtown area and it is fun!

Council President Raney commented he saw a recent clip on KAAL TV in Rochester regarding the proposed project on East 29th Avenue. It appears there are private items encroaching on city owned property and he will ask Chief Mundale to confirm. The city is preparing an RFP to host the 2026 CGMC Summer Conference; thank you City

Administrator Busse and Glenda Smith, Owatonna Chamber Tourism Director for preparing this, hoping that this conference will be in Owatonna next year.

At 7:47 p.m., Council Member Boeke made a motion to adjourn, Council Member Dotson seconded the motion and with no objection, the meeting ended.

Respectfully submitted, Jeanette Clawson, Administrative Coordinator