

Owatonna City Council Minutes

September 16, 2025

On September 16, 2025, at 7:00 p.m., City Council President Rainey called the regular session of Owatonna City Council to order in the Chambers of the Charles S. Crandall Center. Present where Council Members Voss, Dotson, Burbank, Boeke, McCann, Svenby and Raney; Mayor Jessop, City Attorney Walbran, Public Works Director Murphy; Community Development Director Klecker; Finance Director Burns, Fire Chief Hoffman; IT Director Brown; It Specialist Enz; Communications Manager Sheeley, Assistant City Administrator/Human Resource 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 Dotson seconded the motion, all members present voted aye in approval.

Mayor Jessop

Mayor Jessop commented he has three proclamations to acknowledge:

- 1) 2025 Quilt of Valor Day – September 11th – eleven veterans were honored to receive quilts during the event hosted by the Owatonna Exchange Club.
- 2) Hunter Alexander Frank Day – September 13th - the HAF Memorial Foundation recognizes the life of Hunter Alexander Frank who gave his life in service to our country in 2020 while serving in the Navy in El Salvador.
- 3) Owatonna Foundation week – September 30-October 4, 2025, to recognize and support the Owatonna Foundation as they raise the visibility and awareness of their role in improving the quality of life in Owatonna. The Owatonna Foundation makes the community stronger by distributing funds in the form of grants for specific community projects and through scholarships to help further the educational goals of individuals.

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 – September 2, 2025
- Library Board Meeting- June 26, 2025
- Human Right Commission Meeting – August 12, 2025
- Park Board Meeting – September 8, 2025
- Airport Commission Minutes – August 21, 2025
- Building Inspection Monthly Report – August 2025
- Police Department Activity Report- August 2025
- Weed/Nuisance Inspection Report- September 8, 2025
- Event Permit- Trunk or Treat at Trinity Lutheran Church - October 29, 2025
- Event Permit – Cedar Fest – October 11, 2025, with Extension of Premises for Grapeful Wine and Reggie's Brewhouse
- Event Permit – Fire Department Open House October 5, 2025

Parks & Recreation Fees Manual - The Parks and Recreation Fees Manual is reviewed and modified periodically, with adjustments made as necessary and aligns with market rates. Park Board approved the proposed changes at their September 8, 2025, meeting and recommended approval.

T-Hangar Lase Agreement – Robert Straw, Farmington MN – 1-year lease, Building 4, Unit G, \$230.00/month.

ReLeaf Community Forestry Grant – Minnesota DNR - approval to proceed with grant application to encourage and promote the inventory, planting, assessment, maintenance, improvement, protection, utilization, and restoration of trees and forest resources to enhance community forest ecosystem health and sustainability as well as to reduce atmospheric carbon dioxide levels and promote energy conservation. Application is to (1) finish the tree inventory in maintained areas of city parks and along main trails and (2) to develop a portion of a tree management plan that will address dying, diseased and dangerous trees and limbs.

The tree inventory will include genus/species/type, condition, DBH in a format that will transfer into Cartegraph. The management plan, along with Cartegraph will drive forestry-related activities and maintain a healthy tree canopy. There is no matching funds required for this grant. The total amount requested is dependent on estimates received from contractors.

Administrative Coordinator Clawson advised that the time on the Event Permit for the Open House at the Fire Hall, Item 2.4.3 has been changed to begin at noon and end at 2:00 p.m. on Sunday, October 5th Council Member Burbank made a motion to approve these Consent Agenda items; Council Member Boeke seconded the motion. Council Member Dotson requested Item 2.4.2, an Event Permit for Cedar Fest on October 11, 2025, with Extension of Premises for Grapeful Wine and Reggie's Brewhouse be tabled for receipt of additional information, in particular will it be required for streets to be blocked off the full day? Council Member Burbank amended his motion to approve all Consent Agenda with exception of Item 2.4.2, Council Member Boeke seconded this motion, all members voted aye in approval.

Finance Report

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

\$ 28,372.12	AvFuel Corp - Airport fuel for resale
22,305.90	Central Farm Service - fleet fuel
61,745.00	EPA Audio Visual Inc - audio visual equipment - Gainey room - Library
30,039.34	Equity Builders & Construction - pay est #3 - dome hangar roof replacement
24,468.40	From the Ground Up - 2025 storm damage tree removal
38,440.00	Kibble Equipment (replacement check) FC20R Flex Wing Rotary Cutter - Airport
207,306.00	Pearson Brothers Inc - 25005 Street Maintenance - pay est #1 Final
23,124.85	Steve James Excavating Inc
	- Repair sanitary sewer service - 536 South St - \$6,075.35
	- Replace curb - Ridge Rd/11th Ave - \$10,224.00
	- Screen dirt - \$1,140.00 - Street & Park dept

	- Repair manhole - 649 Woodhill Pl - \$5,685.50
236,748.55	Ulland Brothers Inc - 23002 18th Street SE Trail - pay est #3
35,606.00	Wencl Construction - 25001 Street & Utility - pay est #4
<u>214,872.76</u>	Other Expenditures
\$923,028.92	Total Expenditures Presented for Approval

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

Second/Final Reading Proposed Ordinance 25-10 Salary Adjustment - Elected Officials

City Administrator Tuma requested approval of Proposed Ordinance 25-10 to amend Code Section 32.001 of the 2015 Code of Ordinances for the City of Owatonna. This will authorize an increase in the salaries to be paid to the City's Elected Officials beginning January 2027. The first reading was heard during the last City Council Meeting on September 2, 2025, and there have been no changes since.

Council Member Dotson commented he could not support this proposed wage increase for elected officials. During tonight's study session, discussion included the preliminary levy amount which will be presented later during this meeting; an increase in our salaries is not necessary, when there are many other things needed.

Council Member Burbank disagreed with Council Member Dotson, saying an increase in elected official's salaries is well deserved.

Council Members Svenby and Raney each commented that they would not be supporting this wage increase. With a roll call vote, voting aye were council members Burbank, Voss and McCann; voting nay were council members Dotson, Svenby, Boeke, and Raney nullifying the proposed ordinance.

Second Reading Proposed Ordinance 25-11 Update Code Section 113 Alcoholic Beverage - Hours for Sunday On-Sales

City Administrator Tuma requested approval of Proposed Ordinance 25-11 to amend Code Section 113, Alcoholic Beverages for the hours liquor can be sold on Sundays. The first reading of this proposed ordinance was heard during September 2nd City Council Meeting and there have been no changes since.

Sunday On-Sale Liquor service can begin at 8:00 a.m. This Amendments will clarify two sections of the city's 2015 Code of Ordinances in Chapter 113 - Alcoholic Beverages: Section 113.052(D)(6) and Section 113.056(B)(1)(b).

Council Member Dotson made a motion for approval; Council Member McCann seconded the motion. With a roll call vote, voting aye were Council Members Dotson, Burbank, Boeke, McCann, Svenby, Voss and Raney, the motion carried. This will be known as Ordinance 1677 to be effective upon publication.

Resolution 52-25 Proposed 2026 City Budget and Levy

Finance Director requested approval of Resolution 52-25 setting the Proposed Budget and Levy for 2026. The proposal is consistent with the City's strategic plan and aligns with the City's purpose, which is to create a better tomorrow, and value better together, community stewardship, and pride in our work. The 2026 proposed levy includes an increase of 13.0%. The 2026 budget invests in our people, prepares for future public safety facilities, and addresses rising costs, all while maintaining the high service levels our community enjoys. Personnel costs make up 74% of the General Fund, and with a competitive job market, the City strives to offer wages and benefits that retain dedicated employees.

At the same time, we are managing higher costs for goods and services and planning for significant investment in new public safety facilities. These steps ensure that Owatonna continues to provide quality services and the best value for taxpayers today and into the future. The final levy amount and budget will be presented during the Annual Truth in Taxation Meeting on December 2nd at 6:00 p.m. The Council can approve a final levy amount that is lower but not greater than this proposed levy amount, 13.0%. The 2026 Preliminary Budget amount is \$48,354,551.

Council President Raney commented the proposed levy and budget were discussed during the Study Session prior to this meeting. Council Member Voss made a motion for approval; Council Member Boeke seconded the motion.

Council Member Dotson commented this proposed levy increase was a surprise to all council members. He thanked staff for their work in preparing the 2026 budget and believes there are some opportunities to lower this amount and plans to vote no on this item tonight.

Council McCann agreed with Council Member Dotson. He would like to slow down some of the proposed projects and said he will also be voting no tonight.

Council Member Svenby stated that he also agrees with these comments and will also be voting no.

Council Member Boeke commented that this is just a beginning point. During these next three months, we will be looking for ways to lower the budget requests and levy amount.

Council Member Voss commented that the budget preparation has been an interesting process. He wants more information prior to Final Budget approval in December. We need to start somewhere, a resolution must be approved prior to September 30th so we need to approve resolution to continue the budget process.

Council Member Randy commented there were some valid points raised during the Study Session and he plans to support this resolution on the understanding that we will continue to work to lowering these amounts prior to approval of the Final Budget and Levy in December. A roll call vote was requested, voting aye were Council Members Burbank, Boeke, Voss and Raney; voting nay were Council Members Dotson, Svenby and McCann; the resolution was approved.

Resolution 53-25 Proposed 2026 Housing & Redevelopment Authority Levy and Budget

Finance Director Burns requested approval of Resolution 53-25 setting the Proposed 2026 Housing & Redevelopment Authority (HRA) Levy and Budget. The HRA is considered a special

taxing district, and its levy is adopted separately from the city levy. The City Council is required to adopt a proposed budget for the following year and certify its proposed property tax levy to the county auditor on or before September 30th. An overview of the proposed 2026 budget was presented to council on August 27. A more detailed presentation of the HRA budget and levy was presented to council on September 9.

The amount of the levy shall be an amount approved by the governing body of the city but shall not exceed 0.0185 percent of estimated market value. Per the County Auditor & Assessor, the 2024 estimated market value was \$2,741,293,500. The allowable levy would be \$507,139 compared to the requested levy of \$230,000. The final levy amount and budget will be presented on December 2nd at 6:00 p.m. Council can approve a final levy amount that is lower but not greater than the proposed levy amount. Council Member Boeke made a motion for approval, Council Member Burbank seconded the motion. With a roll call vote, voting aye were Council Members Burbank, Boeke, Voss and Raney; voting nay were Council Members Dotson, Svenby and McCann; the resolution was approved.

Resolution 54-25 Declare Costs to be Assessed - Weed and Nuisance Compliance

Fire Chief Hoffman requested approval of Resolution 54-25. The Owatonna Fire Department enforces the city codes for mowing weeds and grass, other harmful vegetation, and other services by using a mowing service to bring noncompliant properties into compliance. The total assessment amount of \$5,483.30 will reimburse the city for the cost of weed and nuisance enforcement. The City's share of these costs will be \$0. This resolution sets the public hearing to consider the proposed assessments on October 21, 2025. Council Member Dotson made a motion for approval, Council Member Boeke seconded the motion, all members voted aye in approval.

Resolution 56-25 FAA Grant Agreement - Airport Taxilane and Parking Lot Reconstruction Project

Community Development Director Klecker presented Resolution 56-25 to authorize use of an FAA Grant Agreement for the Airport Taxilane and Parking Lot Reconstruction Project. 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 beyond their useful life and deteriorated to the point that reconstruction is recommended by the engineer. Funding is available under Public Law 117-58—Infrastructure Investment and Jobs Act referred to as the Bipartisan Infrastructure Law (BIL). These funds are to be administered by the FAA and directed at airport infrastructure improvements. Signed grants are due back to the FAA Airport District Office (ADO) before the end of September 2025.

This project grant is anticipated but is not yet in hand from the FAA. Therefore, in order to meet the FAA deadline, this approval authorizes acceptance by signature of the City Administrator upon receipt. The anticipated FAA grant offer is \$541,747.00 for all eligible project costs including engineering, construction, and administrative costs. Anticipated funding for this project is as follows:

Federal Participation:	\$541,747.00
State Participation:	49,566.00
Local Participation:	<u>28,550.00</u>
Total:	\$619,863.00

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. Based on these eligibility determinations, the local share of the project is anticipated to be \$28,550.00. Council Member McCann made a motion for approval, Council Member Burbank seconded the motion, all members voted aye in approval.

Resolution 57-25 Purchase Agreement - 515 W Bridge Street - ISD #761

City Administrator Tuma presented a Purchase Agreement for the premises located at 515 West Bridge Street, the former Administration Building of Independent School District No. 761 (ISD 761). It is the intention of the City to use the property as the interim location for the Law Enforcement Center.

This Agreement is subject to and conditioned upon the City's determination, in its sole discretion, that the condition of the property, including the environmental condition of the property, is acceptable to the City for its intended use. The amount of the agreement is \$260,000.

The Law Enforcement Center (LEC), located at the corner of Pearl Street and Elm Avenue, was formerly the site of the Owatonna Savings & Loan before it was converted to the LEC, which, until this year, housed both the City Police Department (OPD) and the Sheriff's Office. The OPD has outgrown the LEC building, which requires safety and facility upgrades and doesn't meet the current public safety needs. In 2026, the City plans to build new public safety facilities. The former School Administration building would serve as an interim location for OPD pending construction of the new facilities.

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

Lease Agreement - 115 Rose Street East - Owatonna School District

Community Development Director Klecker commented that staff have been working with the School District, the Chamber of Commerce, Owatonna Area Business Development Center (OABDC) and Owatonna Public Utilities on a retail incubator in the Rose Street Center. This idea was presented to the Council at a previous study session. The concept is to have the OABDC run the facility with entrepreneurial classes and business consulting. There would also be a maker space and welcome center in the facility.

The retail portion of the facility would be run by the MainStreet Director. The retail portion would include retail booths inside the building and 10x12 retail shops in the parking lot. The goal is to provide the necessary assistance to start up retail businesses and continue to give them support so that they can eventually move to storefronts downtown. The Owatonna School District would continue owning the building and lease the facility to the City, under the

direction of the EDA. The school district will maintain usage of the 2 garage buildings along the alley. This allows the facility to have contributed services from Owatonna Public Utilities.

The OABDC would then sublease the facility from the city. This lease is for one year and will renew automatically for one-year terms unless otherwise terminated. The EDA approved the lease at their last meeting. There are no anticipated costs for the city. The lease agreement states that the City is responsible for maintenance of the building and any property taxes; however, those expenses will be passed on to the OABDC in the sublease and taxes will be paid by the renter. Council Member McCann made a motion for approval, Council Member Voss seconded the motion, all members voted aye in approval

Sublease Agreement-115 Rose Street East - Owatonna Area Business Development Center

Community Development Director Klecker requested approval a proposed sublease agreement with Owatonna Area Business Development Center (OABDC) for use of the Rose Street Center. As sublessee, OABDC accepts the terms set forth in the lease with the School District and in this sublease. OABDC is planning on making some improvements to the facility before they occupy the space which will be at their own expense. OABDC is responsible for all costs associated with occupying the property with no anticipated costs to the City. Council Member Voss made a motion for approval, Council Member McCann seconded the motion, all members voted aye in approval.

STAFF REPORT

Deanna Sheely, Communications Manager gave an update of her recent tasks focusing on Communication Effectiveness, Community Events and social media. Following the July 28th windstorm, the Crisis Communication Plan approved in December 2023 was implemented allowing multiple departments to work together in an efficient and effective manner. A few changes are needed in the plan and an updated draft will be presented to Council for approval. She has been preparing communications regarding the 2026 Budget, the Spring/Summer Community Activity Guide and the 2026 State of the City Address. Next month, there will be a campaign to clear signs from the boulevards. She thanked the Communications Task Force for assisting her with the city's weekly newsletter, the Owatonna Update.

PUBLIC COMMENTS

Gale Jorgenson, 249 E Main Street commented she recently posted several "No Trespassing" signs on her property. She enjoys history and recently found record of the Owatonna City Council approving an ordinance in 1870 to prohibit animals from roaming within city limits. She requested council consider expanding this ordinance, her neighbor recently had a reptile (a large lizard) get away from his home and he did not notify her for several days. The city should have ordinances established for control and notification requirements for all animals. Fortunately, the lizard was captured when seen leaving her garage several days later and was returned to its owner.

Matt Sennott, 2519 Stony Creek Drive commented he represents the East Side Corridor Project. They are waiting for responses on several Data Requests which they submitted. They

believe there is significant correspondence from a previous council member missing, he has been their group's most supportive elected official. They hope their requests will be finalized within the next few weeks and they can obtain the requested data.

Melissa Zimmerman, 2525 Stony Creek Drive said she submitted a Data Request for the resolution authorizing purchase of property within the east side corridor project area between 2015 and 2021. She received response that data does not exist but in 2018 Steele County records confirm the city obtained several parcels within this area. There was not a recorded copy of a resolution authorizing this transaction, so we are requesting a detailed explanation of the council approval for this property purchase.

Gary Jones, 995 Ridge Road commented he was recently using interactive artificial intelligence (AI) software and entered facts for an AI response. This process is used by many attorney's offices and is becoming more widely used. He asked if a deer hunt should be held in a city park or in an area surrounded by homes. The AI responses were "NO". He requested the city's Deer Management Program be changed to not include Mineral Springs Park.

Randy Gladden, 1905 Linn Drive commented his mother-in-law passed away in 2021 and he, as her Power of Attorney has been receiving her mail. His brother-in-law wasn't taking care of the backyard and let the grass get too long. He did not receive a warning letter asking him to correct the nuisance complaint but did receive an invoice for a completed mowing service which also included a \$75 Administrative Fee. City staff advised him that a warning letter was mailed via regular mail, so the city has no proof of delivery. He believes all warning letters should be mailed by certified mail or hand delivered and requested the \$75 Administrative Fee be waived.

MAYOR AND COUNCIL COMMENTS:

Council Member Dotson congratulated Mia Armstrong and Max Flemke, the 2025 OHS Homecoming Queen and King. He then asked staff and council to expand the length of Public Comments allowed during a Council Meeting from two minutes to three minutes; this would allow residents more time to speak and they would not be rushed during their presentations.

Council Member Burbank agreed that it would be good to increase the length of time allowed for each Public Comment to three minutes.

Council Member Boeke commented the proposed levy amount set during the meeting was pretty high and cuts are anticipated prior to final approval. He will not support cuts to the HRA Budget and levy, the HRA provides funds to some of the most vulnerable residents, and they need this assistance.

Council Member McCann wished Council Member Boeke a happy birthday.

Council Member Svenby also wished Council Member Boeke a happy birthday and then said he also agreed with member's previous statements.

Council Member Voss thanked Public Works Director Murphy and staff for the tour of the Wastewater Treatment Facility prior to tonight's meeting. It is an impressive facility and there will be an open house planned next spring.

Mayor Jessop also wished Council Member Boeke a happy birthday and then said he attended the HAF Memorial last weekend at the fairgrounds. It was a nice tribute to a local kid who gave his life our country.

City Administrator Tuma commented that staff are ready to launch a 3-week campaign to clean up the boulevards and right-of-way. If you have any questions, you can call the City Administration Office.

Council President Raney reminded everyone the OHS Homecoming Parade will be downtown this Friday afternoon. He asked everyone to watch for small children and always be aware of where their kids are. Another activity planned this week is induction of new members to the OHS Hall of Fame. Council Member Boeke is a member of the OHS Hall of Fame. 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.

With no additional comments, Council Member Raney stated closed door

At 8:02 p.m. Council Member Boeke made a motion for a short recess while chambers cleared, Council Member Svenby seconded the motion.

At 8:08 p.m., Council President called the meeting to order. Present were Council Members Dotson, Burbank, Boeke, McCann, Svenby, Voss and Raney; Mayor Jessop, Assistant City Administrator/Human Resource Director Thamert, Finance Director Burns, Public Works Director Murphy, IT Technology Enz, Administrative Coordinator Clawson, and representatives from SEH. Council Member Voss made a motion to go into a closed session to discuss acquisition of Right-of-Way or easement for the 20206 SE 18th Street Project. Council Member Boeke seconded the motion.

At 8:58 p.m., Council Member Dotson made a motion to return to open session. Council Member Burbank seconded the motion. Council Member Svenby made a motion to adjourn the meeting, Council Member Dotson seconded the motion, all members voted aye to end the meeting.

Respectfully submitted,

Jeanette Clawson, Administrative Coordinator