

Owatonna City Council Minutes

January 20, 2026

On Tuesday, January 20, 2026 at 7:00 p.m., City Council President Raney called the regular session of Owatonna City Council to order in the Chambers of the Charles S. Crandall Center. Present were Council Members Svenby, Burbank, Boeke, McCann, and Raney; Mayor Jessop; City Attorney Walbran; Public Works Director Murphy; Police Chief Mundale; IT Specialist Enz; Assistant City Administrator Thamert; and Administrative Coordinator Clawson. Council Members Voss and Dotson were unable to attend.

Following roll call, Council Member Burbank led the Pledge of Allegiance. Council President Raney advised of two changes to the Agenda after publication: City Council Meeting Minutes from the last meeting will be included in the next meeting packet and the Canine Agreement with Casey Martin was moved to the Consent Agenda. Member Boeke made a motion to approve the agenda with these changes, Council Member Svenby seconded the motion, all members present voted aye in approval.

Accept Resignation - Human Rights Commissioner Mustafe Ismael

Mayor Jessop commented Mustafe Ismael requested resignation from the Human Rights Commission. Council Member Svenby made a motion to accept this resignation to be effective immediately. Council Member McCann seconded this motion; all members present voted aye in approval.

Consent Agenda Items

Human Rights Commission Meeting - December 9, 2025

EDA Meeting - December 17, 2025

HRA Board Meeting - December 22, 2025

Park Board Meeting - January 5, 2026

Human Rights Commission Meeting - January 13, 2026

Building Inspections Monthly Report - December 2025

Fire - Monthly Dashboard and Activity Report - December 2025

Police Crime Clock and Activity Report - December 2025

Finance Report

<u>Amount</u>	<u>Vendor-Description</u>
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\$ 47,700.00	Apex Industries Inc- Airport Painting - Labor, Materials, & Equipment
57,535.36	Dell Marketing LLP - Computers, Monitors, Etc.
310,146.00	Flexible Pipe Tools & Equip - 2025 Ford Transit & 2025 Aries CCTV Voyager Command Center
30,993.76	Hawkins Inc - Chemicals
154,209.52	Integrated Process Solutions I - Frontage Road And Heritage Lift Stations
57,989.28	Nero Engineering – WWTP Upgrade & Expansion
178,249.64	OpenGov Inc - 2026 Subscription
36,390.93	Owatonna Motor Company - 2024 Ford Edge
23,705.99	Paape Companies Inc - Velve Hall Card Access System

538,711.95	Rice Lake Construction Group – WWTP Expansion - Pay Est #43
56,815.95	Wencl Construction Inc - 23005 Vine Street Lot - Pay Est #6
23,024.15	Winter Services LLC - Treated Salt
<u>179,996.63</u>	Other Expenditures
<u>\$1,695,469.16</u>	Total Expenditures Presented For Approval

Liability Coverage Waiver - League of Minnesota Cities Insurance Trust (LMCIT)

Each year when renewing the property and liability insurance policy with the League of Minnesota Cities Insurance Trust (LMCIT), decision is required whether or not to waive the statutory tort liability limits to the extent of the coverage purchased. Currently, Minnesota Statute limits a city's tort liability to a maximum of \$500,000 per claimant and \$1.5 million per occurrence. The limits apply whether the claim is against the city, against an individual officer or employee, or against both. These limits only apply to claims in which the statutory tort limits apply. If the city does not waive the statutory tort limits, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory tort limit applies. If the city waives the statutory tort limits, a single claimant could potentially recover up to \$2.0 million. It is in the best interest of the city not to waive the statutory tort liability limits.

Canine Agreement - Sale and Transfer of Ownership of Canine Vegas to Casey Martin

Canine Vegas was purchased by the City of Owatonna as a police canine in August of 2019. Vegas was assigned to handler Officer Casey Martin and trained in narcotics and apprehension work. Vegas retired from service during the last City Council Meeting on January 6th. Per Owatonna Police Department General Order 232, upon the canine's retirement, the handler has first opportunity to obtain and continue care of the canine; Officer Martin has expressed that desire. The General Order further states, should the handler choose not to obtain the dog, the Chief of Police may have the animal disposed of as he/she deems appropriate.

Council Member Boeke made a motion to approve these Consent Agenda Items, Council Member McCann seconded the motion, all members present voted aye in approval.

Resolution 17-26 Intent to Reimburse Expenditures From Proceeds of Bonds - Community Center

Assistant City Administrator Thamert requested approval of Resolution 17-26 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. This 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. The Community Center Project is still in the proposed stage, and some resources are being allocated to it. If the project progresses, these expenses will be eligible for reimbursement. Council Member Svenby made a motion

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

Resolution 18-26: Approve Feasibility Report and Set Public Hearing Date - 2026 Street & Utility Project

Public Works Director Murphy presented Resolution 18-26 to approve the Feasibility Report of the 2026 Street & Utility Project and set a public hearing for comments on proposed assessments. A feasibility report has been prepared by city staff, the report discusses the reconstruction of Cardinal Drive SE and Ivy Street SE. The need for this project is driven by aging infrastructure and involves various levels of reconstruction, including water, sanitary and storm sewer, curb and pavement replacement. The project will be paid for by a combination of assessments, sanitary sewer funds, stormwater funds, OPU funds and the general fund. Estimate of Total Project Cost is \$2,688,354.12 and the Preliminary Assessment total is \$255,868.60. Request to hold a Preliminary Assessment Hearing on February 17, 2026.

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

WWTF Expansion Change Orders #26 & #27 - Rice Lake Construction Group

Public Works Director Murphy requested City Council approval of Change Orders #26 and #27 for the Wastewater Treatment Facility Expansion Project. Work Change Directives (WCDs) are created to address construction issues, design clarifications, and interdisciplinary coordination, or errors and/or omissions.

Change Order #26 consists of one WCD:

- 166 - DIP Spools - Price Escalation

Change Order #27 consists of eleven WCDs:

- 154 - Additional Contaminated Soil Disposal
- 164 - MLS Seal Water Credit
- 165 - Primary Digester Removed Pipe and Supports
- 167 - Digester Overflow Piping Modification and Manway Hinge Installation
- 168 - Additional Biogas Piping for Connection to OPU
- 169 - Digester 1 Manway Repair
- 170 - Bituminous Changes
- 171 - Fence Gate Addition
- 172 - SCADA Allowance Credit
- 173 - Admin Floor Credit
- 174 - Digester 1 Lid Credit

The total budget impact of Change Order 26 is an increase of \$5,919.84 and Change Order 27 is an increase of \$2,876.25. The total revised contract amount following Change Orders 26 and 27 is \$58,977,571.09, a 5.85% increase above the original contract amount. Council

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

Tobacco License - Owatonna Tobacco, LLC - 1836 S Cedar Avenue

Assistant City Administrator Thamert presented the Tobacco Permit Application received from Sulaiman Hamouda for Owatonna Tobacco, Inc. Cekoo Tobacco at 1836 S Cedar Avenue will transfer operations of the tobacco store on January 21, 2026. We have received the required insurance, applications and payment of fees for this license. A background verification was completed and Chief Mundale has no objection to the issuance of this license. Council Member Svenby made a motion for approval, Council Member Boeke seconded the motion, and all members present voted aye in approval.

2026-2028 Audit Services Agreement – BerganKDV

Assistant City Administrator Thamert requested Council's approval for a three-year audit service with BerganKDV. Minnesota cities are required to conduct an annual independent financial audit to ensure transparency, accountability, and compliance with state law. The Minnesota Office of the State Auditor establishes and oversees all audit requirements, sets standards, reviews audit reports, and ensures that public funds are appropriately accounted for. The annual audit also provides reassurance to residents, elected officials, bondholders, and state and federal agencies that the City's financial statements are accurate, that internal controls are effective, and that public resources are managed responsibly. The audit serves as a cornerstone of effective local government and the City's value of Community Stewardship.

For best pricing, a three-year agreement that includes both the City and HRA audits is recommended. Two proposals were received:

Firm	Approx. 2025 City & HRA Audit Total Fees
BerganKDV	\$90,000
Conway, Deuth & Schmiesing, PLLP	\$78,000

The BerganKDV is higher in cost but includes additional year-round services which will better meet the city's needs. These additional services are not included in the other quote and would be billed at an hourly amount, which would cost more.

Council Member Burbank asked if a Monthly Financial Statement could be included in the Council Meeting Packets. Council Member McCann asked if additional fees would occur, Thamert commented yes, if significant additional services were requested but within this agreement, they will provide monthly maintenance with receipt of the maintenance items. With no additional comments, Council Member Burbank Voss made a motion for approval, Council Boeke seconded the motion, and all members present voted aye for approval.

PUBLIC COMMENTS

Matt Sennott, 2519 Stoney Creek Drive commented he would be speaking about waste, abuse and responsibility that comes with decision making. Across Minnesota we are seeing

cases of fraud, waste, and abuse uncovered at the state level. Those programs did not start with criminal intent; they started with projects and practices that were not questioned hard enough. Where assumptions replaced evidence, and where oversight became secondary to momentum. I want to be very clear that I am setting fraud aside today and not alleging it, but waste and abuse do not require bad actors, they only require insufficient scrutiny. The East Side Corridor Project has been questioned from the start and yet despite that controversy, we continue to see narrowed alternatives, incomplete disclosure of impacts, inadequate financial evaluation over ever increasing costs, and a process that appears designed to move forward and with predetermination rather than to pause and fully evaluate the consequences. That is where waste begins and that is where abuse of process can occur. Waste is spending public money on a project that has not been fully justified, especially at the 29th Avenue location. Abuse is continuing a process while credible evidence, especially from residents, is treated as inconvenient rather than essential. The city is not a bystander here, you are a financial partner, a policy partner, and a public trust partner in this project called the East Side Corridor. When the county leads aggressively, the city's role is not to follow quietly, it is to ask hard questions. When residents raise legitimate concerns, your role is not to defer, it is to expect answers. All eyes are on this project and increasingly all eyes are now on local governments and how they handle controversial high dollar decisions in an era where Minnesota is learning what happens when oversight fails. The question before you is not whether this road can be built at 29th Avenue, it is whether it should move forward with substantial impacts and without a higher standard of review and accountability.

Tim McManimon, 2075 Linn Drive thanked council and staff for their service to the community. I am here tonight to comment on two things: the upcoming police/fire station projects and financial reporting. I believe the bias on the police and fire project is that you are proposing a multi-stage process by moving the Police Department to Bridge Street, do multi-construction and then relocating both departments to their final sites. That involves a lot of simultaneous and continuous construction which will be very complex. I do have concerns about moving the police station twice; they rely on process, procedure, discipline. I did the tour a few days ago, and question the plan to move the evidence room, archives, technology, IT and the fleet two times. I am asking as you prepare plans, give fair consideration to a linear project, build the police station and move them one time. Then demo the current police station to build the new fire hall and then move the fire department, these moves would be more linear and not circular. Consider this and I believe the public would be more favorable to this simpler straight forward approach. I know there is concern about leaving the Fire Hall in its current state and I don't disagree. Rather than spending money to rehab Bridge Street, we could do some remedial work on the Fire Hall for their use for a year or two until we can move them. I think we could find a way to do an interim step to take care of the contamination issues, cross contamination, health and safety. It won't be pretty but I think with technology and utilizing another sight to keep all the soiled and contaminated equipment, have a clean place for that away from staff. Secondly, the Financial Report that we see within each Council Meeting Packet is a list of bills that have been approved and already paid. I hope with the addition of Abdo as the accounting firm, there will be a clean cutoff as of yearend and there will be monthly financial statements with a Balance Sheet and a Profit and Loss Statement, two pages, possibly four pages.

Melissa Zimmerman, 2525 Stoney Creek Drive commented that she previously shared her motto in life is to be kind. Everyone is fighting a battle you know nothing about. A few months ago, I was absent from several meetings because my family experienced a medical emergency in the middle of the night. During that emergency, one of my children unexpectedly ended up outside in the dark on a 42-degree night wearing only pajamas and bare feet. This was not a result of bad parenting or a failure to act; it was a medical emergency and within seconds of the situation unfolding I called for help. Police officers arrived within minutes and then more arrived. By the end of the night, police, EMTs and firefighters were all called to help my child. One image from that night that stands with me is the officers walking through the out lots with flashlights in the dark, scanning carefully moving, calling out, trying to make sure a child arrived home alive. As I watched the search unfold, one thought that kept running through my mind was thank goodness this isn't a highway. That night was another life and death situation for my family. We responded quickly and responsibly, and even so, the result was a substantial hospital stay and months of recovery, but it could have been far worse. Because there was not a high-speed roadway next to our home, I didn't have to worry about my child stepping out into traffic. I did not have to imagine what would have happened if those lots would have been lanes of vehicles instead of open land. I am deeply grateful to the emergency personnel who responded that night, and above all I am grateful that my child is here today. That distance, that space between homes and traffic was a saving grace that night. No family should ever lose that margin of safety. These are real world impacts and they are substantial.

Gary Jones, 995 Ridge Road commented that he has presented many Public Comments and we have made a lot of progress together in making the archery hunt safer for the public. One thing that I have heard repeatedly from the public and several council members and something we can probably all agree on, is that the archery hunt is too long. A hunt lasting 56 days takes the parks away from the park goes for 1/6 of the year. Not only the people wanting to enjoy the parks, but it also makes it virtually impossible to monitor the thing. Throughout those 56 days, you have no idea when a hunter is there or when they are not. Case in point is Leo Rudolph, we have a family friend that lives on the west side of town and walks her dog through Leo Rudolph but completely avoids this park for 56 days each fall because of the archery hunt. There has been only one deer taken in this park within the last four years and that was because the hunter was baiting with pumpkins; that was turned in by the public and not Park & Rec staff. At Leo, if you don't bait, you will not get anything. The hunter in 2024 was there almost every day both seasons and got nothing. During the first season in 2025, the hunter was never there and during the second season, the hunter was there often and did get anything. My friend is disgusted that in four years of her avoiding the park there has been only one deer taken and that one quite possibly cheating. Think what success those hunters would have had if they were out on the city's property north of 26th Street. They would have gotten deer, prevented accidents, kept deer from charging into town and accomplished this with nobody around. All while letting people enjoy the parks, such as Leo Rudolph, which have been a waste of hunter's time. In the last 10 years, there have been four deer taken during Season 1 in Leo Rudolph and one in Season 2. During the last three years, there have been zero taken after catching them baiting in 2023. A 56-day hunt over 10 years is 560 days of telling the public to take their dog and leave. It is working, they are, how about pulling the plug and letting people walk their dogs at Leo again it has accomplished nothing unless they are baiting, which is prohibited by the DNR. We need a balance between

park goer rights and hunting. As it stands, there were 24 deer taken during Season 1 in all of the parks and only three deer taken during Season 2. People read signs, you kick people out of the parks for 28 days for the second season for three deer. We need to have a balancing act between hunting and taxpayers because the latter are getting cheated. When I first started looking into the archery issues, 51 public comments ago, my first call was to Councilman Voss and he commented this may not be the best way to do this but if not done this way, we have to do something. Well, after a lot of work, I think I have found the something, this idea is from a metro hunt which I view as a Cadillac program which I will share during your next council meeting which I think will be a great compromise and a win for everybody.

MAYOR AND COUNCIL COMMENTS:

Council Member McCann commented he recently had an episode that required him to have surgery. After calling the non-emergency hotline, the EMTs came and picked me up for an ambulance ride. I had surgery at Allina Hospital and staff was exceptional. Very grateful for the care and kindness of the EMTs, emergency room staff, the doctors and nurses. My nurse Maddie was exceptional. There are a lot of caring people in Owatonna, three people saw me fall and stopped to stay with me until the ambulance arrived, thank you.

Mayor Jessop commented he attended the MLK Jr. Day event at the History Center on Monday. Thank you to the Owatonna Human Rights Commission (OHRC) for organizing and hosting this event. Also thank you to the Alliance for Greater Equity (AGE) for partnering with OHRC for this event. It was extremely well attended and offered an opportunity to reflect on Dr. King's message. The panel gave some wonderful reflections on how to live out the message that Dr. King gave us. Tomorrow, the application to serve on the Human Rights Commission and Owatonna Public Utility Commission will be posted on the City's website, Owatonna.gov. There are currently two openings on the OHRC and the OPU Commission will need a new member representing Ward 1 on May 1, 2026.

Council President Raney thanked everyone for attending the meeting.

At 7:30 p.m., Council Member Svenby made a motion to adjourn, Council Member Boeke seconded the motion, and all members present voted aye and the meeting was closed.

Respectfully submitted,

Jeanette Clawson, Administrative Coordinator