CITY COUNCIL MEETING

Tuesday, February 17, 2026 at 7:00 PM
Council Chambers, Charles S. Crandall Center at City Hall, 540 West Hills Circle.
Roll Call: Council Members Svenby, Voss, Dotson, Burbank, Boeke, McCann, and Raney

Prior to the Meeting: 5:00 p.m. in the Chambers, Charles S. Crandall Center with discussion to include:

5:00 p.m. - Police/Fire Stations Design update by ICS
5:30 p.m. - Financial Management Planning Background by Ehlers
6:15 p.m. - Fire Vehicle Replacement Fund update from staff
6:30 p.m. - Updates to the proposed ordinance for use of ATV/UTV/Golf Carts within city limits

If time permits, there will also be updates about various boards and commissions.

1. **INTRODUCTORY ACTIONS:** Call to Order, Roll Call, and Pledge of Allegiance
   - 1.1. Council Agenda
   - 1.2. Public Hearing - 2026 Street & Utility Project with Preliminary Assessments
     - 1.2.1. Resolution 22-26: Order Improvement & Authorize Plans - 2026 Street & Utility Project
   - 1.3. Mayor Jessop
     - 1.3.1. Proclamation - School Bus Driver Appreciation Day
2. **CONSENT AGENDA ITEMS**
   - 2.1. Minutes – Council Meeting – February 4, 2026
   - 2.2. Minutes - Boards/Commissions
     - 2.2.1. Planning Commission Minutes - February 10, 2026
   - 2.3. Department Reports
     - 2.3.1. Finance Report
     - 2.3.2. Building Inspection Monthly Report- January 2026
     - 2.3.3. Fire - Monthly Dashboard and Activity Report - January 2026
     - 2.3.4. Police - Monthly Reports - January 2026
   - 2.4. Licenses/Permits
     - 2.4.1. Event Permit - Flag Field - District 4 Exchange Clubs - June 10-17, 2026
     - 2.4.2. 2026 Retail Fireworks License - Fleet Farm
     - 2.4.3. Exempt Permit - Steele County Purple Ribbon Club - August 23, 2026
     - 2.4.4. Exempt Permit - Make-a-Wish Minnesota - July 26, 2026
     - 2.4.5. Temporary Liquor License - Saint Mary's School of Owatonna - March 21, 2026
     - 2.4.6. Temporary Liquor Permit - Hops for Humanity - Two Rivers Habitat - April 11, 2026

2.5. Miscellaneous

2.5.1. 2026 Consulting Agreement - OFD Physicals - Health Strategies

2.5.2. Meeting Date - 2026 Open Book Meeting - April 22, 2026

2.5.3. Supplemental Letter of Agreement for Design Services Apron Reconstruction - SEH, Inc.

2.5.4. Renew Culture Assessment Agreement - Employee Strategies

2.5.5. Letter of Agreement - Communication Services - Rapp Strategies Inc.

3. ACTION ITEMS

3.1. Resolutions

3.1.1. Resolution 23-26: Setback Variance Request — Mound Addition

3.1.2. Resolution 24-26: Preliminary and Final Plat Mound Addition

3.1.3. Resolution 25-26: Signage Variance Request — Mound Addition

3.1.4. Resolution 26-26 Approving the Assignment of Tax Increment Financing District Agreement

3.1.5. Resolution 27-26 Accept Donation - Police K9 Watercolor - Sportsman's Art, Ltd.

3.1.6. Resolution 28-26: Approve Feasibility Report and Set Date for Public Hearing - Main Street Reconstruction

3.2. Ordinances

3.2.1. First Reading Proposed Ordinance 26-01: Adjust Sanitary Sewer Rates

3.3. Miscellaneous

3.3.1. Asbestos and Hazardous Materials Inspection Agreement - IEA, Inc.

4. STAFF REPORTS - Deanna Sheely, Communications Manager

5. PUBLIC COMMENTS: Please limit comments to three (3) minutes. Please approach the microphone, sign-in and state your name and address for the record after being acknowledged by the Council President. Speakers will be limited to three minutes to deliver their comments. Those speaking are asked to conduct themselves in a respectful manner as they deliver their comments. Audience members are asked to refrain from reacting to comments. The City Council will not respond directly to comments in this venue or take immediate action in response to them.

6. COUNCIL COMMENT AND GENERAL INFORMATION

7. ADJOURN

NOTICE OF PUBLIC HEARINGS ON IMPROVEMENT
CITY OF OWATONNA, MINNESOTA

TO WHOM IT MAY CONCERN:

Notice is hereby given that the City Council of the City of Owatonna, Minnesota, will hold hearings during the City Council Meeting to be held on Tuesday, February 17, 2026, beginning at 7:00 p.m. in Chambers at the Charles S. Crandall Center, 540 West Hills Circle, Owatonna MN.

This public hearing is to consider the making of the 2026 Street & Utility Project. The project involves reconstruction of:

- Cardinal Drive SE
- Ivy Street SE

the current estimated cost of such improvement is $2,688,354.12; the total cost to be assessed is currently estimated at $255,868.60.

pursuant to Minn. Stat§§ 429.011 to 429.111.

Reasonable estimates of the impact of Preliminary Assessments will be available at this hearing. Such persons as desire to be heard with reference to these proposed improvements will be heard during these hearings.

BY ORDER OF THE OWATONNA CITY COUNCIL

January 20, 2026

Jenna Tuma, City Administrator/City Clerk

DATE: February 17, 2026
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: Resolution 22-26: Order Improvement & Authorize Plans - 2026 Street & Utility Project

Purpose:
Request Council order the improvement and authorize preparation of plans and specifications for the 2026 Street & Utility Project.

Background:
On January 7, 2026, City Council approved Resolution 05-26: Ordering Preparation of the 2026 Street & Utility Project Feasibility Report. The feasibility report was approved on January 20, 2026, with Resolution 18-26. On January 30, 2026, fifty-seven (57) property owners were mailed Notice of the Preliminary Assessment and Public Hearing, and the notice was published in the Owatonna People's Press. Project information was presented to those present at an informational meeting held on February 12, 2026. The next step in the construction process is to direct Engineering Staff to finalize plans and specifications for the 2026 Street & Utility Project for improvements to Cardinal Drive SE and Ivy Street SE.

If the project is approved, project completion is anticipated to be in the Fall of 2026. Following project completion, the property owners may pay the assessment in full within 30 days of billing with no interest accrued. After 30 days, the unpaid assessment amount will be certified to the Steele County Assessor for collection of property taxes over a set period with an annual interest rate, which will be set at the Proposed Assessment Hearing.

Budget Impact:
This project will be financed through a combination of City Funds, OPU Funds and Special Assessments. The total construction cost is estimated to be $2,688,354.12; the preliminary assessment amount is $255,868.60, approximately 9.5% of the total project cost.

Staff Recommendation:
Staff recommends approval.

Attachments:
1. Resolution 22-26 Order Improvements and Authorize Plans - 2026 Street & Utility

RESOLUTION NO. 22-26

A RESOLUTION ORDERING IMPROVEMENT AND PREAPARTION OF PLANS

WHEREAS, pursuant to Resolution No. 18-26 of the Council adopted January 20, 2026, a report has been presented by the City Engineer and a public hearing held on February 17, 2026, with reference to the construction of proposed Improvement No. 26001, the 2026 Street & Utility Project with improvements to Cardinal Drive SE and Ivy Street SE.

WHEREAS, ten days' mailed notice and two weeks' published notice of the hearing was given, and the hearing was held thereon on the 17th day of February, 2026, at which all persons desiring to be heard were given an opportunity to be heard thereon,

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Owatonna, Minnesota:

1. That the Council has considered said improvements in accordance with the report and the assessment of abutting property for all or a portion of the cost of the improvements pursuant to Minnesota Statutes, Chapter 429, at an estimated total cost of the improvements of $2,688,354.12.

The City Engineer is hereby designated as the engineer for these improvements. He shall prepare plans and specifications for the making of such improvements.

The city council declares its official intent to reimburse itself for the costs of the improvement from the proceeds of tax-exempt bonds.

Passed and adopted this ___ day of _____, 2026, with the following vote:

Aye ___; No ____; Absent ____

Approved and signed this ___ day of _____, 2026.

_____
Matthew T. Jessop, Mayor

ATTEST:

_____
Jenna L. Tuma, City Administrator/City Clerk

Mayor Jessop

Proclamation

WHEREAS school bus drivers in the City of Owatonna safely transport our community's children to and from school and activities each day, often in challenging weather and traffic conditions; and

WHEREAS these professional drivers are entrusted with the safety and well-being of dozens of students on every route, providing a reliable, welcoming presence that often begins and ends a student's school day; and

WHEREAS school bus drivers are essential partners in our local education system, helping ensure that all students can access learning opportunities regardless of their family's schedule, distance from school, or transportation resources; and

WHEREAS students are significantly safer riding in a school bus than in a passenger vehicle, thanks to rigorous safety standards, professional training, and ongoing student safety education; and

WHEREAS school bus transportation is a vital part of our community's infrastructure and the largest form of mass transit in Minnesota, supporting families, schools, and employers every day; and

WHEREAS the City of Owatonna wishes to recognize and thank our school bus drivers for their dedication, professionalism, and commitment to student safety.

NOW, THEREFORE, I, Matt Jessop, Mayor of the City of Owatonna, do hereby proclaim February 18, 2026, as

SCHOOL BUS DRIVER APPRECIATION DAY

in the City of Owatonna, and encourage all residents, schools, and families to join in expressing appreciation to our school bus drivers for the important work they do.

Dated this _17th_ day of _February_, 2026.

By:_____
Jessop, Mayor

CITY OF OWATONNA

CITY OF OWATONNA

Consent Agenda Items

CITY OF OWATONNA

Council Minutes

Owatonna City Council Minutes
February 4, 2026 – DRAFT COPY

On Wednesday, February 4, 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, Voss, Dotson, Burbank, Boeke, McCann, and Raney; Mayor Jessop; City Attorney Walbran; Public Works Director Murphy; IT Director and Interim Park & Rec Director Brown; Communications Manager Sheely; IT Specialist Enz; Seargent Val Satre; City Administrator Tuma; Assistant City Administrator Thamert; and Administrative Coordinator Clawson.

Following roll call, Council Member Burbank led the Pledge of Allegiance. Council Member Boeke made a motion to approve the agenda as presented, Council Member Burbank seconded the motion, all members voted aye and all members voted aye in approval.

Public Hearing - Proposed Assessments - 2025 Street & Utility Project

Public Works Director Murphy commented tonight's public hearing is for comments on the Proposed Assessments for the 2025 Street & Utility Project. The project included improvements to the following streets:

- Linn Drive SW
- Oakdale Street SW

Declared Cost of this project is $2,187,378.69 of which $234,916.24 is proposed to be specially assessed. Two property owners have submitted written objections to the proposed assessment of their property. City Attorney Walbran will contact the property owners regarding the appeal process requirements. At 7:02 p.m., Council President Raney opened the public hearing. With no comments heard, at 7:03 p.m., Council Member Svenby made a motion to close the public hearing, Council Member Dotson seconded the motion, all members voted aye in approval.

Resolution 19-26 Adopt Assessments - 2025 Street & Utility Project

Public Works Director Murphy requested approval of Resolution 19-26 to adopt the proposed assessments for the 2025 Street and Utility Project. Murphy recommended a repayment term of 10 years at an interest rate of 5.0% which is based on the 2025 bond issue true interest costs of 3.06%. Council Member Boeke made a motion for approval, Council Member McCann seconded the motion, all members voted aye in approval.

Consent Agenda Items

City Council Meeting - January 6, 2026
City Council Meeting - January 20, 2026
Library Board Minutes - November 20, 2025
Airport Commission Minutes - January 22, 2026
HRA Board Minutes - January 26, 2026
Finance Report

Amount	Vendor-Description

$ 216,987.50	Abdo LLP Accounting Services
213,350.00	Asphalt Zipper Inc -2024 (GEN 8)480XI-215H Reclaimer/Stabilizer (48”/1.2 M)
265,000.00	Heley, Duncan & Melander, PLLP – Mediation Agreement & Release - N Cedar Streetscape Project Limestone
20,340.00	Kasper Plumbing INC – Replace 2 Boilers at WWTF Office
156,432.62	Legence Subsidiary Holdings LLC – Public Safety Center – December Professional Services
20,741.57	Structures Unlimited LLC – Wind Damage Repairs – Labor, Equipment & Parts
271,021.44	Other Expenditures
$1,163,873.13	Total Expenditures Presented for Approval

Donation to Fire Department - Olmsted Medical Center

A $500 gift to the Fire Department to support its greatest areas of need.

Donation to Parks & Rec Department - Taylormade Golf Company

Taylormade Golf Company is one of the merchandise vendors used at Brooktree Golf Course. As a retail location, Brooktree qualifies for their 'Plus 1 Ball' program. Donated items, with retail value of approximately $520, will be some of the prizes awarded at golf events and tournaments.

Memorandum of Understanding - Huskies Bullpen Club

In previous years, the city and the Huskies Bullpen Club collaborated in purchasing and co-owning baseball equipment for the Machine Pitch and Player Pitch levels of the city-sponsored youth baseball programs. During that time, the city’s Parks and Recreation Department managed these two levels, along with the T-Ball and Coach Pitch programs. For the 2026 season, a transition in programming has been implemented management of the Machine Pitch and Player Pitch levels will now be managed by the Huskies Bullpen Club. The city will no longer utilize the co-owned equipment previously used exclusively for these levels. This equipment will now be retained by the Huskies Bullpen Club for their continued use in these programs and repairs or replacement of the equipment will be the responsibility of the equipment co-owners, the Huskies Bullpen Club.

Stormwater Facility Maintenance Agreement - Northstar Property, LLC

The City requires that on-site stormwater management must be maintained by the property owner to meet the requirements of the MS4 permit held by the City. The property owner, Northstar Property, LLC has agreed to the terms and conditions for their facility located at 1045 26th Place NW, no fee has incurred.

Supplemental Letter of Agreement to Airfield Pavement Maintenance Agreement - SEH, Inc.

Provide professional engineering services for the Airfield Pavement Maintenance project. The project includes crack sealing airport Taxiway B (parallel taxiway to Runway 5/23) and hangar area Taxilanes to preserve existing airfield asphalt

pavement. All work and materials to be included in this project will be in accordance with FAA and MnDOT Aeronautics standards and specifications. Services provided under this agreement include program coordination, final design, preparation of bidding documents, bidding and award, and project management. FAA and MnDOT Aeronautics grant funding participation are anticipated for this project for eligible items. The anticipated local cost for this portion of the project is approximately $998.00, full cost for work under this agreement is $19,000.00. These costs are eligible for a combination of FAA (95% Federal, 2.5% State, 2.5% local) and MnDOT Aeronautics (70% State, 30% local) grant funding based on eligibility calculations.

Vehicle Purchase - IT Department - Marthaler Honda of Owatonna

Purchase a 2026 Honda HR-V for the IT Department to replace the current 2006 Chevy Impala. Quotes were obtained for a 2026 Honda HR-V, 2026 Ford Escape, and 2026 Jeep Compass. All quotes were within a few hundred dollars and after review with City Mechanics the HR-V was determined to be the best option for long-term value and reliability. The total cost for the 2026 Honda HR-V, including taxes and fees, is $33,066.79.

Annual Microsoft License Renewal – SHI

Renewal of the City's Microsoft 365 licensing agreement for February 1, 2026 – January 31, 2027. Microsoft 365 licenses provide Office applications, Teams collaboration, audio conferencing, phone system integration, security features, and compliance tools. These licenses are required for daily operations and are essential for maintaining secure and efficient workflows. The total cost for the annual renewal is $122,545.93 which covers all required licenses for city staff and devices.

Annual Software Renewal Agreement – CivicPlus

Annual renewal of CivicPlus services to provide essential digital solutions that support our municipal website, communication tools, media streaming, and recreation management systems. CivicPlus is a critical component of our digital infrastructure, ensuring ADA compliance, secure hosting, and streamlined communication with residents. The platform includes:

- Website Hosting, Accessibility and Content Management
- Recreation Management
- Agenda and Meeting Management
- Communication tools
- Media Streaming

These services are vital for maintaining transparency, accessibility, and operational efficiency. Renewal fee for coverage, January 1, 2026 – December 31, 2026 is $47,360.83.

Council Member Dotson made a motion to approve these Consent Agenda Items, Council Member Svenby seconded the motion, and all members voted aye in approval.

Resolution 20-26 Set Date for Public Hearing to Adopt CIP Plan with Intent to Issue Bonds - Police and Fire Facilities

City Administrator Tuma presented Resolution 20-26 to set a Public Hearing related to the adoption of a capital improvement plan and the issuance of general obligation bonds for the police and fire facilities. The City is authorized under Minnesota Statutes, Section 475.521, as amended (the "Act"), to prepare a plan for capital improvements authorized under the Act over the next five years (the "Plan"), and to issue general obligation bonds to finance the cost of capital improvements described in the Plan. Under the Act, the city is required to hold a public hearing regarding the Plan and issuance of the bonds.

The City Council has determined to prepare a Plan for the city and to issue general obligation bonds in a principal amount not to exceed $65,000,000, plus any premium received, to finance certain capital improvements in the city, including but not limited to the acquisition, design, construction, betterment, and equipping of a new police station and a new fire station. The city is authorizing staff and consultants to prepare a Plan and to place a copy of the Plan on file in the City Administration Office by no later than the date of publication of the hearing notice for the public to view.

The City Council will hold a public hearing regarding the Plan and issuance of the Bonds on Tuesday, March 3, 2026, at approximately 7:00 p.m. at City Hall. The City Administrator/City Clerk is authorized and directed to publish a notice substantially in the form attached in the official newspaper of the City at least 10 days but not more than 28 days prior to the date of the hearing. The issue of the Bonds in a principal amount not to exceed $65,000,000, plus any premium received. Council Member Burbank made a motion for approval, Council Member Voss seconded the motion.

Council Member Boeke commented his vote will be nay; the project is needed but he is opposed to the cost and size of the proposed facilities. Facility tours of other cities included a stop at the Burnsville Fire Station, this is a 44,000 square foot facility. Burnsville population is 40,000+ residents and their facility accommodate ambulance, water safter rescue and several department offices. Owatonna's current population is less than 28,000, we will not offer these additional services. The current plan for the fire facility is 40,000 square feet, just slightly smaller than the Burnsville facility and they offer more services.

Council Member Svenby agreement with Council Member Boeke's statement but will vote for approval. This is a needed first step for a public hearing, we need to allow for growth, but we will need to review plans to determine if they overbuild the project.

Council Member Dotson concurred; a public hearing will give the public the option to have a voice on the project and costs.

Council Member McCann commented recent cost was projected at $61 million and now showing as $65 million. City Administrator Tuma explained this would allow a ceiling amount available if any adjustments are needed during construction. If no ceiling is included, delays could be caused when waiting for approval. McCann commented that the final designs have not been approved, and he anticipates the plans will be conservative to stay near the lower projected cost.

Council President Raney commented action tonight is to set a date for a public hearing, he wants to hear from the public.

Council Member Burbank commented that the need for new facility projects has been on the Council timeline for many years. With no additional comments, six members voted aye, Council Member Boeke voted nay, and the resolution was approved.

Resolution 21-26 Convey Property - Lot 1 Block 1, Stamo Addition – Redline Development Group LLC & Stadheim

City Attorney Walbran presented Resolution 21-26 to affirm the property boundaries within the Stamo Addition. During the January 6, 2026 Council Meeting, Council approved the sale of property on Oak Street N to the Redline Development Group, LLC for the Ascend South Project, and the Final Plat of the Stamo Addition. Redline Development Group, LLC and Stadheim Properties of Owatonna, LLC are owners of the property comprising Stamo Addition and this resolution affirms the boundaries of their respective parcels comprising Stamo Addition. Council Member Svenby made a motion for approval, Council McCann seconded the motion, all members voted aye in approval.

Professional Services Agreement - Gray Box Engineering LLC

Public Works Director Murphy Requesting City Council approval of an agreement with Gray Box Engineering LLC to provide professional engineering services for the Lift Stations located at 3950 West Bridge Street, 1155 24th Avenue SW, and 3036 Northridge Lane. The City has been working with an engineering firm to update the City's lift station components to allow for SCADA integration to improve efficiency in management of the collections system. The lift stations located at 3950 West Bridge Street, 1155 24th Avenue SW, and 3036 Northridge Lane are the next lift stations slated for these improvements.

Previously, the city has worked with AE2S to conduct these services. Mark Ruda, the primary engineer on the project, has moved on to Gray Box Engineering LLC, and it is beneficial to use the same engineer for all lift station improvement designs to maintain consistency across lift stations. Per the attached agreement and scope of services, Gray Box Engineering, LLC will provide professional services related to design, bidding, construction administration, and programming of these updates. The total is not to exceed $29,100 without prior approval from the City of Owatonna.

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

Software Subscription Agreement - Smarsh

IT Director and Interim Park & Rec Director Brown requested approval to purchase a Smarsh subscription for archiving and compliance management for 2026. Smarsh provides archiving for email, social media, collaboration platforms, and cell phone text messages, ensuring full compliance. This software will replace CivicPlus Social Media Archiving ($7,547.40 annually), which

only covers social media. Annual cost will be $16,309.83 with no additional hardware required; staff negotiated the agreement to lower the cost, this was originally proposed at $24,000/year. Council Member McCann made a motion for approval, Council Member Dotson seconded the motion, and all members voted aye in approval.

ACE Modern IT Agreement - Marco

IT Director and Interim Park & Rec Director Brown requested approval to enter into an agreement with Marco Technologies for Modern IT services for the 2026 calendar year. The proposed agreement provides Microsoft 365 Admin-as-a-Service, identity threat detection, mobile device management, and modernization tools to improve security and efficiency. These services will enhance our IT infrastructure and support compliance and productivity goals. The agreement includes recurring monthly services totaling $6,559.80 per month, with a discounted payment option of $6,250.00 per month for 36 months. Council Member Voss made a motion for approval, Council McCann seconded the motion, and all members present voted aye for approval.

Staff Comment: Ryan Brown, Interim Park & Rec Director

Director Brown introduced Seth Allen, Recreation Supervisor at Brooktree. Mr. Allen commented that during the off-golf season, he has been working on the annual Bold and Cold Event plans. With warmer weather and no snow, two activities have been cancelled: Snow Sculptures in Central Park and Snowshoeing. Last weekend, two indoor activities included a Pickleball Tournament and a Puzzle Competition with several teams participating. Activities rescheduled to this weekend are a Luminary Hike at Brooktree, Rock On the Ice at Morehouse Park; Bingo at Owatonna Middle School and Ice Fishing at Lake Kohlmier.

Mr. Allen provided a brief update on the Brooktree Golf Course. Membership and the number of golf rounds played last year increased over those in 2024. He contributes this to an increased social media presence and the addition of Chill-Aqui as the Food and Beverage Vendor. Last year, Brooktree Golf Course was the Runner-Up for the Best Golf Course in Southern MN.

Council Member Boeke commented he has heard several good comments about Brooktree Golf Course and then thanked Taylormade Golf Company for the merchandise donation approved on tonight's Consent Agenda.

PUBLIC COMMENTS

Melissa Zimmerman, 2525 Stoney Creek Drive commented that yesterday, she attended the police and fire station open house and learned this has been a seven-year project. It dates to 2019, but the public didn't become aware of it until April of 2025, when the city hired a lobbyist to pursue state funding. Without that funding, this project wasn't moving forward. On November 8, 2025, demolition scheduled for May of this year was quietly referenced. I attended a West Hills Commissioner meeting where the Safety Center was discussed but it was a formality, staff informing the committee of decisions already made. In December, I and others attended a Study Session to learn discussion on

the proposed $61 million project that had been rescheduled and included in the session earlier that afternoon. (Admin Note – the Public Meeting Schedule and Meeting Agenda were timely amended with the earlier meeting time, the Calendar on the city's website showed the later meeting time.) I mentioned the Safety Center at the Truth in Taxation hearing, a meeting specifically about how my tax dollars are spent and my voice was cut off. Yesterday, I attended the first public open house for a seven-year project, with demolition planned to start in two months. That is not normal or acceptable, I asked if residents could offer suggestions on the locations, but Administration said there was no public comment process during this open house, the Open House was to present the proposed plans and answer questions on the plans. That is not public engagement, it is troubling and it's not new.

I've advocated for conversation. I've become the face of hundreds of residents who want to participate but are shut out. I've conquered public speaking because we need change. Recently, the State of Minnesota invited Mr. Sennott and me to speak to a committee working on reforms to data practices laws and we saw government working the way it should. We were given time to speak, they asked questions, listened, worked to understand and invited continued conversation. That is all we have ever asked for here. This is not just a Safety Center issue and not just an East Side Corridor issue. This is an Owatonna and Steele County shutting out the public problem. We won't always agree, but when we work together, when we talk with each other, we can do amazing things. Understanding only happens when conversation exists, you want my tax money but not my input.

Tim McManimon, 2075 Linn Drive commented that 2025 was a long year and he is happy the improvement on Lynn Drive is done. He questioned the resolution directing city staff authorization to take bonds to council, Page 2 shows intent to include incurred expenses, but it should say how much. This project was originally proposed at $61 million, was changed to $63 million when proposal went to two facilities and not one, that $63 million has become $65 million. Last night, I attended the Open House, and the estimated cost is $61 million, can you see why some of us are suspect?

Carl Wieman, 524 Glendale St thanked Council Member Boeke for his comment regarding cost of the proposed safety facilities during this Council Meeting. He also attended the Open House last night and learned a lot by viewing an 81-page Power Point presentation. This project has a lot going on but there are other places in town that would be less expensive. We don't need an underneath garage with year-round heat or air conditioning. It would be less expensive to build north of the Tennis Center, which would be easier to access. Consideration should also be given to the Leo Rudoph Center, anywhere but on the West Hills Campus.

Tyrel Alaser Hunter, 201 N Oak Ave #206 also thanked Council Members for their comments tonight which challenged the size and cost of the proposed safety facilities. He is not opposed to building a project but the size being considered is too large for our community. Lakeville's population is 70,000 residents and the current facility planned will

be bigger than theirs? We don't need a facility for 100,000 people; we should be planning for our future with 40,000 residents in our community.

Gary Jones, 995 Ridge Road commented that he believes everyone present will agree that the city's archery hunt is too long, Owatonna's plan allows 56 days. He suggested plan similar to the Three Rivers Park District which has two three-day sessions about one month apart from each other. They close their parks for these three-day periods to allow the hunters no disruptions. We could modify their plan; remote parks could have longer hunts but not the parks with frequent park goers. Those parks should have short hunting periods: Mineral Springs is close to residential homes; only three deer have been taken in the Leo Rudolph during the last ten years and has limited park usage. The hunters should be placed in areas where they will be successful. A full second season is a waste of time for both the city and the hunters. City Administrator Tuma previously oversaw the Three Rivers Park District, so she is familiar with their plan. We should ask her about their plan and try it here, I would like to be included in conversations for a shorter hunting program

MAYOR AND COUNCIL COMMENTS:

Mayor Jessop thanked those who attended the Open House for the proposed safety facility plans. It was a good information session and allowed people a chance to get information and some answers. Also, if anyone wants to get involved, application for several commission openings is currently available on the City's website. Positions currently advertised include openings on the Human Rights Commission, Public Utilities - Ward 1 and Fire Civil Service/Board of Appeals.

City Administrator Tuma commented yesterdays' Open House for the proposed safety facilities was attended by approximately 50 people. They got some great information, Mayor Jessop already noted this was an informational session and there will be another held February 26th from 4 p.m. to 6 p.m. Also, regarding Mr. Jones' comment that I previously worked at the Three Rivers Park District, I worked there for more than 20 years. We did not close the parks for archery hunts; the only time the parks were closed was for the shotgun hunts.

Council President Raney thanked everyone for attending the meeting.

At 7:51p.m., Council Member Svenby made a motion to adjourn, Council Member Dotson seconded the motion, and all members voted aye and the meeting was closed.

Respectfully submitted,

Jeanette Clawson, Administrative Coordinator

Board - Commission Minutes

OWATONNA PLANNING COMMISSION MINUTES FOR FEBRUARY 10, 2026

The Owatonna Planning Commission met in regular session at 5:30 p.m. in the Crandall Center – Chambers with Chairperson Kelly Rooks conducting the meeting. Present at roll call were Commissioners Kelly Rooks, Rachel Springer-Gasner, John Eickhoff, Mark Wilson, Nick Peake, Dave Effertz, and Jim Joachim. Community Development Manager Greg Kruschke, Planning Specialist Emma Bransford, and Senior Administrative Technician Kristen Kopp were also present.

A motion was made by Joachim and seconded by Wilson to approve the minutes of regular meeting of November 12, 2025. All Commissioners voting Aye, the motion carried.

Application VAR-24, which is a request by Scott Tuchtenhagen of Jones, Haugh, and Smith, on behalf of Wayne Fett, for a setback variance to allow a 20-foot front yard setback where a 30-foot setback is required and a 10-foot rear yard setback where a 20-foot rear yard setback is required for the properties located at 141 Allan Avenue SW and 690 Mound Street SW, was presented by Planning Specialist Emma Bransford. (Refer to report on file.)

Preliminary and Final Plat of Mound Addition, which is a 0.61± acre tract of land zoned B-2 Community Business District, owned by Wayne Fett, Mega Load Properties, LLC and Apex Pro Leasing, LLC, and located at 141 Allan Avenue SE and 690 Mound Street SW, was presented by Planning Specialist Emma Bransford. (Refer to report on file.)

Public hearing for VAR-24 and the Preliminary and Final Plat of Mound Addition opened at 5:36 pm. No comments were made regarding this request. Public hearing closed at 5:37 pm. Joachim said this is cleaning up the lots. Eickhoff said he didn't have any issues with it.

A motion was made by Eickhoff and seconded by Effertz to recommend City Council approval of VAR-24 to allow a 20-foot front yard setback where a 30-foot setback is required and a 10-foot rear yard setback where a 20-foot rear yard setback is required with the following condition:

1) No building alterations shall be made that causes further encroachment into the setbacks on either lot.

All Commissioners voting Aye, the motion carried.

A motion was made by Joachim and seconded by Springer-Gasner to recommend City Council approval of the preliminary and final plat of Mound Addition with the following conditions:

1) The final plat shall be recorded 60 days of the approval.
2) The title opinion shall be approved by the City Attorney prior to recording of the final plat.
3) Apex Pro Leasing, LLC and Mega Load Properties, LLC must enter into a shared parking agreement between Lot 1 and Lot 2 of Mound Addition. The parking agreement must be recorded with the final plat.
4) Approval of Application VAR-24 regarding building setbacks.

All Commissioners voting Aye, the motion carried.

Application VAR-23, which is a request by Scott Tuchtenhagen of Jones, Haugh, and Smith, on behalf of Wayne Fett, for a sign variance to allow for an off-premise sign in the B-2 District, was presented by Planning Specialist Emma Bransford. (Refer to report on file.) Public hearing opened at 5:40 pm. No comments were made regarding this request. Public hearing closed at 5:41 pm. A motion was made by Eickhoff and seconded by Effertz to recommend City Council approval of VAR-23 to allow for an off-premise sign in the B-2 district with the following conditions:

1) The sign shall require a building permit.
2) No additional freestanding signs shall be permitted on either side of the subject properties.
3) All temporary signage shall comply with Section 153.08 (D) of the subject property.

All Commissioners voting Aye, the motion carried.

Mojra Hauenstein and Derek Olinger from Bolton and Menk gave an update on the Zoning and Subdivision Ordinance Process. Olinger gave an update on sidewalks and street widths, asking Commissioners for input. Hauenstein gave an update on the timeline process. She said that the next workshop will be in April with a community open house in the spring.

Community Development Manager Greg Kruschke presented the monthly Building Permit updates. There are a couple new houses to start the year. In 2025 we ended with 15 new houses, which was more than 2024.

Community Development Manager Greg Kruschke gave an update on previous items.

A motion was made by Joachim and seconded by Peake to adjourn the meeting at 6:14 pm. All Commissioners voting Aye, the motion carried.

Respectfully Submitted,

_____

Greg Kruschke
Community Development Manager

Department Reports

RECAP:

Amount	Vendor	Description
$ 204,598.88	AXON ENTERPRISE INC	OFFICER SAFETY PLAN 10 PLUS, PRO LICENSE BUNDLE, CAMERAS, TASERS, ETC
167,429.02	SOUTHEAST SERVICE COOPERATIVE	JANUARY 2026 HEALTH INSURANCE PREMIUMS
123,157.39	SHI INTERNATIONAL CORP	ANNUAL MICROSOFT RENEWAL
91,108.31	TURFWERKS	JACOBSEN - LF550 2WD MOWER
44,404.40	HYDRO-KLEAN LLC	2025 CIPPS PROJECTS - PAY EST #4
39,560.00	POLYDYNE INC	CHEMICALS
34,900.00	COLE'S ELECTRIC INC	CITY HALL ELECTRIC GENERATOR REPLACEMENT
30,194.06	US BANK	CITY CREDIT CARD PURCHASES - DECEMBER/JANUARY
21,319.74	MICHAEL BURNS	2026 EZ DOCK FLOATING DOCK
232,441.13	OTHER EXPENDITURES	
989,112.93	SUBTOTAL	
113,992.71	HRA HOUSING ASSISTANCE PAYMENTS	
1,103,105.64	TOTAL EXPENDITURES PRESENTED FOR APPROVAL	

NOTE: Checks over $20,000 are detailed out individually

A/P Check Register
Checks from to

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
		Cash Account: 999-19100-000-000-000000			
386101	01/20/26	CLOVER CONNECT	830.58	R	Wire Transfer
386102	01/20/26	GLOBAL PAYMENTS INTEGRATED	7,686.80	R	Wire Transfer
386103	01/20/26	MN DEPT OF LABOR AND INDUSTRY	691.08	R	Wire Transfer
386104	01/20/26	MN DEPT OF REVENUE	3,126.09	R	Wire Transfer
386105	01/20/26	PAYMENTECH	55.70	R	Wire Transfer
386106	01/20/26	SOUTHEAST SERVICE COOPERATIVE	167,429.02	R	Wire Transfer
386107	01/20/26	US BANK	30,194.06	R	Wire Transfer
386108	01/20/26	WEX BANK	895.47	R	Wire Transfer
386109	01/20/26	WEX HEALTH INC	346.50	R	Wire Transfer
386110	02/01/26	ACADEMY APARTMENTS OF OWA LLC	1,307.00	R	ACH
386111	02/01/26	ALL AREA MANAGEMENT LLC	2,299.00	R	ACH
386112	02/01/26	APACHE APARTMENTS	667.00	R	ACH
386113	02/01/26	ATM PROPERTIES LLC	2,183.00	R	ACH
386114	02/01/26	ATR HOLDINGS	923.00	R	ACH
386115	02/01/26	AUSTIN HRA	1,312.00	O	Regular
386116	02/01/26	BARRY GILLESPIE	850.00	R	ACH
386117	02/01/26	BRIANT PROPERTIES	835.00	R	ACH
386118	02/01/26	BROWN CYNTHIA	537.00	R	ACH
386119	02/01/26	BRYCEN GREGOR	5,245.00	R	ACH
386120	02/01/26	CAPELLE COMPANIES LLC	564.00	R	ACH
386121	02/01/26	CEDAR RIDGE APARTMENTS	888.00	R	ACH
386122	02/01/26	CEDAR ROSE ASSOCIATES LLC	1,360.00	R	ACH
386123	02/01/26	CEDAR RUN TOWN HOMES MDI #41	3,091.00	R	ACH
386124	02/01/26	CEDARDALE NORTH APARTMENTS	660.00	R	ACH
386125	02/01/26	CEDARDALE SOUTH APARTMENTS	258.00	R	ACH
386126	02/01/26	CEDARDALE WEST APARTMENTS	628.00	R	ACH
386127	02/01/26	CHAD STANNARD	548.00	R	ACH
386128	02/01/26	CHASE BLUM	629.00	R	ACH
386129	02/01/26	CHRIS PROHASKI	1,363.00	R	ACH
386130	02/01/26	CHRIS PROHASKI II	940.00	R	ACH
386131	02/01/26	COMMON CENTS PROPERTIES LLC	312.00	R	ACH
386132	02/01/26	COOPERS COURT LLC	449.00	R	ACH
386133	02/01/26	DAKOTA STEARNS PROP LLC	750.00	R	ACH
386134	02/01/26	DANIEL SCHLEGEL	455.00	R	ACH
386135	02/01/26	EEK, LLC	2,130.00	R	ACH
386136	02/01/26	FREDRICKSON PROPERTIES	1,337.00	R	ACH
386137	02/01/26	HOUSING HUB LLC	1,628.00	R	ACH
386138	02/01/26	IMAGE APARTMENT	6,125.00	R	ACH
386139	02/01/26	J & P PROPERTIES	324.00	R	ACH
386140	02/01/26	KASSON HOUSING GROUP LLC	1,718.00	R	ACH
386141	02/01/26	KEG INVESTMENTS LLC	1,699.00	R	ACH
386142	02/01/26	KEITH MARTIN	1,082.00	R	ACH
386143	02/01/26	KLEVOS GREG	820.00	R	ACH
386144	02/01/26	L&L LEGACY PROPERTIES	634.00	R	ACH

A/P Check Register
Checks from to

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
386145	02/01/26	LINCOLN SQUARE APARTMENTS	7,688.00	R	ACH
386146	02/01/26	LWO LIMITED PARTNERSHIP #116	4,942.00	R	ACH
386147	02/01/26	MARQUARDT DENNIS	2,256.00	R	ACH
386148	02/01/26	MARTIN FAMILY LLC	2,879.00	R	ACH
386149	02/01/26	MCALLEN HOUSING COMMISSION	642.71	R	ACH
386150	02/01/26	MCCAULEY CONSTRUCTION	362.00	R	ACH
386151	02/01/26	MIDWEST INVEST LLC	515.00	R	ACH
386152	02/01/26	NECHVILLE SUSAN	1,666.00	R	ACH
386153	02/01/26	NORTH HILLS ESTATE LLC	6,740.00	R	ACH
386154	02/01/26	NORTHCOURT APARTMENTS	762.00	R	ACH
386155	02/01/26	NORTHGATE	2,207.00	R	ACH
386156	02/01/26	NORTHSTAR HOLDINGS LLC	1,055.00	R	ACH
386157	02/01/26	NORTHWEST MANOR	5,627.00	R	ACH
386158	02/01/26	NRB PROPERTIES	451.00	R	ACH
386159	02/01/26	OWATONNA PUBLIC UTILITIES	113.00	R	ACH
386160	02/01/26	PARKVIEW OWATONNA LLC	1,265.00	R	ACH
386161	02/01/26	PHILLIP L BRUHA	940.00	R	ACH
386162	02/01/26	POSITIVE SHARE LLC	366.00	R	ACH
386163	02/01/26	PROHASKI PROPERTIES	1,057.00	R	ACH
386164	02/01/26	QUALITY RENTALS OF OWATONNA LL	943.00	R	ACH
386165	02/01/26	RICHARD ELLINGSON	765.00	R	ACH
386166	02/01/26	SIXSPARKS LLC	525.00	R	ACH
386167	02/01/26	SMITH REAL ESTATE LLC	1,447.00	R	ACH
386168	02/01/26	SPERO	8,486.00	R	ACH
386169	02/01/26	SUMMIT MANOR	482.00	R	ACH
386170	02/01/26	SUSAN I JOHNSON	3,337.00	R	ACH
386171	02/01/26	USDA RURAL DEVELOPMENT	1,141.00	O	Regular
386172	02/01/26	WILLOW RUN I MDI #58	3,394.00	R	ACH
386173	02/01/26	WILLOW RUN II MDI #85	3,313.00	R	ACH
386174	02/01/26	ZK INVESTORS LLC	2,076.00	R	ACH
386175	02/04/26	FIRST AMERICAN TITLE INSURANCE	331.65	O	Regular
386176	02/10/26	4IMPRINT INC	7,178.03	R	ACH
386177	02/10/26	ACUSHNET COMPANY	344.96	O	Regular
386178	02/10/26	AFLAC	2,203.10	R	ACH
386179	02/10/26	ALEX AIR APPARATUS, INC	876.00	O	Regular
386180	02/10/26	ALEXANDER LUMBER COMPANY	112.45	O	Regular
386181	02/10/26	ASPEN MILLS INCORPORATED	1,578.55	O	Regular
386182	02/10/26	AVFUEL CORPORATION	12,632.85	R	ACH
386183	02/10/26	AWARDS DIRECT INC	801.00	O	Regular
386184	02/10/26	AXON ENTERPRISE INC	204,598.88	O	Regular
386185	02/10/26	BARNUM COMPANIES INC	863.75	O	Regular
386186	02/10/26	BENJAMIN R JOHNSON	16.17	O	Regular
386187	02/10/26	BLOOMING PRAIRIE FARM RADIO IN	1,180.00	R	ACH
386188	02/10/26	BOLTON & MENK INC	10,550.00	R	ACH
386189	02/10/26	CAVALIER COACHES INC	795.00	O	Regular

A/P Check Register
Checks from to

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
386190	02/10/26	CENTRAL FARM SERVICE	18,768.87	O	Regular
386191	02/10/26	CITY OF BLOOMING PRAIRIE	313.93	R	ACH
386192	02/10/26	CITY OF OWATONNA	52.50	O	Regular
386193	02/10/26	CLUB CADDIE	525.00	R	ACH
386194	02/10/26	COLE'S ELECTRIC INC	34,900.00	O	Regular
386195	02/10/26	COVERALL OF THE TWIN CITIES	2,455.00	R	ACH
386196	02/10/26	CRYSTEEL TRUCK EQUIP	771.00	R	ACH
386197	02/10/26	CURT'S TRUCK & DIESEL SERVICE	349.39	R	ACH
386198	02/10/26	CUSTOM COMMUNICATIONS INC	668.81	O	Regular
386199	02/10/26	DELL MARKETING LP	2,785.53	R	ACH
386200	02/10/26	DENISE STEWART	398.96	R	ACH
386201	02/10/26	DK ENTERPRISES OF AUSTIN INC	549.00	O	Regular
386202	02/10/26	DUININCK, INC.	4,088.70	R	ACH
386203	02/10/26	ECHOSAT INC	144.18	O	Regular
386204	02/10/26	ENTENMANN-ROVIN CO	1,042.85	R	ACH
386205	02/10/26	EYE MED VISION CARE	552.90	O	Regular
386206	02/10/26	FARIBAULT DAILY NEWS	450.40	O	Regular
386207	02/10/26	FARMERS FEED AND PET SUPPLY	254.85	O	Regular
386208	02/10/26	FASTENAL COMPANY	1,142.14	R	ACH
386209	02/10/26	FIRST SUPPLY OWATONNA	2,303.71	R	ACH
386210	02/10/26	FLAHERTY & HOOD PA	481.25	R	ACH
386211	02/10/26	FORCE AMERICA	828.04	R	ACH
386212	02/10/26	GENUINE PARTS COMPANY - NAPA	733.92	R	ACH
386213	02/10/26	HAWKINS INC	10,045.58	R	ACH
386214	02/10/26	HEALTHPARTNERS INC	5,702.02	O	Regular
386215	02/10/26	HILLYARD INC	3,038.85	O	Regular
386216	02/10/26	HORIZON COMMERCIAL POOL SUPPLY	503.96	R	ACH
386217	02/10/26	HUBER SUPPLY CO INC	169.68	O	Regular
386218	02/10/26	HYDRO-KLEAN LLC	44,404.40	R	ACH
386219	02/10/26	IFACS	563.44	R	ACH
386220	02/10/26	IMMEL CONSTRUCTION	5,000.00	O	Regular
386221	02/10/26	INGRAM LIBRARY SERVICES LLC	960.98	O	Regular
386222	02/10/26	INNOVATIVE OFFICE SOLUTIONS	197.71	O	Regular
386223	02/10/26	INSTY PRINTS	866.27	R	ACH
386224	02/10/26	JACK MARTIN	656.25	O	Regular
386225	02/10/26	JETTER CLEAN INC	737.50	R	ACH
386226	02/10/26	KARL'S TV & APPLIANCE INC	342.79	O	Regular
386227	02/10/26	KATHRYN MOUW MSW LICSW LADC	150.00	R	ACH
386228	02/10/26	KOWZ-FM	500.00	R	ACH
386229	02/10/26	KWIK TRIP INC	110.24	O	Regular
386230	02/10/26	L & L STREET RODS & SPORT TRUC	3,993.68	R	ACH
386231	02/10/26	LAWSON AUTOMOTIVE LLC	39.94	R	ACH
386232	02/10/26	LAWSON AUTOMOTIVE LLC	29.95	R	ACH
386233	02/10/26	LAWSON AUTOMOTIVE LLC	29.95	R	ACH
386234	02/10/26	LMS PRODUCTIONS LLC	1,125.00	O	Regular

A/P Check Register
Checks from to

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
386235	02/10/26	MACQUEEN EQUIPMENT CO	12,620.96	R	ACH
386236	02/10/26	MADISON NATL LIF INS CO INC	1,110.05	O	Regular
386237	02/10/26	MARCO TECHNOLOGIES LLC	141.41	R	ACH
386238	02/10/26	MCMASTER-CARR SUPPLY CO	227.73	R	ACH
386239	02/10/26	METRO SALES INC	451.51	O	Regular
386240	02/10/26	METRONET SYSTEMS HOLDINGS LLC	775.46	R	ACH
386241	02/10/26	MICHAEL BURNS	21,319.74	O	Regular
386242	02/10/26	MID OPERATIONS LLC	35.95	R	ACH
386243	02/10/26	MID-STATES ORGANIZED CRIME	2,700.00	R	ACH
386244	02/10/26	MIDWEST TAPE LLC	2,823.47	R	ACH
386245	02/10/26	MINNESOTA ELEVATOR INC	120.00	O	Regular
386246	02/10/26	MINNESOTA LIFE	3,196.90	O	Regular
386247	02/10/26	MINNESOTA SECURITY CONSORTIUM	2,235.60	R	ACH
386248	02/10/26	MN DEPT OF LABOR AND INDUSTRY	575.00	O	Regular
386249	02/10/26	MN DRIVER & VEHICLE SERVICES	30.75	O	Regular
386250	02/10/26	MN FIRE SERVICE CERT BOARD	786.00	O	Regular
386251	02/10/26	MN LAW ENFORCE EXPLORER ASSN	150.00	O	Regular
386252	02/10/26	MN NCPERS GROUP LIFE INSURANCE	368.00	O	Regular
386253	02/10/26	MN RECREATION & PARK ASSN	234.00	R	ACH
386254	02/10/26	MN STATE FIRE DEPT ASSOCIATION	495.00	O	Regular
386255	02/10/26	MTI DISTRIBUTING INC	246.02	R	ACH
386256	02/10/26	NORTHLAND FARM SYSTEMS	230.44	R	ACH
386257	02/10/26	OWATONNA HEATING & COOLING INC	740.00	R	ACH
386258	02/10/26	OWATONNA MOTOR COMPANY	159.38	O	Regular
386259	02/10/26	OWATONNA PUBLIC UTILITIES	3,183.92	R	ACH
386260	02/10/26	OWATONNA RENT N SAVE	20.79	O	Regular
386261	02/10/26	OWT HARDWARE	519.46	O	Regular
386262	02/10/26	PAAPE COMPANIES INC	322.92	R	ACH
386263	02/10/26	PHONE STATION INC	9,110.00	O	Regular
386264	02/10/26	PLUNKETT'S PEST CONTROL INC	761.97	R	ACH
386265	02/10/26	POLYDYNE INC	39,560.00	R	ACH
386266	02/10/26	PRIME GARAGE DOOR & MORE LLC	2,622.50	R	ACH
386267	02/10/26	RICE STEELE 911 CENTER	886.26	O	Regular
386268	02/10/26	ROCON INCORPORATED	3,187.50	O	Regular
386269	02/10/26	SAFETY AND SECURITY	1,500.00	O	Regular
386270	02/10/26	SENIORPLACE INC	318.00	O	Regular
386271	02/10/26	SHI INTERNATIONAL CORP	123,157.39	O	Regular
386272	02/10/26	SHORT ELLIOTT HENDRICKSON INC	35.88	O	Regular
386273	02/10/26	SHRED RIGHT	44.75	R	ACH
386274	02/10/26	SMRPA	135.00	O	Regular
386275	02/10/26	SOUTHERN MN INSPECTION CO	3,769.80	O	Regular
386276	02/10/26	SPHERION STAFFING LLC	1,446.75	O	Regular
386277	02/10/26	SPS COMPANIES INC	.00	R	ACH
386278	02/10/26	ST CROIX RECREATION CO	2,083.00	R	ACH
386279	02/10/26	STEELE CO ATTORNEY'S OFFICE	200.00	O	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
386280	02/10/26	STEELE COUNTY TREASURER	45.61	O	Regular
386281	02/10/26	STEVE JAMES EXCAVATING INC	1,155.00	R	ACH
386282	02/10/26	STREICHER'S INC	847.97	O	Regular
386283	02/10/26	SYNCHRONY BANK - LOWE'S	104.46	O	Regular
386284	02/10/26	T-MOBILE	3,218.50	O	Regular
386285	02/10/26	TELADOC HEALTH INC	1,069.50	O	Regular
386286	02/10/26	THOMPSON SANITATION INC	77.40	R	ACH
386287	02/10/26	TJD REPAIR & SERVICE	81.64	O	Regular
386288	02/10/26	TREASURY DIVISION, FINANCE	100.00	O	Regular
386289	02/10/26	TRI M GRAPHICS	9,695.03	R	ACH
386290	02/10/26	TRUCK CENTER COMPANIES LLC	391.57	O	Regular
386291	02/10/26	TURFWERKS	91,108.31	R	ACH
386292	02/10/26	UNITED RENTALS INC	2,300.00	O	Regular
386293	02/10/26	UNITED WAY	20.00	O	Regular
386294	02/10/26	UTILITY CONSULTANTS INC	1,753.04	R	ACH
386295	02/10/26	VAN METER INC	223.45	O	Regular
386296	02/10/26	VENTURE HYDRAULICS INC	971.99	R	ACH
386297	02/10/26	VENTURE PRODUCTS INC	69.76	O	Regular
386298	02/10/26	VERIZON WIRELESS	428.99	O	Regular
386299	02/10/26	VESTIS GROUP INC	271.56	O	Regular
386300	02/10/26	WEN-COL INC	615.40	O	Regular
386301	02/10/26	WEST PUBLISHING CORPORATION	641.03	R	ACH
386302	02/10/26	WINTER SERVICES LLC	12,050.73	O	Regular
386303	02/10/26	OWATONNA PUBLIC UTILITIES	8,185.92	R	ACH

apadatecr2 City of Owatonna dmueller 02/12/2026 08:05 Page 5
A/P Check Register
Checks from to

72	Checks total:	481,304.74
122	ACH total:	410,545.60
0	EFTPS total:	
9	Wire transfer total:	211,255.30
0	Payment Manager total:	
203	GRAND TOTALS	1,103,105.64

COMPARISON REPORT OF BUILDING DONE IN CITY OF OWATONNA IN YEARS 2025 AND 2026												Ken Beck, Building Official				
	DWELLINGS		ACCESSORY		COMMERCIAL		ADD. & ALT.		DUPLEX/APTS		DEMO	TOTAL				
Month	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	NO.	VALUE			
Jan '25	0	0	0	0	22	13,865,031	85	566,740	0	0	0	107	14,431,771			
Jan '26	0	0	2	1,000	20	4,787,137	107	$ 761,152.83			5	134	$ 5,549,289.83			
Feb '25	1	317,000	1	500	40	15,540,396.00	185	1,110,858.11				227	16,968,754.11			
Feb '26																
Mar '25	1	317,000	14	51,721	59	17,995,810	278	$ 1,975,163.16			2	354	$ 20,339,694.16			
Mar '26																
Apr '25	6	1,502,000	25	102,117	73	22,381,515	395	3,025,025.86	0	0	3	502	27,010,657.86			
Apr '26																
May '25	7	2,068,000	39	170,017	102	31,555,159.00	567	4,993,234.30			4	719	38,786,410.30			
May '26																
Jun '25	8	2,448,000	51	218,624.33	120	34,423,774.00	740	7,382,208.84			4	923	44,472,607.17			
Jun '26																
Jul '25	10	3,298,000	70	340,568.33	141	37,792,700.00	923	9,366,792.64			4	1148	50,798,060.97			
Jul '26													0.00			
Aug '25	10	3,298,000	86	404,032.00	166	41,045,386.00	1075	11,186,236.26			5	1,342	$55,933,654.26			
Aug '26													-			
Sep '25	11	3,623,000	102	464,032.00	189	41,567,217.38	1290	13,253,047.25			7	1,599	58,907,296.63			
Sep '26													0.00			
Oct '25	12	4,173,000	118	550,508.77	219	42,658,452.42	1,473	15,124,203.49			9	1,831	62,506,164.68			
Oct '26																
Nov '25	14	4,613,000	124	561,008.77	230	43,761,000.42	1,615	16,723,718.50			10	1,993	65,658,727.69			
Nov ' 26																
Dec '25	15	4,925,500	125	564,008.77	244	53,804,896.42	1,758	17,666,330.14			10	2,152	76,960,735.33			
Dec '26													0.00			

**Starting April 2023, Commerical and Industrial are combined

Owatonna Building Inspection Department Comparison Report- Construction to Date 2025/2026

Construction Report for Permits Issued through January, 2026

TYPE OF WORK	2025 PERMITS ISSUED	PERMITS ISSUED FOR CONSTRUCTION COST	Units	2025 PERMITS ISSUED	PERMITS ISSUED FOR CONSTRUCTION COST	Units
NEW DWELLINGS	0	0		0	0	
ACCESSORY BUILDINGS	0	0.00		2	1,000.00	
(INCLUDES GARAGES, UTIL. BLDGS, SW. POOLS, ETC.)						
COMMERCIAL AND INDUSTRIAL PR	22	13,865,031.00		20	4,787,137.00	
RESIDENTIAL ADD. & ALT.	85	566,740.00		107	761,152.83	
DUPLEXES & APTS.	0	0	0	0	0	0
(INCLUDES ATTACHED SF)						
DEMOLITION PERMITS	0	0		5	0	
TOTAL PERMITS ISSUED	107	14,431,771	0	134	5,549,290	0

2026 OWATONNA FIRE DEPARTMENT MONTHLY ACTIVITY REPORT

INSPECTION SERVICES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2026	2025
Fire code inspections	192												192	2892
Fire alarm inspections	0												0	30
Sprinkler system inspections	0												0	53
Nuisance inspections	2												2	154
Weed inspections	0												0	806
Sprinkler system permits issued	1												1	25
Fire alarm system permits issued	2												2	20
Hood/Suppression system permits issued	0												0	2
Plan reviews	8												8	91
Code reviews	2												2	29
# Knox boxes checked	0												0	12

PUBLIC EDUCATION SERVICES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2026	2025
# people given tours	0												0	354
# people given extinguisher demos	0												0	114
# people at truck visits	0												0	1717
# people fire safety information	0												0	300
# people juvenile firesetters	0												0	1

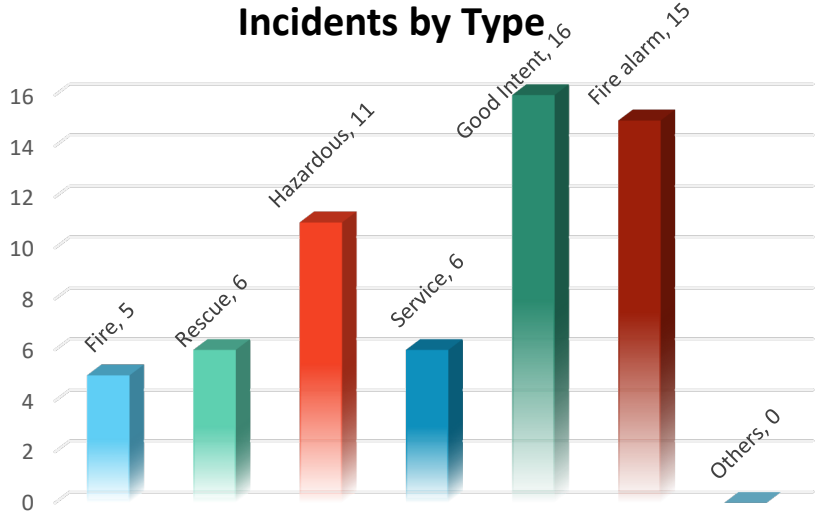
EMERGENCY RESPONSE SERVICES		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2026	2025
Incidents	City incidents	54												54	557
	Rural incidents	5												5	101
	Mutual aid given	0												0	6
Monthly Totals		59												59	664
Type of Incidents	Fire	5												5	65
	Rescue calls	6												6	115
	Hazardous conditions	11												11	88
	Service calls	6												6	38
	Good intent calls	16												16	185
	Fire alarms	15												15	160
	Others	0												0	13
Monthly Totals		59												59	664
Total training hours		295.42												295	3876

SAFETY SERVICES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2026	2025
# injury reports	0												0	0
# lost work hours	0												0	0
# fire extinguishers serviced	0												0	360
TOTAL HOURS														
Full-time shift hours worked	1668.00												1668.00	18816.00
Full-time overtime hours worked	263.94												263.94	2100.13
Paid-on-Call hours worked	361.25												361.25	4517.23
Monthly Hours Worked Total	2293.19												2293.19	25433.36

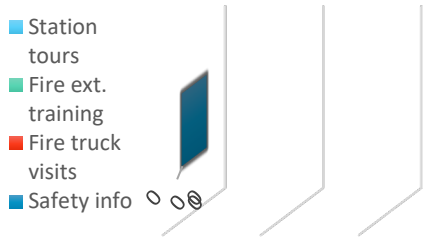
OWATONNA FIRE DEPARTMENT DASHBOARD

2026 STATISTICS

Incidents by Type



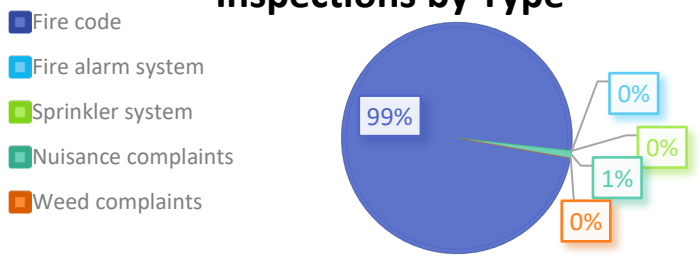
Public Education



Expenditures

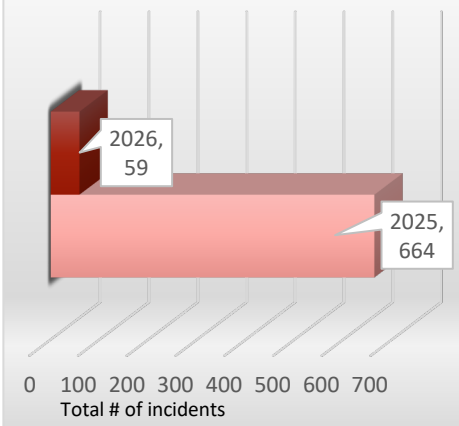
$2.4 Million Budget

Inspections by Type

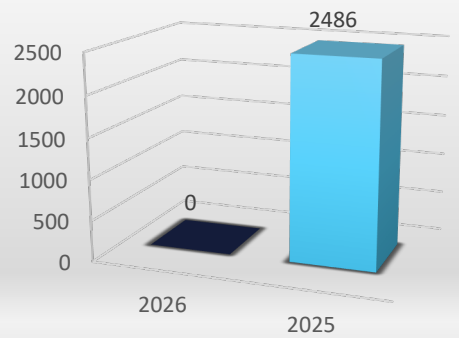


2026 VS 2025 STATISTICS

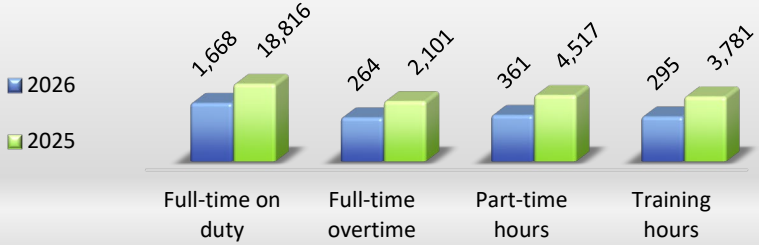
Incidents



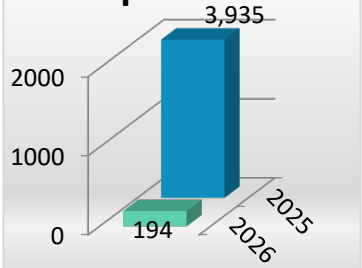
Public Education



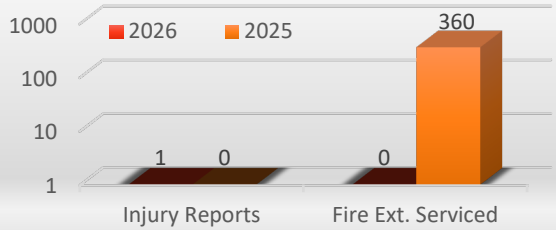
Staff Hours



Inspections



Safety Services



Updated through January 2026

Owatonna Police Department Crime Clock
January 2026

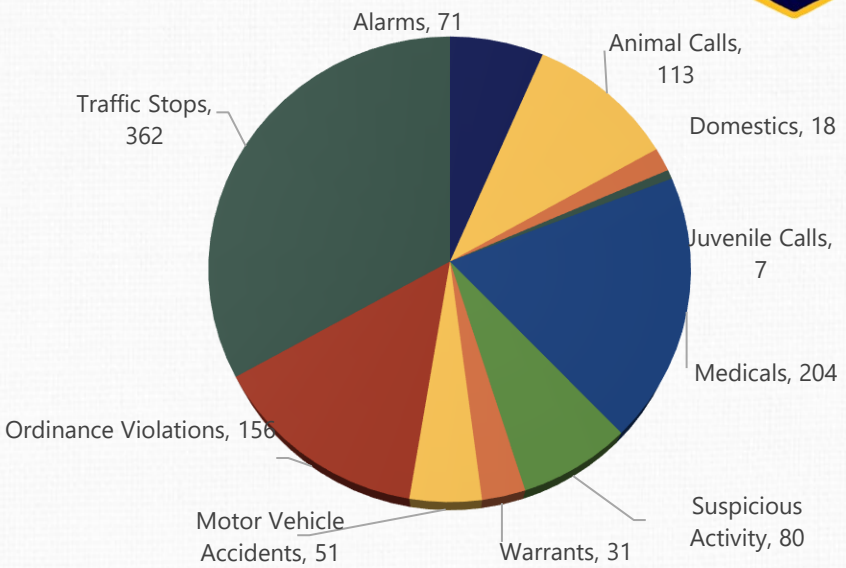
Calls for Service: 3,475

Average Daily Calls for Service: 112.10

Busiest Day: Friday

Average Hourly Calls for Service: 4.67

Busiest Hour: 5:00 PM



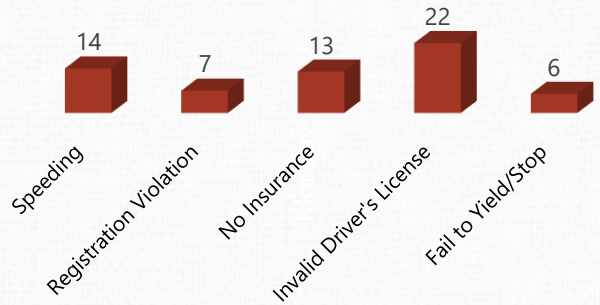
The Owatonna Police Department issued a total of 150 citations and 245 warnings in January.

Monthly Traffic Stops: 362

Average Daily Traffic Stops: 11.68

Average Hourly Traffic Stops: 0.49

Top 5 Citation Types



The above statistics are based on calls for service reports compiled monthly. Official crime data can be found via Minnesota Crime Data Explorer.

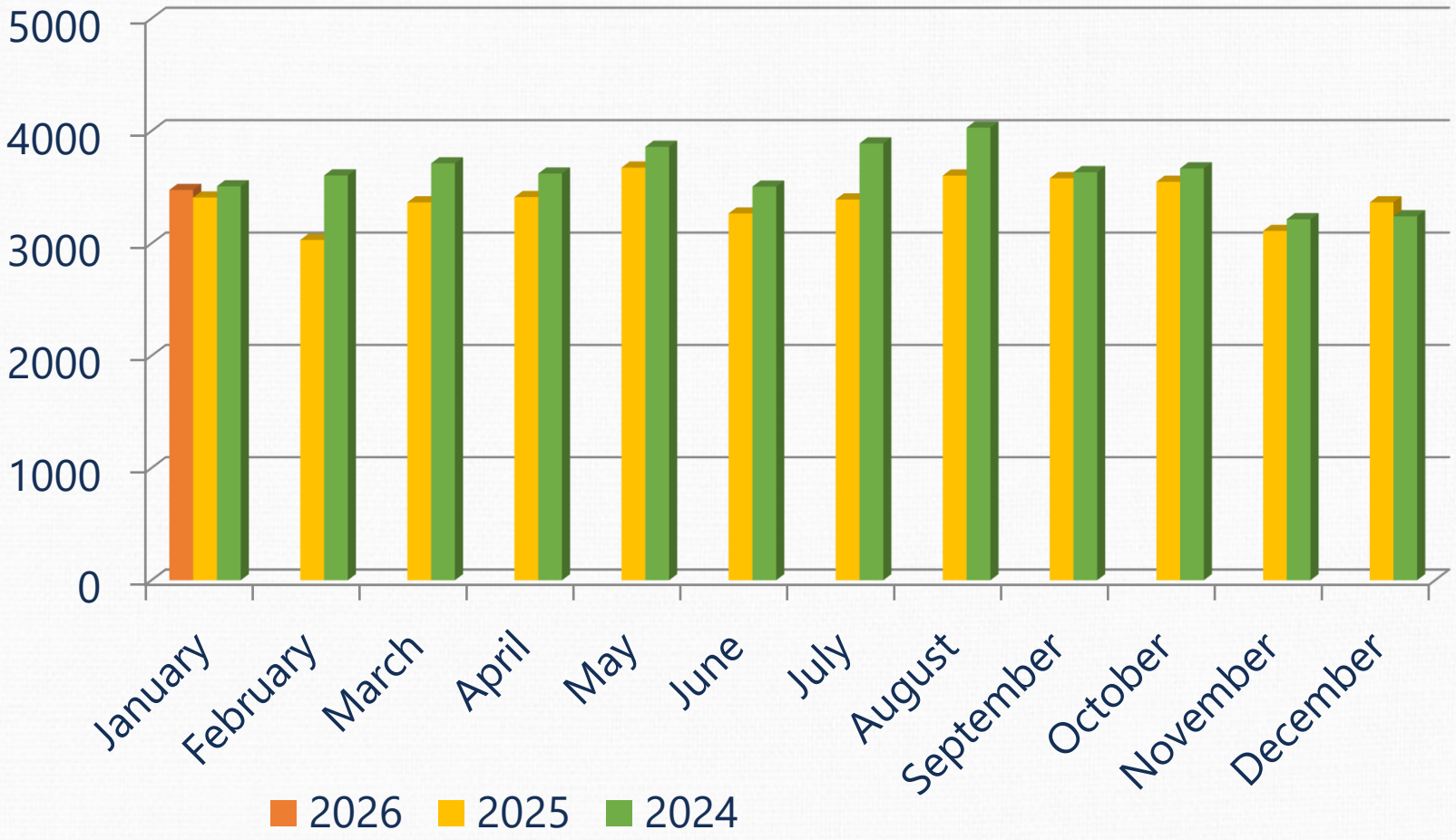
Owatonna Police Department

January 2026 Crime Statistics

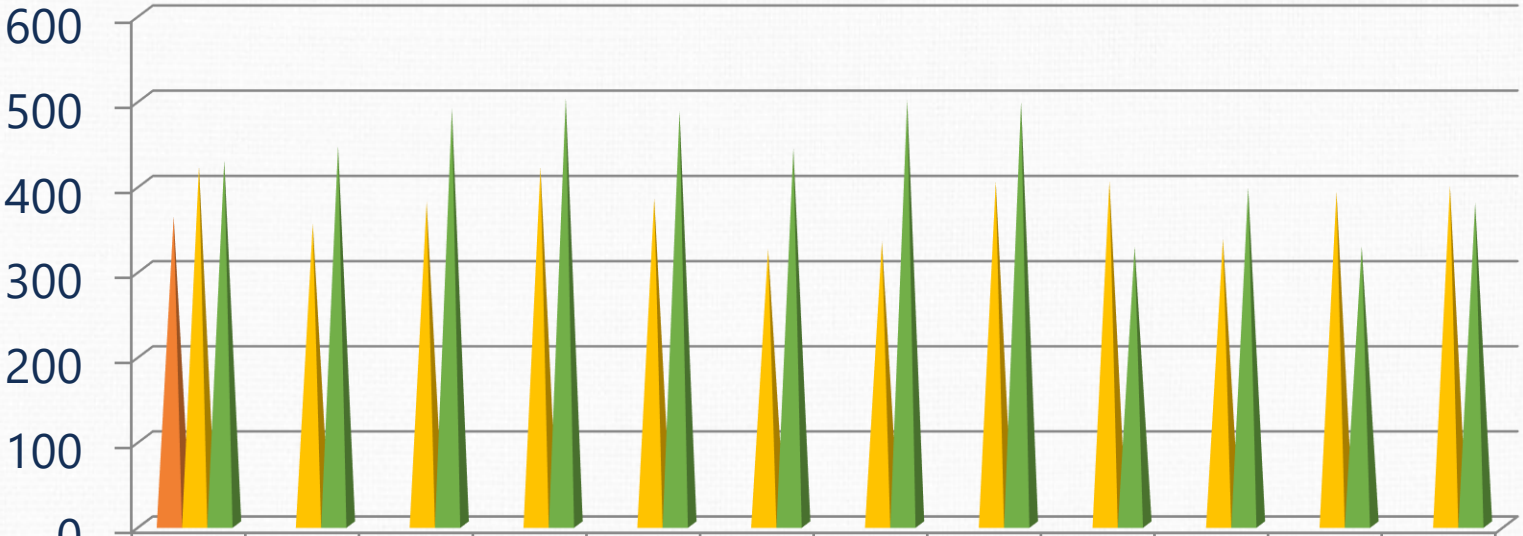
CITY OF OWATONNA

The following statistics are based on calls for service reports compiled monthly. Official crime data can be found via Minnesota Crime Data Explorer.

Total Calls for Service

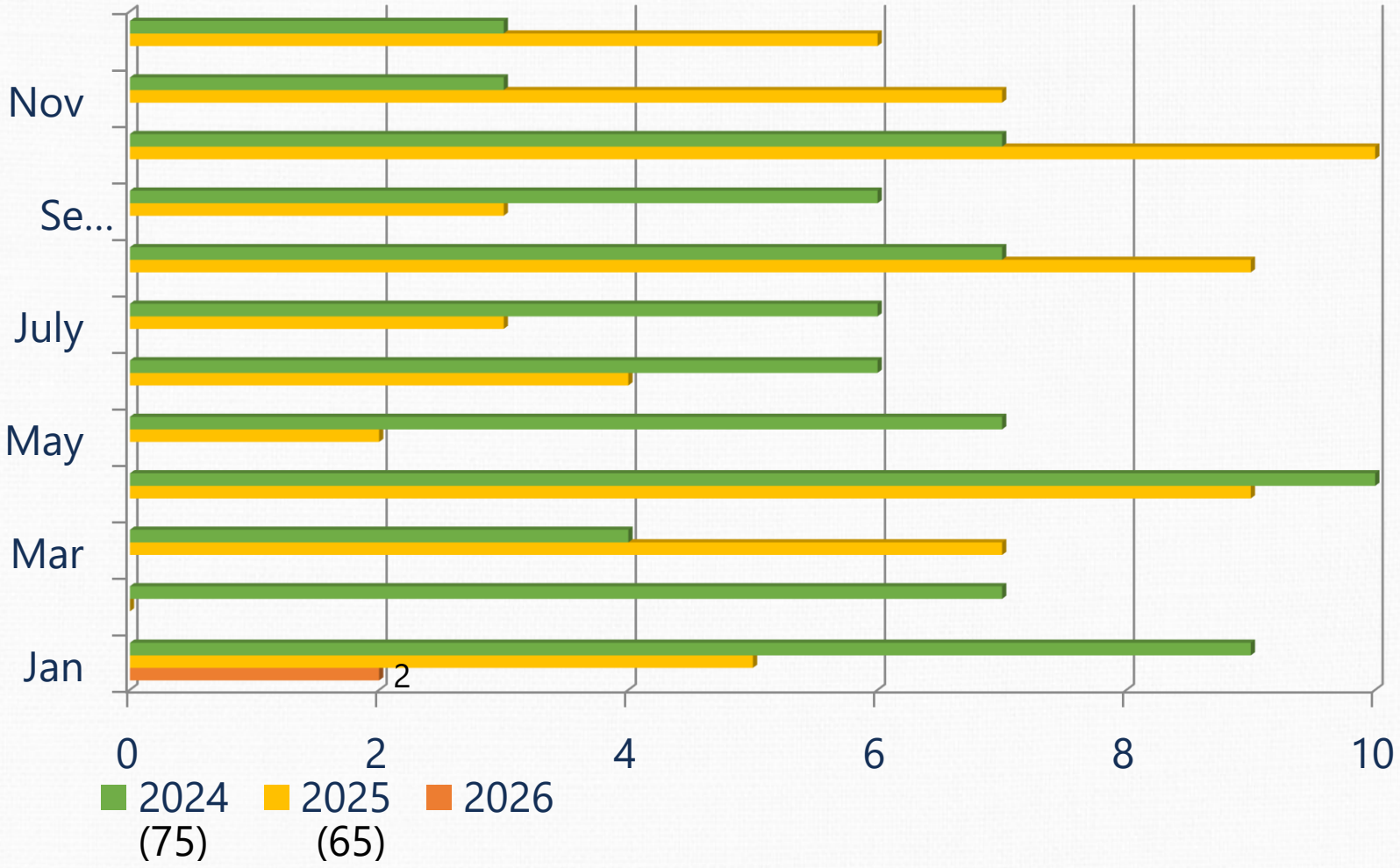


Traffic Stops

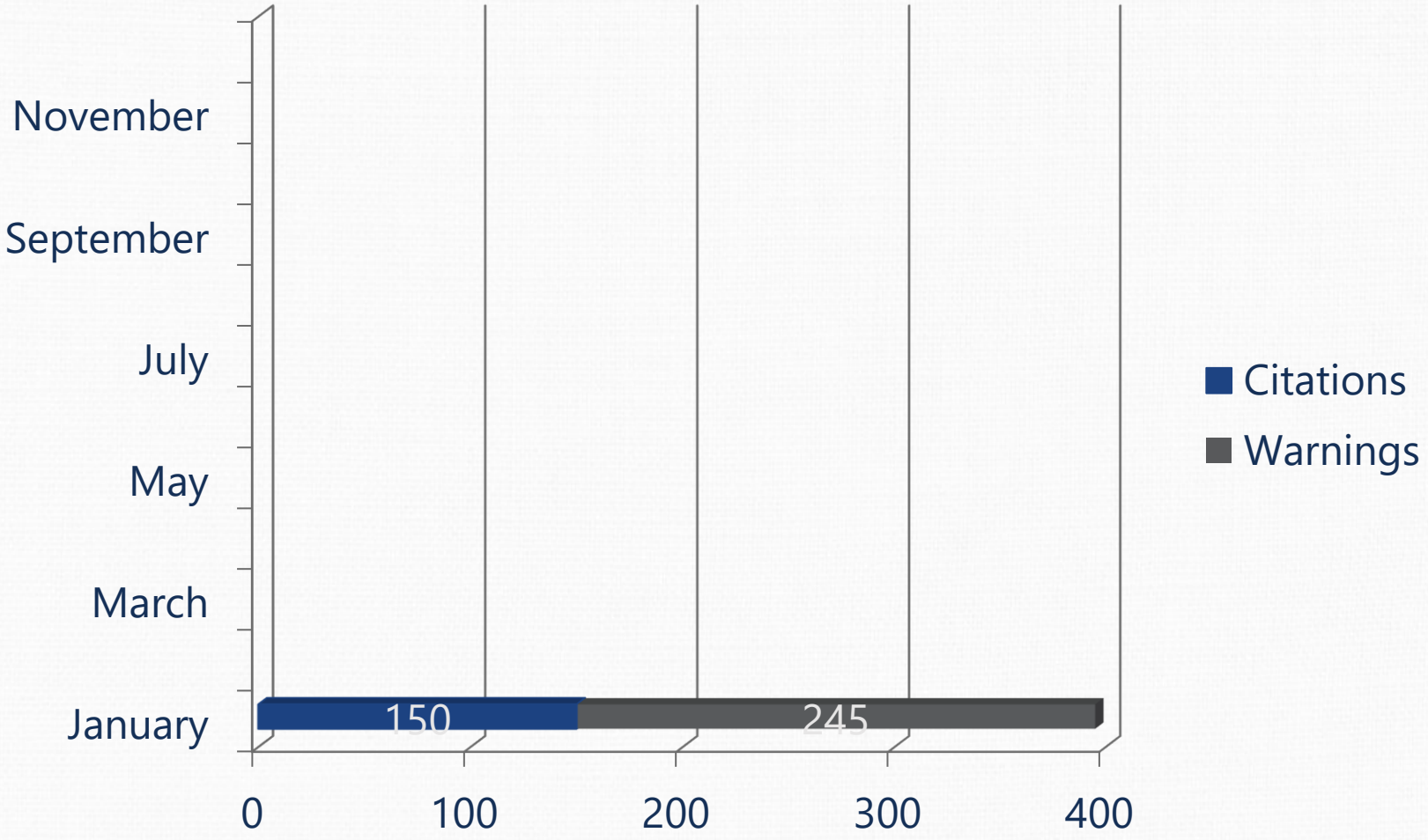


	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec
2026	362											
2025	421	354	379	420	384	324	333	403	404	336	391	398
2024	428	445	489	501	486	442	499	497	327	396	327	378

DWI



Citations and Warnings



Group A Crimes

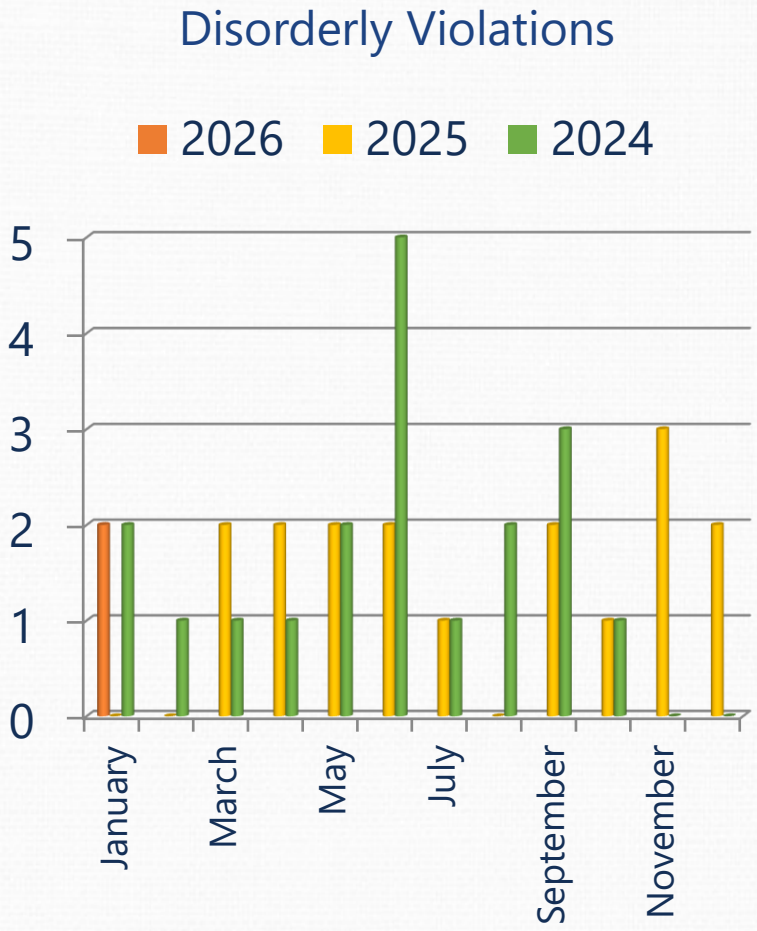
Murder and Non-Negligent Manslaughter	0	Purse Snatching	1	Identity Theft	0
Kidnapping/Abduction	0	Shoplifting	6	Hacking/Computer Invasion	0
Rape	1	Theft From Building	1	Embezzlement	0
Sodomy	0	Theft From Coin-Operated Machine or Device	0	Stolen Property Offenses	0
Fondling	1	Theft From Motor Vehicle	3	Destruction/Damage/Vandalism of Property	4
Robbery	0	Theft of Motor Vehicle Parts or Accessories	1	Drug/Narcotic Violations	2
Aggravated Assault	4	All Other Larceny	9	Drug Equipment Violations	0
Simple Assault	3	Motor Vehicle Theft	0	Incest	0
Intimidation (Assault)	6	Counterfeiting/Forgery	0	Pornography/Obscene Material	0
Arson	0	False Pretenses/Swindle/Confidence Game	0	Weapon Law Violations	1
Extortion/Blackmail	0	Credit Card/Automated Teller Machine Fraud	0	Human Trafficking, Commercial Sex Acts	0
Burglary/Breaking & Entering	0	Wire Fraud	0	Animal Cruelty	0
				TOTAL:	43

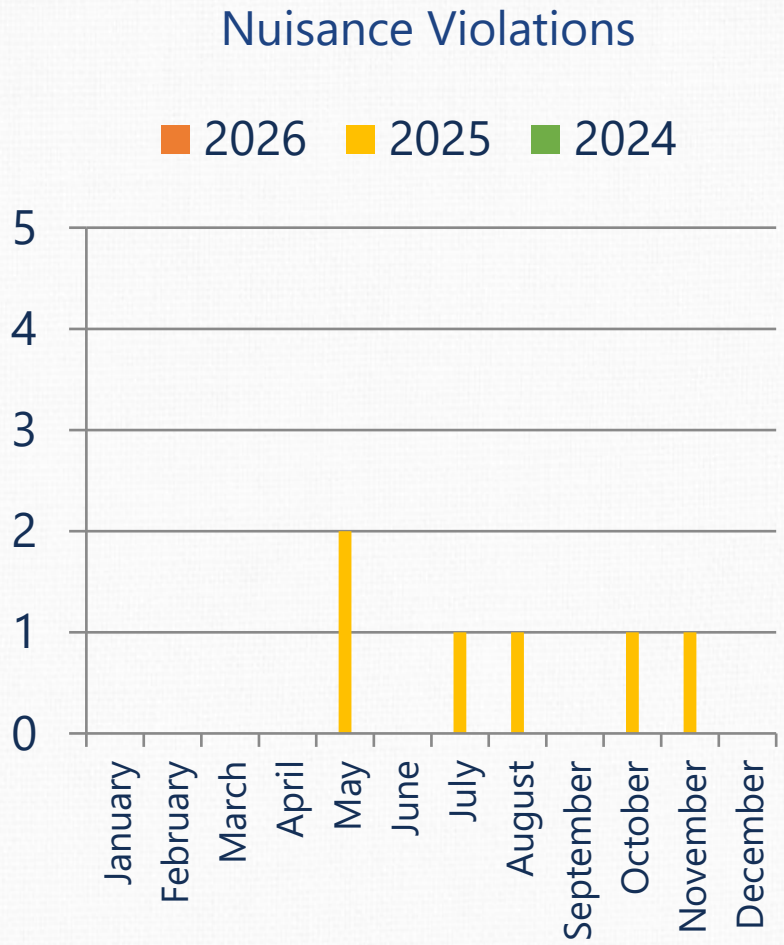
Group B Crimes

Curfew/Loitering/Vagrancy Violations	1
Disorderly Conduct	2
Driving Under the Influence	8
Family Offenses, Nonviolent	1
Liquor Law Violations	1
Trespass of Real Property	0
All Other Offenses	7

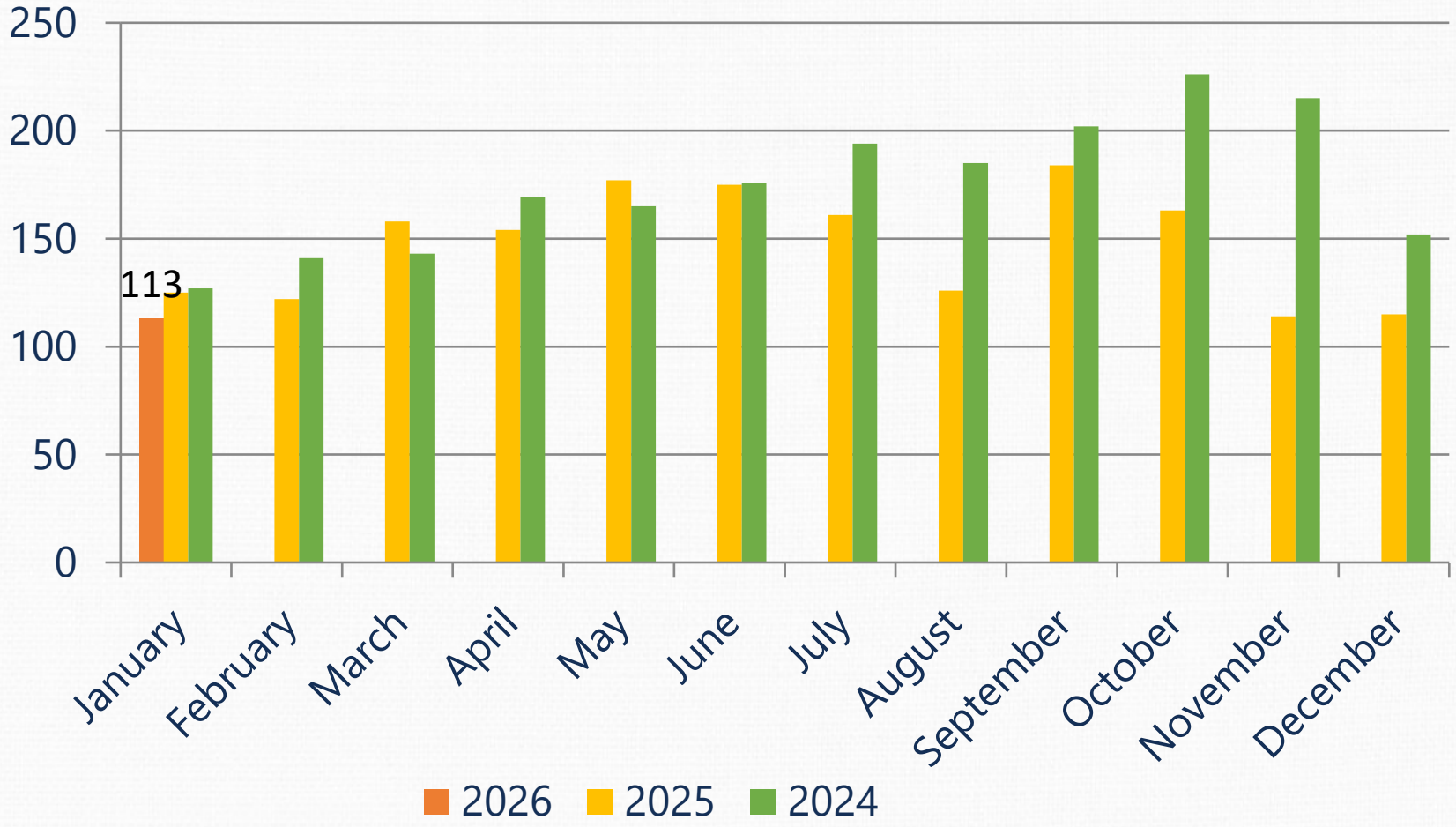
Total: 20

Disorderly and Nuisance Violations





Animal Control Calls



Licenses
Permits

Events Permit Application

EP-26-2

Submitted On: Jan 8, 2026

Applicant

Sharon Klein

@ sharonk 1949@gmail.com

Event Information

Event Name

Flag Field

Event Contact

Sharon Klein

Location of Event

Degnar Regional Airport

Description of Event

1000 flag field celebrating America's 250th Anniversary

Event Set Up Date

06/10/2026

Event Set Up Time

6:00AM

Actual Event Date

06/14/2026

Actual Event Time

4:00 PM

Clean Up Date

06/17/2026

Clean Up Time

6:00AM

Rain Date: In the event of inclement weather, will the event be postponed or canceled?

Canceled

Estimated Attendance

1000

Application Information

Sponsoring Organization Name

Division 4 Exchange Clubs

Mailing Address

PO Box 13

City

Owatonna

State

MN

Zip

55060

Website Address

lakesandprairiesdistrict.com

Primary Contact

Name: Sharon Klein

Alternate On-site Contact

Annette Duncan or Lynn Limberg

Event Features

City Streets or Right-of-Way	No
Alleys, Sidewalks, or Trails	No
Public Parking Lots or Spaces	No

Will there be any signs/banners be put up?

Yes

Number and Size

To be determined

Will there be any inflatables?

No

Will there be entertainment?

No

Will sound amplification be used?

Yes

Type

microphone

Hours

4:00-6:00 PM

Will sound be amplified after 10:00pm?

No

Sound amplified after 10:00 p.m. will require an Exception to the City's Noise Ordinance. There is a $150 fee for an Exception to the City's Noise Ordinance which must be paid with this Event Application

Will a stage or tent(s) be set up?

Yes

Dimensions

unknown

Fees may apply. No staking without approval.

Will there be temporary fencing?

No

Will merchandise/food items be sold?

No

Will food be prepared on site?

No

Will alcohol be sold?

No

Will this event require a Temporary Liquor Permit?

No

Will there be a fireworks display?

No

Describe power needs and location of power source

To be determined

Describe level of advertisement

Paper, Radio, Facebook, word of mouth, and more

Have adjacent property owners been notified of this event? Yes

Barridades- Number & Size Needed? 6 Medium
Cones – Number & Size Needed? 50 Medium
Event organizer is responsible for pickup and return of barricades & cones at the City Shop, 1100 Industrial Blvd., Monday-Friday 7 AM to 3 PM. Please call 507-456-5028 to make arrangements. Fees may apply.

Will Central Park Stage be used? No

Number Animals Anticipating 2 horses It is the responsibility of the applicant to cleanup any animal feces.
Agreed: true

How will horses be used? Guarding- Sheriff's Posse

Please provide insurance information and complete Hold Harmless Agreement

Describe trash removal and cleanup plan during and after event: dumpster

Will event need traffic control? No

Describe crowd control procedure to ensure the safety of participants and spectators:

to be determined

Will HNo ParkingH signs be needed?

No

Will event need security?

Yes

Will event need Emergency Medical Services?

Yes

Contact Gold Cross Ambulancen 507-451-6403

Describe the emergency action plan if severe weather should arise?

to be determined

List any other pertinent information

1. This is not a one day event. June 11-16 Many items are yet to be determined, however, in order to get this started, the event permit needed to begin.

CITY SERVICES - Afer reviewing the event application, City Services may be required for the event

---

Applicant Signature

Portion of the January 22, 2026 Airport Commission Minutes: Mr. Beaver introduced the members of the Owatonna Exchange Club joining us this morning to discuss the event permit application in the packet. Sharon Klein said that they would like to do a flag field on Airport property from June 11 through June 16 in celebration of the 250th birthday of the USA. She presented an exhibit showing the area of airport property that they would like to use. They did a similar flag field in the proposed location over September 11, 2007.

Beaver said that as part of the review process the Airport Commission would be the first to look at it as well as other City Departments that would need to sign off on it and it would then go to City Council for consideration and final approval. He said a potential airport impact would be the concern with the timing of the airport parking lot construction. This project has been awarded and scheduled for spring construction. Jake Jorgenson with SEH said that Ulland Brothers has proposed a start date of May 18 and anticipates four weeks of construction. This has them finishing up on June 12, weather depending. The worst-case scenario would be that the parking lot would not be striped, but it would still likely be usable.

Klein said that one of the days there will be a program and that the main stage would be set up near the area of the Federated sign and that the last time they held the event, golf carts were used for transportation. The event involves the placement of 1,000 US Flags. Regarding the flags, Katie Smith said the poles are 8 feet high and positioned 6 feet apart. The flags are full sized at 3 by 5 feet. She said they are easily installed and easily removed.

There was some discussion on the number of people. Purscell said it sounds like the presence of the flags is not a big deal, but it would be nice to have the parking lot completed. Louris said that the airport parking lot construction must take priority over the event. Alternate parking and possible shuttles were discussed. Klecker said that they'd need to have a plan if there are more people than expected.

Beaver said that they'd have to have the appropriate insurance. Smith said they have it through the National Exchange Club. Klein said there are four exchange clubs that are working on this together. After discussion, a motion was made by Purscell and seconded by Louris to recommend approval of the event permit with the following conditions:

1) The Exchange Club must coordinate with the County for impacts, traffic control,and any parking along Frontage Road West.

2) The Exchange Club must have a plan for overflow parking.

3) The Exchange Club must arrange for Locates for underground services as mandatory before placing flags.

All Commissioners voting Aye, the motion carried.

DATE: February 17, 2026
TO: Mayor and City Council
FROM: Ed Hoffman, Fire Chief
SUBJECT: 2026 Retail Fireworks License - Fleet Farm

Purpose:
Standard retail fireworks license for Fleet Farm for 2026.

Background:
This is a standard retail fireworks license application for Fleet Farm for 2026.
Section 111.03. License Required.
No person shall keep for retail sale or wholesale distribution, sell at retail or wholesale, or otherwise supply or furnish as part of a commercial transaction any permitted consumer fireworks without first having obtained a current license hereunder, paid the required license fee and conspicuously posted the license on the licensed premises.
Section 111.04. License Fee; Term of License.
(A) The annual license fee shall be in the amount duly established by the Council from time to time. The license fee shall cover the administrative and enforcement costs, including the conduct of unannounced compliance checks, inspections by the Fire Chief, inspections by the Police Department or other city department, as well as sampling and testing of the merchandise to ascertain chemical content. Full payment of the required license fee shall accompany the application.
(E) The annual license expires on December 31 of each year.

Budget Impact:
Revenue generated for the license is $100.00.

Staff Recommendation:
Recommend approval of the retail fireworks license.

Attachments:
1. Application - 2026 Fleet Farm Fireworks

Record No: FW-26-1

Retail Fireworks License

Status: Active

Submitted On: 2/2/2026

Primary Location

2121 BRIDGE ST W
Owatonna, Mn 55060

Owner

CHENEY OWATONNA LLC & LAKE OF THE WOODS APARTMENTS LLC &

Applicant

Phantom Fireworks Store Sales, LLC
234-251-3048
hford@fireworks.com
2445 Belmont Ave.
Youngstown, OH 44505

Applicant

First Name*

Fleet Farm #3000

Last Name*

store manager: Kayla Farley

Applicant is:*

Corporation

Business Name

Fleet Farm LLC

Mailing Address*

2121 Bridge St W

City, State, Zip Code*

Owatonna, MN 55060

Phone Number*

507-455-1088

E-Mail Address*

hford@fireworks.com

Location Information

Location Name*

Fleet Farm #3000

Street Address*

2121 Bridge St W

Phone Number*

507-455-1088

Hours of Operation*

M-Sat 7am-9pm Sun 8am-6pm

Zoning District

B-2

Property Taxes

Yes

Ownership

Yes

Description of On-Site Management and Parking Facilities

Inside sales see Floor Plan

Display & Storage Information

Location of Sales*

In-Store Display

Amount on Display (in pounds)*

757

Location of Storage*

No storage - all stock will be on display

Amount of Storage (in pounds)*

0

Approximate Start Date of Sales*

05/01/2026

Location Management

Full Name*

Kayla Farley

Position / Title*

Store Manager

Mailing Address

2445 Belmont Ave

City, State, Zip Code

Youngstown, OH 44505

Workers' Compensation Insurance Information

Select ONE of the following:

I have a workers' compensation insurance policy.

☑

Insurance Company Name*

EMC Insurance

Policy Number*

6H14914

Effective Date*

01/01/2026

Expiration Date*

01/01/2027

I am self-insured for workers' compensation.

☐

I am not required to have workers' compensation insurance.

☐

Acknowledgement

I hereby certify that the information provided in this application is true and accurate to the best of my knowledge.

I have reviewed and understand the provisions of the City of Owatonna Fireworks Ordinance Chapter 111, and I agree to obey all the terms, provisions and requirements of said ordinance and all other ordinances of the City of Owatonna and the laws of the State of Minnesota.

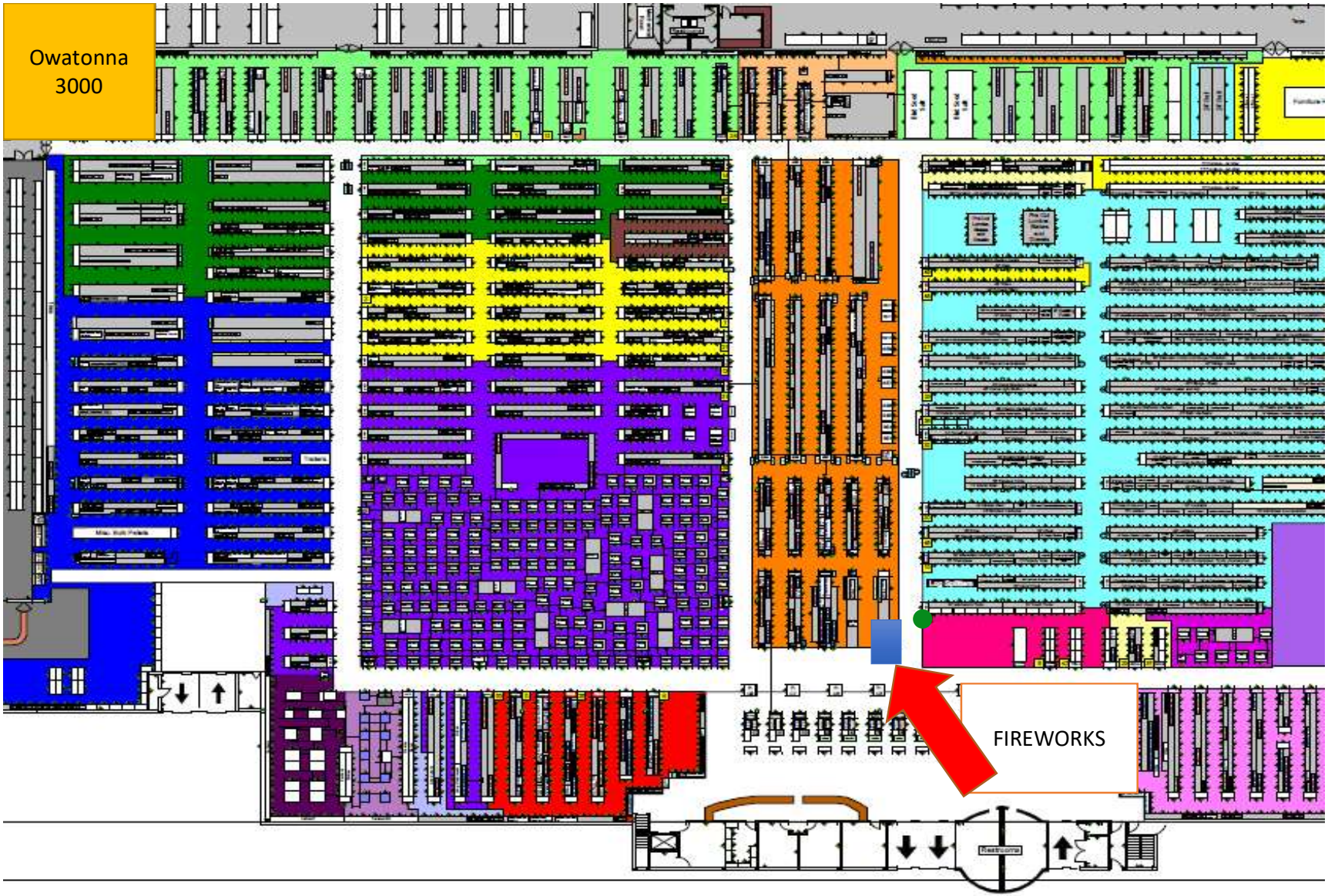
Digital Signature*

Helen Ford
Feb 2, 2026

Attachments

Site Plan **REQUIRED**
FLEET FARM 3000 FLOOR PLAN.pdf
Uploaded by Phantom Fireworks Store Sales, LLC on Feb 2, 2026 at 8:44 AM

Certificate of Liability Insurance **REQUIRED**
FLEET FARM 3000 COI.pdf
Uploaded by Phantom Fireworks Store Sales, LLC on Feb 2, 2026 at 8:44 AM



Location of the storage area: Season Patio Pad in front of store, everything on the floor,
Location of sales area: Season Patio Pad in front of the store
Description of how the fireworks will be display and stored: Cardboard pallet shipper, Cardboard displayer and on shelves temporary.

LG220 Application for Exempt Permit

An exempt permit may be issued to a nonprofit organization that:

- conducts lawful gambling on five or fewer days, and
- awards less than $50,000 in prizes during a calendar year.

If total raffle prize value for the calendar year will be $1,500 or less, contact the Licensing Specialist assigned to your county by calling 651-539-1900.

Application Fee (non-refundable)

Applications are processed in the order received. If the application is postmarked or received 30 days or more before the event, the application fee is **$100**; otherwise the fee is **$150**.

Due to the high volume of exempt applications, payment of additional fees prior to 30 days before your event will not expedite service, nor are telephone requests for expedited service accepted.

ORGANIZATION INFORMATION

Organization Name: Steele County Purple Ribbon Club

Previous Gambling Permit Number: X- 93108-25-018

Minnesota Tax ID Number, if any: _____

Federal Employer ID Number (FEIN), if any: 45-5347025

Mailing Address: 635 Florence Avenue

City: Owatonna State: MN Zip: 55060 County: Steele

Name of Chief Executive Officer (CEO): Daniel Buck

CEO Daytime Phone: 507-456-5463 CEO Email: dan@kidskorner.org

(permit will be emailed to this email address unless otherwise indicated below)

Email permit to (if other than the CEO): _____

NONPROFIT STATUS

Type of Nonprofit Organization (check one):

☐ Fraternal ☐ Religious ☐ Veterans ☑ Other Nonprofit Organization

Attach a copy of one of the following showing proof of nonprofit status:

(DO NOT attach a sales tax exempt status or federal employer ID number, as they are not proof of nonprofit status.)

☐ **A current calendar year Certificate of Good Standing**

Don't have a copy? Obtain this certificate from:

MN Secretary of State, Business Services Division
60 Empire Drive, Suite 100
St. Paul, MN 55103

Secretary of State website, phone numbers:
www.sos.state.mn.us
651-296-2803, or toll free 1-877-551-6767

☑ **IRS income tax exemption (501(c)) letter in your organization's name**

Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS toll free at 1-877-829-5500.

☐ **IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)**

If your organization falls under a parent organization, attach copies of both of the following:

1. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling; and
2. the charter or letter from your parent organization recognizing your organization as a subordinate.

GAMBLING PREMISES INFORMATION

Name of premises where the gambling event will be conducted (for raffles, list the site where the drawing will take place): Steele County Fair Grounds Show Arena

Physical Address (do not use P.O. box): 1512 Cedar Avenue S

Check one:

☑ City: Owatonna Zip: 55060 County: Steele

☐ Township: _____ Zip: _____ County: _____

Date(s) of activity (for raffles, indicate the date of the drawing): Sunday, August 23, 2026

Check each type of gambling activity that your organization will conduct:

☐ Bingo ☐ Paddlewheels ☐ Pull-Tabs ☐ Tipboards ☑ Raffle

Gambling equipment for bingo paper, bingo boards, raffle boards, paddlewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. EXCEPTION: Bingo hard cards and bingo ball selection devices may be borrowed from another organization authorized to conduct bingo. To find a licensed distributor, go to ***www.mn.gov/gcb*** and click on ***Distributors*** under the ***List of Licensees*** tab, or call 651-539-1900.

LG220 Application for Exempt Permit

LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT (required before submitting application to the Minnesota Gambling Control Board)

CITY APPROVAL for a gambling premises located within city limits

- [x] The application is acknowledged with no waiting period.
- [ ] The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days (60 days for a 1st class city).
- [ ] The application is denied.

Print City Name: Owatonna

Signature of City Personnel: Jeanette Clawson

Title: Admin Coordinator Date: 2/3/22

The city or county must sign before submitting application to the Gambling Control Board.

COUNTY APPROVAL for a gambling premises located in a township

- [ ] The application is acknowledged with no waiting period.
- [ ] The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days.
- [ ] The application is denied.

Print County Name: _____

Signature of County Personnel: _____

Title: _____ Date: _____

TOWNSHIP (if required by the county)
On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minn. Statutes, section 349.213.)

Print Township Name: _____

Signature of Township Officer: _____

Title: _____ Date: _____

CHIEF EXECUTIVE OFFICER'S SIGNATURE (required)

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief Executive Officer's Signature: _____ Date: 2/3/26
(Signature must be CEO's signature; designee may not sign)

Print Name: Daniel Buck

REQUIREMENTS

Complete a separate application for:
- all gambling conducted on two or more consecutive days; or
- all gambling conducted on one day.

Only one application is required if one or more raffle drawings are conducted on the same day.

Financial report to be completed within 30 days after the gambling activity is done:
A financial report form will be mailed with your permit. Complete and return the financial report form to the Gambling Control Board.

Your organization must keep all exempt records and reports for 3-1/2 years (Minn. Statutes, section 349.166, subd. 2(f)).

MAIL APPLICATION AND ATTACHMENTS

Mail application with:

____ a copy of your proof of nonprofit status; and

____ application fee (non-refundable). If the application is postmarked or received 30 days or more before the event, the application fee is **$100**; otherwise the fee is **$150**. Make check payable to **State of Minnesota**.

To: Minnesota Gambling Control Board
1711 West County Road B, Suite 300 South
Roseville, MN 55113

Questions?
Call the Licensing Section of the Gambling Control Board at 651-539-1900.

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the application. Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to Board members, Board staff whose work requires access to the information; Minnesota's Department of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

This form will be made available in alternative format (i.e. large print, braille) upon request.

An equal opportunity employer

LG220 Application for Exempt Permit

An exempt permit may be issued to a nonprofit organization that:

- conducts lawful gambling on five or fewer days, and
- awards less than $50,000 in prizes during a calendar year.

If total raffle prize value for the calendar year will be $1,500 or less, contact the Licensing Specialist assigned to your county by calling 651-539-1900.

Application Fee (non-refundable)

Applications are processed in the order received. If the application is postmarked or received 30 days or more before the event, the application fee is **$100**; otherwise the fee is **$150**.

Due to the high volume of exempt applications, payment of additional fees prior to 30 days before your event will not expedite service, nor are telephone requests for expedited service accepted.

ORGANIZATION INFORMATION

Organization Name: Make-A-Wish Minnesota

Previous Gambling Permit Number: X- 27334-26

Minnesota Tax ID Number, if any: 41-1422893

Federal Employer ID Number (FEIN), if any:

Mailing Address: 1919 University Ave W

City: St. Paul State: MN Zip: 55104 County: Ramsey

Name of Chief Executive Officer (CEO): Paul Krueger

CEO Daytime Phone: (612) 767-2753 CEO Email: pkrueger@mn.wish.org

(permit will be emailed to this email address unless otherwise indicated below)

Email permit to (if other than the CEO): elcing@mn-wish.org

NONPROFIT STATUS

Type of Nonprofit Organization (check one):

☐ Fraternal ☐ Religious ☐ Veterans ☑ Other Nonprofit Organization

Attach a copy of one of the following showing proof of nonprofit status:

(DO NOT attach a sales tax exempt status or federal employer ID number, as they are not proof of nonprofit status.)

☐ **A current calendar year Certificate of Good Standing**

Don't have a copy? Obtain this certificate from:

MN Secretary of State, Business Services Division
60 Empire Drive, Suite 100
St. Paul, MN 55103

Secretary of State website, phone numbers:
www.sos.state.mn.us
651-296-2803, or toll free 1-877-551-6767

☑ **IRS income tax exemption (501(c)) letter in your organization's name**

Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS toll free at 1-877-829-5500.

☐ **IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)**

If your organization falls under a parent organization, attach copies of both of the following:

1. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling; and
2. the charter or letter from your parent organization recognizing your organization as a subordinate.

GAMBLING PREMISES INFORMATION

Name of premises where the gambling event will be conducted (for raffles, list the site where the drawing will take place): Mineral Springs Brewery

Physical Address (do not use P.O. box): 210 N Oak Ave. Suite 1

Check one:

☐ City: Owatonna Zip: 55060 County: Steele

☐ Township: Zip: County:

Date(s) of activity (for raffles, indicate the date of the drawing): 7/26/2026

Check each type of gambling activity that your organization will conduct:

☐ Bingo ☐ Paddlewheels ☐ Pull-Tabs ☐ Tipboards ☒ Raffle

Gambling equipment for bingo paper, bingo boards, raffle boards, paddlewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. EXCEPTION: Bingo hard cards and bingo ball selection devices may be borrowed from another organization authorized to conduct bingo. To find a licensed distributor, go to ***www.mn.gov/gcb*** and click on ***Distributors*** under the ***List of Licensees*** tab, or call 651-539-1900.

LG220 Application for Exempt Permit

LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT (required before submitting application to the Minnesota Gambling Control Board)

CITY APPROVAL for a gambling premises located within city limits

- [x] The application is acknowledged with no waiting period.
- [ ] The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days (60 days for a 1st class city).
- [ ] The application is denied.

Print City Name: Owatonna

Signature of City Personnel: Jeanette Clawson

Title: Admin Coordinator Date: 2/12/26

The city or county must sign before submitting application to the Gambling Control Board.

COUNTY APPROVAL for a gambling premises located in a township

- [ ] The application is acknowledged with no waiting period.
- [ ] The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days.
- [ ] The application is denied.

Print County Name: _____

Signature of County Personnel: _____

Title: _____ Date: _____

TOWNSHIP (if required by the county)
On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minn. Statutes, section 349.213.)

Print Township Name: _____

Signature of Township Officer: _____

Title: _____ Date: _____

CHIEF EXECUTIVE OFFICER'S SIGNATURE (required)

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief Executive Officer's Signature: Paul Krueger Date: 2/3/2026
(Signature must be CEO's signature; designee may not sign)

Print Name: Paul Krueger

REQUIREMENTS

Complete a separate application for:
- all gambling conducted on two or more consecutive days; or
- all gambling conducted on one day.

Only one application is required if one or more raffle drawings are conducted on the same day.

Financial report to be completed within 30 days after the gambling activity is done:
A financial report form will be mailed with your permit. Complete and return the financial report form to the Gambling Control Board.

Your organization must keep all exempt records and reports for 3-1/2 years (Minn. Statutes, section 349.166, subd. 2(f)).

MAIL APPLICATION AND ATTACHMENTS

Mail application with:

____ a copy of your proof of nonprofit status; and

____ application fee (non-refundable). If the application is postmarked or received 30 days or more before the event, the application fee is **$100**; otherwise the fee is **$150**. Make check payable to **State of Minnesota**.

To: Minnesota Gambling Control Board
1711 West County Road B, Suite 300 South
Roseville, MN 55113

Questions?
Call the Licensing Section of the Gambling Control Board at 651-539-1900.

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the application. Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to Board members, Board staff whose work requires access to the information; Minnesota's Department of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

This form will be made available in alternative format (i.e. large print, braille) upon request.

An equal opportunity employer

MSB
MINERAL SPRINGS BREWERY

MINERAL SPRING BREWERY
BLUES AND BREWS
EVENT BENEFITTING

Make-A-Wish®
MINNESOTA

Sunday, July 26
12pm-6pm
210 N Oak Ave Suite 1

- Tap Takeover by Make-A-Wish families & volunteers
- Raffles and Silent Auction Items
- Live blues music from the Barefoot Winos
- Food available.

Minnesota Department of Public Safety
Alcohol and Gambling Enforcement Division
445 Minnesota Street, Suite 1600, St. Paul, MN 55101
651-201-7507 TTY 651-282-6555

APPLICATION AND PERMIT FOR A 1 DAY TO 4 DAY TEMPORARY ON-SALE LIQUOR LICENSE

Name of organization	Date of organization	Tax exempt number
Saint Mary's School of Owatonna	4/19/1990	41-0744379

Organization Address (No PO Boxes)	City	State	Zip Code
730 South Cedar Avenue	Owatonna	MN	55060

Name of person making application	Business phone	Home phone
Connie Lembke	507-446-2300	507-390-1167

Date(s) of event
3/21/2026

Type of organization ☐ Microdistillery ☐ Small Brewer ☐ Club ☐ Charitable ☐ Religious ☒ Other non-profit

Organization officer's name	City	State	Zip Code
Jennifer Swanson	Owatonna	MN	55060
		MN	
		MN	

Location where permit will be used. If an outdoor area, describe.
Saint Mary's School, 730 South Cedar Avenue, Owatonna, MN 55060

If the applicant will contract for intoxicating liquor service give the name and address of the liquor license providing the service.
N/A

If the applicant will carry liquor liability insurance please provide the carrier's name and amount of coverage.
The Catholic Mutual Relief Society of America, $500,000 Limit of Coverage

APPROVAL

APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL AND GAMBLING ENFORCEMENT

City or County approving the license

Date Approved

Fee Amount

Permit Date

Event in conjunction with a community festival ☐ Yes ☐ No

City or County E-mail Address

Current population of city

Please Print Name of City Clerk or County Official

Signature City Clerk or County Official

CLERKS NOTICE: Submit this form to Alcohol and Gambling Enforcement Division 30 days prior to event
No Temp Applications faxed or mailed. Only emailed.
ONE SUBMISSION PER EMAIL, APPLICATION ONLY.
PLEASE PROVIDE A VALID E-MAIL ADDRESS FOR THE CITY/COUNTY AS ALL TEMPORARY PERMIT APPROVALS WILL BE SENT BACK VIA EMAIL. ***E-MAIL THE APPLICATION SIGNED BY CITY/COUNTY TO AGE.TEMPORARYAPPLICATION@STATE.MN.US***

Minnesota Department of Public Safety
Alcohol and Gambling Enforcement Division
445 Minnesota Street, Suite 1600, St. Paul, MN 55101
651-201-7507 TTY 651-282-6555

APPLICATION AND PERMIT FOR A 1 DAY TO 4 DAY TEMPORARY ON-SALE LIQUOR LICENSE

Name of organization	Date of organization	Tax exempt number
TWO RIVERS HABITAT FOR HUMANITY	APRIL 1990	1083963

Organization Address (No PO Boxes)	City	State	Zip Code
1530 GREENVIEW DRIVE SW, SUITE 107	ROCHESTER	Minnesota	55902

Name of person making application	Business phone	Home phone
KRISTIN MACNICOLL	507-516-0564	

Date(s) of event: APRIL 11, 2026

Type of organization: ☐ Microdistillery ☐ Small Brewer ☐ Club ☒ Charitable ☐ Religious ☐ Other non-profit

Organization officer's name	City	State	Zip Code
DAVID LEGAULT	OWATONNA	Minnesota	55060
		Minnesota	
		Minnesota	

Location where permit will be used. If an outdoor area, describe.

FOUR SEASONS CENTER - 1525 ELM AVENUE, OWATONNA, MN 55060

If the applicant will contract for intoxicating liquor service give the name and address of the liquor license providing the service.

If the applicant will carry liquor liability insurance please provide the carrier's name and amount of coverage.

ILLINOIS CASUALTY COMPANY - $2 MILLION

APPROVAL

APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL AND GAMBLING ENFORCEMENT

City of Owatonna MN
City or County approving the license

Date Approved

$50.00
Fee Amount

Saturday, April 11, 2026
Permit Date

Event in conjunction with a community festival ☐ Yes ☒ No

jeanette.clawson@owatonna.gov
City or County E-mail Address

2 6,735 - Mn State Demographer estimate - June 2024
Current population of city

Jenna Tuma, City Administrator
Please Print Name of City Clerk or County Official

Signature City Clerk or County Official

CLERKS NOTICE: Submit this form to Alcohol and Gambling Enforcement Division 30 days prior to event

No Temp Applications faxed or mailed. Only emailed.

ONE SUBMISSION PER EMAIL, APPLICATION ONLY.

PLEASE PROVIDE A VALID E-MAIL ADDRESS FOR THE CITY/COUNTY AS ALL TEMPORARY PERMIT APPROVALS WILL BE SENT BACK VIA EMAIL. *E-MAIL THE APPLICATION SIGNED BY CITY/COUNTY TO AGE.TEMPORARYAPPLICATION@STATE.MN.US*

Miscellaneous

DATE: February 17, 2026
TO: Mayor and City Council
FROM: Ed Hoffman, Fire Chief
SUBJECT: 2026 Consulting Agreement - OFD Physicals - Health Strategies

Purpose:
Request approval of a Consulting Agreement with Health Strategies to conduct annual firefighter physical examinations.

Background:
The Fire Department is required to conduct annual physical examinations as part of the respiratory protection program and overall firefighter wellness requirements. Health Strategies has provided these services for the past several years with consistently positive results.

Budget Impact:
The estimated cost is approximately $6,000 to cover all firefighters. This expense is included in the adopted budget.

Staff Recommendation:

Staff recommends approval and execution of the consulting agreement with Health Strategies.

Attachments:
1. 2026 Consulting Agreement

2026 Consulting Agreement
Owatonna Fire Department

Annual Medical Examination
March 9th 1:00 – 8:00pm
Members will schedule an appointment through Sign up Genius*

- Physician Reviewed Examination
- Complete Medical History and Respirator Questionnaire Review
- Vitals: Height, Weight, Blood Pressure, Waist Circumference
- Chem-24 Blood Panel/CBC
- 10 Panel Non-Drug Urinalysis
- Pulmonary Function-Spirometry
- Electrocardiogram
- Audiometry
- Vision Screening

Price: $165.00

Additional Services

- PSA – Males ≥ 40 y/o

Price: $47.00

# of Members Testing: 35

****A $75.00 travel charge per visit will be assessed for onsite services with participation under 20 people****
If an additional Physician consultation is required due to abnormal results billing will be at $175.00 an hour

Results/Invoicing/Testing Location:
Owatonna Fire Department
Attn: Ed Hoffman
107 W Main St.
Owatonna, MN 55060

Contact Information:
Ed Hoffman
ed.hoffman@owatonna.gov
507-774-7231

Health Strategies will provide clearance letters for members on multiple departments, upon request.

Authorized Signature Date

Please send signed agreement via fax (651) 330-5977 or email lauren@healthstrategiesmn.com

DATE: February 17, 2026
TO: Mayor and City Council
FROM: Jenna Tuma, City Administrator
SUBJECT: Meeting Date - 2026 Open Book Meeting - April 22, 2026

Purpose:
To approve the date requested by the Steele County Assessor's Office for the city's 2026 Open Book Meeting.

Background:
Annually, the City of Owatonna held a Local Board of Appeal and Equalization Meeting. Last year, during the September 2nd City Council Meeting, Council approved Resolution 50-25 transferring the duties of the Local Board of Appeal and Equalization to Steele County and adopting the Open Book Meeting Format for valuation appeals heard according to the guidelines set by Minnesota State Statutes Chapter 274.

Brian Anderson, Steele County Assessor, requested the City of Owatonna's 2026 Open Book Meeting to be held on Wednesday, April 22nd, from 8:00 am - 6:00 pm. This meeting will be held in the Steele County Administration Center - Asesssor's Office at 630 Florence Avenue.

Budget Impact:
None

Staff Recommendation:
Staff recommends approval.

Attachments:
1. Set 2026 Open Meeting Date - City of Owatonna

OFFICE OF COUNTY ASSESSOR

TO THE ADMINISTRATOR OF CITY OF OWATONNA

STEELE COUNTY, MINNESOTA

NOTICE IS HEREBY GIVEN, That the 22nd day of April 2026 from 8:00 AM – 6:00 PM has been fixed as the date for an "Open Book" meeting replacing the Board of Appeal and Equalization for the City of Owatonna. This meeting will be held in the Steele County Administration Center – Assessor's Office.

Given under my hand this 3rd day of February 2026.

B. Anderson

Brian Anderson
County Assessor
Steele County, Minnesota

DATE: February 17, 2026
TO: Mayor and City Council
FROM: David Beaver, Airport Manager
SUBJECT: Supplemental Letter of Agreement for Design Services Apron Reconstruction - SEH, Inc.

Purpose:
To approve agreement with SEH, Inc. for professional engineering services for the airport Apron Reconstruction project.

Background:
The project will reconstruct a portion of the aircraft parking apron pavement section. The project is identified in the 2026 CIP to replace deteriorated pavement. Services provided under this agreement include final design, construction plans, preparation of bidding documents, bidding and award, stormwater analysis/design, and project management. A figure depicting the work area and a detailed description of project scope and professional services are included in Attachment A1 to the agreement. The Airport Commission has reviewed the scope of services and recommends approval.

Budget Impact:
FAA and MnDOT Aeronautics grant funding participation are both anticipated for this project towards eligible items. An Independent Fee Estimate (IFE) was performed for the project services as required by the FAA. The professional service costs of the agreement are 5.3% below the IFE estimate of costs for the work. The total sum of the Service Agreement is $182,000.00. These costs are generally eligible for a combination of FAA and MnDOT Aeronautics (95% Federal, 2.5% State, 2.5% local) grant funding. The anticipated local cost for this project is approximately $4,550.00.

Staff Recommendation:
Staff recommends approval contingent on confirmation of FAA and MnDOT grant funding participation.

Attachments:
1. SEH, Inc. Proposal - 2026 Apron Reconstruction Design

Supplemental Letter Agreement

In accordance with the Master Agreement for Professional Services between City of Owatonna ("Client"), and Short Elliott Hendrickson Inc. ("Consultant"), effective March 6, 2024, this Supplemental Letter Agreement dated February 17, 2026 authorizes and describes the scope, schedule, and payment conditions for Consultant's work on the Project described as: 2026 Apron Reconstruction.

Client's Authorized Representative: Jenna Tuma
Address: 540 W Hills Cir, Owatonna, Minnesota 55060, United States
Telephone: 507.774.7340 **Email:** jenna.tuma@owatonna.gov

Project Manager: Jake Jorgenson
Address: 3535 Vadnais Center Drive, St. Paul, Minnesota 55110
Telephone: 612.219.8858 **Email:** jjorgenson@sehinc.com

Scope: The Services to be provided by Consultant:

A detailed scope of services can be found in Attachment A-1.

The lump sum fee is $182,000 including expenses and equipment, found in Attachment B-1

Other Terms and Conditions: Other or additional terms contrary to the Master Agreement for Professional Services that apply solely to this project as specifically agreed to by signature of the Parties and set forth herein: None.

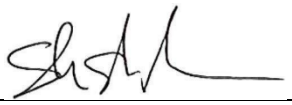
Short Elliott Hendrickson Inc.		**City of Owatonna**	
By:		By:	
Full Name:	Shawn McMahon	Full Name:	
Title:	Principal	Title:	

Exhibit A-2

Payments to Consultant for Services and Expenses Using the Lump Sum Basis Option

The Agreement for Professional Services is amended and supplemented to include the following agreement of the parties:

A. Lump Sum Basis Option

The Client and Consultant select the Lump Sum Basis for Payment for services provided by Consultant. During the course of providing its services, Consultant shall be paid monthly based on Consultant's estimate of the percentage of the work completed. Necessary expenses and equipment are provided as a part of Consultant's services and are included in the initial Lump Sum amount for the agreed upon Scope of Work. Total payments to Consultant for work covered by the Lump Sum Agreement shall not exceed the Lump Sum amount without written authorization from the Client.

The Lump Sum amount includes compensation for Consultant's services and the services of Consultant's Consultants, if any for the agreed upon Scope of Work. Appropriate amounts have been incorporated in the initial Lump Sum to account for labor, overhead, profit, expenses and equipment charges. The Client agrees to pay for other additional services, equipment, and expenses that may become necessary by amendment to complete Consultant's services at their normal charge out rates as published by Consultant or as available commercially.

B. Expenses Not Included in the Lump Sum

The following items involve expenditures made by Consultant employees or professional consultants on behalf of the Client and shall be paid for as described in this Agreement

1. Expense of overtime work requiring higher than regular rates, if authorized in advance by the Client.

2. Other special expenses required in connection with the Project.

3. The cost of special consultants or technical services as required. The cost of subconsultant services shall include actual expenditure plus 10% markup for the cost of administration and insurance.

The Client shall pay Consultant monthly for expenses not included in the Lump Sum amount.

ATTACHMENT A1
SCOPE OF ENGINEERING SERVICES
2026 APRON RECONSTRUCTION
OWATONNA DEGNER REGIONAL AIRPORT
OWATONNA, MINNESOTA

PROJECT SCOPE: Schedule A

This project consists of reconstruction of a portion of the Apron pavement section. The pavement is identified as APA-002 and CTRamp 001 in the MnDOT Pavement Condition Report. The apron being reconstructed is also shown in Figure 1 below. Major aspects of the construction include grading, import of select granular, import of base material as needed, and paving. The overall site will be graded to drain following existing drainage patterns. Select granular borrow material will be imported to construct a stable section for the new apron. Import of aggregate base material will follow the import of the select granular to continue construction of the stable section. Once the apron is brought to grade with the aggregate base it will be paved with asphalt in multiple lifts.

Figure 1: Apron Reconstruction Location

SCOPE OF SERVICES:

Services to be provided include program coordination, final design, preparation of bidding documents, bidding and award, and project management.

Specific tasks to be performed by the Consultant are as follows:

Final Design – Apron Reconstruction:

1. Scoping and Project Formulation: Completion of the project and grant pre-application, cost breakdowns and eligibility determinations. The required categorical exclusion checklist and letter will also be submitted to the FAA for approval. An engineer's design report will be completed and submitted as part of the FAA grant process.

2. Construction Safety Plan / Airspace Analysis: A construction safety and phasing plan will be prepared for the Project and submitted to the FAA. A safety checklist form and an airspace analysis during construction are required to be submitted with the safety plan.

3. Topographic Survey: A comprehensive field survey will be completed to obtain topographical information including building corners, storm sewer inlets, existing pavement, and relevant ground elevations.

4. Detailed Design: Detailed design includes the apron design, drainage, pavement design, and typical sections along with review of the geotechnical report.

5. Final Construction Plans: Prepare construction drawings consisting of approximately the following plan sheets.
    - Title sheet
    - Construction Safety Plan
    - Construction Phasing Plan
    - Statement of Estimated Quantities
    - Details and Construction Notes
    - Erosion Control Plan and Details
    - Typical Section(s)
    - Removal Plan
    - SWPPP
    - Site Plan drawings
    - Plan and Profile Drawings
    - Pavement Marking Plan and Details

6. Quantity Calculations and Cost Estimate: Quantities will be calculated for use on the bid form and for updating the construction cost estimates.

7. Bidding Package: Prepare a bid package that will include general conditions, bid form, contract, wage rate requirements, technical specifications, and drawings showing the scope of work and necessary details.

8. Quality Control Reviews: Provide quality control reviews and final review of the plans and specifications. QA/QC includes the time required by the Consultant for the overall administration of the project, including internal meetings; quality control and assurance; reviews; and coordination with the Owner, FAA, Mn/DOT, and other regulatory agencies and utilities.

9. Bidding and Award: Assist the Owner with obtaining construction bids for proposed improvements. Assist the Owner with securing a grant from the Federal Aviation Administration and MnDOT Aeronautics for this project. Make a recommendation to the Owner on award of construction contract.

10. Subcontractor Coordination: Scheduling, coordination, project site escorting, and review of subcontractor deliverables, including subcontracts, reports and design data.

11. Project Management: Overall administration of the project, including internal and external meetings, coordination of plan and specification review with the Owner, MnDOT Office of Aeronautics, FAA, City of Owatonna and other regulatory agencies as required.

Subconsultants performing work under this proposal include the following:

1. Braun Intertec - Braun will perform geotechnical tests including borings of the pavement section.

December 23, 2025 Proposal 10005302

Jake Jorgenson, PE
Short Elliott Hendrickson, Inc.
3535 Vadnais Center Drive
St. Paul, MN 55110

Re: Proposal for a Geotechnical Evaluation
Apron Reconstruction
Owatonna Degner Regional Airport
3400 West Frontage Road
Owatonna, Minnesota

Dear Mr. Jorgenson:

Braun Intertec Corporation (Braun Intertec) submits this proposal to complete a geotechnical evaluation for the Apron Reconstruction project at the referenced site.

Project Information

Per our correspondence with you, the project will include reconstruction of a portion of the apron at the Owatonna Degner Regional Airport. We understand that the project will include a Base Bid and an Alternate Bid. The base bid will include the reconstruction of the existing apron pavements, and the Alternate Bid will include the construction of stormwater management features.

The section of the apron to be reconstructed is currently bituminous surfaced and is approximately 150 feet wide and 440 feet long. We understand the new pavements will be bituminous surfaced and designed in accordance with Federal Aviation Association (FAA) design and construction standards for aircrafts less than 60,000 pounds. The stormwater management features will be constructed in the turf area northwest of the apron. The locations of the soil borings will be surveyed and staked by Short Elliott Hendrickson, Inc. (SEH) prior to our drilling.

Purpose

The purpose of our geotechnical evaluation will be to characterize subsurface geologic conditions at selected exploration locations, evaluate their impact on the project, and provide geotechnical recommendations for the design and construction of the apron pavements and stormwater management features.

Scope of Services

We propose the following tasks to help achieve the stated purpose. If we encounter unfavorable or unforeseen conditions during the completion of our tasks that lead us to recommend an expanded scope of services, we will contact you to discuss the conditions before resuming our services.

Site Access

Based on previous site visits, the borings are accessible to a track-mounted GeoProbe rig. We understand SEH will coordinate with the airport to ensure any required Notice to Airmen (NOTAM) is in place while field work is conducted. Our drill crew will attach an orange and white checkered flag to the top of our mast and have beacons on top of support vehicles while on the airfield.

We assume there will be no cause for delays in accessing the exploration locations. Depending on access requirements, ground conditions or potential utility conflicts, our field crew may alter the exploration locations from those proposed to facilitate accessibility.

Staking

We understand that SEH personnel will stake the boring locations prior to our arrival. We request the GPS coordinates and ground elevations at the borings be provided to aid in our preparation of our Geotechnical Evaluation Report.

Utility Clearance

Prior to drilling or excavating, we will contact Gopher State One Call and arrange for notification of the appropriate utility vendors to mark and clear the exploration locations of public underground utilities. You, or your authorized representative, are responsible to notify us before we begin our work of the presence and location of any underground objects or private utilities that are not the responsibility of public agencies.

We will not be liable for any damages resulting from unidentified or misidentified underground objects or utilities. Further, we reserve the right to stop work if underground objects or utilities are suspected or known to exist, but locations cannot be accurately determined.

Pavement Coring – Base Bid

We will core the bituminous pavement at each soil boring location in the apron prior to completing the borings. The cores will be extracted and visually evaluated. Thicknesses and pavement condition of the cores will be reported. Since water is required for our coring, this work will need to take place when temperatures are moderate (typically above freezing).

Penetration Test Borings

As requested, we will drill five standard penetration test borings within the core holes for the Base Bid and two standard penetration test borings for the Alternate Bid (if awarded). We will extend the borings for the Base Bid to a depth of 10 feet and the borings for the Alternate Bid to a depth of 24 ½ feet. We will perform standard penetration tests at 2 ½-foot vertical intervals to a depth of about 15 feet, and at 5-foot intervals at greater depths. If the borings encounter groundwater during or immediately after drilling of each boring, we will record the observed depth on the boring logs.

If the intended boring depths do not extend through unsuitable material, we will extend the borings at least 5 feet into suitable material at greater depths. We will contact you prior to increasing our total estimated drilled footage and submit a Change Order summarizing the anticipated additional effort and the associated cost, for your review and authorization.

MDH Sealing Record

For the Base Bid, our planned exploration will be less than 15 feet in depth. The Minnesota Statutes will not require that we complete any notifications or sealing records. If we extend any of the borings to a depth of 15 feet or greater, the Statutes requires that we seal the boreholes and complete a Sealing Record. If 25 feet or greater, the Statutes also require us to complete a Sealing Notification Form. If the Record or Form are required, we will contact you to discuss the additional fees and sealing requirements.

For the Alternate Bid, we are planning the deepest borings to be at least 15 feet and less than 25 feet. Therefore, the Minnesota Statutes require us to complete a Sealing Record after our completion of the borings. Our proposal includes the fees for the MDH Sealing Record.

In the event we extend our borings to a depth of 25 feet or greater, the MDH requires us to complete and submit a Sealing Notification Form for the project. The submission of the Sealing Notification Form will require a signature from the property owner (or agent). If we extend our borings to a depth of 25 feet or greater, we will forward you a copy of the form for signature and increase our total fees by $100.

Borehole Abandonment

We will backfill our exploration locations immediately after completing the drilling at each location. Minnesota Statutes require sealing temporary borings that are 15 feet deep or deeper. Based on our proposed subsurface characterization depths, we will seal 49 linear feet of borehole with grout for the alternate bid.

Sealing boreholes with grout will prevent us from disposing of auger boring cuttings in the completed boreholes. Unless you direct us otherwise, we intend to thin-spread the cuttings around the boreholes. If we cannot thin-spread cuttings, we will put them in a container left on site. We can provide off-site disposal of the cuttings for an additional fee.

Over time, subsidence of borehole backfill may occur, requiring releveling of surface grades or replacement of bituminous patches. We are not assuming responsibility for releveling or repatching after we complete our fieldwork.

Sample Review and Laboratory Testing

We will return recovered samples to our laboratory, where a geotechnical engineer will visually classify and log them. To help classify the materials encountered and estimate the engineering properties necessary to our analyses, we anticipate performing five moisture content tests, an organic content test, a mechanical analysis (through a #200 sieve only), an Atterberg limits test, a sieve hydrometer analysis, a standard Proctor test, and a California Bearing Ratio test for the Base Bid. We anticipate performing four moisture content tests, two mechanical analyses (through a #200 sieve only), and two Atterberg limits tests for the Alternate Bid. We will adjust the actual number and type of tests based on the results of our borings.

Engineering Analyses

We will use data obtained from the boring and laboratory tests to evaluate the subsurface profile and groundwater conditions, and to perform engineering analyses related to pavement and stormwater management improvements design and performance.

Report – Base Bid

We will prepare a report including:

- A sketch showing the exploration locations.
- Logs of the soil borings describing the materials encountered and presenting the results of our groundwater measurements and laboratory tests.
- A summary of the subsurface profile and groundwater conditions.
- Discussion identifying the subsurface conditions that will impact design and construction.
- Discussion regarding the reuse of on-site materials during construction.
- Recommendations for preparing pavement subgrades, and the selection, placement, and compaction of fill.
- Recommended CBR value to aid in pavement design.

We will only submit an electronic copy of our report to you unless you request otherwise. At your request, we can also send the report to additional project team members.

Addendum – Alternate Bid

If the Alternate Bid is awarded, we will prepare an addendum to our report including:

- A sketch showing the exploration locations.
- Logs of the soil borings describing the materials encountered and presenting the results of our groundwater measurements and laboratory tests.
- A summary of the subsurface profile and groundwater conditions.

- Discussion identifying the subsurface conditions that will impact design and construction.
- Discussion regarding the reuse of on-site materials during construction.
- Recommendations for preparing subgrades, and the selection, placement, and compaction of fill.
- Recommendations and discussions related to stormwater management improvements.

We will only submit an electronic copy of our addendum to you unless you request otherwise. At your request, we can also send the addendum to additional project team members.

Schedule

We anticipate performing our work according to the following schedule.

- Drill rig mobilization – within about 6 weeks following receipt of written authorization
- Base Bid field exploration – 1 day on site to complete the work
- Alternate Bid field exploration – 1 day on site to complete the work
- Classification and laboratory testing – within 2 weeks after completion of each field exploration
- Preliminary results – within 1 week after completion of each field exploration
- Final report or addendum submittal – within 4 weeks after completion of each field exploration

If we cannot complete our proposed scope of services according to this schedule due to circumstances beyond our control, we may need to revise this proposal prior to completing the remaining tasks.

Fees

We will furnish the services described in this proposal for a lump sum fee of **$9,274** for the Base Bid, and a lump sum fee of **$5,640** for the Alternate Bid. Please note that our drilling/field services were budgeted to occur within our normal work hours of 7:00 a.m. to 4:00 p.m., Monday through Friday. If conditions occur that require us to work outside of these hours, we will request additional fees to cover our additional overtime costs.

General Remarks

We based the proposed fee on the scope of services described and the assumption that you will authorize our services within 30 days and that others will not delay us beyond our proposed schedule.

We will provide our services under the terms of our Master Subcontractor Agreement with Short Elliott Hendrickson, Inc., dated March 19, 2024. To accept this proposal and authorize us to proceed, please sign and return it to us in its entirety.

We appreciate the opportunity to present this proposal to you. We will be happy to meet with you to discuss our proposed scope of services further and clarify the various scope components.

To have questions answered or schedule a time to meet and discuss our approach to this project further, please contact Colin Anderson at 320.305.0628 or coanderson@braunintertec.com.

Sincerely,
Braun Intertec Corporation

Colin L. Anderson, PE
Project Engineer

Philip E. Bailey, PE
Associate Director, Senior Engineer

The proposal is accepted, and Braun Intertec is authorized to proceed.

_____
Authorizer's Firm

_____
Authorizer's Signature

_____
Authorizer's Name (please print or type)

_____
Authorizer's Title

_____
Date

ESTIMATED FEES AND EXPENSES - FAA ELIGIBLE
ATTACHMENT B1
2026 APRON RECONSTRUCTION
FINAL DESIGN, PLANS, SPECIFICATIONS, AND BIDDNG
OWATONNA DEGNER REGIONAL AIRPORT

Task No.	Task Description	Principal Engineer	Project Manager	Project Engineer	Water Resources Engineer	Senior Technician	Sr.Planner	Survey Crew Chief	Administrative Assistant
1.	Scoping & Project Formulation	5	10	10	10	5	20		5
2.	Construction Safety Plan/Airspace Analysis	5	5	10		5	5		
3.	Topographic Survey		5	15		5		15	
4.	Detailed Design	5	15	30	15	10	5		
5.	Final Construction Plans								
	a. Title Sheet	1	2	2					
	b. Construction Safety Plan		3	5		5			
	c. Construction Phasing Plan		10	10					
	d. Statement of Estimated Quantities	1	5	3					
	e. Details and Construction Notes	1	5						
	f. Erosion Control Plan and Details			10	5				
	g. Typical Section		5	10		5			
	h. Removal Plan		5	5					
	i. SWPP		5	10	20				
	j. Site Plan Drawings		5	10			20		
	k. Plan and Profile/Grading Plan		5	5		20			
	l. Pavement Marking Plan			5					
6.	Quantity Calculations and Cost Estimates		10	25	5	5	5		
7.	Bidding Package	1	10	5	5				20
8.	Quality Control Reviews	10	10	10	10	5	5	5	5
9.	Bidding and Award	1	20	15	5	5			10
10.	Subcontractor Coordination		5	5					
11.	Project Management	10	40	40	40	10	20		10
	Total Hours per Labor Category	40	180	240	115	80	80	20	50

ESTIMATE OF LABOR COSTS:

Labor Category		Hours			Rate	Extension
Principal Engineer		40			$84.69	$3,387.60
Project Manager		180			$58.51	$10,531.80
Project Engineer		240			$48.64	$11,673.60
Water Resources Engineer		115			$77.20	$8,878.00
Sr. Technician		80			$49.93	$3,994.40
Senior Planner		80			$79.73	$6,378.40
Survey Crew Chief		20			$44.88	$897.60
Administrative Assistant		50			$36.62	$1,831.00
Total Direct Labor Costs:		805				$47,572.40
General, Salary, and Administrative Overhead						$90,901.34
Total Labor Costs						**$138,473.74**
Fixed Fee on Labor Costs (15%)						**$20,771.06**

ESTIMATE OF EXPENSES:

Direct Expenses		Quantity			Rate	Extension
Survye Equipment		20			$45.00	$900.00
Survey Van		20			$7.50	$150.00
Employee Mileage		2500			$0.725	$1,812.50
Equipment Usage		805			$6.00	$4,830.00
Geotechnical Investigation (Braun Intertec)		1			$14,914.00	$14,914.00
Reproductions / Miscellaneous		1			$100.00	$100.00
Total Expenses						**$22,706.50**

SUMMARY:

Total Labor Costs + Expenses + Fixed Fees	$181,951.30
Estimated Total	**$182,000.00**

EXHIBIT B

FAA CONTRACT PROVISIONS

ACCESS TO RECORDS AND REPORTS

The Contractor must maintain an acceptable cost accounting system. The Contractor agrees to provide the Owner, the Federal Aviation Administration and the Comptroller General of the United States or any of their duly authorized representatives access to any books, documents, papers and records of the Contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Contractor agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

BREACH OF CONTRACT TERMS

Any violation or breach of terms of this contract on the part of the Consultant or its subcontractors may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement.

Owner will provide Consultant written notice that describes the nature of the breach and corrective actions the Consultant must undertake in order to avoid termination of the contract. Owner reserves the right to withhold payments to Contractor until such time the Contractor corrects the breach or the Owner elects to terminate the contract. The Owner's notice will identify a specific date by which the Consultant must correct the breach. Owner may proceed with termination of the contract if the Consultant fails to correct the breach by the deadline indicated in the Owner's notice.

The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder are in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

GENERAL CIVIL RIGHTS PROVISIONS

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin, creed, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

The above provision binds the Consultant and subcontractors from the bid solicitation period through the completion of the contract.

Title VI Solicitation Notice:

As a condition of a grant award, the Sponsor shall demonstrate that it complies with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq) and implementing regulations (49 CFR part 21) including amendments thereto, the Airport and Airway Improvement Act of 1982 (49 U.S.C. § 47123), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794 et seq.), the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.), U.S. Department of Transportation and Federal Aviation Administration (FAA) Assurances, and other relevant civil rights statutes, regulations, or authorities, including any amendments or updates thereto. This may include, as applicable, providing a current Title VI Program Plan to the FAA for approval, in the format and according to the timeline required by the FAA, and other information about the communities that will be benefited and impacted by the project. A completed FAA Title VI Pre-Grant Award Checklist is required for every grant application, unless excused by the FAA. The Sponsor shall affirmatively ensure

that when carrying out any project supported by this grant that it complies with all federal nondiscrimination and civil rights laws based on race, color, national origin, sex, creed, age, disability, genetic information, in consideration for federal financial assistance. The Department's and FAA's Office of Civil Rights may provide resources and technical assistance to recipients to ensure full and sustainable compliance with Federal civil rights requirements. Failure to comply with civil rights requirements will be considered a violation of the agreement or contract and be subject to any enforcement action as authorized by law.

Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR Part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964) including amendments thereto;
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794 *et seq*.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 .U.S.C. § 6101 *et seq*.) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 U.S.C. § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (P.L. 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR Parts 37 and 38;
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. § 1681, et seq).

Compliance with Nondiscrimination Requirements:

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

1. **Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin), creed, sex, age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including

employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21 including amendments thereto.

3. **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

4. **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance: In** the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

    a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or

    b. Cancelling, terminating, or suspending a contract, in whole or in part.

6. **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

CLEAN AIR AND WATER POLLUTION CONTROL

Contractor agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 U.S.C. §§ 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. §§ 1251-1387). The Contractor agrees to report any violation to the Owner immediately upon discovery. The Owner assumes responsibility for notifying the Environmental Protection Agency (EPA) and the Federal Aviation Administration.

Contractor must include this requirement in all subcontracts that exceed $150,000.

CONTRACT WORKHOURS AND SAFETY STANDARDS ACT REQUIREMENTS

1. Overtime Requirements.

No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic, including watchmen and guards, in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a

rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; Liability for Unpaid Wages; Liquidated Damages.

In the event of any violation of the clause set forth in paragraph (1) of this clause, the Contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this clause, in the sum of $29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this clause.

3. Withholding for Unpaid Wages and Liquidated Damages.

The Federal Aviation Administration (FAA) or the Owner shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this clause.

4. Subcontractors.

The Contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs (1) through (4) and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this clause.

CERTIFICATION OF OFFEROR/BIDDER REGARDING DEBARMENT

By submitting a bid/proposal under this solicitation, the bidder or offeror certifies that neither it nor its principals are presently debarred or suspended by any Federal department or agency from participation in this transaction.

CERTIFICATION OF LOWER TIER CONTRACTORS REGARDING DEBARMENT

The successful bidder, by administering each lower tier subcontract that exceeds $25,000 as a “covered transaction”, must confirm each lower tier participant of a “covered transaction” under the project is not presently debarred or otherwise disqualified from participation in this federally-assisted project. The successful bidder will accomplish this by:

1. Checking the System for Award Management at website: http://www.sam.gov.
2. Collecting a certification statement similar to the Certification of Offeror /Bidder Regarding Debarment, above.
3. Inserting a clause or condition in the covered transaction with the lower tier contract.

If the Federal Aviation Administration later determines that a lower tier participant failed to disclose to a higher tier participant that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedies, including suspension and debarment of the non-compliant participant.

DISADVANTAGED BUSINESS ENTERPRISE

Contract Assurance (49 CFR § 26.13)

The Contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR Part 26, including any amendments thereto, in the award and administration of DOT-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

1) Withholding monthly progress payments;
2) Assessing sanctions;
3) Liquidated damages; and/or
4) Disqualifying the Contractor from future bidding as non-responsible.

Prompt Payment (49 CFR § 26.29)

The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 30 days from the receipt of each payment the prime contractor receives from the City. The prime contractor agrees further to return retainage payments to each subcontractor within 30 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the the City. This clause applies to both DBE and non-DBE subcontractors.

Termination of DBE Subcontracts (49 CFR § 26.53(f))

The prime contractor must not terminate a DBE subcontractor listed in response to the DBE program. (or an approved substitute DBE firm) without prior written consent of the City. This includes, but is not limited to, instances in which the prime contractor seeks to perform work originally designated for a DBE subcontractor with its own forces or those of an affiliate, a non-DBE firm, or with another DBE firm.

The prime contractor shall utilize the specific DBEs listed to perform the work and supply the materials for which each is listed unless the contractor obtains written consent. Unless consent is provided, the prime contractor shall not be entitled to any payment for work or material unless it is performed or supplied by the listed DBE.

The City may provide such written consent only if they agree for reasons stated in the concurrence document, that the prime contractor has good cause to terminate the DBE firm. For purposes of this paragraph, good cause includes the circumstances listed in 49 CFR § 26.53.

Before transmitting to the City its request to terminate and/or substitute a DBE subcontractor, the prime contractor must give notice in writing to the DBE subcontractor, with a copy to the city of its intent to request to terminate and/or substitute, and the reason for the request.

The prime contractor must give the DBE five days to respond to the prime contractor's notice and advise [Name of Recipient] and the contractor of the reasons, if any, why it objects to the proposed termination of its subcontract and why the City should not approve the prime contractor's action. If required in a particular case as a matter of public necessity (e.g., safety), the City may provide a response period shorter than five days.

In addition to post-award terminations, the provisions of this section apply to pre-award deletions of or substitutions for DBE firms put forward by offerors in negotiated procurements.

TEXTING WHEN DRIVING

In accordance with Executive Order 13513, “Federal Leadership on Reducing Text Messaging While Driving”, (10/1/2009) and DOT Order 3902.10, “Text Messaging While Driving”, (12/30/2009), the Federal Aviation Administration encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or subgrant.

In support of this initiative, the Owner encourages the Contractor to promote policies and initiatives for its employees and other work personnel that decrease crashes by distracted drivers, including policies that ban text messaging while driving motor vehicles while performing work activities associated with the project. The Contractor must include the substance of this clause in all sub-tier contracts exceeding $15,000 that involve driving a motor vehicle in performance of work activities associated with the project.

PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT

Contractor and Subcontractor agree to comply with mandatory standards and policies relating to use and procurement of certain telecommunications and video surveillance services or equipment in compliance with the National Defense Authorization Act P.L. 115-232, § 889(f)(1)).

FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR Part 201, et seq, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part-time workers.

The Consultant has full responsibility to monitor compliance to the referenced statute or regulation. The Consultant must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

CERTIFICATION REGARDING LOBBYING

The Bidder or Offeror certifies by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Bidder or Offeror, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under

grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. The employer must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The employer retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (29 CFR Part 1910). The employer must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

PROCUREMENT OF RECOVERED MATERIALS

Contractor and subcontractor agree to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, and the regulatory provisions of 40 CFR Part 247. In the performance of this contract and to the extent practicable, the Contractor and subcontractors are to use products containing the highest percentage of recovered materials for items designated by the Environmental Protection Agency (EPA) under 40 CFR Part 247 whenever:

1) The contract requires procurement of $10,000 or more of a designated item during the fiscal year; or
2) The contractor has procured $10,000 or more of a designated item using Federal funding during the previous fiscal year.

The list of EPA-designated items is available at www.epa.gov/smm/comprehensive-procurement-guidelines-construction-products.

Section 6002(c) establishes exceptions to the preference for recovery of EPA-designated products if the contractor can demonstrate the item is:

a) Not reasonably available within a timeframe providing for compliance with the contract performance schedule;
b) Fails to meet reasonable contract performance requirements; or
c) Is only available at an unreasonable price.

SEISMIC SAFETY

The Contractor agrees to ensure that all work performed under this contract, including work performed by subcontractors, conforms to a building code standard that provides a level of seismic safety substantially equivalent to standards established by the National Earthquake Hazards Reduction Program (NEHRP). Local building codes that model their code after the current version of the International Building Code (IBC) meet the NEHRP equivalency level for seismic safety.

CERTIFICATION OF OFFEROR/BIDDER REGARDING TAX DELINQUENCY AND FELONY CONVICTIONS

The applicant must complete the following two certification statements. The applicant must indicate its current status as it relates to tax delinquency and felony conviction by inserting a checkmark (ü) in the space following the applicable response. The applicant agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification in all lower tier subcontracts.

Certifications

1) The applicant represents that it is (☐) is not (☒) a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

2) The applicant represents that it is (☐) is not (☒) a corporation that was convicted of a criminal violation under any Federal law within the preceding 24 months.

Note

If an applicant responds in the affirmative to either of the above representations, the applicant is ineligible to receive an award unless the Sponsor has received notification from the agency suspension and debarment official (SDO) that the SDO has considered suspension or debarment and determined that further action is not required to protect the Government's interests. The applicant therefore must provide information to the owner about its tax liability or conviction to the Owner, who will then notify the FAA Airports District Office, which will then notify the agency's SDO to facilitate completion of the required considerations before award decisions are made.

Term Definitions

Felony conviction: Felony conviction means a conviction within the preceding twenty four (24) months of a felony criminal violation under any Federal law and includes conviction of an offense defined in a section of the U.S. Code that specifically classifies the offense as a felony and conviction of an offense that is classified as a felony under 18 USC § 3559.

Tax Delinquency: A tax delinquency is any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

TERMINATION FOR CONVENIENCE (PROFESSIONAL SERVICES)

The Owner may, by written notice to the Consultant, terminate this Agreement for its convenience and without cause or default on the part of Consultant. Upon receipt of the notice of termination, except as explicitly directed by the Owner, the Contractor must immediately discontinue all services affected.

Upon termination of the Agreement, the Consultant must deliver to the Owner all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the Engineer under this contract, whether complete or partially complete.

Owner agrees to make just and equitable compensation to the Consultant for satisfactory work completed up through the date the Consultant receives the termination notice. Compensation will not include anticipated profit on non-performed services.

Owner further agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

TERMINATION FOR CAUSE (PROFESSIONAL SERVICES)

Either party may terminate this Agreement for cause if the other party fails to fulfill its obligations that are essential to the completion of the work per the terms and conditions of the Agreement. The party

initiating the termination action must allow the breaching party an opportunity to dispute or cure the breach.

The terminating party must provide the breaching party [7] days advance written notice of its intent to terminate the Agreement. The notice must specify the nature and extent of the breach, the conditions necessary to cure the breach, and the effective date of the termination action. The rights and remedies in this clause are in addition to any other rights and remedies provided by law or under this agreement.

a) **Termination by Owner**: The Owner may terminate this Agreement for cause in whole or in part, for the failure of the Consultant to:
   1. Perform the services within the time specified in this contract or by Owner approved extension;
   2. Make adequate progress so as to endanger satisfactory performance of the Project; or
   3. Fulfill the obligations of the Agreement that are essential to the completion of the Project.

   Upon receipt of the notice of termination, the Consultant must immediately discontinue all services affected unless the notice directs otherwise. Upon termination of the Agreement, the Consultant must deliver to the Owner all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the Engineer under this contract, whether complete or partially complete.

   Owner agrees to make just and equitable compensation to the Consultant for satisfactory work completed up through the date the Consultant receives the termination notice. Compensation will not include anticipated profit on non-performed services.

   Owner further agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

   If, after finalization of the termination action, the Owner determines the Consultant was not in default of the Agreement, the rights and obligations of the parties shall be the same as if the Owner issued the termination for the convenience of the Owner.

b) **Termination by Consultant**: The Consultant may terminate this Agreement for cause in whole or in part, if the Owner:
   1. Defaults on its obligations under this Agreement;
   2. Fails to make payment to the Consultant in accordance with the terms of this Agreement;
   3. Suspends the project for more than [180] days due to reasons beyond the control of the Consultant.

   Upon receipt of a notice of termination from the Consultant, Owner agrees to cooperate with Consultant for the purpose of terminating the agreement or portion thereof, by mutual consent. If Owner and Consultant cannot reach mutual agreement on the termination settlement, the Consultant may, without prejudice to any rights and remedies it may have, proceed with terminating all or parts of this Agreement based upon the Owner's breach of the contract.

   In the event of termination due to Owner breach, the Consultant is entitled to invoice Owner and to receive full payment for all services performed or furnished in accordance with this Agreement and all justified reimbursable expenses incurred by the Consultant through the effective date of termination action. Owner agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

TRADE RESTRICTION CERTIFICATION

By submission of an offer, the Offeror certifies that with respect to this solicitation and any resultant contract, the Offeror –

1) is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (USTR);

2) has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the USTR; and

3) has not entered into any subcontract for any product to be used on the Federal project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18 USC § 1001.

The Offeror/Contractor must provide immediate written notice to the Owner if the Offeror/Contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Contractor must require subcontractors provide immediate written notice to the Contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR § 30.17, no contract shall be awarded to an Offeror or subcontractor:

1) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR; or
2) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such USTR list; or
3) who incorporates in the public works project any product of a foreign country on such USTR list.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The Offeror agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in all lower tier subcontracts. The Contractor may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that discriminate against U.S. firms as published by USTR, unless the Offeror has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration (FAA) may direct through the Owner cancellation of the contract or subcontract for default at no cost to the Owner or the FAA.

VETERAN'S PREFERENCE

In the employment of labor (excluding executive, administrative, and supervisory positions), the Contractor and all sub-tier contractors must give preference to covered veterans as defined within 49 U.S.C. § 47112. Covered veterans include Vietnam-era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns (as defined by 15 U.S.C. § 632) owned and controlled by disabled veterans. This preference only applies when there are covered veterans readily available and qualified to perform the work to which the employment relates.

CERTIFICATION REGARDING DOMESTIC PREFERENCES FOR PROCUREMENTS

The Bidder or Offeror certifies by signing and submitting this bid or proposal that, to the greatest extent practicable, the Bidder or Offeror has provided a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including, but not limited to, iron, aluminum, steel, cement, and other manufactured products) in compliance with 2 CFR § 200.322.

PROHIBITION OF COVERED UNMANNED AIRCRAFT SYSTEMS (UAS)

The Bidder or Offeror certifies that they are aware of and comply with relevant Federal statutes and regulations, including those from the Federal Aviation Administration (FAA), for operating unmanned aircraft systems (UAS) in accordance, and in compliance with all related requirements in the FAA Reauthorization Act of 2024 (Public Law 118-63), section 936 (49 U.S.C. § 44801 note).

Contractor warrants that all UAS operations will be conducted in full compliance with all applicable Federal Aviation Administration (FAA) regulations, including but not limited to 14 CFR Part 107, and any other applicable local, state, or Federal laws and regulations.

Sponsors and subgrant recipients cannot use AIP grant funds to enter into, extend, or renew a contract related to covered unmanned aircraft systems (UAS). This includes both procurement and operational contracts, as well as contracts with entities that operate such systems.

DATE: February 17, 2026
TO: Mayor and City Council
FROM: Rachel Boss, Human Resources Director
SUBJECT: Renew Culture Assessment Agreement - Employee Strategies

Purpose:
Request approval to renew the Culture Assessment Agreement with Employee Strategies.

Background:
Employee Strategies specializes in providing insight, strategy, and tools to align an organization's culture so it can accelerate performance. The Culture Assessment gives the City of Owatonna a clear picture of where our culture is now and helps us discover our cultural strengths and opportunities for improvement.

This project supports the following key goals in the strategic plan:
- Attract and retain a high-performing municipal workforce
- Becoming an employer of choice

This is year four of the City's ongoing project to intentionally shape the City of Owatonna's culture.

Budget Impact:
The budget impact for the Culture Assessment with Employee Strategies is $15,500.00.

Staff Recommendation:
Staff recommends approval of this proposed agreement.

Attachments:
1. 2026 Employee Pulse Survey Proposal • Jan 2026

City of Owatonna
Employee Pulse Survey

Employee Strategies | Creating Cultures That Work

Who We Are
Employee Strategies

Creating Cultures That Work.

Successful organizations don't just have **healthy balance sheets** – they have **healthy people**, too.

Employee Strategies helps you **design** and **amplify** an intentional culture so that **everyone wins**.

WHAT MAKES US DIFFERENT:

We're Responsive.
We appreciate your lived experiences and adapt our approach to directly support where you've come from, where you're at, and where you ultimately want to go.

We're Results-Focused.
We bring a proven rigor to our process and systematically measure cultural improvements, so you can validate your investment and sleep easier.

We're Fun.
We skip the pretense and ego so that you can comfortably show up as yourself, have disarmingly good conversations, and walk away thinking, "When are we getting together again?"

Scope of Work

Employee Pulse Survey

INVESTMENT:

$15,500 Flat Fee

Our Employee Pulse Survey gives you an external survey administrator that is quick, responsive & benchmarked to Minnesota-based Great Places to Work.

Outcomes:

- Develop & deploy Employee Strategies Employee Pulse Survey to all organization employees
- Analyze Employee Survey Results with comparison of year over year results
- Survey data cuts by tenure & department
    - Additional data cuts (Gender, Job Classification, Title, Location , Race & Ethnicity (for organizations with more than 300 employees)
- Synthesis of all qualitative and quantitative data into customized survey report document
- 96-minute executive report out to organization leaders facilitated by Employee Strategies
- 60-minute report out to organization employees facilitated or prepared by Employee Strategies

Project Assumptions

Employee Pulse Survey

- Approximately 190 Employees Surveyed
- Flat fee includes two standard survey data cuts:
  - Tenure
  - Department
- Additional data cuts (each additional data cut is an additional $1500)
  - Gender
  - Job Classification
  - Title
  - Location
  - Race & Ethnicity (for organizations with more than 300 employees)
  - Union Representation
- A coordinator is provided by your organization to help with project support tasks including:
  - Sending survey roster to Employee Strategies in a Microsoft Excel document
  - Scheduling debriefs
  - Sending project announcement & additional communication to employees

Key Dates

Employee Pulse Survey

- Survey Open: June 5, 2026
- Survey Close: June 18, 2026
- Executive debrief session: July 8, 9:00 am-10:00 am
- Department heads debrief session: July 14, 9:00 am-9:00 am
- Employee debrief session: July 15, 10:00 am-11:00 am

Terms & Conditions

Employee Pulse Survey

This Agreement ("Agreement") is entered into on 3/4/2025 by and between Employee Strategies, Inc., a company with an address at 4011 Vincent Ave S., Minneapolis, Minnesota 55410 ("ES") and City of Owatonna ("Client"). This Agreement is effective when accepted by ES.

01 | PERFORMANCE AND AGREEMENTS WITH EMPLOYEE STRATEGIES

ES agrees to perform those services as described in the Scope of Work. ES utilizes a consistent survey from one client to another to ensure benchmarking alignment. Therefore, ES does not provide soft copies of our IP protected Employee Pulse Survey questions. Client agrees that they will not receive raw data files, verbatim comments, or identifying elements of survey responses to protect confidentiality of your employee population.

02 | PAYMENT FOR SERVICES

Client agrees to pay ES as stated in the Scope of Work. Client will reimburse ES for all travel costs and expenses incurred by ES. Unless otherwise stated and agreed upon in writing for this scope of work, all invoices are due and payable upon receipt. If any amount due hereunder is not paid within thirty (30) days, Employee Strategies shall have the right to charge interest at the rate of ten percent (10%) per annum. ES will issue Client invoices in two installments. The first will be invoiced at the start of the project, the second will be invoiced upon completion of the project.

03 | TERM AND TERMINATION

This Agreement shall commence on the date set forth above and shall remain in effect until the work described in the Scope of Work is completed, or until terminated by either party. Unless otherwise agreed, either party may terminate this Agreement at anytime upon fourteen (14) days written notice to the other party of their desire to terminate this agreement. In addition, ES may cease work immediately upon notice to Client if amounts due hereunder are not paid as agreed.

04 | PROPOSAL EXPIRATION DATE

This proposal has a 10-day expiration period. Based on our staffing model and dynamic nature of Culture Consulting, we can honor this proposal for a 10-day time-period. If you cannot commit to the work at this time, please alert your contact at Employee Strategies.

Acceptance

of Scope of Work and Terms & Conditions

In witness whereof, the parties have executed this Agreement.

Signature

ANDY ZIMNEY

Name

EMPLOYEE STRATEGIES

Organization

PRINCIPAL CONSULTANT

Title

January 28, 2026

Date

Signature

Name

Organization

Title

Date

Thank You!

DATE: February 17, 2026
TO: Mayor and City Council
FROM: Jenna Tuma, City Administrator
SUBJECT: Letter of Agreement - Communication Services - Rapp Strategies Inc.

Purpose:
Request approval of an agreement with Rapp Strategies, Inc. for strategic counsel and communications services.

Background:
During a Closed Session on February 4, 2026, the Council participated in a TEAMS Meeting with Todd Rapp, CEO of Rapp Strategies, Inc. for discussion on crisis communications. Rapp Strategies will provide communications services as part of the emergency preparedness workplan to serve Owatonna residents. These services may include, but are not limited to:

a) Strategic counsel for Owatonna city staff or elected leaders
b) Communications Workplans
c) Material Development
d) Training
e) Research
f) Assessments

Rapp Strategies is not authorized to provide government relations services or act as a media spokesperson for the Client. At times, they will be expected to work cooperatively with multiple department leaders, elected officials, legal counsel, and other consultants. This Agreement shall be effective from the date it is signed by the Client until December 31, 2027.

Budget Impact:
None, Rapp Strategies, Inc. is being retained on a project-by-project basis, not ongoing public information services. Prior to beginning an engagement, a written agreement will be prepared with a fixed budget, scope and timeline for their services. These items cannot be substantially changed without written or email authorization of both parties.

Staff Recommendation:
Staff recommends approval.

Attachments:
1. Letter of Agreement

January 28, 2026

Jenna Tuma, City Manager
City of Owatonna
540 West Hills Circle
Owatonna, MN 55060

Dear Jenna:

This letter is the agreement ("Agreement") between Rapp Strategies, Inc. ("Rapp Strategies") and the City of Owatonna ("Client"), mutually referred to as "the Parties," wherein Rapp Strategies will provide strategic counsel and communications services to the Client described substantially below. This Agreement shall be effective from the date it is signed by the Client until December 31, 2027.

1. Rapp Strategies will provide communications services for the Client ("the Parties") as part of the emergency preparedness workplan to serve its residents. These services may include, but are not limited to:
    a. Strategic counsel for Owatonna city staff or elected leaders;
    b. Communications workplans;
    c. Material development;
    d. Training;
    e. Research; and
    f. Assessments.

2. Rapp Strategies is not authorized to provide government relations services or act as a media spokesperson for the Client.

3. At times, Rapp Strategies will be expected to work cooperatively with multiple department leaders, elected officials, legal counsel, other consultants or community members. Rapp Strategies agrees that it is a representative of the city in these relationships, and will work with these organizations in ways that serve the best interests of the city and its residents.

4. Rapp Strategies is being retained on a project-by-project basis, not to support ongoing public information services for the Client. Prior to beginning an engagement described in Paragraph 1, the Client and Rapp Strategies will agree in writing to a fixed budget, scope and timeline for services. These items cannot be substantially changed without written or email authorization of both parties.

5. Jenna Tuma, City Manager, or her designee will manage work completed under this contract. Rapp Strategies work will be led by Todd Rapp, CEO, and Julia Schafer, Senior

Account Executive. Todd Stone, Chief of Staff, will serve as the provisional leader of work as needed.

6. Rapp Strategies will invoice the Client for the communications services requested on a monthly basis, including an itemized list of services undertaken and staff members used during this time. The Client shall submit payment to Rapp Strategies within thirty (30) days of the invoice date. Repeatedly overdue invoice payments incur a service charge of 1.5% per month (18% annually). Each Client agrees to reimburse Rapp Strategies for all expenses, including reasonable attorney's fees, incurred in the collection of any overdue and unpaid balance. This section shall survive the termination or expiration of this Agreement.

6. In the event the Client discovers any potential errors in or has questions about an invoice, the Client agrees to submit, in writing prior to the due date provided on the invoice, (i) the dollar amount of the suspected error or transaction needing documentation, and (ii) a description of the suspected billing error and/or an explanation of why additional documentation is requested. The Client agrees that if it does not notify Rapp Strategies of any suspected error within ninety (90) days of the date of the invoice, then it foregoes any rights to dispute such error.

7. Rapp Strategies will maintain accurate records of all work performed for the Client and out-of-pocket expenses incurred on the Client's behalf and will make these records available for inspection for up to one (1) year following the date of any work performed. The Client agrees that it will not be entitled to access to confidential Rapp Strategies information, including salary or overhead information.

8. To the extent Rapp Strategies is asked by Client’s legal counsel to perform communications functions in support of legal actions involving the Client, Rapp Strategies will make all reasonable efforts to protect this work from disclosure to third parties, recognizing the attorney work product doctrine.

9. Rapp Strategies recommends that the Client use local third-party vendors for production expenses as much as possible. If necessary and requested, Rapp Strategies will contract directly with its vendor partners on the behalf of the Client. In doing so, Rapp Strategies provides the Client with access to Rapp Strategies’ relationships with such vendors, allowing the Client access to potentially significant cost savings such as avoiding set-up expenses and other account initiation fees. On behalf of the Client, Rapp Strategies will manage the vendor’s services, handle billing arrangements and provide for timely payment to the vendor. In consideration for the Client’s access to such cost savings and to offset the expense of managing vendor invoices and pre-payment, Rapp Strategies will add a mark-up of ten percent (10%) to the vendor’s invoice when Rapp Strategies bills the Client for such vendor’s services for production expenses. Rapp Strategies is not reselling the vendor’s services and the vendor’s invoice will include sales tax as appropriate. When Rapp Strategies and the Client mutually agree, the Client may contract with and pay bills directly to such vendor, foregoing Rapp Strategies’ mark-up described in this paragraph.

10. For reference, Rapp Strategies rates for hourly clients are as follows:
    - Partners, $375/hour

- Senior Counselors or Vice President, $275-325/hour
- Directors, $225-275/hour
- Account Managers/Supervisors, $180-230/hour
- Senior Account Executives, $140-180/hour
- Account Executives, $110-140/hour
- Assistant Account Executives and Designers, $80-120/hour
- Support Staff, $55/hour

11. Rapp Strategies will make all reasonable efforts to preserve confidential information provided by the Client or developed by Rapp Strategies on behalf of the Client. “Confidential Information” means all non-public information, including, but not limited to, “Not public data” and “Nonpublic data” as defined in Minn. Stat. Sec. 13.02 of the Government Data Practices Act, product information, customer information, financial information, business and marketing plans, production plans and methods, customer lists, business contacts, fee schedules, personnel information, on-site and off-site computer data, computer usernames and passwords, business systems and techniques, and any documents labeled or stamped “trade secrets,” “proprietary,” or “confidential”, and subject to the Government Data Practices Act. Rapp Strategies acknowledges and agrees that in connection with the provision of the services to the Client, Rapp Strategies shall not, during the term or thereafter, use, publish, otherwise disclose, or utilize in any way, any of the Client’s Confidential Information, at any time during or after the term of this Agreement, and continuing for so long as the Client continues to reasonably maintain the non-public nature of such Confidential Information, except as necessary to provide the services hereunder. Upon termination of this Agreement and at the request of the Client, Rapp Strategies shall return to the Client any of the Client’s Confidential Information in its possession.

12. Rapp Strategies will not and shall not be expected to undertake activities to verify the accuracy of any information supplied to it by the Client and is entitled to rely on such submission in the discharge of its services.

13. Each party agrees to indemnify, defend, and hold harmless the other party, together with its respective shareholders, officers, employees, agents, successors, and assigns, solely to the extent that any loss, claim, suit, judgment, proceeding, investigation, liability, cost, or expense (including reasonable attorney’s fees and out-of-pocket costs) arises directly from the willful misconduct or gross negligence of the indemnifying party or its employees acting within the scope of this Agreement. The Client shall not be required to indemnify Rapp Strategies for any loss, claim, or expense arising from or related to Rapp Strategies’ own acts or omissions, professional judgment, strategic recommendations, failure to comply with applicable law, or reliance on information supplied or approved by a Client. Rapp Strategies shall not be required to indemnify the Client for any loss, claim, or expense arising from or related to the Client’s or a Client’s acts or omissions, including information supplied, approved, or adopted by the Client or a Client. Neither party shall be responsible for indemnification related to time spent by the other party’s personnel responding to subpoenas, testimony, or other proceedings unless such matters arise directly from the indemnifying party’s willful misconduct or gross negligence. This section shall survive the termination or expiration of this Agreement.

14. This Agreement may be terminated within 30 days following the receipt of written notice to the address of Rapp Strategies (in the case of termination by the Client) or the Client (in the case of termination by Rapp Strategies) provided above. Any retainer, partial retainer or other amounts due to Rapp Strategies, irrespective of whether such amounts have been invoiced to the Client as of the date of any termination, shall remain due and payable upon the terms described herein.

15. This Agreement constitutes the whole agreement between the Client and Rapp Strategies with respect to the subject matter and supersedes any and all prior oral or written understandings, arrangements, negotiations, communications and/or representations between them. No amendment of this Agreement will be effective unless mutually agreed to in writing by Client and Rapp Strategies.

16. If any court or competent authority finds that any provision (or part of any provision) of this Agreement is illegal, invalid or unenforceable, that provision or part provision, will be deemed to be deleted. The legality, validity or enforceability of any other provision of the Agreement will not be affected. If any invalid, unenforceable or illegal provision of the Agreement would be valid, enforceable and legal if some part of it were deleted, the Client and Rapp Strategies will negotiate in good faith to amend the provision so that, as amended, it is legal, valid and enforceable, and to the greatest extent possible, achieves the original intention.

17. This Agreement is made and entered into in the State of Minnesota and the parties hereto agree the laws thereof shall govern it. Any action to enforce this Agreement shall take place in the courts of the state of Minnesota located in Hennepin County, Minnesota, or in the U.S. District Court located in Minneapolis, Minnesota.

Sincerely,

Rapp Strategies, Inc.

By: Todd Rapp, CEO
Date: _____, 2026

Accepted as of the ___ day of _____, 2026 by the “Client”, described above.

Signed: _____

By: _____

Its: _____

CITY OF OWATONNA

Action Items

Resolutions

DATE: February 17, 2026
TO: Mayor and City Council
FROM: Emma Bransford, Sr Administrative Technician
SUBJECT: Resolution 23-26: Setback Variance Request — Mound Addition

Purpose:
Request approval of Resolution 23-26. A request received from Scott Tuchtenhagen of Jones Haugh & Smith on behalf of Wayne Fett, Mega Load Properties, LLC.

Background:
See attached staff report. The Planning Commission held a public hearing for this request during their meeting on February 10th and recommended approval.

Budget Impact:
None.

Staff Recommendation:
Staff recommends approval as recommended by the Planning Commission.

Attachments:
1. Resolution 23-26 VAR 24 - Setback Mound Addition
2. Staff Report - VAR-24

RESOLUTION NO. 23-26

A RESOLUTION APPROVING VARIANCE VAR-24

WHEREAS, Application VAR-24, a request by Scott Tuchtenhagen of Jones, Haugh, and Smith, on behalf of Wayne Fett, for a setback variance to allow a 20 ft front setback where a 30 ft setback is required and a 10 ft rear setback where a 20 ft setback is required for the properties located at 141 Allan Ave SW and 690 Mound St SW and legally described as follows:

Attached as Exhibit A

; and

WHEREAS, The Planning Commission held a public hearing on February 10, 2026 and recommended approval of VAR-24; and

WHEREAS, on February 17, 2026, the City Council accepted and approved Variance VAR-24, as the same was approved and recommended by the Planning Commission of the City; and

WHEREAS, the City Council concurs with all of the findings of the Planning Commission and hereby makes the identical findings as follows:

1. The property is zoned B-2, Community Business.
2. The variance application was published, and notice was provided to property owners within 350 feet of the subject property and published in the Owatonna Peoples Press.
3. A public hearing was held at the Planning Commission on February 10, 2026.
4. The variance is in harmony with the general purposes and intent of the Ordinance.
5. The request is in general alignment with the Comprehensive Plan.
6. The circumstances of the property are not caused by the landowner.
7. The practical difficulty presented is not created by the property owner.
8. The variance will not alter the essential character of the neighborhood.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Owatonna, Minnesota:

1. That said variance is in accordance with and conformity to the plans and regulations established by the City and the comprehensive plan for the development of the City.
2. That said variance be and the same hereby is approved with the following condition:
    1. No building alterations shall be made that causes further encroachment into the setbacks on either lot.
3. That the Clerk cause a certified copy of this resolution to be filed in the office of the County Recorder of Steele County, Minnesota.

Passed and adopted this ___ day of _____, 2026, with the following vote:

Aye __; No __; Absent __.

Approved and signed this _____ day of _____, 2026.

_____
Matthew Jessop, Mayor

ATTEST:

_____
Jenna Tuma, City Administrator/City Clerk

EXHIBIT A

All tht part of Lot 4, Block 2, BRIDGE ADDITION, OWATONNA, MINNESOTA, lying South of the following described line:

Commencing at the southeast corner of said Lot 4; thence North 01°02'26" West, assumed bearing, 108.00 feet along the east line of said Lot 4 to the true point of beginning; thence South 89°38'33" West 247.00 feet along a line parallel with the south line of said Lot 4 to the west line of said Lot 4, and there terminating

February 6, 2026

To: Planning Commission

From: Community Development Department

RE: VAR-24, a request by Scott Tuchtenhagen of Jones, Haugh, and Smith, on behalf of Wayne Fett, for a setback variance to allow a 20 ft front setback where a 30 ft setback is required and a 10 ft rear setback where a 20 ft setback is required.

Application Review:

Applicant	Scott Tuchtenhagen, Jones Haugh & Smith
Owner	Wayne Fett, Mega Load Properties, LLC
Location of Property	141 Allan Ave SW 690 Mound St SW
Zoning Map	B-2, Community Business
Zoning Ordinance	Section 157.028 (B) specifies the required setbacks for the B-2 zoning district.
Report Attachment	1. Location map 2. Preliminary Plat 3. Narrative

Proposed Development

- Application VAR-24, a request by Scott Tuchtenhagen of Jones, Haugh, and Smith, on behalf of Wayne Fett, for a setback variance to allow a 20ft front setback where a 30 ft setback is required and a 10 ft rear setback where a 20ft setback is required.
- In 2004, the City Council approved a minor PUD allowing two primary buildings on a single lot. Both buildings have the same setbacks and are in alignment of one another.
- The existing lot is proposed to be re-platted and divided into two separate lots.
- Lot 1 on the west will continue its use as Apex Pro.
- Lot 2 on the east is proposed to be Coin Laundry.
- If the lot split is approved, lot 2 will front on Mound Street SW. The required front yard setback is 30 feet. However, the existing building is located approximately 20 feet from the property line.
- Likewise, because lot 2 will front Mound Street SW, the rear yard will face north toward the adjacent Chipotle. The required rear yard setback is 20 feet, but the existing building is located approximately 10 feet from the property line.
- No changes to the footprint of either building are proposed.

The following is from the applicant's application:

- The structures should be on individual lots. They have their own address for each structure and they have their own utilities.
- The request is the simplest way for us to subdivide the lots, no improvements to the buildings are being made with this request.
- We are platting one parcel into two new separate lots that was previously split off from the original lot. The variance helps simplify or clean up most subdivision ordinances that were non-conforming.
- It is unique to have more than one primary structure on one parcel.

FINDINGS OF FACT

1. The property is zoned B-2, Community Business.
2. The variance application was published, and notice was provided to property owners within 350 feet of the subject property and published in the Owatonna Peoples Press.
3. A public hearing was held at the Planning Commission on February 10, 2026.
4. The variance is in harmony with the general purposes and intent of the Ordinance.
5. The request is in general alignment with the Comprehensive Plan.
6. The circumstances of the property are not caused by the landowner.
7. The practical difficulty presented is not created by the property owner.
8. The variance will not alter the essential character of the neighborhood.

Public Comment

No public comments had been received by staff at the time of this staff report.

Staff Recommendation

Staff recommends approval of VAR-24 to allow a 20 ft front setback where a 30 ft setback is required and a 10 ft rear setback where a 20 ft setback is required on the following condition:

1. No building alterations shall be made that causes further encroachment into the setbacks on either lot.

Planning Commission

Application VAR-24, which is a request by Scott Tuchtenhagen of Jones, Haugh, and Smith, on behalf of Wayne Fett, for a setback variance to allow a 20-foot front yard setback where a 30-foot setback is required and a 10-foot rear yard setback where a 20-foot rear yard setback is required for the properties located at 141 Allan Avenue SW and 690 Mound Street SW, was presented by Planning Specialist Emma Bransford. (Refer to report on file.)

Public hearing for VAR-24 and the Preliminary and Final Plat of Mound Addition opened at 5:36 pm. No comments were made regarding this request. Public hearing closed at 5:37 pm. Joachim said this is cleaning up the lots. Eickhoff said he didn't have any issues with it.

A motion was made by Eickhoff and seconded by Effertz to recommend City Council approval of VAR-24 to allow a 20-foot front yard setback where a 30-foot setback is required and a 10-foot rear yard setback where a 20-foot rear yard setback is required with the following condition:

1) No building alterations shall be made that causes further encroachment into the setbacks on either lot.

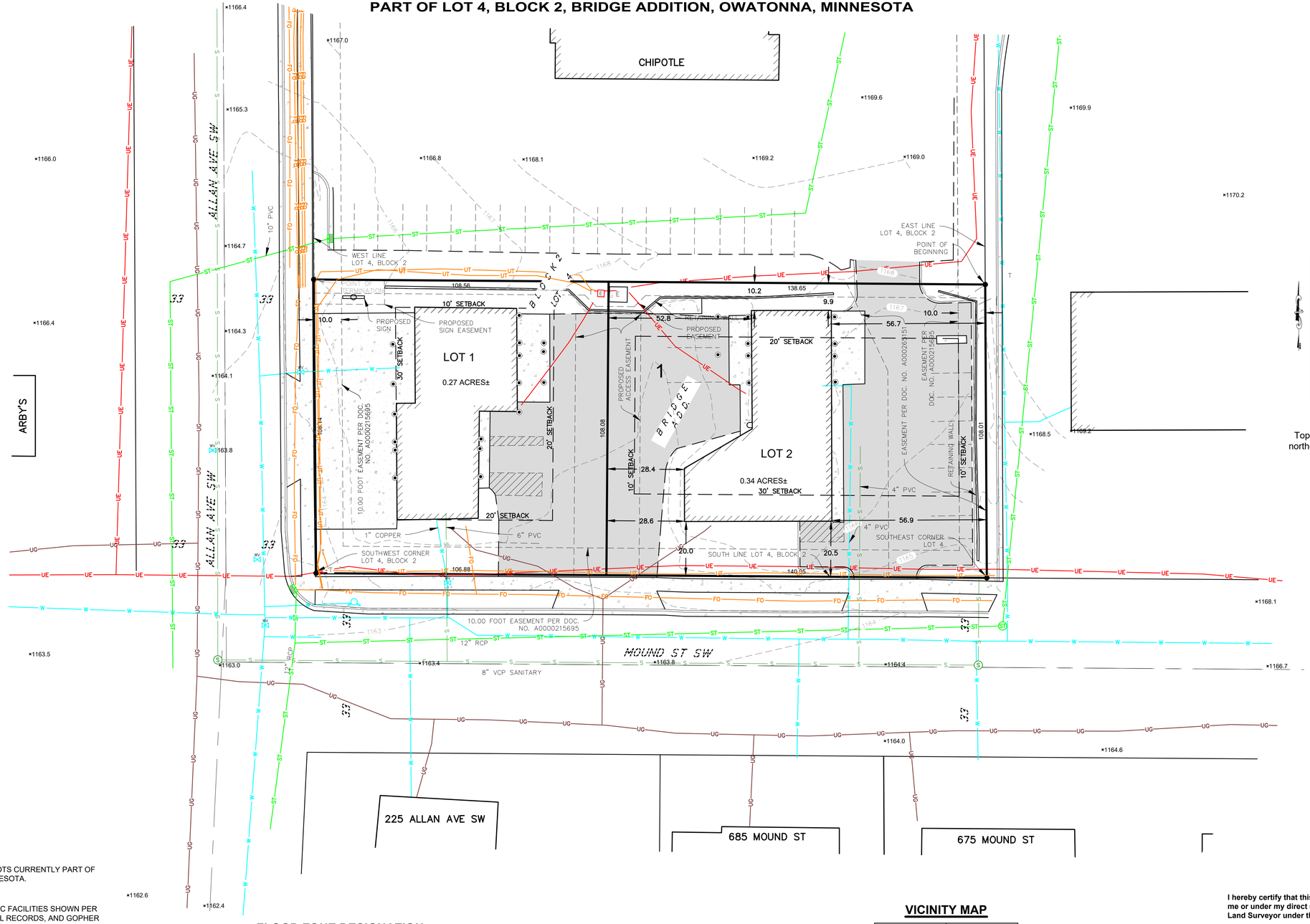
All Commissioners voting Aye, the motion carried.

PRELIMINARY PLAT MOUND ADDITION

PART OF LOT 4, BLOCK 2, BRIDGE ADDITION, OWATONNA, MINNESOTA

LEGEND

- = Iron monument-Found
- P = Recorded Plat Distance
- D = Recorded Deed Distance
- M = Measured Distance
- W = Water Main
- S = Sanitary Sewer
- ST = Storm Sewer
- G = Gas Main
- UT = Underground Telephone
- FO = Fiber-Optics
- UE = Underground Electric
- = Roof Drain
- = Sign
- = Electric Meter
- = Telephone Pedestal
- = Fire hydrant
- = Curb Stop
- = Catch Basin
- = Manholes
- 1272 = Elevation Contour Line
- = Concrete Surface
- = Bituminous Surface

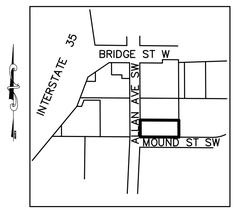


SCALE: 1" = 20'

0 20 10 40

SCALE IN FEET

VICINITY MAP



BENCHMARK

Top hydrant nut located151 feet north of the northeast property corner. Elevation = 1174.28

OWNER INFORMATION

Apex Pro Leasing, LLC
PO Box 1
Dodge Center, MN 55927

LAND SURVEYOR

JONES HAUGH, & SMITH, INC.
SCOTT A. TUCHTENHAGEN
415 WEST NORTH STREET
OWATONNA, MN 55060
507-451-4598
SCOTTT@JHSENG.COM

ZONING

EXISTING ZONE: B-2 COMMERCIAL BUSINESS

SETBACKS:
ZONE: 30'
REAR: 20'
SIDE: 10'
HEIGHT 35'

PROJECT NOTE:

REQUESTED TO SUBDIVIDE THE PARCEL INTO TWO LOTS CURRENTLY PART OF LOT 4, BLOCK 2, BRIDGE ADDITION, OWATONNA, MINNESOTA.

UTILITIES NOTE:

SANITARY, WATER MAIN, NATURAL GAS, AND ELECTRIC FACILITIES SHOWN PER OPU, OWATONNA ENGINEERING DEPARTMENT DIGITAL RECORDS, AND GOPHER STATE ONE CALL.

No responsibility is accepted for the locations of utilities shown hereon. Verification of actual locations should be requested prior to the commencement of construction or the taking of any other action relying on the actual locations.

Locations of all utilities shown are approximate. Ticket Number: 253500214

GOPHER STATE ONE-CALL: 1-800-252-1166

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FLOOD ZONE DESIGNATION

THE SURVEYED PROPERTY LIES IN ZONE X, AREAS OF MINIMAL FLOOD HAZARD, AS SHOWN ON FEMA FLOOD INSURANCE RATE MAP COMMUNITY-PANEL NO. 27147C0153C, EFFECTIVE DATE, December 2, 2011.

LEGAL DESCRIPTION OF RECORD

All tht part of Lot 4, Block 2, BRIDGE ADDITION, OWATONNA, MINNESOTA, lying South of the following described line:

Commencing at the southeast corner of said Lot 4; thence North 01°02'26" West, assumed bearing, 108.00 feet along the east line of said Lot 4 to the true point of beginning; thence South 89°38'33" West 247.00 feet along a line parallel with the south line of said Lot 4 to the west line of said Lot 4, and there terminating.

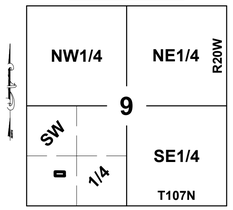
STREET ADDRESS

141 ALLAN AVE SW
OWATONNA, MN 55060

AREA

0.61 ACRES±

VICINITY MAP



Scale: 1"=2000'

I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

PRELIMINARY

Scott A. Tuchtenhagen, L.S. No. 52646 **Date:**

Some site improvements and topography may have been concealed by winter conditions at the time of survey.

Parking stall depiction from Aerial photography

JONES, HAUGH & SMITH
PROFESSIONAL ENGINEERS & LAND SURVEYORS

SHEET NO. 1 OF 1 SHEETS

SETBACK VARIANCE

(1) The particular physical surroundings, shape or topographical conditions of the specific parcel of land involved;

The surroundings are commercial/retail buildings, and parking lots. To the south there are residential single family housing. Topography is generally flat with some minor sloping.

(2) The condition involved is unique to the particular parcel of land involved;

The current condition is two buildings on one parcel of land with two different addresses and each structure has their own utilities.

(3) The alleged difficulty or hardship is caused by this chapter and has not been created by any persons presently having an interest in the parcel;

The current party and interested party did not construct the structures.

(4) The granting of the variation will not be detrimental to the public welfare or injurious to other land or improvements to the neighborhood; and

No major changes will occur if this variance is granted the two structures will simply be on different lots which is preferred.

(5) The proposed variation will not impair an adequate supply of light and air to adjacent property, or substantially increase the congestion of the public streets, or interfere with the function of the Police and Fire Departments of the city.

The supply of light and air will not change by subdividing one parcel into two lots.

1. Specify the section of the Zoning Ordinance from which a variance is sought.

Chapter 157 Zoning

2. Explain how you wish to vary from the above-mentioned Zoning Ordinance.

The existing conditions do not meet building setback after the lot split.

§ 157.028 DENSITY AND INTENSITY REGULATIONS.

3. Explain the practical difficulty/hardship that would result without the granting of this request.

The structures should be on individual lots. They have their own address for each structure and they have their own utilities.

4. Is the request the minimum variance necessary to alleviate the practical difficulty and accomplish the proposed improvement, structure, and/or buildings.

The request is the simplest way for us to subdivide the lots, no improvements to the buildings are being made with this request.

5. In your opinion, is the variance in harmony with the purposes and intent of the ordinance?

Yes, we are platting one parcel into two new separate lots that was previously split off from the original lot. The variance helps simplify or clean up most subdivision ordinances that were non-conforming.

6. In your opinion, does the proposal put the property to use in a reasonable manner?

Yes, we are platting one parcel into two new separate lots that was previously split off from the original lot. The variance helps simplify or clean up most subdivision ordinances that were non-conforming.

7. In your opinion, are there circumstances unique to the property?

Yes. It is unique to have more than one primary structure on one parcel.

8. In your opinion, will the variance maintain the essential character of the locality/neighborhood?

Yes. There are no changes to the existing buildings to vary the character of the neighborhood.

DATE: February 17, 2026
TO: Mayor and City Council
FROM: Emma Bransford, Sr Administrative Technician
SUBJECT: Resolution 24-26: Preliminary and Final Plat Mound Addition

Purpose:
Request approval of resolution 24-26 regarding the Preliminary and Final Plat of Mound Addition. A request was received from Scott Tuchtenhagen of Jones Haugh & Smith on behalf of Wayne Fett, Mega Load Properties, LLC.

Background:
See attached staff report. The Planning Commission held a public hearing for this request during their meeting on February 10th and recommended approval.

Budget Impact:
None.

Staff Recommendation:
Staff recommends approval as recommended by the Planning Commission.

Attachments:
1. Resolution 24-26 Pre & Final Plat - Mound Addition
2. Staff Report - Mound Addition

RESOLUTION NO. 24-26
A RESOLUTION APPROVING PRELIMINARY & FINAL PLAT
OF MOUND ADDITION

WHEREAS, on February 17, 2026, the City Council accepted and approved the preliminary and final plat of Mound Addition to the City of Owatonna, as the same was approved and recommended by the Planning Commission of the City.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Owatonna, Minnesota:

1. That said plat is in accordance with and conformity to the plans and regulations established by the City for a comprehensive plan for the development of the City.
2. That said plat be and the same hereby is approved with the following conditions:
    1. The final plat shall be recorded within 60 days of approval.
    2. The title opinion shall be approved by the City Attorney prior to the recording of the final plat.
    3. Apex Pro Leasing, LLC and Mega Load Properties, LLC must enter into a shared parking agreement between lot 1 and lot 2 of Mound Addition. The parking agreement must be recorded with the final plat.
    4. Approval of application VAR-24 regarding building setbacks.
    5. That the Clerk cause a certified copy of this resolution to be filed in the office of the County Recorder of Steele County, Minnesota, and to be given to the applicants of said plat.

Passed and adopted this ____ day of _____, 2026, with the following vote:

Aye __; No __; Absent __.

Approved and signed this ____ day of _____, 2026.

_____
Matthew T. Jessop, Mayor

ATTEST:

_____
Jenna L. Tuma, City Administrator/City Clerk

February 6, 2026

To: Planning Commission
From: Community Development Department
RE: Preliminary and Final Plat - Mound Addition

Application Review:

Applicant:	Scott Tuchtenhagen, Jones Haugh & Smith
Owner:	Wayne Fett, Mega Load Properties, LLC Apex Pro Leasing, LLC
Location of Property:	141 Allan Ave SW 690 Mound St SW
Existing Zoning:	B-2, Community Business District
Existing Land Use:	The land is currently commercial use
Report Attachments:	1. Location Map 2. Preliminary Plat 3. Final Plat 4. Shared Access Easement 5. Project Narrative

Proposed Development:

Size of Subdivision:	0.61± acres
Number of Lots:	One commercial lot split and re-platted into two lots.
Lot Configuration:	The lot is rectangular in shape.
Street Pattern:	The street pattern will not change from what exists today.
Services:	Services are existing.
Timing/Financing of Development:	The applicant is hoping to record the final plat as soon as possible.
Outstanding Assessments:	None
Floodplain:	None
Wetlands:	None

Storm Water Drainage:	No changes proposed.
Easements:	All existing easements along the perimeter of the lots will remain unchanged. A new 5 ft drainage and utility easement is proposed along the northern property line of both lots. In addition, a new drive access easement is proposed and will be located along the newly created property line. Each newly platted lot will be allocated 12 ft. on either side of the lot line. In addition, a sign easement is proposed on Lot 1 in the northeasterly portion of the lot, subject to approval of application VAR-23.
County/MNDOT Review:	The property is not adjacent to a state or county road.

Background

Scott Tuchtenhagen, Jones, Haugh, and Smith, on behalf of Wayne Fett, a request for preliminary and final plat of Mound Addition, a 0.61± acre tract of commercial land. The applicant is requesting to split the parcel into two lots requiring a re-plat. The use of lot 1 as Apex Pro quick lube and car wash will remain unchanged, while the proposed use of lot 2 is Coin Laundry, which is permitted in the B-2 district. Neither of the buildings proposed to undergo exterior alterations.

In 2004, the property was approved for a minor PUD to allow two primary uses on a single lot. This request seeks to place each of the existing buildings on its own lot. Due to the current placement of the buildings permitted under the original minor PUD approval, the building on proposed lot 2 would not meet setback requirements once the lots are divided. This nonconformity is being addressed through application VAR-24.

The property as it stands today has four different access points. If the lot is divided, the lot 1 building would lose entering access to its garage and car wash. To address this issue, the applicant proposes a joint driveway access easement between the two properties. This easement would be located along the proposed property line with each newly platted lot allocated 12 ft. on either side of the lot line.

The proposed lot 2 would meet parking requirements of 9 spaces. However, if lots are split the Apex building would no longer meet its minimum parking requirement of 8 spaces. A shared parking agreement will be a condition of approval.

The applicant is proposing an additional freestanding sign adjacent to the Apex building. There is an existing freestanding sign that would be taken down. If the lot is divided, the sign would be considered off-site, which is not permitted by sign code. This request is being addressed through application VAR-23.

Both buildings have separated utility services.

Staff Review:

Staff recommends approval of the preliminary and final plat of Mound Addition with the following conditions:

1) The final plat shall be recorded within 60 days of approval.
2) The title opinion shall be approved by the City Attorney prior to recording of the final plat.
3) Apex Pro Leasing, LLC and Mega Load Properties, LLC must enter into a shared parking agreement between lot 1 and lot 2 of Mound Addition. The parking agreement must be recorded with the final plat.
4) Approval of application VAR-24 regarding building setbacks.

Planning Commission

Preliminary and Final Plat of Mound Addition, which is a 0.61± acre tract of land zoned B-2 Community Business District, owned by Wayne Fett, Mega Load Properties, LLC and Apex Pro Leasing, LLC, and located at 141 Allan Avenue SE and 690 Mound Street SW, was presented by Planning Specialist Emma Bransford. (Refer to report on file.)

Public hearing for VAR-24 and the Preliminary and Final Plat of Mound Addition opened at 5:36 pm. No comments were made regarding this request. Public hearing closed at 5:37 pm. Joachim said this is cleaning up the lots. Eickhoff said he didn't have any issues with it.

A motion was made by Joachim and seconded by Springer-Gasner to recommend City Council approval of the preliminary and final plat of Mound Addition with the following conditions:

1) The final plat shall be recorded 60 days of the approval.
2) The title opinion shall be approved by the City Attorney prior to recording of the final plat.
3) Apex Pro Leasing, LLC and Mega Load Properties, LLC must enter into a shared parking agreement between Lot 1 and Lot 2 of Mound Addition. The parking agreement must be recorded with the final plat.
4) Approval of Application VAR-24 regarding building setbacks.

All Commissioners voting Aye, the motion carried.

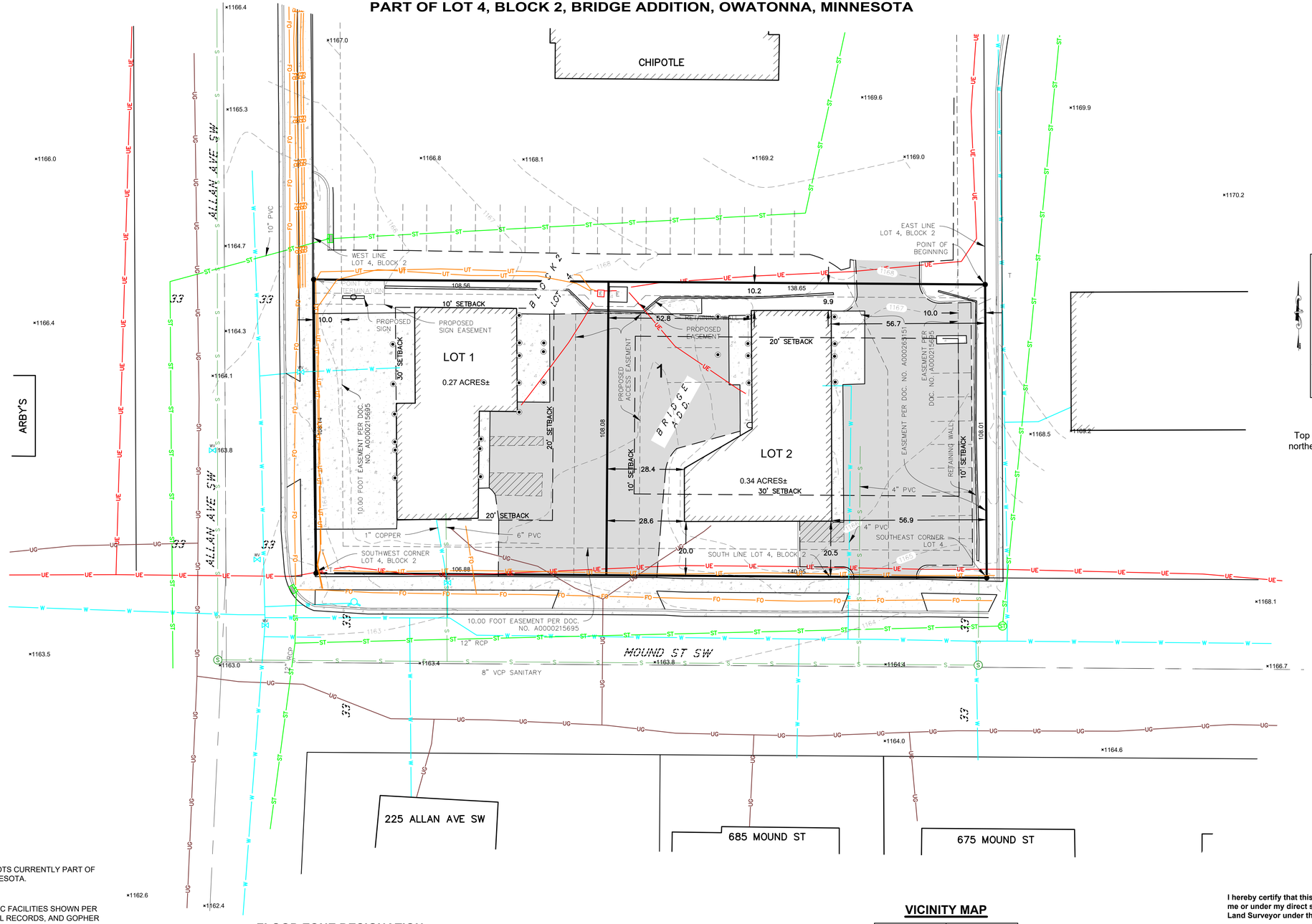
Mound Addition
VAR-23 VAR-24
141 Allan Ave SW

PRELIMINARY PLAT MOUND ADDITION

PART OF LOT 4, BLOCK 2, BRIDGE ADDITION, OWATONNA, MINNESOTA

LEGEND

- = Iron monument-Found
- P = Recorded Plat Distance
- D = Recorded Deed Distance
- M = Measured Distance
- W = Water Main
- S = Sanitary Sewer
- ST = Storm Sewer
- G = Gas Main
- UT = Underground Telephone
- FO = Fiber-Optics
- UE = Underground Electric
- = Roof Drain
- = Sign
- = Electric Meter
- = Telephone Pedestal
- = Fire hydrant
- = Curb Stop
- = Catch Basin
- = Manholes
- 1272 = Elevation Contour Line
- = Concrete Surface
- = Bituminous Surface

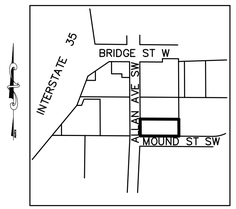


SCALE: 1" = 20'

0 20 10 40

SCALE IN FEET

VICINITY MAP



BENCHMARK

Top hydrant nut located151 feet north of the northeast property corner. Elevation = 1174.28

OWNER INFORMATION

Apex Pro Leasing, LLC
PO Box 1
Dodge Center, MN 55927

LAND SURVEYOR

JONES HAUGH, & SMITH, INC.
SCOTT A. TUCHTENHAGEN
415 WEST NORTH STREET
OWATONNA, MN 55060
507-451-4598
SCOTTT@JHSENG.COM

ZONING

EXISTING ZONE: B-2 COMMERCIAL BUSINESS

SETBACKS:
ZONE: 30'
REAR: 20'
SIDE: 10'
HEIGHT 35'

PROJECT NOTE:

REQUESTED TO SUBDIVIDE THE PARCEL INTO TWO LOTS CURRENTLY PART OF LOT 4, BLOCK 2, BRIDGE ADDITION, OWATONNA, MINNESOTA.

UTILITIES NOTE:

SANITARY, WATER MAIN, NATURAL GAS, AND ELECTRIC FACILITIES SHOWN PER OPU, OWATONNA ENGINEERING DEPARTMENT DIGITAL RECORDS, AND GOPHER STATE ONE CALL.

No responsibility is accepted for the locations of utilities shown hereon. Verification of actual locations should be requested prior to the commencement of construction or the taking of any other action relying on the actual locations.

Locations of all utilities shown are approximate. Ticket Number: 253500214

GOPHER STATE ONE-CALL: 1-800-252-1166

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FLOOD ZONE DESIGNATION

THE SURVEYED PROPERTY LIES IN ZONE X, AREAS OF MINIMAL FLOOD HAZARD, AS SHOWN ON FEMA FLOOD INSURANCE RATE MAP COMMUNITY-PANEL NO. 27147C0153C, EFFECTIVE DATE, December 2, 2011.

LEGAL DESCRIPTION OF RECORD

All tht part of Lot 4, Block 2, BRIDGE ADDITION, OWATONNA, MINNESOTA, lying South of the following described line:

Commencing at the southeast corner of said Lot 4; thence North 01°02'26" West, assumed bearing, 108.00 feet along the east line of said Lot 4 to the true point of beginning; thence South 89°38'33" West 247.00 feet along a line parallel with the south line of said Lot 4 to the west line of said Lot 4, and there terminating.

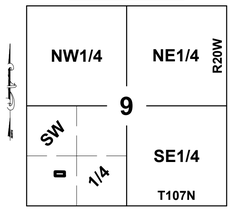
STREET ADDRESS

141 ALLAN AVE SW
OWATONNA, MN 55060

AREA

0.61 ACRES±

VICINITY MAP



Scale: 1"=2000'

I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

PRELIMINARY

Scott A. Tuchtenhagen, L.S. No. 52646 **Date:**

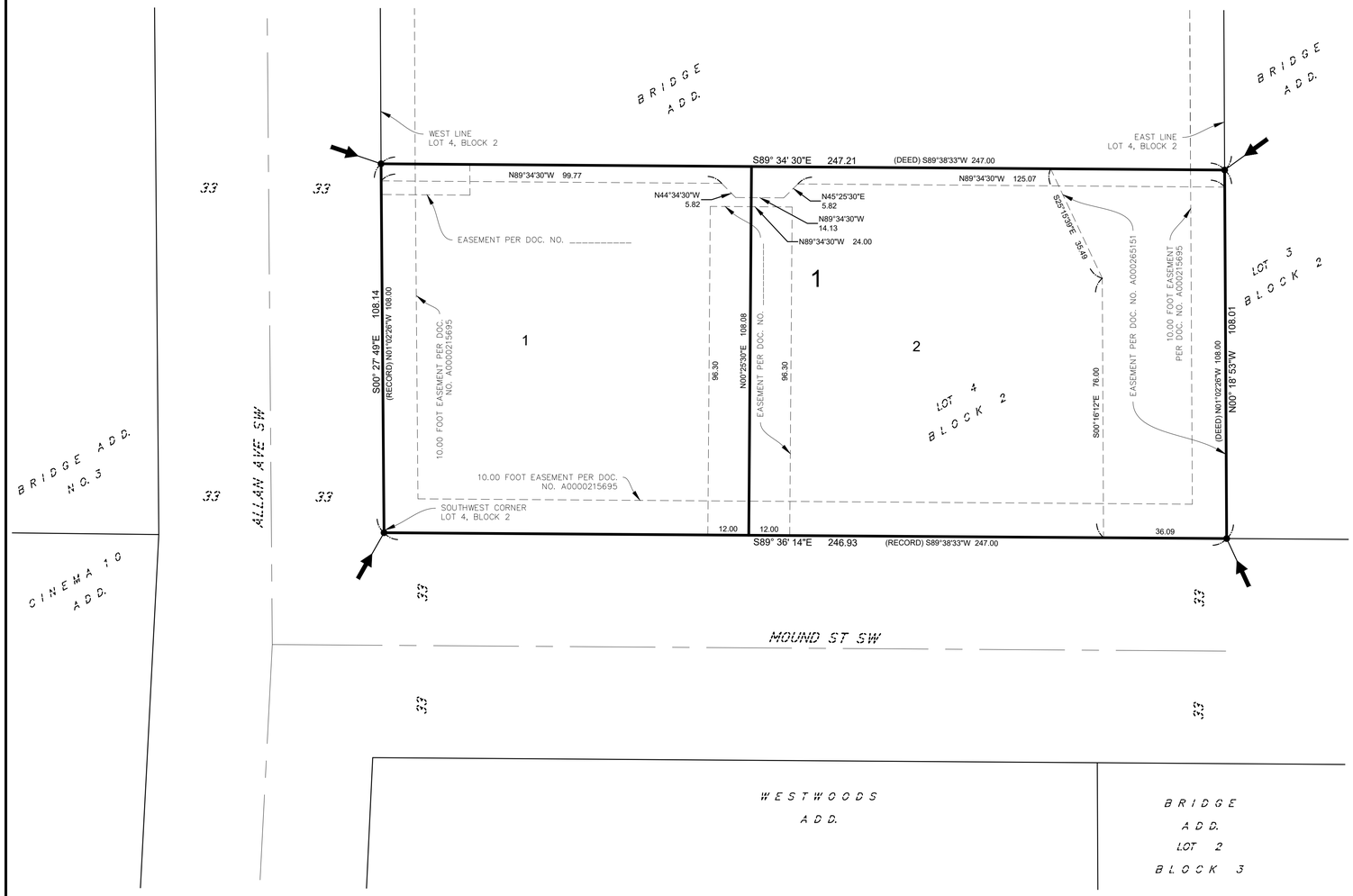
Some site improvements and topography may have been concealed by winter conditions at the time of survey.

Parking stall depiction from Aerial photography

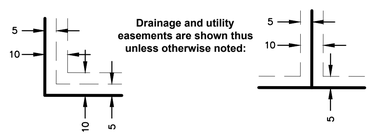
JONES, HAUGH & SMITH
PROFESSIONAL ENGINEERS & LAND SURVEYORS

OFFICIAL PLAT

MOUND ADDITION



Drainage and utility easements are shown thus unless otherwise noted:



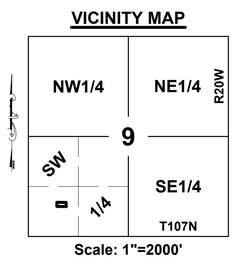
BASIS OF BEARING SYSTEM

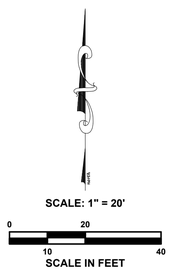
All bearings are based on the west line of Block 2, Bridge Addition bearing South 00°27'49" East

LEGEND

- = Iron Monument-Found
- = 5/8Ø X 16 inch iron monument (capped LS 52646)-Placed unless otherwise noted
- = Addition Corner

VICINITY MAP





KNOW ALL PERSONS BY THESE PRESENTS: That Apex Pro Leasing, LLC, a Minnesota limited liability company, owner of the following described property:

All tht part of Lot 4, Block 2, BRIDGE ADDITION, OWATONNA, MINNESOTA, lying South of the following described line:

Commencing at the southeast corner of said Lot 4; thence North 01°02'26" West, assumed bearing, 108.00 feet along the east line of said Lot 4 to the true point of beginning; thence South 89°38'33" West 247.00 feet along a line parallel with the south line of said Lot 4 to the west line of said Lot 4, and there terminating.

has caused the same to be surveyed and platted as MOUND ADDITION and does hereby dedicate to the public for public use the drainage and utility easement created by this plat.

In witness whereof said Apex Pro Leasing, LLC, a Minnesota limited liability company, has caused these presents to be signed by its proper oficer this

_____ day of _____ , 20___.

Apex Pro Leasing, LLC, a Minnesota Limited Liability Company

_____
Bent Freerksen, Cheif Manager

STATE OF MINNESOTA
COUNTY OF STEELE

This instrument was acknowledged before me this _____ day of _____, 20___ by Brent Feerksen, Cheif Manager of Apex Pro Leasing, LLC, a Minnesota Libmited Liability Company.

_____
John Henry Schulte, Notary Public, State of Minnesota
My Commission Expires January 31, 2026

I, Scott A. Tuchtenhagen, hereby certify that this plat was prepared by me or under my direct supervision; that I am a duly Licensed Land Surveyor in the State of Minnesota; that this plat is a true and correct representation of the boundary survey; that all mathematical data and labels are correctly designated on this plat; that all monuments depicted on this plat have been, or will be set within one year; that all water boundaries and wet lands, as defined in Minnesota Statutes, Section 505.01, Subd. 3, as of the date of this certificate are shown and labeled on this plat; and all public ways are shown and labeled on this plat.

Dated this _____ day of _____, 2025.

_____
Scott A. Tuchtenhagen, Licensed Land Surveyor
Minnesota License No. 52646

STATE OF MINNESOTA
COUNTY OF STEELE

This instrument was acknowledged before me this _____ day of _____, 2025 by Scott A. Tuchtenhagen, a licensed land surveyor.

_____
John Henry Schulte, Notary Public, State of Minnesota
My Commission Expires January 31, 2026

This plat of MOUND ADDITION was approved and accepted by the City Council of the City of Owatonna, Minnesota at a regular meeting thereof held on the _____day of _____, 2025, and said plat is in compliance with the provisions of Minnesota Statutes, Section 505.03 Subd. 2.

_____
Jenna A. Tuma, City Administrator

I hereby certify that in accordance with Minnesota Statutes, Section 505.021, Subd. 11, this plat has been reviewed and approved this _____ day of _____, 2025.

_____
Scott A. Tuchtenhagen, County Surveyor
Steele County, Minnesota

No delinquent taxes and transfer entered this _____ day of _____, 2025.

_____
Jennifer Mueller, Property Tax and Elections Director
Steele County, Minnesota

I hereby certify that taxes payable for the year 2025 on the land hereinbefore described have been paid this _____day of _____, 2025.

_____
Steele County, Minnesota

Filed in the Office of the County Recorder this _____ day of_____ 2025, at _____O'clock ____M., in Book _____ of Plats, Page_____, as Document Number_____

_____
Rick G. Kvien, County Recorder
Steele County, Minnesota

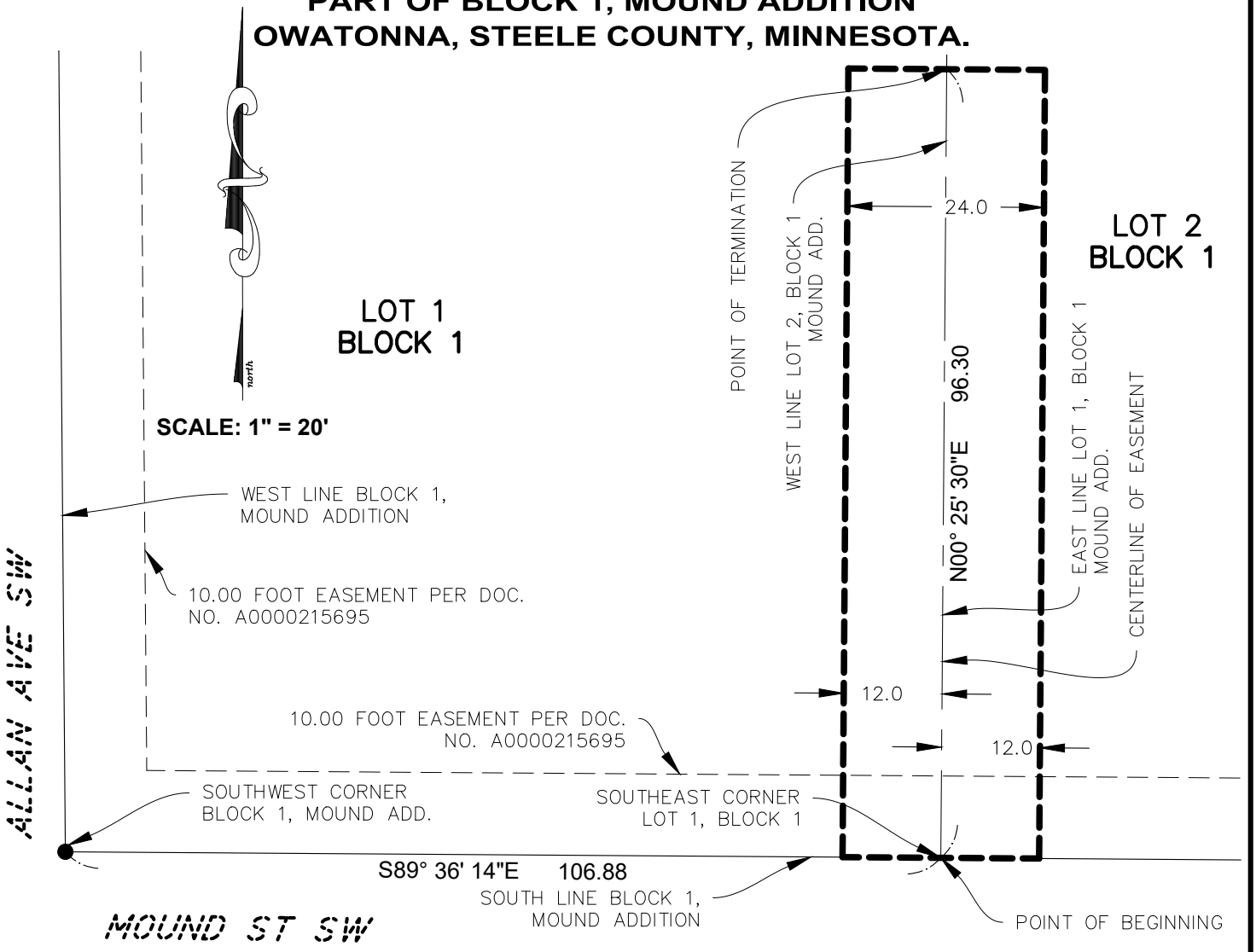
COUNTY RECORDER STEELE COUNTY MINNESOTA

JONES, HAUGH & SMITH
PROFESSIONAL ENGINEERS & LAND SURVEYORS

SHEET NO. 1 OF 1 SHEETS

DRIVEWAY EASEMENT

PART OF BLOCK 1, MOUND ADDITION
OWATONNA, STEELE COUNTY, MINNESOTA.



PREPARED ACCESS EASEMENT

An easement for ingress and egress, over under and across all that part of Block 1, MOUND ADDITION, 12.00 feet on each side of the following described centerline:

Commencing at the southwest corner of said Block 1; thence South 89°36'14" East a distance of 106.88 feet, on an assumed bearing to the southeast corner of Lot 1 of said Block 1, being the point of beginning;

thence North 00°25'30" East a distance of 96.30 feet on the east line of said Lot 1, and there terminating.

FOR: MEGA LOAD PROPERTIES LLC.

Date: 12/16/2025 **Revised date:** -
Drawn by: SAT **Survey:** SAT
Field Book: - **Page** 1 of 1
Coord-System: MNDOT CO. NAD83 (11)
Job No: 25-1240 **File:** -

I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

PRELIMINARY

Scott A. Tuchtenhagen
Date: **L.S. No. 52646**

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JONES HAUGH SMITH
Engineers + Surveyors

515 South Washington Ave.
Albert Lea, MN 56007
507-373-4876

415 West North Street
Owatonna, MN 55060
507-451-4598

MOUND ADDITION final and preliminary plat in the City of Owatonna

Apex Pro Leasing LLC is working with Wayne Fett to subdivide part of Lot 2, Block 4, BRIDGE ADDITION, Owatonna, Steele County, Minnesota. The property is located at 141 Allan Ave SW. It currently has two separate buildings on one parcel. Each building has its own services, meters, etc. The intention is to separate the parcel into two lots. The original lot has already been subdivided in the past. A new plat will be prepared with two lots and no new public right of way dedication or any changes to the right of ways. The intention will be to add a shared sign easement agreement and drive access easement agreement.

OWNER

Apex Pro Leasing, LLC

PO Box 1

Dodge Center, MN 55927

Eleanor Freerksen 1/23/26

Eleanor Freerksen Date

Brent Freerksen 1/23/26

Brent Freerksen Date

DATE: February 17, 2026
TO: Mayor and City Council
FROM: Emma Bransford, Sr Administrative Technician
SUBJECT: Resolution 25-26: Signage Variance Request — Mound Addition

Purpose:
Request approval of Resolution 25-26. A request received from Scott Tuchtenhagen of Jones Haugh & Smith on behalf of Wayne Fett, Mega Load Properties, LLC.

Background:
See attached staff report. The Planning Commission held a public hearing for this request during their meeting on February 10th and recommended approval.

Budget Impact:
None.

Staff Recommendation:
Staff recommends approval as recommended by the Planning Commission.

Attachments:
1. Resolution 25-26 VAR-23 Signage Request - Mound Addition
2. Staff Report - VAR-23

RESOLUTION NO. 25-26

A RESOLUTION APPROVING VARIANCE VAR-23

WHEREAS, Application VAR-23, a request by Scott Tuchtenhagen of Jones, Haugh, and Smith, on behalf of Wayne Fett, for a sign variance to allow for an off-premise sign in the B-2 district for the properties located at 141 Allan Ave SW and 690 Mound St SW and legally described as follows:

Attached as Exhibit A

; and

WHEREAS, The Planning Commission held a public hearing on February 10, 2026 and recommended approval of VAR-23; and

WHEREAS, on February 17, 2026, the City Council accepted and approved Variance VAR-23, as the same was approved and recommended by the Planning Commission of the City; and

WHEREAS, the City Council concurs with all of the findings of the Planning Commission and hereby makes the identical findings as follows:

1. The property is zoned B-2, Community Business.
2. The variance application was published, and notice was provided to property owners within 350 feet of the subject property and published in the Owatonna Peoples Press.
3. A public hearing was held at the Planning Commission on February 10, 2026.
4. The variance is in harmony with the general purposes and intent of the Ordinance.
5. The request is in general alignment with the Comprehensive Plan.
6. The circumstances of the property are not caused by the landowner.
7. The practical difficulty presented is not created by the property owner.
8. The variance will not alter the essential character of the neighborhood.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Owatonna, Minnesota:

1. That said variance is in accordance with and conformity to the plans

and regulations established by the City and the comprehensive plan for the development of the City.

2. That said variance be and the same hereby is approved with the following conditions:

    1. The sign shall require a building permit
    2. No additional freestanding signs shall be permitted on either of the subject properties.
    3. All temporary signage shall comply with section 153.08 (D) of the subject property.

3. That the Clerk cause a certified copy of this resolution to be filed in the office of the County Recorder of Steele County, Minnesota.

Passed and adopted this _____ day of _____, 2026 with the following vote:

Aye __; No __; Absent __.

Approved and signed this _____ day of _____, 2026.

_____
Matthew Jessop, Mayor

ATTEST:

_____
Jenna Tuma, City Administrator/City Clerk

EXHIBIT A

All tht part of Lot 4, Block 2, BRIDGE ADDITION, OWATONNA, MINNESOTA, lying South of the following described line:

Commencing at the southeast corner of said Lot 4; thence North 01°02'26" West, assumed bearing, 108.00 feet along the east line of said Lot 4 to the true point of beginning; thence South 89°38'33" West 247.00 feet along a line parallel with the south line of said Lot 4 to the west line of said Lot 4, and there terminating

February 6, 2026

To: Planning Commission

From: Community Development Department

RE: VAR-23, a request by Scott Tuchtenhagen of Jones, Haugh, and Smith, on behalf of Wayne Fett, for a sign variance to allow for an off-premise sign in the B-2 district.

Application Review:

Applicant	Scott Tuchtenhagen, Jones, Haugh & Smith
Owner	Wayne Fett, Mega Load Properties, LLC Apex Pro Leasing, LLC
Location of Property	141 Allan Ave SW 690 Mound St SW
Zoning Map	B-2, Community Business
Zoning Ordinance	Section 153.07 requires that any sign identifying or promoting a business or service be located on the same parcel where it is offered.
Report Attachment	1. Easement Location 2. Sign Elevations 3. Narrative

Proposed Development

- Application VAR-23, a request by Scott Tuchtenhagen of Jones, Haugh, and Smith, on behalf of Wayne Fett, to allow for an off-premise sign in the B-2 district.
- The existing lot is proposed to be re-platted and divided into two separate lots, with lot 2 building proposed for use as Coin Laundry.
- The applicant is proposing a freestanding sign adjacent to the Apex building, which would replace the existing Apex Pro freestanding sign. If the lot is subdivided, the new sign would be considered off-site, which is not permitted under the sign code.
- An existing Apex Pro pylon sign is located on the south end of the lot and will remain.
- In total, both lots combined are permitted up to three freestanding signs. However, only two freestanding signs are proposed for both the lots. Overall signage will be less than what is permitted by code.
- The proposed sign is a 13-foot-tall pylon sign with one 32-square-foot sign face on top and one 16-square-foot sign face in the middle, with a 16-square foot sign face on the bottom.

- The total sign face is 64 sq ft., meeting the standards of the B-2 district.
- The sign is proposed to be located outside of any easement and meets the required setback of five feet from all lot lines.

The following is from the applicant's application:

- There is no visible signage from Allan Ave for the laundromat. This is not an industrial zoned district but there are other signage along this corridor for other commercial businesses.
- The proposed improvement is alleviating the difficulty of not seeing the coin laundromat from Allan Ave.
- The property was one parcel we are subdividing it into two lots, this means the signage is no longer on the subject property for the current business.
- This is not new construction. We are simply subdividing one parcel into two lots all existing conditions which were constructed long before the current owners.
- The sign will be placed in the furthest point away from the residential area to the south. Closest to the commercial areas to the north as possible.

FINDINGS OF FACT

1. The property is zoned B-2, Community Business District.
2. The variance application was published and notice was provided to property owners within 350 feet of the subject property and published in the Owatonna Peoples Press.
3. A public hearing was held at the Planning Commission on February 10, 2026.
4. The variance is in harmony with the general purposes and intent of the Ordinance.
5. The request is in general alignment with the Comprehensive Plan
6. The circumstances of the property are not caused by the landowner.
7. The practical difficulty presented is not created by the property owner.
8. The variance will not alter the essential character of the neighborhood.

Public Comment

No public comments had been received by staff at the time of this staff report.

Staff Recommendation

Staff recommends approval of VAR-23, a request to allow for an off-premise sign in the B-2 district on the following conditions:

1. The sign shall require a building permit.
2. No additional freestanding signs shall be permitted on either of the subject properties.
3. All temporary signage shall comply with section 153.08 (D) of the subject property.

Planning Commission

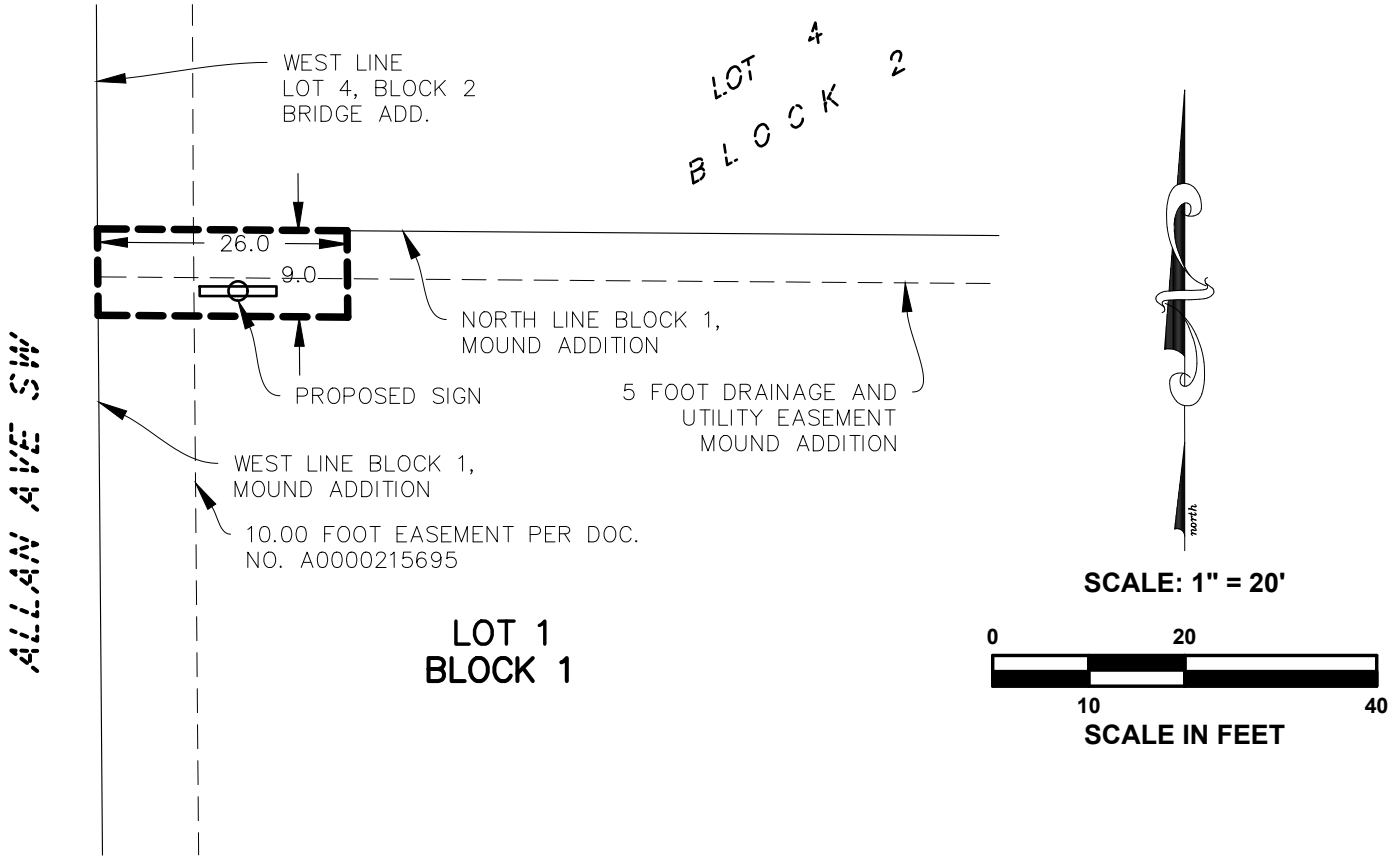
Application VAR-23, which is a request by Scott Tuchtenhagen of Jones, Haugh, and Smith, on behalf of Wayne Fett, for a sign variance to allow for an off-premise sign in the B-2 District, was presented by Planning Specialist Emma Bransford. (Refer to report on file.) Public hearing opened at 5:40 pm. No comments were made regarding this request. Public hearing closed at 5:41 pm. A motion was made by Eickhoff and seconded by Effertz to recommend City Council approval of VAR-23 to allow for an off-premise sign in the B-2 district with the following conditions:

1) The sign shall require a building permit.
2) No additional freestanding signs shall be permitted on either side of the subject properties.
3) All temporary signage shall comply with Section 153.08 (D) of the subject property.

All Commissioners voting Aye, the motion carried.

SIGN EASEMENT

ALL THAT PART OF LOT 1, BLOCK 1, MOUND ADDITION OWATONNA, STEELE COUNTY, MINNESOTA



PREPARED EASEMENT DESCRIPTION

A sign easement over, under and across the West 26.00 feet of the North 9.00 feet of Lot 1, Block 1, MOUND ADDITION, as the same is platted and recorded in the office of the Steele County Recorder, Steele County, Minnesota.

FOR: MEGA LOAD PROPERTIES LLC.

Date: 12/16/2025	Revised date:-
Drawn by: SAT	Survey: SAT
Field Book:-	Page 1 of 1
Coord-System: N/A	
Job No: 25-1240	File: -

I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

PRELIMINARY

Scott A. Tuchtenhagen
Date: L.S. No. 52646

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JONES HAUGH SMITH
Engineers + Surveyors

515 South Washington Ave.
Albert Lea, MN 56007
507-373-4876

415 West North Street
Owatonna, MN 55060
507-451-4598

uchless Car Wash

MEGA COIN
LAUNDRY

40% OFF
BIG WASHERS
WEDNESDAY

APEX PRO
APEX PRO KWIK LUBE

CHIPOTLE

MON- FR 18T053 0

AT9T01

MEGA COIN
LAUNDRY

40% OFF
BIG WASHERS
WEDNESDAY

APEX PRO
APEX PRO KWIK LUBE

1. Specify the section of the Zoning Ordinance from which a variance is sought.
   Sign Variance request Chapter 153.49 for B-2
2. Explain how you wish to vary from the above-mentioned Zoning Ordinance.
   Advertising signs are only permitted in industrial zoned districts per the city of Owatonna. This commercial zone currently has existing signage for other businesses. This sign request does not create bane for surrounding businesses.
3. Explain the practical difficulty/hardship that would result without the granting of this request.
   There is no visible signage from Allan Ave for the laundromat. This is not an industrial zoned district but there are other signage along this corridor for other commercial businesses.

4. Is the request the minimum variance necessary to alleviate the practical difficulty and accomplish the proposed improvement, structure, and/or buildings.
   The proposed improvement is alleviating the difficulty of not seeing the coin laundromat from Allan Ave.

5. In your opinion, is the variance in harmony with the purposes and intent of the ordinance?
   a. Yes
   b. The property was one parcel we are subdividing it into two lots, this means the signage is no longer on the subject property for the current business.
6. In your opinion, does the proposal put the property to use in a reasonable manner?
   a. Yes
   b. The property was one parcel we are subdividing it into two lots, this means the signage is no longer on the subject property for the current business.
7. In your opinion, are there circumstances unique to the property?
   a. Yes
   b. This is not new construction. We are simply subdividing one parcel into two lots all existing conditions which were constructed long before the current owners.
8. In your opinion, will the variance maintain the essential character of the locality/neighborhood?
   a. Yes
   b. The sign will be placed in the furthest point away from the residential area to the south. Closest to the commercial areas to the north as possible.

DATE: February 17, 2026
TO: Mayor and City Council
FROM: Troy Klecker, Community Development Director
SUBJECT: Resolution 26-26 Approving the Assignment of Tax Increment Financing District Agreement

Purpose:
Approve the assignment of the Tax Increment Financing District Agreement for Ascend South.

Background:
The developer of the Ascend South project is pursuing bank financing. As part of the closing documents, the title company is requesting that a resolution be adopted by the City Council to approve the assignment of the tax increment financing district agreement to the bank, Old National Bank. In general, the Collateral Assignment is set up so that in the case of a default by the developer under their mortgage, if the bank takes over as developer, then (and only then) you the City pay the TIF to the bank instead of the developer. That's not uncommon when there is also bank financing.

Budget Impact:
There is no budget impact by approving this resolution.

Staff Recommendation:
Staff recommends approval.

Attachments:
1. Resolution 26-26 - Assignment of TIF Agreement - Ascend South
2. Collateral Assignment and Subordination of Development Agreement and TIF Note

RESOLUTION NO. 26-26

RESOLUTION APPROVING THE ASSIGNMENT OF TAX INCREMENT FINANCING AGREEMENT

A. WHEREAS, the City and 130 Oak Avenue North, LLC, a Minnesota limited liability company (the "Developer"), have entered into a Development Agreement dated as of January 6, 2026 (the "Development Agreement"), in connection with construction of a mixed-use building consisting of 57 market-rate apartments, 45 underground parking spaces, approximately 3,234 of retail space, and approximately 16,629 square feet of office space (the "Project"); and

B. WHEREAS, the City, upon compliance by the Developer with the provisions of the Development Agreement, will issue a Tax Increment Revenue Note that is payable to the Developer (the "TIF Note"); and

C. WHEREAS, the Developer is seeking to finance the Project with Old National Bank, a national banking association (the "Bank"), and as a condition of providing the financing, the Bank is requiring that the Developer assign its rights under the Development Agreement and TIF Note to the Bank, pursuant to a Collateral Assignment and Subordination of Development Agreement and TIF Note (the "Assignment"); and

D. WHEREAS, pursuant to the terms of the Development Agreement, the Assignment requires the consent of the City; and

E. WHEREAS, a draft of the Assignment has been submitted to the City Council for approval;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Owatonna, Minnesota, as follows:

1. The City Council hereby approves the Assignment in substantially the forms submitted, and the Mayor and the City Administrator are hereby authorized and directed to execute the Assignment on behalf of the City. In the absence of the Mayor or the City Administrator, any document authorized by this resolution to be executed, may be executed by an acting or duly designated official.

2. The approval hereby given to the Assignment includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the City officials authorized by this resolution to execute the Assignment. The execution of the Assignment by the appropriate officer or officers of the City shall be

conclusive evidence of the approval of the Assignment in accordance with the terms hereof.

Passed and adopted this _____ day of February, 2026 with the following vote:

Aye _____; No _____; Absent _____.

Approved and signed this _____ day of February, 2026.

_____
Matt Jessop, Mayor

ATTEST:

_____
Jenna Tuma, City Administrator/City Clerk

COLLATERAL ASSIGNMENT AND SUBORDINATION OF DEVELOPMENT AGREEMENT AND TIF NOTE

THIS COLLATERAL ASSIGNMENT AND SUBORDINATION OF DEVELOPMENT AGREEMENT AND TIF NOTE (this "Assignment") is made and entered into as of the ____ day of February, 2026, by and among the **CITY OF OWATONNA, MINNESOTA**, a municipal corporation existing under the laws of the State of Minnesota (the "City"), **130 OAK AVENUE NORTH, LLC**, a Minnesota limited liability company (the "Developer"), and **OLD NATIONAL BANK**, a national banking association (the "Lender").

Recitals

WHEREAS, the City and the Developer are parties to that certain Development Agreement dated as of January 6, 2026 (the "Development Agreement"), pertaining to, among other things, the construction of a mixed-use building consisting of 57 market-rate apartments, 45 underground parking spaces, approximately 3,234 of retail space, and approximately 16,629 square feet of office space (the "Project"), all to be located on property legally described on Exhibit A attached hereto and hereby made a part hereof (the "Property"); and

WHEREAS, pursuant to the Development Agreement, the City shall issue a Tax Increment Revenue Note (Ascend South) (the "TIF Note") to the Developer upon the terms and conditions set forth therein; and

WHEREAS, all references in this Assignment to "Development Agreement" shall include and incorporate all provisions of the TIF Note; and

WHEREAS, the Developer and the Lender have entered into that certain Construction Loan Agreement of even date herewith (the "Loan Agreement"), pursuant to which the Lender has agreed to make a construction loan to the Developer in the original principal amount of $22,675,183.00, evidenced by a Promissory Note in the original principal amount of $22,675,183.00 (the "Note") and payable to the order of the Lender; and

WHEREAS, the Note is secured by (i) that certain Mortgage and Security Agreement of even date herewith (the "Mortgage"), executed by the Developer in favor of the Lender and encumbering the Property, filed of record in Steele County, Minnesota concurrently herewith, and (ii) that certain Assignment of Leases and Rents of even date herewith (the "Assignment"),

executed by the Developer in favor of the Lender and encumbering the Property, filed of record in Steele County, Minnesota concurrently herewith; and

WHEREAS, the Lender has required, as an express condition to entering into the Loan Agreement, that the Developer assign its rights under the Development Agreement to the Lender to secure the obligations of the Developer under the Note, the Loan Agreement, the Mortgage and the Assignment, and that certain rights of the City under the Development Agreement be subordinated to the Mortgage and the Assignment.

NOW, THEREFORE, in consideration of the recitals set forth above and incorporated herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Developer hereby agrees as follows:

1. Capitalized terms used herein but not otherwise defined herein shall have the meaning set forth in the Loan Agreement.

2. The Developer hereby assigns to the Lender all of its right, title and interest in and to the Development Agreement and the TIF Note, together with all documents and agreements attached as exhibits thereto, and all amendments, addenda and modifications thereof, whether made now or hereafter, to secure the obligations of the Developer under the Note, the Loan Agreement, the Mortgage and the Assignment.

3. The Developer hereby represents and warrants that there have been no prior assignments of its rights under the Development Agreement or the TIF Note (other than to Lender), that the Development Agreement is a valid and enforceable agreement, that neither the City nor the Developer is in default thereunder and that all covenants, conditions and agreements have been performed as required therein, except those not to be performed until after the date hereof. The Developer agrees not to sell, assign, pledge, mortgage or otherwise transfer or encumber its interest in the Development Agreement or the TIF Note as long as this Assignment is in effect, other than as expressly permitted by Section 3.5(2) of the Development Agreement. The Developer hereby irrevocably constitutes and appoints the Lender as its attorney-in-fact to demand, receive and enforce the Developer's rights under the Development Agreement for and on behalf of and in the name of the Developer or, at the option of the Lender, in the name of the Lender, with the same force and effect as the Developer could do if this Assignment had not been made.

4. This Assignment shall constitute a perfected, absolute and present assignment, provided that the Lender shall have no right under this Assignment to enforce the provisions of the Development Agreement or the TIF Note or exercise any rights or remedies under this Assignment until an Event of Default shall occur and be continuing.

5. Upon the occurrence of an Event of Default, without affecting any of the Lender's rights or remedies against the Developer under any other instrument or agreement, the Developer shall be deemed to have irrevocably appointed the Lender as the Developer's attorney-in-fact to exercise any or all of the Developer's rights in, to and under this Assignment and to give appropriate receipts, releases and satisfactions on behalf of the Developer in connection with the

performance by any party to the Development Agreement and to do any or all other acts in the Developer's name or in the Lender's own name that the Developer could do under the Development Agreement with the same force and effect as if this Assignment had not been made. In addition, the Lender shall have the right to exercise and enforce any and all rights and remedies available after a default to a secured party under the Uniform Commercial Code as adopted in the State of Minnesota. If notice to the Developer of any intended disposition of collateral or of any intended action as required by law in any particular instance, such notice shall be deemed commercially reasonable if given in writing at least ten (10) days prior to the intended disposition or other action. The Developer hereby authorizes the Lender to deliver a copy of this Assignment to any other party to the Development Agreement to verify the rights granted to the Lender hereunder. The City is authorized and directed by the Developer to tender performance of its obligations under the Development Agreement to the Lender upon presentation of a copy of this Assignment.

6. The City hereby consents and agrees to the terms and conditions of this Assignment. The City further represents and warrants to the Lender that the Development Agreement is a valid agreement enforceable in accordance with its terms, that neither the City nor the Developer is in default hereunder and that all covenants, conditions and agreements have been performed as required therein, except those not to be performed until after the date thereof.

7. At such time as the City issues the TIF Note, the Developer shall endorse the TIF Note to the Lender and deliver to the Lender the original TIF Note to be held as collateral security for this Assignment.

8. The City agrees to provide the Lender with copies of any notice of default given under the Development Agreement, and agrees that the Lender shall have the right, but not the obligation, to cure such default within the time period set forth in the Development Agreement.

9. Notwithstanding Section 4.1(4) of the Development Agreement to the contrary, the City agrees that it will not exercise its remedies under the Development Agreement as a result of an Event of Default under Section 4.1(4) so long as the Lender cures all other Events of Default under the Development Agreement, if any, and agrees to assume any incomplete obligations of the Developer under the Development Agreement. In no event shall the Lender have any obligations or rights or privileges under the Development Agreement unless and until the Lender expressly and affirmatively assumes such obligations in writing.

10. This Assignment can be waived, modified, amended, terminated or discharged only explicitly in a writing signed by the Lender. A waiver by the Lender shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Lender's rights or remedies hereunder. All rights and remedies of the Lender shall be cumulative and shall be exercised singularly or concurrently, at the Lender's option, and any exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other.

11. Except as expressly provided by this Assignment, no provision of this Assignment shall be deemed or construed to alter, amend or modify, in any way, the rights and obligations of the City against the Developer as set forth and contained in the Development Agreement.

12. Any notice, request, demand or other communication hereunder shall be deemed duly given if delivered or postage prepaid, certified or registered, addressed to the party as set forth below:

If to the City:

City of Owatonna, Minnesota
540 West Hills Circle
Owatonna, Minnesota 55060
Attention: City Administrator

If to the Developer:

130 Oak Avenue North, LLC
100 4th Avenue South
St. Cloud, Minnesota 56301
Attention: Max Hansen

If to the Lender:

Old National Bank
400 2nd Street South
St. Cloud, Minnesota 56301
Attention: Ryan Thompson

13. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

IN WITNESS WHEREOF, the Developer has caused this Assignment to be duly executed as of February 10, 2026.

13930.432
41819484v2

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

CITY:

CITY OF OWATONNA, MINNESOTA

By:_____
Name:_____
Its: Mayor

By:_____
Name:_____
Its: City Administrator

STATE OF MINNESOTA)
) ss
COUNTY OF STEELE)

The foregoing instrument was acknowledged before me this ____ day of February, 2026, by _____, the Mayor of the City of Owatonna, Minnesota, a municipal corporation existing under the laws of the State of Minnesota, for and on behalf of said municipal corporation.

_____
Notary Public

STATE OF MINNESOTA)
) ss
COUNTY OF STEELE)

The foregoing instrument was acknowledged before me this ____ day of February, 2026, by _____, the City Administrator of the City of Owatonna, Minnesota, a municipal corporation existing under the laws of the State of Minnesota, for and on behalf of said municipal corporation.

_____
Notary Public

DEVELOPER:

130 OAK AVENUE NORTH, LLC,
a Minnesota limited liability company

By: Accruit Equity Acquisitions, LLC,
a Colorado limited liability company,
Its: Manager

By:_____
Max Hansen
Its: Managing Director

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of February, 2026, by Max Hansen, the Managing Director of Accruit Equity Acquisitions, LLC, a Colorado limited liability company, the Manager of 130 Oak Avenue North, LLC, a Minnesota limited liability company, for and on behalf of said limited liability company.

_____
Notary Public

LENDER:

OLD NATIONAL BANK, a national banking association

By:_____
Ryan Thompson
Its: Vice President

STATE OF MINNESOTA)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of February, 2026, by Ryan Thompson, a Vice President of Old National Bank, a national banking association, for and on behalf of the national banking association.

_____
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

Winthrop & Weinstine, P.A. (TJK)
225 South Sixth Street, Suite 3500
Minneapolis, Minnesota 55402-4629

EXHIBIT A

(Legal Description)

Real property in the City of Owatonna, County of Steele, State of Minnesota, described as follows:

Lot 1, Block 1, STAMO ADDITION, Steele County, Minnesota.

DATE: February 17, 2026
TO: Mayor and City Council
FROM: Jeffrey Mundale, Police Chief
SUBJECT: Resolution 27-26 Accept Donation - Police K9 Watercolor - Sportsman's Art, Ltd.

Purpose:
Request Council approval of Resolution 27-26 to accept donation of a Police K9 watercolor by Artist James H. Killen from Sportsman's Art, LTD.

Background:
Karen A. Killen, President of Sportsman's Art, LTD has offered to donate a framed and original watercolor print by her late husband and local artist James H. Killen of a Police K9. Karen Killen has valued the framed artwork at $4,000.00. The Owatonna Police Department would be honored to display Mr. Killen's artwork alongside the Owatonna Police Department Canine History Wall.

Before accepting such gifts, Minnesota Statute §465.03 and §465.04 govern gifts to municipalities and require approval by resolution.

Budget Impact:
None.

Staff Recommendation:
Staff recommends approval to accept this gift for our Police Department use.

Attachments:
1. Resolution 27-26 K9 Art Donation
2. K9 Print - James Killen, Artist
3. Authenticity Certification

RESOLUTION NO. 27-26
RESOLUTION TO ACCEPT DONATION TO THE CITY

WHEREAS, the City of Owatonna is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section §465.03 for the benefit of its citizens and under §465.04 for the use and benefit of the city and its inhabitants upon terms and conditions approved by City Council; and

WHEREAS, the following entity has offered to contribute real property set forth below to the city:

Name of Donor	Amount/Value
Sportsman's Art, LTD	$4,000

; and

WHEREAS, the terms or conditions of the donation are for the Police Department's specific use; and

WHEREAS, the City Council finds that it is appropriate to accept the donations offered.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OWATONNA, MINNESOTA AS FOLLOWS:

1. The donations described above are accepted and shall be used to establish and/or operate services either alone or in cooperation with others, as allowed by law.

2. The city clerk is hereby directed to issue receipts to each donor acknowledging the city's receipt of the donor's donation.

Passed and adopted this _____ day of _____, 2026, with the following vote:

Aye _____; No _____; Absent _____.

Approved and signed this _____ day of _____, 2026.

_____
Matt Jessop, Mayor

ATTEST:

_____
Jenna Tuma, City Administrator/City Clerk

KILLEN©

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P.O. Box 220 • Owatonna, MN 55060 • Email: sportsmansart@ll.net
Phone: (507) 451-2286 • Fax: (507) 451-5086
www.killencollection.com

CERTIFICATE OF AUTHENTICITY

THIS IS TO CERTIFY THAT

"THE CHIEF", GERMAN

SHEPHERD DOG IS AN

ORIGINAL WATERCOLOR BY

JAMES H. KILLEN

THE VALUE OF THIS FRAMED PIECE IS

$4000

DONATED TO THE OWATONNA POLICE FORCE IN JANUARY OF 2026

SIGNED BY KAREN A. KILLEN,PRESIDENT

SPORTSMANS ART LTD.

DATE: February 17, 2026
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: Resolution 28-26: Approve Feasibility Report and Set Date for Public Hearing - Main Street Reconstruction

Purpose:
Requesting City Council approval Resolution 28-26: Approving the Main Street Reconstruction & Rehabilitation Feasibility Report.

Background:
During the October 7, 2025 City Council Meeting Resolution 59-25, Order Feasibility Report — Main Street Reconstruction, was approved. A feasibility report has been prepared by city staff and is presented in the attachments. The report discusses the reconstruction of a portion of Main Street (CSAH 48) between Oak Avenue and Grove Avenue. Significant pavement deterioration, aged underground infrastructure, pedestrian and vehicular safety, and improving signalized intersections are primary drivers of this project. Steele County is leading the effort on this project as it is a County State Aid Highway.

A Preliminary Assessment Hearing is requested for March 17, 2026.

Budget Impact:
The project will be paid for by a combination of Steele County funds, assessments, state aid funds, sanitary sewer funds, stormwater funds, OPU funds and the general fund. Cost allocations and amounts are presented in the attached report.

Staff Recommendation:
Staff recommends approval.

Attachments:
1. Resolution 28-26: Approve Report - Set Date for PH Main Street Reconstruction
2. Feasibility Report - 26101 Main Street Reconstruct

RESOLUTION NO. 28-26
A RESOLUTION RECEIVING FEASIBILITY REPORT AND SETTING
DATE FOR IMPROVEMENT HEARING

WHEREAS, pursuant to Resolution 59-25, adopted by the council on October 7th 2025, a feasibility report has been prepared by Sean Murphy, City Engineer, with reference to proposed improvement for the Main Street E Reconstruction Project and this report was received by the council on February 17th, 2026. The following areas are affected:

- Main Street (CSAH 48) between Oak Avenue and Grove Avenue

WHEREAS, the report provides information regarding whether the proposed improvement is necessary, cost-effective, and feasible; whether it should best be made as proposed or in connection with some other improvement; the estimated cost of the improvement as recommended; and a description of the methodology used to calculate individual assessments for affected parcels.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF OWATONNA, MINNESOTA:

1. The council will consider the improvement of such street in accordance with the report and the assessment of abutting property for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Chapter 429 at an estimated total cost of the improvement of $11,588,243.15.

2. A public hearing shall be held on such proposed improvement on the 17th day of March 2026 in the council chambers of the city hall at 7:00 p.m. The clerk shall give mailed and published notice of such hearing and improvement as required by law.

Passed and adopted this ____ day of _____, 2026, with the following vote:

Aye ____; No ____; Absent ____.

Approved and signed this ____day of _____, 2026.

_____
Matthew T. Jessop, Mayor

ATTEST

_____
Jenna L. Tuma, City Administrator/City Clerk

CITY OF OWATONNA

Feasibility Report
For the
Main Street Reconstruction Project
February 17, 2026

OFFICE OF THE DIRECTOR OF PUBLIC WORKS & CITY ENGINEER
540 WEST HILLS CIRCLE | OWATONNA, MN 55060-4701 | OWATONNA.GOV | 507.444.4350

Feasibility Report

For the

Main Street Reconstruction Project

Streets included in the Main Street Reconstruction Project:

- Main Street E (CSAH 48) - from Oak Avenue to Grove Avenue

I hereby certify that this feasibility report was prepared by me or under my direct supervision and I am a duly Licensed Professional Engineer under the laws of the state of Minnesota.

Sean Murphy

Digitally signed by Sean Murphy
DN: C=US, E=sean.murphy@owatonna.gov, OU=City of Owatonna, CN=Sean Murphy
Date: 2026.02.17 12:58:50-06'00'

Sean Murphy, PE
License No. 56604
2/17/2026

Introduction Project No. 23004 — Main Street Reconstruction Project

The City Council has designated Main Street E (CSAH 48), from Oak Avenue to Grove Avenue, for reconstruction under the Main Street Reconstruction Project. The street segments have deteriorating bituminous and concrete pavements, with conditions beyond an overlay, varying degrees of aged sanitary sewer and water lines, an aging, undersized storm sewer system and inefficient traffic control measures.

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Appendix A	Letter Announcing March 9, 2026 Informational Meeting & March 17, 2026 Public Hearing
Appendix B	Project Cost Summary
Appendix C	Assessment Breakdown Examples

Purpose

City Council has designated Main Street between Oak Avenue and Grove Avenue for reconstruction in 2026. On October 7, 2025, the City Council adopted Resolution No. 59-25 ordering preparation of this feasibility report.

The purpose of this report is to analyze the proposed street and its condition to determine the engineering and fiscal feasibility of constructing the necessary improvements. The existing infrastructure conditions, proposed improvements, estimated construction costs and overhead costs (i.e. administration, engineering, fiscal, and legal expenses), will be presented in this report. Current public improvement policies adopted by the Owatonna City Council will be used as a guideline to determine the financing methods of the proposed improvements.

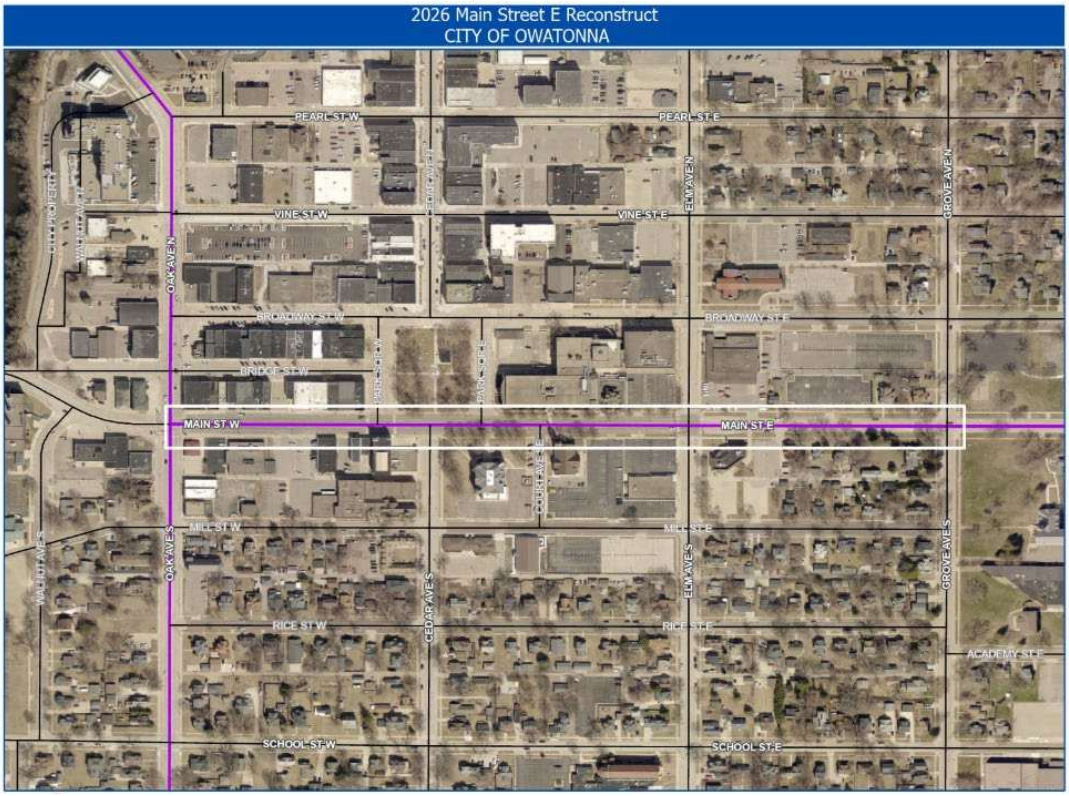
Background

Steele County and the City of Owatonna are working together to improve Main Street (CSAH 48) between Oak Avenue and Grove Avenue. Steele County is leading the effort on this project as it is a County State Aid Highway. Significant pavement deterioration, aged underground infrastructure, pedestrian and vehicular safety, and improving signalized intersections are primary drivers of this project

Project Scope

Construction is expected to include complete replacement of the corridor, including but not limited to, pavement, traffic signals, curb and gutter, sidewalk, driveways, water main, sanitary sewer, and storm sewer.

The proposed project will potentially affect approximately 35 property owners.



Existing Conditions and Proposed Improvements
Main Street is deteriorating and in need of both pavement rehabilitation as well as utility (water, sanitary sewer and storm sewer) upgrades.

The current condition of the infrastructure is outlined as follows:

Watermain
No record of information for the existing watermain from Oak Ave to Elm Ave was obtained or reviewed during this study, as we were informed no such documents are currently in possession of Owatonna Public Utilities. Based on knowledge of the water system in the downtown area, it is presumed that the watermain along this stretch dates to the late 1800's or early 1900's and consists of cast-iron piping with lead joints. The watermain through this segment is proposed for full replacement.

The existing watermain from Elm Ave to Grove Ave was installed in 1998 and begins with a 12-inch polyvinyl chloride (PVC) pipe and narrows to an 8-inch PVC at Grove Avenue. It is presumed that this segment of watermain is in good condition based on the age and material and therefore is not in need of replacement.

Water services will be replaced with the project, and the City and County intend to provide adequate fire service connections to each property. This measure is being implemented to reduce the possibility of future excavations in the new concrete roadway. The costs of the fire services will be the responsibility of the property owner, but the City intends to allow deferred assessments for the fire services, similar to the Cedar Avenue Streetscape Project.

Sanitary Sewer
The existing sanitary sewer from Oak Ave to Elm Ave is recorded as being installed in the year 1900 and consists of an 8-inch vitrified clay pipe (VCP). Oak Ave to Cedar Ave was lined in 2018 and Cedar Ave to Elm Ave was lined in 2020. This section of sanitary sewer is past its life expectancy and in need of replacement.

The existing sanitary sewer from Elm Ave to approximately 330 feet East consists of 10-inch PVC that is assumed to have been installed prior to 1998. From that location to Grove Ave S, the sanitary sewer was installed in 1998 and consists of 8-inch PVC. This section of sanitary sewer is in good condition and will remain in place for this project.

Storm Sewer
The existing storm sewer from Oak Ave to W Park Square was installed in 1984 and consists of a 12-inch reinforced concrete pipe (RCP), from W Park Square to E Park Square the pipe is an 18- inch RCP, and from E Park Square to Elm the pipe is a 12-inch RCP. From Elm Ave to approximately 300 feet East, the storm sewer consists of a 12-inch RCP and was installed prior to 1998.

The manhole at W Park Square was observed to be failing and filling in with brick and debris. It is noted that two manholes near Cedar Avenue have both been paved over. At the southeast corner of Elm, concrete debris in the pipe has been observed at the bottom of the catch basin.

Proposed improvements include full replacement of the storm sewer from Oak Ave to Elm Ave. A capacity analysis will be performed during design, and the proposed improvements will include any necessary upsizing to meet capacity needs.

Street Pavements and Concrete Curb – Bituminous Pavement Reconstruction
The existing bituminous pavement overlay is nearing the end of its design life, and the existing concrete beneath has long surpassed its design life. There is severe cracking throughout the roadway to both the drive lanes and parking lanes, including cracking deteriorated radially from some of the manhole structures. The cracking is likely due to settlement of subsurface soils.
Areas with significant curb and gutter settlement have been observed in front of Central Park causing water to pool and unable to properly drain to storm water catch basins. Catch basins in this area have succumbed to severe edge cracking and edge pop outs.

Proposed pavement improvements include full replacement of the existing pavement and curb and gutter between Oak Ave and Elm Ave. The new pavement will be concrete. Geometric changes will be made as well to improve vehicular and pedestrian safety throughout the corridor.

The City and County have inspected properties along the corridor for potential vaults located in right-of-way. Two properties have been identified as either having a known vault or the potential to have a vault in right-of-way. Invasive inspection was not completed to verify vault locations. Any vault removal within right-of-way is the responsibility of the property owner. The City intends to allow vault removal costs to be specially assessed to property owners if requested.

Sidewalk Improvements
The sidewalk on both sides of the roadway spanning the length of the corridor have cracking and surface deterioration in select areas. A review of the pedestrian walk zones and street crossings for ADA compliance was performed, and the majority fall out of current compliance.

Sidewalks from Oak to Elm were constructed prior to 1984. There are areas where the sidewalk does not meet the maximum 2% slope compliance. About 20 percent of the sidewalks and driveways are cracked, textured, or deteriorated along this stretch.

In 1998, records show sidewalks were constructed on both sides from Elm to Grove. However, based on recent site visits, areas of sidewalks could be from the 1930's to 1940's. Approximately 50 percent of the sidewalks and driveways have cracking at the joints, laterally across the panels, surface deterioration, and areas of textured pavement. These issues can be attributed to freeze/thaw cycles, salt placement, past serviceable life, etc.

The proposed improvements include replacing sidewalk on both sides of the roadway from Oak Ave to Grove Ave and include ADA compliant pedestrian ramps and wider sidewalks to accommodate pedestrian volumes and safety.

Signalized Intersection Improvements
The current corridor between Oak Ave to Grove Ave contains four signalized intersections: Oak Avenue, W Park Square, Elm Avenue and Grove Avenue. All of the current traffic signal systems are at the end of their useful life and the existing signal equipment at each intersection has limitations on its ability to provide pedestrian crossing safety enhancements.

Proposed improvements include full replacement of the traffic signals at Oak Ave, Elm Ave and Grove Ave. The traffic signal at W Park Square will not be replaced as traffic conditions combined with the proposed geometric layout do not warrant a traffic signal at this intersection.

Private Utility Improvements
Private utilities are not affected by this construction. A utility coordination meeting will be held in conjunction with utility owners where the proposed improvements will be discussed and any necessary relocations of existing facilities will be identified.

Public Utility Improvements
Proposed improvements include watermain and street lighting. Coordination for these improvements will take place with Owatonna Public Utilities during the design phase.

Permits
An NPDES permit through the MPCA will be necessary for this project. The Engineering Department will ensure all necessary permits are obtained.

Public Informational Meeting
A public informational meeting where property owners will have the opportunity to meet with staff to discuss plans will be held prior to the improvement hearing. An example of the proposed letter sent to residents announcing the neighborhood meeting and public hearing is included in Appendix A.

Estimated Project Costs
The estimated total project improvement cost is $11,588,243.15. Based on experience with similar projects in the city, the overhead costs have been estimated at 15% of the total construction cost. The overhead costs include engineering, project administration, fiscal and legal costs, and contingencies. Normal inflation has been accounted for; however, the current construction market and costs are volatile, and we will not know current prices until the project is bid. The cost estimate for the proposed improvements is broken down in Table 1. Steele County will be paying 75% of the State Aid Eligible Costs, and City will be responsible for 25% of the State Aid Eligible Costs, plus costs for water and sanitary. The City's total estimated cost is projected to be $3,840,039.07 which includes OPU's portion for water that will be reimbursed by OPU.

Financing and Assessments
The City's portion of the Main Street Reconstruction Project is proposed to be financed through a combination of city utility funds, street reconstruction funds, state aid funding, and special assessments to benefited properties (according to the City's Assessment Policy)

A preliminary opinion of the probable cost for the proposed assessments per assessable foot (plus applicable cost of sanitary sewer and water services) is as follows:

Cost Breakdown	Street	Sanitary	Storm	Watermain	Total	Assessable
Main Street	$8,802,824.18	$382,614.37	$1,528,114.60	$874,690	$11,588,243.15	$5,794,121.57

Assessment Costs by Street	Actual	Proposed
Main Street	$3,424.62/ft	$52.00/ft

Property owners receiving benefits from the proposed improvements and who would be assessed for all, or a portion of the improvements are listed on the Preliminary Assessment Roll on file with the Office of the City Clerk. The assessment roll indicates the parcel identification number (PIN), owner, property address, the assessable footage of the property and the amount of the proposed assessment.

The City's assessment policy for public improvements allows for the distribution of the proposed assessment for residential properties over a 10-year period. A sample breakdown of the annual payments on assessment for several assessment amounts based on an interest rate of **6 percent is included** in Appendix C.
The City's assessment policy also allows for deferred payment of special assessments for qualified property owners. The deferment policy is available at the City's website www.owatonna.gov and on file with the Office of the City Clerk.

Project Schedule
The proposed project schedule is as follows:

City Council Orders Feasibility Report	October 7, 2025
City Council receives Feasibility Report City Council Sets date for Public Hearing on Improvement	February 17, 2026
Neighborhood Meeting held to discuss project plans and answer questions	March 9, 2026
City Council holds Public Hearing on Improvement City Council orders Plans and Specifications	March 17, 2026
City Council Approves Plans and Specifications City Council authorizes Advertisement for Bids	April 2026
Bids Opened	April 2026
Bids Received	April 2026
Begin Construction	May/June 2026
Construction Substantially Complete	October 2026
City Council Sets date for Assessment Hearing	November 2026
City Council holds Assessment Hearing	December 2026
Final Completion	December 2026

Feasibility, Necessity and Cost-Effectiveness
The proposed improvements included in the Main Street Reconstruction Project consisting of watermain, sanitary sewer, storm sewer, signal system upgrades, and street reconstruction are feasible from an engineering standpoint, necessary, and cost effective if constructed under a single project as proposed. These improvements would greatly improve the level of public service to the residents of the areas and enhance the safety and appearance of the neighborhood.

Recommendation
Our recommendation to the City Council is to accept the feasibility report and order improvements to be constructed to all streets and that the watermain, sanitary sewer, storm sewer, streets and traffic signal upgrades be installed as proposed in this feasibility report. The estimated cost of these improvements, including the proposed assessments, is reasonable and comparable with similar improvements being constructed in other cities.

Next Steps
1. If the City Council approves the project, then staff will complete the design of the project, including the preparation of construction plans and specifications.
2. The City Council will be asked to authorize the project for bids, receive and review bids and award a contract to the lowest responsive and responsible bidder.

Appendix A

Letter Announcing March 9, 2026 Neighborhood Meeting and
March 17, 2026, Improvement Hearing

February 20, 2026

Owner
Mailing
City State Zip

Dear Property Owner:

Your property located at <Property Address> in Owatonna, MN is included in the Main Street Reconstruction Project. The Main Street Reconstruction Project limits are shown in the attached map. This improvement will be subject to assessments. A Neighborhood Meeting is planned for March 9, 2026, from 4:00 pm until 6:00 pm. This meeting will be an open house held in the Morehouse Room at Owatonna Public Utilities at 208 Walnut Avenue N. Staff will present project plans and answer questions.

A Public Hearing for this improvement project will be held on March 17, 2026, during the City Council Meeting beginning at 7:00 p.m. Council Meetings are held in the Council Chambers at the Charles S. Crandall Center at 540 West Hills Circle. Any person who has a desire to be heard concerning the proposed improvement will be heard at this meeting. Public Hearing Notice will be given, and a copy is enclosed for you. The estimated cost of this improvement is $11,588,243.15. The preliminary assessment total is $268,701.15.

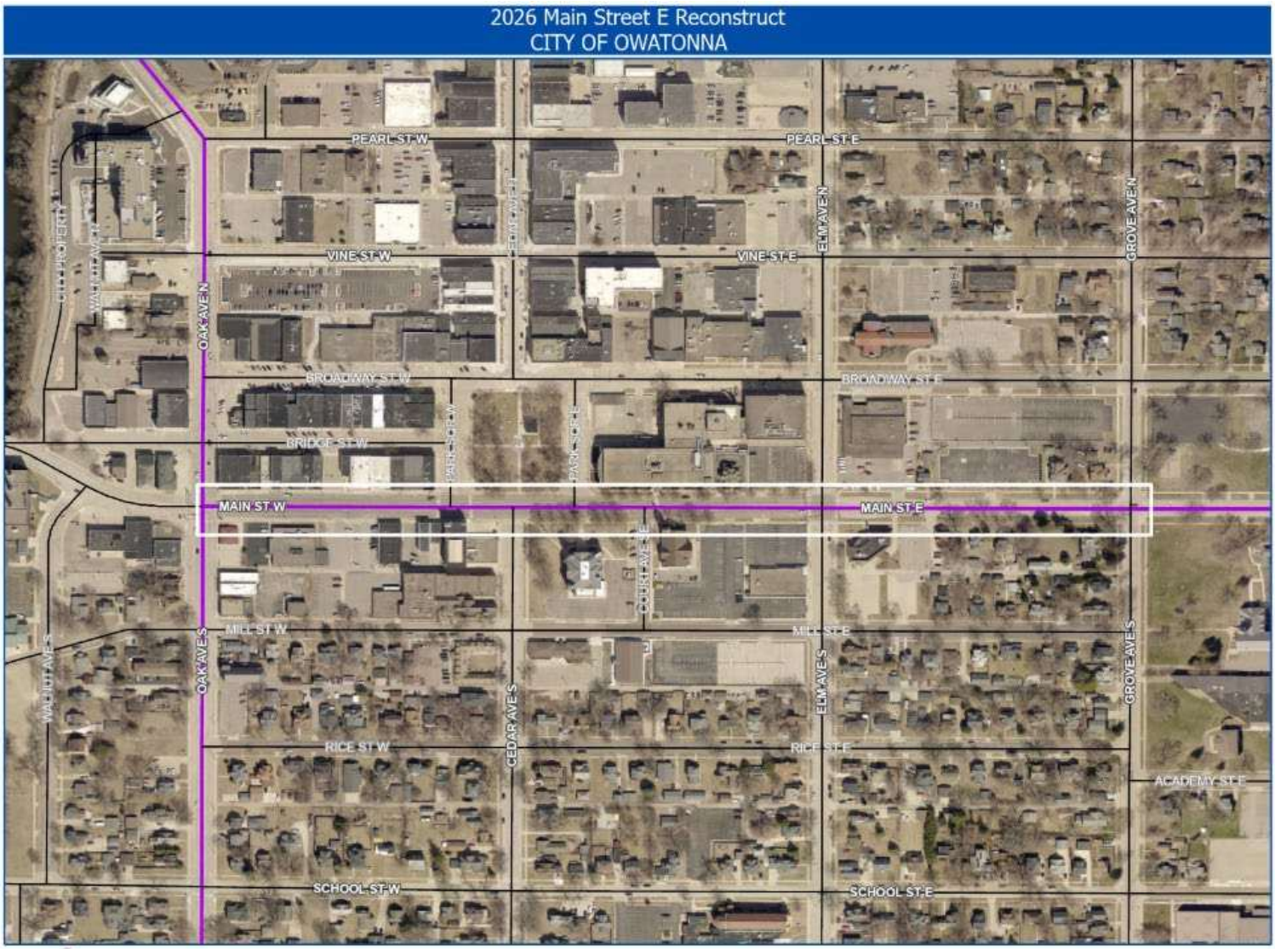
A reasonable estimate of the impact of an assessment for Parcel ID#<PID> located at <Property Address> for this project will be:

Assessable Footage Length: <Frontage per policy>
Water Service Cost: <$ if applicable>
Vault Closing Estimate: <$ if applicable>
Rate: $52/foot
Preliminary Assessment Amount: <Total>

If this repair is approved by Council, another public hearing will be held when the project is completed. At that time Council will consider the Proposed Assessment amount to charge to your property. Terms of payment will be set following the public hearing after project completion.

Sincerely,

Sean Murphy, PE
City Engineer
City of Owatonna
O: 507.774.7306


2026 Main Street E Reconstruct
CITY OF OWATONNA
PEARL ST W
PEARL ST E
VINE ST W
VINE ST E
BROADWAY ST W
BROADWAY ST E
BRIDGE ST W
MAIN ST W
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CEDAR AVE S
ELM AVE N
ELM AVE S
GROVE AVE N
GROVE AVE S
COURT AVE E
PARK PL E
WASHINGTON AVE S

Appendix B

Project Cost Summary

Cost Breakdown	Street	Sanitary	Storm	Watermain	Total	Assessable
Main Street	$8,802,824.18	$382,614.37	$1,528,114.60	$874,690	$11,588,243.15	$5,794,121.57

Assessment Costs by Street	Actual	Proposed
Main Street	$3,424.62/ft	$52.00/ft

Appendix C

Sample Assessment Breakdown

Interest	6.00%					
Year	**Principal**	**Payment**		**Year**	**Principal**	**Payment**
1	$2,500.00	$400.00		1	$5,000.00	$800.00
2	$2,250.00	$385.00		2	$4,500.00	$770.00
3	$2,000.00	$370.00		3	$4,000.00	$740.00
4	$1,750.00	$355.00		4	$3,500.00	$710.00
5	$1,500.00	$340.00		5	$3,000.00	$680.00
6	$1,250.00	$325.00		6	$2,500.00	$650.00
7	$1,000.00	$310.00		7	$2,000.00	$620.00
8	$750.00	$295.00		8	$1,500.00	$590.00
9	$500.00	$280.00		9	$1,000.00	$560.00
10	$250.00	$265.00		10	$500.00	$530.00
Year	**Principal**	**Payment**		**Year**	**Principal**	**Payment**
1	$7,500.00	$1,200.00		1	$10,000.00	$1,600.00
2	$6,750.00	$1,155.00		2	$9,000.00	$1,540.00
3	$6,000.00	$1,110.00		3	$8,000.00	$1,480.00
4	$5,250.00	$1,065.00		4	$7,000.00	$1,420.00
5	$4,500.00	$1,020.00		5	$6,000.00	$1,360.00
6	$3,750.00	$975.00		6	$5,000.00	$1,300.00
7	$3,000.00	$930.00		7	$4,000.00	$1,240.00
8	$2,250.00	$885.00		8	$3,000.00	$1,180.00
9	$1,500.00	$840.00		9	$2,000.00	$1,120.00
10	$750.00	$795.00		10	$1,000.00	$1,060.00

Ordinances

DATE: February 17, 2026
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: First Reading Proposed Ordinance 26-01: Adjust Sanitary Sewer Rates

Purpose:
Request City Council approve the first reading of this proposed ordinance to change the rates for sanitary sewer related to Chapter 35 of the 2015 Ordinance Code of the City of Owatonna related to Appendix A Fee Schedule, (C) Sewer Rates, charges and fees, (2) Industrial sewer rates and charges established, (3) Domestic sewer rates and charges established.

Background:
Annual adjustments of the sanitary sewer rates are necessary to maintain adequate funding for future operations and to fund the costs of the wastewater treatment facility expansion. The City of Owatonna recently worked with Nero Engineering and AE2S to update its Sewer Utility Rate Study to develop recommended rates for 2026. Rate increases vary across rate type and user class and are based on results of the cost-of-service analysis. The resulting 2026 proposed rates are provided in the attached ordinance and also included in the rate recommendation memo.

The Rate Study also modeled projected annual rate increases required to meet 10-year financial targets. Annual rate increases beyond 2026 are expected at 7.0-8.0% range to maintain cash balances. It is recommended the City review the rate plan on an annual basis and make adjustments as necessary to meet financial targets.

Budget Impact:
The rate increase will result in increased revenue for the sanitary sewer fund.

Staff Recommendation:
Staff recommends approval. Planning for the second/final reading will be held during the next City Council Meeting.

Attachments:
1. Ord 26-01: Amend Sewer Rates - Section 35 Appendix A - Fee Schedule
2. Owatonna - 2026 Proposed Sewer Rates Memo 12-15-25

ORDINANCE NO. 26-01

AN ORDINANCE AMENDING CHAPTER 35 OF THE 2015 ORDINANCE CODE OF THE CITY OF OWATONNA, ENTITLED "SEWER, RATES, CHARGES AND FEES" BY AMENDING CHAPTER 35, APPENDIX A FEE SCHEDULE (C) SEWER RATES CHARGES AND FEES (2) INDUSTRIAL SEWER RATES AND CHARGES ESTABLISHED AND (3) DOMESTIC SEWER RATES AND CHARGES ESTABLISHED AND (5) SEWER HOOK-UP CHARGES AND(6) INDUSTRIAL WASTE WATER DISCHARGE PERMIT FEE"

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF OWATONNA, MINNESOTA, DO ORDAIN:

Section 1. Chapter 35 of the 2015 Ordinance Code of the City of Owatonna, entitled "Sewer, Rates, Charges and Fees", Chapter 35, Appendix A Fee Schedule, (C) Sewer Rates Charges and Fees (3) Domestic Sewer Rates and Charges Established:

(2) *Industrial sewer rates and charges established.*

4. Initial unit cost figures shall be:

a. f = $0.452 /100 CCF;

b. b = $481.95/1,000 pounds of BOD; and

c. ss = $366.19395.49/1,000 pounds of suspended solids.

(3) *Domestic sewer rates and charges established.*

(a) Rates and charges for domestic wastewater disposal service shall be $3.6538 per 100 cubic feet of the average amount of water billed in the months of December, January, and February and billed starting in March and each subsequent month of the year at that calculated amount for residential customers. Commercial, Light SIU, and Heavy SIU shall be billed on actual water use monthly. To each such statement, each month shall be added a service charge based on the meter size as shown in the following table (effective 043/01/2065).

Customer Class	Monthly
Residential	$18.9020.41
Commercial	$24.9426.94
Light SIU	$82.2288.80
Heavy SIU	$851.57919.69

1. Vacant rental units with individual meters shall be charged only the monthly service charge (effective 1/1/2016).

2. Single-family residential units that are not being serviced by the city water system shall be charged the equivalent of 7 CCF of wastewater, equaling twenty-three dollars and sixty-six twenty five dollars and fifty five cents ($23.6625.55) per month, plus service charge for residential meter (effective 043/01/202065).

3. A charge of twenty dollars and twenty-eighttwenty one dollars and ninety cents ($20.2821.90) per month shall be made to new customers and to new residential construction based on 6 CCF commencing on the date of installation of the water meter and continuing until an average can be struck, from use in December, January and February in addition to the service charge based on the meter size. Customers moving within the city will be charged at the rate established at their previous

residence until an average can be struck from use in December, January and February for the new residence (effective 03/01/2025).

(5) *Sewer hook-up charges.*

Residential	Fee
All Connections	$1,669.00
Multi-Family*	**$/Unit**
All Connections	$1,335.00
Commercial	**Fee**
1" or Smaller	$3,186.00
1-1/2"	$6,373
2"	$10,197.00
3"	$19,119.00
4"	$31,866.00
6"	$63,725
Industrial	**$/100 gallons per day**
All connections	$801.00

* Three or more units in one building. Multi-Family users may be considered Residential or Commercial for regular sewer usage billings depending on how the property is connected and metered. For example, a multi-unit apartment that receives one utility bill should be considered Commercial and a multi-unit condo complex were each unit received a utility bill should be considered Residential. Both situations would be treated as Multi-Family for SACs

(1992 Code, § 540:15)

(6) *Industrial waste water discharge permit fee.* A fee for waste water discharge permit, as authorized in § 51.07 of this code of ordinances, shall be $1,000.00.

Section 2. Effective date. This Ordinance shall be in full force and effect from and after its passage and publication.

Passed and adopted this _____ day of ___, 2026, with the following vote:

Aye __; No __; Absent __.

Approved and signed this ___ day of ___, 2026.

ATTEST:

Matthew T. Jessop, Mayor

Jenna L. Tuma, City Administrator/City Clerk

December 15, 2025

To: Sean Murphy, City of Owatonna

Copy: Eric Meester, Nero Engineering

From: Jacob Strombeck, AE2S

Re: **Proposed 2026 Sewer Rates Summary**

The City of Owatonna recently updated its Sewer Utility Rate Study to develop recommended rates for 2026. Rate increases vary across rate type and user class and are based on results of the cost-of-service analysis. The resulting 2026 proposed rates are provided in Table 1 below. The Rate Study also modeled projected annual rate increases required to meet 10-year financial targets. Annual rate increases beyond 2026 are expected at 7.0-8.0% range to maintain cash balances, with those projections through 2030 also provided in Table 1. It is recommended the City review the rate plan on an annual basis and make adjustments as necessary to meet financial targets.

Table 1. Sewer Rate Plan through 2030

	2025 Existing	**2026 Proposed**	***2027 Projected***	***2028 Projected***	***2029 Projected***	***2030 Projected***
Fixed Service Charge		**$ / Month**				
Residential	**$18.90**	**$20.41**	*$22.04*	*$23.80*	*$25.47*	*$27.25*
Commercial	**$24.94**	**$26.94**	*$29.09*	*$31.42*	*$33.62*	*$35.97*
Light SIU	**$82.22**	**$88.80**	*$95.90*	*$103.57*	*$110.82*	*$118.58*
Heavy SIU	**$851.57**	**$919.69**	*$993.27*	*$1,072.73*	*$1,147.82*	*$1,228.17*
Viracon (5x Light SIU)	**$411.09**	**$443.98**	*$479.50*	*$517.86*	*$554.11*	*$592.89*
Volumetric Rate		**$ / CCF**				
Residential (winter water use)	**$3.38**	**$3.65**	*$3.94*	*$4.26*	*$4.55*	*$5.21*
Commercial and Light SIU (total water use)	**$3.38**	**$3.65**	*$3.94*	*$4.26*	*$4.55*	*$5.21*
Heavy SIU (metered sewer flow)	**$0.42**	**$0.45**	*$0.49*	*$0.53*	*$0.56*	*$0.60*
Viracon	**$1.97**	**$2.12**	*$2.29*	*$2.48*	*$2.65*	*$2.83*
Strength Charges (Heavy SIU)		**$ / 1,000 lbs**				
Biological Oxygen Demand (BOD)	**$481.95**	**$481.95**	*$481.95*	*$481.95*	*$481.95*	*$481.95*
Total Suspended Solids (TSS)	**$366.19**	**$395.49**	*$427.13*	*$461.30*	*$495.59*	*$528.14*

Miscellaneous

DATE: February 17, 2026
TO: Mayor and City Council
FROM: Jenna Tuma, City Administrator
SUBJECT: Asbestos and Hazardous Materials Inspection Agreement - IEA, Inc.

Purpose:
Approve an agreement with IEA, Inc. for Asbestos and Hazardous Materials Inspections.

Background:
As part of the planned redevelopment of the current Law Enforcement Center site and the three adjacent residential properties for a new Fire Station, an Asbestos and Hazardous Materials Inspection are required prior to any mass demolition activities. These assessments are a regulatory step to ensure safe demolition practices, protect workers and the public, and maintain compliance with state and federal environmental standards.

Two proposals were solicited and reviewed for the required inspection services. After evaluating the scope, methodology and pricing outlined in each submission with guidance from City partners at ICS, the proposal from IEA offers the most comprehensive and cost-effective approach for the project's needs. Although this contract cannot be processed through ICS, staff will coordinate directly with IEA to complete the required inspections in alignment with the project timeline.

Budget Impact:
The budget impact is $10,600. The funds for this work are already included in the overall project budget.

Staff Recommendation:
Staff recommends approval of the IEA proposal.

Attachments:
1. Proposal - Asbestos & Hazardous Materials Inspection - LEC & 3 Residential Properties pection
2. Propsal - Braun Intertec Copr - Pre-Demo HazMat - LEC & 3 Residential Properties

IEA, INC.

PROPOSAL

Contact Us:

BROOKLYN PARK OFFICE
9201 W. BROADWAY, STE #600
BROOKLYN PARK, MN 55445
763-315-7900

MANKATO OFFICE
610 N. RIVERFRONT DRIVE
MANKATO, MN 56001
507-345-8818

ROCHESTER OFFICE
210 WOOD LAKE DRIVE SE
ROCHESTER, MN 55904
507-281-6664

BRAINERD OFFICE
601 NW 5TH ST, STE #4
BRAINERD, MN 56401
218-302-3787

MARSHALL OFFICE
1510 STADIUM DRIVE, STE #2
MARSHALL, MN 56258
800-233-9513

VIRGINIA OFFICE
5525 EMERALD AVENUE
MOUNTAIN IRON, MN 55768
218-302-3787

www.ieasafety.com

800-233-9513

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Asbestos and Hazardous Materials Inspection

for

City of Owatonna

Law Enforcement Center and Three Residential Properties

REVISED FEBRUARY 2, 2026

PROPOSAL #13620

Asbestos and Hazardous Materials Inspection
Law Enforcement Center & 3 Residential Properties

PROPOSAL PROVIDED TO:

Jenna Tuma
City Administrator
City of Owatonna
540 West Hills Circle
Owatonna, MN 55060
Phone: 507-774-7361
E-mail: jenna.tuma@owatonna.gov

PROPOSAL CONTACT:

Ben Olsen
Senior Project Manager
IEA, Inc.
610 North Riverfront Drive
Mankato, MN 56001
Phone: 507-345-8818
E-mail: ben.olsen@ieasafety.com

PROJECT INTRODUCTION

At the request of ICS on behalf of the City of Owatonna, the Institute for Environmental Assessment, Inc. (IEA) is pleased to provide this proposal for asbestos and hazardous materials inspection services at the following locations located in Owatonna, Minnesota:

- Owatonna Law Enforcement Center – 204 E Pearl Street
- Residential Property – 228 E Pearl Street
- Residential Property – 221 N Elm Street
- Residential Property – 215 N Elm Street

Demolition inspections are required by the Minnesota Pollution Control Agency (MPCA) under the NESHAP Regulation, 40 CFR Part 61 and by Minnesota – OSHA under 29 CFR 1926.1101.

The inspection service provides an inventory of asbestos-containing building materials (ACBM) and hazardous materials prior to demolition. Inspections are conducted by state-certified asbestos inspectors. Asbestos sample analysis is performed by an independent, accredited analytical laboratory.

A final report will be submitted which profiles the presence of ACBM including location, type of material, amount of material, and laboratory analysis.

SCOPE OF WORK

Asbestos

The asbestos inspection includes the following:

- Visual examination of all suspect material
- Identification and written description of homogeneous areas of asbestos-containing building materials
- Inspection report

Bulk samples of all suspect materials will be collected and analyzed using preferred Environmental Protection Agency (EPA) sampling and analytical procedures. Sampling will be conducted in a manner determined by the inspector to be sufficient to identify whether the suspect materials are asbestos-containing.

- For each homogeneous type of suspect surfacing material, three to seven samples will be collected, depending on the amount of material.
- For each homogeneous type of thermal system insulation, three samples will be collected.
- For each homogeneous type of miscellaneous material, a minimum of two (2) samples will be collected.

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In some cases, materials may be "assumed" to contain asbestos in lieu of sampling. These cases may include fire doors, Transite, roofing materials, and other products that may be damaged by sampling or are obviously asbestos-containing.

- Bulk samples will be analyzed by an independent laboratory which is accredited by NVLAP.
- Analysis will be conducted by Polarized Light Microscopy (PLM) backed by dispersion staining techniques.
- Material analysis will be reported by layer, with the exception of gypsum drywall and associated taping compound which will be reported as a composite.

We will make use of previous sample analysis results to reduce the number of bulk samples collected.

Hazardous Materials

The hazardous materials inspection includes the following:

- The identification of materials throughout the building
- Inventory of sources of mercury (fluorescent bulbs and thermostats), PCBs (light ballasts and door closers), liquid paint, and other miscellaneous materials
- The assessment does not include sampling or analysis of hazardous materials
- Inspection report

LIMITATIONS & ASSUMPTIONS

Destructive sampling will be performed as part of this inspection. Sample and access locations inside the building will not be repaired.

A temporary roof patch will be installed at roof sampling locations. IEA is not responsible for any damage caused by water infiltration at temporary patch locations.

PLM lab analysis turnaround time will be 72 hours from receipt.

This inspection meets all the requirements of a Minnesota Pollution Control Agency (MPCA) demolition inspection.

It is assumed that the Owner will provide access to all materials and areas within and on the facilities to be inspected.

It is also assumed the work will be completed in two (2) site visits.

This proposal does not include abatement, removal, or disposal of any material located in the above-mentioned building.

COMPENSATION

IEA's fee associated with this project as outlined above is **$10,600.** This fee includes survey time, sample collection and analysis, project management/project review fees such as project planning, project development, documentation, reporting, IEA's transportation expenses, and quality control.

The above cost includes the collection and analysis of up to 150 asbestos bulk sample layers. If greater than 150 asbestos bulk sample layers are required, $21 per asbestos bulk sample layer will be charged for a 72 hour turnaround time.

For project work beyond the services outlined in this proposal and/or any changes to the agreed upon scope of work, IEA will obtain approval through a client-authorized change order.

Please note there is a 3% fee for credit card payments.

Pricing quote is based on discounted rates established through the Environmental Health & Safety Management contract between Southeast Service Cooperative (SSC) and IEA, Inc.

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SCHEDULE

IEA's services will commence upon receipt of the signed proposal. IEA will schedule this project through Todd Wetzel with ICS or a designated site contact.

PROPOSAL TERMS

Terms on payment of services are net 30 days after invoicing, with interest added to unpaid balances. Please review the attached General Conditions, which are a part of this proposal, for more detail.

AUTHORIZATION TO PROCEED

We appreciate the opportunity to present this proposal for an Asbestos and Hazardous Materials Inspection. Please sign this authorization to proceed and e-mail to ben.olsen@ieasafety.com. Retain the original for your records. We will begin the project at the time we receive this written documentation to proceed.

IEA, Inc.

Ben Olsen
Senior Project Manager

***

Please proceed according to the above stated fees, terms, attached General Conditions, and this Proposal #13620 dated February 2, 2026.

Printed Name

Authorized Signature

Date

PO Number (if applicable)

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Appendix A

General Conditions

General Conditions

The word "Consultant" refers to the Institute for Environmental Assessment ("IEA"), the contracting company is referred to as the "Client". Client agrees to be bound by these General Conditions by accepting the Proposal and engaging Consultant.

The Agreement with you, the Client, is comprised of this Agreement and accompanying written proposal.

1. Scope of Work

Consultant will furnish and perform the professional services specified in Consultant's proposal (the "Proposal"). The services as set forth in the Proposal (the "Services") will be provided by Consultant's personnel at the location of the Client (the "Site") (hereinafter referred to as the "Project"). If any portion of the Proposal is inconsistent with this Agreement, the terms of this Agreement shall control:

Consultant's obligation to perform the Services shall terminate upon delivery of a final report within 45 days of Project completion.

In addition to the Proposal, Consultant and Client agree as follows:

A. Right of Access

Unless otherwise agreed in writing, Client will furnish Consultant with right-of-access to the Site and accurate information necessary to conduct the Services, as requested by Consultant.

B. Confidential & Proprietary Information

The Consultant and Client agree not to disclose to others or use any confidential or proprietary information or trade secrets of the other, which may become known to each prior to, during or after the performance of this Agreement without the prior written consent of the other. "Confidential or propriety information" and "trade secrets" shall mean any information about the other which is neither publicly known nor legally accessible to the other parties from third parties. Prior to the disclosure of any such confidential or proprietary information or trade secrets, each shall obtain the written approval of the other.

C. General

Consultant warrants that the Services it performs under this Agreement will be performed with the care and skill ordinarily exercised by reputable members of its profession practicing under similar conditions during the period of this Agreement and in the same or similar locality. The AIHA-certified IEA laboratory will perform PCM analysis if specified. Other field PCM analysis will be completed by laboratory-approved field technicians, generally under AAR Guidelines.

2. Payment for Services

A. Fee Schedule & Maximum Costs

The fee schedule in the Proposal specifies the amounts due to Consultant from Client for its Services performed under this Agreement.

B. Schedule of Payment

Invoices will be submitted to Client once a month for services performed during the prior month. Payment to Consultant is due upon presentation to Client, and past due after thirty (30) days of receipt of the invoice, in which case a service fee of 1.5% monthly shall be added to the invoice, unless specifically arranged otherwise by Consultant and communicated in writing. Client reserves the right to question any item on any invoice and Consultant agrees, upon Client's request, to supply such documentation as is necessary to reasonably justify such invoice amount to Client's reasonable satisfaction. Client agrees to pay Consultant any costs of collection including reasonable attorneys' fees and costs if payment for Services are not made when due.

C. Expert Fee Expenses

If Client requests Consultant to participate on behalf of Client in litigation regarding the subject matter of this Agreement, Client agrees to pay all of Consultant's expenses arising therefrom at the prevailing rate for Consultant's time plus out-of-pocket costs and expenses, including reasonable attorney fees incurred by Consultant in conjunction with the participation.

3. Indemnity & Insurance

A. **Indemnity**

Consultant shall indemnify and hold harmless Client against losses, damages and claims, demands, actions, costs (including reasonable attorney fees), and fines of any kind resulting from any breach of this Agreement by Consultant, its employees, agents, subcontractors or licensees, of their obligation under this Agreement, or from any negligence or misconduct by Consultant, its employees, agents, subcontractors or licensees, but only for the proportion of damages which is equal to Consultant's proportion of the total fault which directly caused the damages. Client shall indemnify and hold harmless Consultant against losses, damages and claims, demands, actions, costs (including reasonable attorney fees), and fines of any kind resulting from any breach of this Agreement by Client, its employees, agents, subcontractors or licensees, of their obligation under this Agreement, or from any negligence or misconduct by Client, its employees, agents, subcontractors or licensees, but only for the proportion of damages which is equal to Client's proportion of the total fault which directly caused the damages.

B. Limitation of Liability

EXCEPT AS EXPRESSLY SET FORTH IN SECTION 1(C) HEREOF, CONSULTANT DISCLAIMS ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL EITHER CONSULTANT OR CLIENT BE LIABLE TO THE OTHER PARTY FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND WHETHER FOR BREACH OF ANY WARRANTY, FOR BREACH OR REPUDIATION OF ANY OTHER TERM OR CONDITION OF THIS AGREEMENT, FOR NEGLIGENCE ON THE BASIS OF STRICT LIABILITY OR OTHERWISE.

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General Conditions (cont'd)

C. Insurance

(1) Consultant carries coverage and limits of liability insurance as follows:

(a) Workers Compensation with statutory limits.

(b) Employers' Liability with a minimum policy limit of $1,000,000.00.

(c) Comprehensive General Liability with the following coverage:

I. Limit $1,000,000.00 per occurrence

II. $2,000,000.00 general aggregate

III. $2,000,000.00 products completed/ operations aggregate

IV. $1,000,000.00 personal and advertising injury

V. $300,000.00 fire Damage (any one fire)

VI. $25,000.00 medical expenses (any one person)

(d) Automobile insurance covering all owned, non-owned or hired automobiles used in connection with the work covering bodily injury and property damage with a minimum combined occurrence limit of $1,000,000.00

(e) Professional Liability (claims made) with the following coverage:

$1,000,000.00 per occurrence

(f) Contractor Pollution Liability (claims made):

$1,000,000.00 each occurrence

(g) Umbrella Liability. $5,000,000.00 each occurrence

(2) Client (or Owner if applicable), Subcontractors and Agents agree to provide Consultant, upon request, Certificate(s) of Insurance signed by the insurer evidencing insurance for premise liability, general liability, auto and workers comp. equal or greater than those limits carried by the Consultant.

(3) Consultant shall promptly deliver to Client (or Owner if applicable), upon request, certificate(s) of insurance signed by the insurer for the policies described in (3) (C) above, or certified copies of such insurance policies indicating the existence of such coverage. IEA must be listed as both certificate holder and insured, or additional insured on each certificate of insurance.

4. Assignment

This Agreement shall not be assigned by Consultant without prior written consent of the Client.

5. Independent Contractor

Consultant is an independent Contractor and shall not be considered an employee, partner or joint venturer of the Client for any purpose.

6. Restriction to hire employees of Consultant

Client agrees to refrain from hiring, contracting, or retaining the services of Consultant's employees during or within 12 months after the termination of Consultant's services. If Client hires an employee of Consultant in violation of this Section 6 without Consultant's written consent, Client shall pay Consultant a placement fee equal to twenty-five percent (25%) of such employee's annual wages.

7. Notices

Any notice under this Agreement shall be in writing and shall be deemed to be properly given when delivered to an officer of Client or the Consultant's Chief Financial Officer, as the case may be, at their addresses as set forth in the Proposal. The courts located in the State of Minnesota shall have exclusive jurisdiction in any actions commenced by Consultant or Client in connection with this Agreement, the Project or the Services.

8. Applicable Law

This Agreement shall be governed by and construed under the laws of the State of Minnesota. Parties agree to participate in pre-suit mediation prior to commencement of an action.

9. Extent of Agreement

This Agreement, together with the Proposal, represents the entire Agreement between Client and Consultant, and supersedes all prior obligations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument, dated and executed by both Client and Consultant.

10. Termination

Upon completion of the Project, Consultant will, at Client's request, deliver to Client or its designee all records, documents or materials in its possession or control of Consultant which are owned by Client. The obligations and provisions of Sections 1B, 2, 3, 5, 6 and 10 shall survive completion of the Project or termination of this Agreement.

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January 28, 2026 Proposal 10005822_001

Jenna L. Tuma
City of Owatonna
540 West Hills Circle
Owatonna, MN 55060

Re: Proposed Services and Cost Estimate
Pre-Demolition Hazardous Building Materials Survey
Owatonna Fire Department Demo
204 E Pearl Street
Owatonna, Minnesota

Dear Ms. Tuma:

Braun Intertec Corporation (Braun Intertec) submits this proposal to provide services and a cost estimate for a Pre-Demolition Hazardous building materials survey of the fire station and three adjacent residential structures located at 204 E Pearl Street Owatonna, Minnesota (Site). This proposed work will be performed in accordance with the terms and conditions in the Braun Intertec General Conditions.

Scope of Services

The Minnesota Pollution Control Agency (MPCA) and Minnesota Department of Health (MDH) require building owners to identify all regulated or hazardous materials prior to building demolition. Therefore, we are proposing to conduct a pre-demolition asbestos/hazardous material inspection of the existing buildings at the Site. The goal of the inspection will be to identify ACM and other potentially hazardous materials that require separate handling and/or disposal prior to building demolition. The MPCA and MDH require destructive investigations to be performed prior to demolition, in order to identify hazardous building material in currently inaccessible areas. This includes such areas as inside walls, soffits and chases; above ceilings; under floors; etc. Due to the fact that the buildings are still in operation, this inspection will be performed in two phases.

The initial inspection will be limited to areas available for observation and testing by non-destructive means. After the buildings are vacated, we will conduct a destructive investigation in order to identify hazardous building material in previously inaccessible areas. In addition, we will test building components such as roofing materials, fire doors and boiler interiors that will not be sampled initially, in order to maintain the integrity of these items.

Our representatives will perform the following services:

- Review available documentation provided by current owner with regard to ACM, LBP, PCBs, mercury, and other miscellaneous hazardous material. Existing sample data provided by current owner was utilized, where possible, to determine the presence or absence of ACM.

- Visually examine accessible areas and identify the locations of suspect ACM, LBP, PCBs, mercury, and other miscellaneous hazardous material.
- Collect and analyze representative bulk samples of materials suspected of containing asbestos. Examples of materials to be collected for analysis include, but are not limited to: floor tile, linoleum flooring, wall and ceiling plaster, suspended and acoustical ceiling tile, sheetrock, thermal system insulation, textured ceiling material and fireproofing.
- Conduct limited LBP testing of various building components that may be impacted by the future demolition project. The various painted surfaces suspected of containing lead will be tested using a SciApps XRF spectrum analyzer. The SciApps is a portable, non-destructive, in-situ test and measurement instrument. The scope of the limited LBP is intended to be used to aid the contractor in developing the project budget, OSHA worker safety requirements and EPA RRP compliance.
- **Note:** The limited LBP testing is not intended to represent a comprehensive LBP inspection, lead risk assessment or fulfill the testing protocols required by the Department of HUD Lead Safe Housing Rule, 24 CFR 35, subparts B through R, et al., June 21, 2004. Additional LBP testing may be required.

The Braun Intertec personnel conducting the inspection are fully accredited asbestos inspectors, in accordance with state and federal regulations. Asbestos analysis will be performed by a laboratory that is accredited for PLM asbestos bulk sample analysis by the NIST National Voluntary Laboratory Accreditation Program.

Cost Estimate

Based on our current understanding of the project requirements and the assumptions stated herein, the above scope of services on a cost-plus (time-and-materials) basis for an estimated fee of **$19,500**, which includes one hour of post deliverable consulting time for revisions to the draft report and/or communication with the project team and/or owner. The site work will be performed during our normal work hours from 7:00a.m. to 5:00p.m., Monday through Friday. If conditions occur that require us to work outside of these hours or due to circumstances beyond our control or additional requests for meetings, consulting or modifications to the report, we will request additional fees to cover our additional encored costs.

Consequently, our estimated costs may be higher or lower, depending on the actual site conditions encountered. The total projected cost will not be exceeded without additional authorization. The terms and conditions under which these services will be provided are detailed in the attached General Conditions, which are part of this proposal.

Consequently, our estimated costs may be higher or lower, depending on the actual site conditions encountered. The total projected cost will not be exceeded without additional authorization. The terms and conditions under which these services will be provided are detailed in the attached General Conditions, which are part of this proposal.

The estimated cost breakdown by activity is listed below.

Service Description	Cost Estimate
Site Inspection and Documentation *Includes field preparation, site inspection and sample preparation*	$ 13,375
Analytical Services *Includes PLM analysis and XRF testing*	$ 4,887
Report Preparation and Project Management	$ 1,238
Estimated Total	**$ 19,500**

Our services will be billed at the following unit rates if additional services are required:

Personnel	
Senior Consultant	$236/hour
Field Scientist	$135/hour
Project Control Specialist	$130/hour
Project Assistant	$90/hour

Mileage and Analytical Testing	
Vehicle Trip Charge	$80 per trip
Asbestos Content using PLM (EPA/600/R-93/116)	$17/sample layer (72-hrs TAT)
PLM - 400 PC Method (reporting limit <0.25%)	$25/sample layer (72-hrs TAT)

Unit prices for time and expenses are set costs. Other figures such as number of hours to perform the inspection, number of samples, report time, etc. are estimated figures. Consequently, our estimated costs may be higher or lower, depending on the actual site conditions encountered. The total projected cost will not be exceeded without additional authorization. The terms and conditions under which these services will be provided are detailed in the attached General Conditions, which are part of this proposal.

Schedule

We will require 3 to 5 working days advanced notice to schedule the proposed scope of work. It is our understanding that an owner's representative will be responsible for scheduling the Site visit during normal business hours of 7:00 a.m. to 5:00 p.m. Monday through Friday. Our proposal also assumes that the on-Site work will be completed in 1 working day. If conditions occur that require us to work outside of these hours or due to circumstances beyond our control, we will request additional fees to cover our additional overtime costs.

Laboratory turnaround time for the specified asbestos sample analysis is 3 to 5 working days. Upon receipt of the laboratory reports, our written reports will be submitted to you within 10 working days thereafter. Preliminary verbal results will be provided to you if requested.

Limitations

Non-Destructive Method – Sampling of materials for asbestos content involves the collection of a small piece of that material. Some damage is inevitable. However, every effort will be made to limit cuts and holes to discreet locations. Our representatives will not be responsible for repairing materials damaged during sampling.

Destructive Method – The sampling of materials for asbestos content will be accomplished by destructive means. Damage to the building and associated components are inevitable. Our representatives will not be responsible for repairing materials damaged during sampling.

In any building the potential exists for asbestos or other hazardous materials to be located inside walls, above ceilings, under floors, buried underground, and other inaccessible areas. This inspection will attempt to identify asbestos and other hazardous materials in these inaccessible areas. However, it is not feasible to inspect 100 percent of these areas. Therefore, Braun Intertec cannot be held responsible for the presence of any such hidden materials.

The renovation / demolition contractor and other contractors involved in the project should be made aware of the potential for asbestos or other hazardous materials to be located in inaccessible areas. If previously unidentified suspect asbestos or other hazardous materials are exposed during their activities they should be sampled and analyzed for content prior to any disturbance.

Braun Intertec will not be liable for any past, existing, or future damage to the roofing systems, the building structures, or the contents of the building.

In performing its services, Braun Intertec will use that degree of care and skill ordinarily exercised under similar circumstances by reputable members of its profession currently practicing in the same locality. No warranty, express or implied, is made.

General Remarks

We based the proposed fee on the scope of services described and the assumption that you will authorize our services within 30 days and that others will not delay us beyond our proposed schedule.

We include the Braun Intertec General Conditions, which provide additional terms and are a part of our agreement. To accept this proposal and authorize us to proceed, please sign and return it to us in its entirety.

We appreciate the opportunity to present this proposal to you. We will be happy to meet with you to discuss our proposed scope of services further and clarify the various scope components.

To have questions answered or schedule a time to meet and discuss our approach to this project further, please contact Robert Nordby at 612.965.4184 or rnordby@braunintertec.com.

Sincerely,

Braun Intertec Corporation

Shawn J. Cazett
Project Scientist

Robert E. Nordby
Senior Project Manager, Senior Scientist

Attachments:
General Conditions (11/4/2024)

c: Todd Wetzel, ICS

The proposal is accepted, and Braun Intertec is authorized to proceed.

_____
Authorizer's Firm

_____
Authorizer's Signature

_____
Authorizer's Name (please print or type)

_____
Authorizer's Title

_____
Date

BRAUN INTERTEC GENERAL CONDITIONS

SECTION 1: AGREEMENT

1.1 Agreement. This agreement consists of these General Conditions and the accompanying written proposal or authorization ("Agreement"). This Agreement is the entire agreement between Consultant and Client and supersedes all prior negotiations, representations or agreements, either written or oral.

1.2 Parties to the Agreement. The parties to this Agreement are the Braun Intertec entity ("Consultant") and the client ("Client") as described in the accompanying written proposal or authorization. Consultant and Client may be individually referred to as a Party or collectively as the Parties.

SECTION 2: SCOPE OF SERVICES

2.1 Services. Consultant will provide services ("Services") in connection with the project ("Project") which are specifically described in this Agreement. Client understands and agrees that Consultant's Services are limited to those which are expressly set forth in this Agreement.

2.2 Additional Services. Any Services not specifically set forth in the Agreement constitute "Additional Services." Additional Services must be agreed upon in writing by the Parties prior to performance of the Additional Services and may entitle Consultant to additional compensation and schedule adjustments. Additional compensation will be based upon Consultant's then current rates and fees.

SECTION 3: PERFORMANCE OF SERVICES

3.1 Standard of Care. Consultant will perform its professional Services consistent with the degree of care and skill exercised by members of Consultant's profession performing under similar circumstances at the same time and in the same locality in which the professional Services are performed. CONSULTANT DISCLAIMS ALL STATUTORY, ORAL, WRITTEN, EXPRESS, AND IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR PERFORMANCE OF SERVICES IN A GOOD AND WORKMANLIKE MANNER.

3.2 Written Reports and Findings. Unless otherwise agreed in writing, Consultant's findings, opinions, and recommendations will be provided to Client in writing and may be delivered via electronic format. Client agrees not to rely on oral findings, opinions, or recommendations.

3.3 Observation or Sampling Locations. Locations of field observations or sampling described in Consultant's report or shown on Consultant's sketches reference Project plans or information provided by others or estimates made by Consultant's personnel. Consultant will not survey, set, or check the accuracy of those points unless Consultant accepts that duty in writing. Client agrees that such dimensions, depths, or elevations are approximations unless specifically stated otherwise in the report. Client accepts the inherent risk that samples or observations may not be representative of items not sampled or seen and further that site conditions may vary over distance or change over time.

3.4 Project Site Information. Client will provide Consultant with prior environmental, geotechnical and other reports, specifications, plans, and information to which Client has access about the Project site and which are necessary for Consultant to carry out Consultant's Services. Client agrees to provide Consultant with all plans, changes in plans, and new information as to Project site conditions until Consultant has completed its Services.

3.5 Subsurface Objects. To the extent required to carry out Consultant's Services, Client agrees to provide Consultant, in a timely manner, with information that Client has regarding buried objects at the Project site. Consultant will not be responsible for locating buried objects or utilities at the Project site unless expressly set forth in this Agreement, or expressly required by applicable law. Client agrees to hold Consultant harmless, defend, and indemnify Consultant from claims, damages, losses, penalties and expenses (including attorney fees) involving buried objects or utilities that were not properly marked or identified or of which Client had or should have had knowledge but did not timely notify Consultant or correctly identify on the plans Client or others furnished to Consultant. Consultant, from time to time, may hire a third party to locate underground objects or utilities and, unless otherwise expressly stated in this Agreement, such action shall be for the sole benefit of Consultant and in no way will alleviate Client of its responsibilities hereunder.

3.6 Hazardous Materials. Client will notify Consultant of any knowledge or suspicion of the presence of hazardous or dangerous materials present on any Project site or in any sample or material provided to Consultant. Client agrees to provide Consultant with information in Client's possession or control relating to such samples or materials. If Consultant observes or suspects the presence of contaminants not anticipated in this Agreement, Consultant may terminate Services without liability to Client or to others, and Client will compensate Consultant for fees earned and expenses incurred up to the time of termination.

3.7 Supervision of Others. Consultant shall have no obligation to supervise or direct Client's representatives, contractors, or other third parties retained by Client. Consultant has no authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by Client, Client's representatives, contractors, or other third parties retained by Client.

3.8 Safety. Consultant will provide a health and safety program for its employees as well as reasonable personal protective equipment ("PPE") typical for the performance of the Services provided by this Agreement and as required by law. Consultant shall be entitled to compensation for all extraordinary PPE required by Client. Client will provide, at no cost to Consultant, appropriate Project site safety measures which are necessary for Consultant to perform its Services at the Project location or work areas in connection with the Project. Consultant's employees are expressly authorized by Client to refuse to work under conditions that may, in an employee's sole discretion, be unsafe. Consultant shall have no authority over or be responsible for the safety precautions and programs, or for security, at the Project site (except with respect to Consultant's own Services and those of its subconsultants).

3.9 Project Site Access and Damage. Client will provide or ensure access to the site. In the performance of Services some Project site damage is normal even when due care is exercised. Consultant will use reasonable care to minimize damage to the Project site. Unless otherwise expressly stated in this Agreement, the cost of restoration for such damage has not been included in the estimated fees and will be the responsibility of the Client.

3.10 Monitoring Wells. To the extent applicable to the Services, monitoring wells are Client's property, and Client is responsible for monitoring well permitting, maintenance, and abandonment unless otherwise expressly set forth in this Agreement.

3.11 Contaminant Disclosures Required by Law. Client agrees to make all disclosures related to the discovery or release of contaminants that are required by law. In the event Client does not own the Project site, Client acknowledges that it is Client's duty to inform the owner of the Project site of the discovery or release of contaminants at the site. Client agrees to hold Consultant harmless, defend, and indemnify Consultant from claims, damages, penalties, or losses and expenses, including attorney fees, related to Client's failure to make any disclosure required by law or for failing to make the necessary disclosure to the owner of the Project site.

SECTION 4: SCHEDULE

4.1 Schedule. Consultant shall complete its obligations within a reasonable time and shall make decisions and carry out its responsibilities in a manner consistent with the Standard of Care. Specific periods of time for rendering Services or specific dates by which Services are to be completed are provided in this Agreement. If Consultant is delayed in the performance of the Services by actions, inactions, or neglect of Client or others for whom Client is responsible, by changes ordered in the Services, or by other causes beyond the control of Consultant, including force majeure events, then the time for Consultant's performance of Services shall be extended and Consultant shall receive payment for all expenses attributable to the delay in accordance with Consultant's then current rates and fees.

4.2 Scheduling On-Site Observations or Services. To the extent Consultant's Services require observations, inspections, or testing be performed at the Project site, Client understands and agrees that Client, directly or indirectly through its authorized representative, has the sole right and responsibility to determine and communicate to Consultant the scheduling of observations, inspections, and testing performed by Consultant. Accordingly, Client also acknowledges that Consultant bears no responsibility for damages that may result because Consultant did not perform such observations, inspections, or testing that Client failed to request and schedule. Client understands that the scheduling of observations, inspections, or testing will dictate the time Consultant's field personnel spend on the job site and agrees to pay for all services provided by Consultant due to Client's scheduling demands in accordance with Consultant's then current rates and fees.

SECTION 5: COST AND PAYMENT OF SERVICES

5.1 Cost Estimates. Consultant's price or fees provided for in this Agreement are an estimate and are not a fixed amount unless otherwise expressly stated in this Agreement. Consultant's estimated fees are based upon Consultant's experience, knowledge, and professional judgment as well as information available to Consultant at the time of this Agreement. Actual costs may vary and are not guaranteed or warrantied.

5.2 Payment. Consultant will invoice Client on a monthly basis for Services performed. Client will pay for Services as stated in this Agreement together with costs for Additional Services or costs otherwise agreed to in writing within thirty (30) days of the invoice date. Unless otherwise stated in this Agreement or agreed to in writing, Consultant's costs for all services performed will be based upon Consultant's then current rates, fees, and charges. No retainage shall be withheld by Client. All unpaid invoices will incur an interest charge of 1.5% per month or the maximum allowed by law.

5.3 Other Payment Conditions. Consultant will require Client credit approval and Consultant may require payment of a retainer fee. Client agrees to pay all applicable taxes. Client's obligation to pay for Services under this Agreement is not contingent on Client's ability to obtain financing, governmental or regulatory agency approval, permits, final adjudication of any lawsuit, Client's successful completion of any project, receipt of payment from a third party, or any other event.

5.4 Third Party Payment. Provided Consultant has agreed in writing, Client may request Consultant to invoice and receive payment from a third party for Consultant's Services. Consultant, in its sole discretion, may also require the third party to provide written acceptance of all terms of this Agreement. Neither payment to Consultant by a third party nor a third party's written acceptance of all terms of this Agreement will alter Client's rights and responsibilities under this Agreement. Client expressly agrees that

the Agreement contains sufficient consideration notwithstanding Consultant being paid by a third party.

5.5 Non-Payment. If Client does not pay for Services in full as agreed, Consultant may retain work not yet delivered to Client and Client agrees to return all Project Data (as defined in this Agreement) that may be in Client's possession or under Client's control. If Client fails to pay Consultant in accordance with this Agreement, such nonpayment shall be considered a default and breach of this Agreement for which Consultant may terminate for cause consistent with the terms of this Agreement and without liability to Client or to others. Client will compensate Consultant for fees earned and expenses incurred up to the time of termination. Client agrees to be liable to Consultant for all costs and expenses Consultant incurs in the collection of amounts invoiced but not paid, including but not limited to attorney fees and costs.

SECTION 6: OWNERSHIP AND USE OF DATA

6.1 Ownership. All reports, notes, calculations, documents, and all other data prepared by Consultant in the performance of the Services ("Project Data") are instruments of Consultant's Services and are the property of Consultant. Consultant shall retain all common law, statutory and other reserved rights, including the copyright thereto, of Project Data.

6.2 Use of Project Data. The Project Data of this Agreement is for the exclusive purpose disclosed by Client and, unless agreed to in writing, for the exclusive use of Client. Client may not use Project Data for a purpose for which the Project Data was not prepared without the express written consent of Consultant. Consultant will not be responsible for any claims, damages, or costs arising from the unauthorized use of any Project Data provided by Consultant under this Agreement. Client agrees to hold harmless, defend and indemnify Consultant from any and all claims, damages, losses, and expenses, including attorney fees, arising out of such unauthorized use.

6.3 Samples, Field Data, and Contaminated Equipment. Samples and field data remaining after tests are conducted, as well as field and laboratory equipment that cannot be adequately cleansed of contaminants, are and continue to be the property of Client. Samples may be discarded or returned to Client, at Consultant's discretion, unless within fifteen (15) days of the report date Client gives Consultant written direction to store or transfer the samples and materials. Samples and materials will be stored at Client's expense.

6.4 Data Provided by Client. Electronic data, reports, photographs, samples, and other materials provided by Client or others may be discarded or returned to Client, at Consultant's discretion, unless within 15 days of the report date Client gives Consultant written direction to store or transfer the materials at Client's expense.

SECTION 7: INSURANCE

7.1 Insurance. Consultant shall keep and maintain the following insurance coverages:

a. Workers' Compensation: Statutory
b. Employer's Liability: $1,000,000 bodily injury, each accident | $1,000,000 bodily injury by disease, each employee | $1,000,000 bodily injury/disease, aggregate
c. General Liability: $1,000,000 per occurrence | $2,000,000 aggregate
d. Automobile Liability: $1,000,000 combined single limit (bodily injury and property damage)
e. Excess Umbrella Liability: $5,000,000 per occurrence | $5,000,000 aggregate
f. Professional Liability: $2,000,000 per claim | $2,000,000 aggregate

7.2 Waiver of Subrogation. Client and Consultant waive all claims and rights of subrogation for losses arising out of causes of loss covered by the respective insurance policies.

7.3 Certificate of Insurance. Consultant shall furnish Client with a certificate of insurance upon request.

SECTION 8: INDEMNIFICATION, CONSEQUENTIAL DAMAGES, LIABILITY LIMITS

8.1 Indemnification. Consultant's only indemnification obligation shall be to indemnify and hold harmless the Client, its officers, directors, and employees from and against those damages and costs incurred by Client or that Client is legally obligated to pay as a result of third party tort claims, including for the death or bodily injury to any person or for the destruction or damage to any property, but only to the extent proven to be directly caused by the negligent act, error, or omission of the Consultant or anyone for whom the Consultant is legally responsible. This indemnification provision is subject to the Limitation of Liability set forth in this Section 8.

8.2 Intellectual Property. Client agrees to indemnify Consultant against losses and costs arising out of claims of patent or copyright infringement as to any process or system that is specified or selected by Client or others on behalf of Client.

8.3 Mutual Waiver of Consequential Damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREUNDER, NEITHER CONSULTANT NOR CLIENT SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, PUNITIVE, INDIRECT, INCIDENTAL OR SPECIAL DAMAGES, OR LOSS OF USE OR RENTAL, LOSS OF PROFIT, LOSS OF BUSINESS OPPORTUNITY, LOSS OF PROFIT OR REVENUE OR COST OF FINANCING, OR OTHER SUCH SIMILAR AND RELATED DAMAGE ASSERTED IN THIRD PARTY CLAIMS, OR CLAIMS BY EITHER PARTY AGAINST THE OTHER.

8.4 Limitation of Liability. TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL LIABILITY IN THE AGGREGATE OF CONSULTANT, CONSULTANT'S OFFICERS, DIRECTORS, PARTNERS, EMPLOYEES, AGENTS, AND SUBCONSULTANTS, TO CLIENT AND ANYONE CLAIMING BY, THROUGH OR UNDER CLIENT FOR ANY CLAIMS, LOSSES, COSTS, OR DAMAGES WHATSOEVER ARISING OUT OF, RESULTING FROM OR IN ANY WAY RELATED CONSULTANT'S PERFORMANCE OF THE SERVICES OR THIS AGREEMENT, FROM ANY CAUSE OR CAUSES, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, PROFESSIONAL ERRORS AND OMISSIONS, STRICT LIABILITY, BREACH OF CONTRACT, INDEMNIFICATION OBLIGATIONS OR BREACH OF WARRANTY, SHALL NOT EXCEED THE TOTAL COMPENSATION RECEIVED BY CONSULTANT OR $50,000, WHICHEVER IS GREATER.

SECTION 9: MISCELLANEOUS PROVISIONS

9.1 Services Prior to Agreement. Directing Consultant to commence Services prior to execution of this Agreement constitutes Client's acceptance of this unaltered Agreement in its entirety.

9.2 Confidentiality. To the extent Consultant receives Client information identified as confidential, Consultant will not disclose that information to third parties without Client consent. Additionally, any Project Data prepared in performance of the Services will remain confidential and Consultant will not release the reports to any third parties not involved in the Project. Neither of the aforesaid confidentiality obligations shall apply to any information in the public domain, information lawfully acquired from others on a nonconfidential basis, or information that Consultant is required by law to disclose.

9.3 Relationship of the Parties. Consultant will perform Services under this Agreement as an independent contractor, and its employees will at all times be under its sole discretion and control. No provision in this Agreement shall be deemed or construed to create a joint venture, partnership, agency or other such association between the Parties.

9.4 Resource Conservation and Recovery Act. To the extent applicable to the Services, neither this Agreement nor the providing of Services will operate to make Consultant an owner, operator, generator, transporter, treater, storer, or a disposal facility within the meaning of the Resource Conservation and Recovery Act, as amended, or within the meaning of any other law governing the handling, treatment, storage, or disposal of hazardous substances. Client agrees to hold Consultant harmless, defend, and indemnify Consultant from any claims, damages, penalties or losses resulting from the storage, removal, hauling or disposal of such substances.

9.5 Services in Connection with Legal Proceedings. Client agrees to compensate Consultant in accordance with its then current fees, rates, or charges if Consultant is asked or required to respond to legal process arising out of a proceeding related to the Project and as to which Consultant is not a party.

9.6 Assignment. This Agreement may not be assigned by Consultant or Client without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

9.7 Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended, or will be construed, to confer upon or give any person or entity other than Consultant and Client, and their respective permitted successors and assigns, any rights, remedies, or obligations under or by reason of this Agreement.

9.8 Termination. This Agreement may be terminated by either Party for cause upon seven (7) days written notice to the other Party. Should the other Party fail to cure and perform in accordance with the terms of this Agreement within such seven-day period, the Agreement may terminate at the sole discretion of the Party that provided the written notice. The Client may terminate this Agreement for its convenience. If Client terminates for its convenience, then Consultant shall be compensated in accordance with the terms hereof for Services performed, reimbursable costs and expenses incurred prior to the termination, and reasonable costs incurred as a result of the termination.

9.9 Force Majeure. Neither Party shall be liable for damages or deemed in default of this Agreement to the extent that any delay or failure in the performance of its obligations (other than the payment of money) results, without its fault or negligence, from any cause beyond its reasonable control, including but not limited to acts of God, acts of civil or military authority, embargoes, pandemics, epidemics, war, riots, insurrections, fires, explosions, earthquakes, floods, adverse weather conditions, strikes or lock-outs, declared states of emergency, and changes in laws, statutes, regulations, or ordinances.

9.10 Disputes, Choice of Law, Venue. In the event of a dispute and prior to exercising rights at law or under this Agreement, Consultant and Client agree to negotiate all disputes in good faith for a period of 30 days from the date of notice of such dispute. This Agreement will be governed by the laws and regulations of the state in which the Project is located and all disputes and claims shall be heard in the state or federal courts for that state. Client and Consultant each waive trial by jury.

9.11 Individual Liability. No officer or employee of Consultant, acting within the scope of employment, shall have individual liability for any acts or omissions, and Client agrees not to make a claim against any individual officers or employees of Consultant.

9.12 Severability. Should a court of law determine that any clause or section of this Agreement is invalid, all other clauses or sections shall remain in effect.

9.13 Waiver. The failure of either Party hereto to exercise or enforce any right under this Agreement shall not constitute a release or waiver of the subsequent exercise or enforcement of such right.

9.14 Entire Agreement. The terms and conditions set forth herein constitute the entire understanding of the Parties relating to the provision of Services by Consultant to Client. This Agreement may be amended only by a written instrument signed by both Parties. In the event Client issues a purchase order or other documentation to authorize Consultant's Services, any conflicting or additional terms of such documentation are expressly excluded from this Agreement.