CITY OF OWATONNA

CITY COUNCIL MEETING

Tuesday, July 21, 2026 at 7:00 PM
Council Chambers, Charles S. Crandall Center at City Hall, 540 West Hills Circle.
Roll Call: Council Members Voss, Dotson, Burbank, Boeke, McCann, Svenby and Raney

There is no Study Session prior to this City Council Meeting.

1. **INTRODUCTORY ACTIONS:** Call to Order, Roll Call, and Pledge of Allegiance
    - 1.1. Council Agenda
    - 1.2. Public Hearing — Tax Abatement
        - 1.2.1. Resolution 66-26: Proposed Tax Abatement
        - 1.2.2. Resolution 67-26: Sale of General Obligation Street Reconstruction and Tax Abatement Bonds, Series 2026A
    - 1.3. Mayor Jessop
2. **CONSENT AGENDA ITEMS**
    - 2.1. Minutes – Council Meeting – July 7, 2026
    - 2.2. Minutes - Boards/Commissions
        - 2.2.1. Park Board Meeting - June 1, 2026
        - 2.2.2. Park Board Meeting - July 6, 2026
        - 2.2.3. Human Rights Commission Meeting - June 9, 2026
    - 2.3. Department Reports
        - 2.3.1. Finance Reports
            - 2.3.1.1. Recap of Expenditures
            - 2.3.1.2. Report to Council - June 2026
        - 2.3.2. Weed/Nuisance Inpection Report - July 15, 2026
    - 2.4. Licenses/Permits
        - 2.4.1. Exempt Permit - Owatonna Soccer Association - Raffle - August 21, 2026
        - 2.4.2. Temporary Liquor Permit - August 14-23, 2026 Steele County Agricultural Society
        - 2.4.3. Event Permit - Introduction to Mountain Biking - July 22, 2026
        - 2.4.4. Event Permit - In Bed by Nine - August 29, 2026
        - 2.4.5. Event Permit - Spooky Pumpkin Trail — October 24, 2026
    - 2.5. Miscellaneous
        - 2.5.1. Revised 2026 Non-Benefited Employee Pay Structure

2.5.2. Amendment to Resolution 42-26 Application to Conduct Off-Site Gambling - Owatonna Elks Club #1395

3. **ACTION ITEMS**

3.1. Resolutions

3.1.1. Resolution 68-26: Reappointment of Charter Commission Members

3.1.2. Resolution 69-26: Approving the Assignment of Tax Increment Financing Development Agreement and Collateral Assignment of TIF Note

3.1.3. Resolution 70-26: Amend Land Development Agreement for Redline Addition

3.2. Miscellaneous

3.2.1. 2026 Street & Utility Project Change Order 1

4. **STAFF REPORTS - Greg Kruschke - Downtown Update**

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**

DATE: July 21, 2026
TO: Mayor and City Council
FROM: Emily Thamert, Assistant City Administrator
SUBJECT: Public Hearing — Tax Abatement

Purpose:
Hold a public hearing for the proposed Tax Abatement Bonds.

Background:
As part of financing the City's capital improvement project for River Springs Water Park under Minnesota Statute 469.1812 through 469.1815, there must be a public hearing on the City's proposed tax abatement.

Budget Impact:
No budget impact.

Staff Recommendation:
Staff recommends holding this public hearing as planned.

Attachments:
1. Notice - Hearing Relating to Proposed Tax Abatement Bonds

NOTICE OF PUBLIC HEARING

CITY OF OWATONNA, MINNESOTA

NOTICE OF PUBLIC HEARING REGARDING A PROPOSED PROPERTY TAX ABATEMENT

NOTICE IS HEREBY GIVEN that the City Council of the City of Owatonna, Minnesota (the "City"), will hold a public hearing on Tuesday, July 21, 2026, at or after 7:00 p.m. in Chambers of the Charles S. Crandall Center located at 540 West Hills Circle in the City, relating to a proposal the City abate all or a portion of property taxes levied by the City on properties located in City with the following property identification numbers (the "Property").

17-678-0102
17-678-0103
17-678-0104

The total amount of the taxes proposed to be abated by the City on the Property for up to a 10-year period is estimated to not exceed $1,660,000. The City Council will consider the property tax abatement in connection with financing improvements to the water park in the City. Following the public hearing, the City Council will consider a resolution approving the proposed property tax abatement.

At the time and place fixed for the public hearing, the City Council will give all persons who appear at the hearing an opportunity to express their views with respect to the proposal. In addition, interested persons may direct any questions or file written comments respecting the proposal with the City Administrator/City Clerk, at or prior to said public hearing.

Dated: July 9, 2026

BY ORDER OF THE CITY COUNCIL OF THE
CITY OF OWATONNA, MINNESOTA - July 7, 2026

City Administrator/City Clerk
City of Owatonna, Minnesota

CITY OF OWATONNA

DATE:	July 21, 2026
TO:	Mayor and City Council
FROM:	Emily Thamert, Assistant City Administrator
SUBJECT:	Resolution 66-26: Proposed Tax Abatement

Purpose:

Approve Resolution 66-26 authorizing a tax abatement and declare the City's intention to issue general obligation bonds to finance the cost of River Springs Water Park project.

Background:

Annually, the City prepares a five-year capital improvement plan. There are various financing options available to the City depending on the particular project. The City is intending on issuing bonds under Minnesota Statutes Section 469.1812 through 469.1815.

The City proposes to issue general obligation tax abatement bonds in a not to exceed principal amount of $1,660,000 (the "Abatement Bonds") in order to assist in financing the costs of improvements to the water park in the City.

Budget Impact:

There will be a debt service levy related to the bonds that will be issued to finance this project. This debt service levy will be repaid over 10-year period of time.

Staff Recommendation:

Staff recommends approval of Resolution 66-26 for the purpose of issuing bonds to finance the River Springs Water Park project.

Attachments:

1. Resolution 66-26 Tax Abatement

RESOLUTION NO. 66-26

RESOLUTION APPROVING PROPERTY TAX ABATEMENT

WHEREAS, the City of Owatonna, Minnesota (the "City") proposes to (a) finance certain public improvements in the City, including improvements to the water park (the "Project"), with tax abatement bonds authorized by Minnesota Statutes, Sections 469.1812 through 469.1815, as amended (the "Abatement Act"); and (b) authorize a property tax abatement with respect to various parcels of land that benefit from such public improvements; and

WHEREAS, pursuant to Section 469.1813, subdivision 1 of the Abatement Act, the City may grant an abatement of all or a portion of the taxes imposed by the City on one or more parcels of property to pay for all or part of the cost of financing of or providing or helping acquire or construct public facilities in the City, helping increase or preserve the tax base, providing employment opportunities, including construction jobs in the City, helping finance or provide public infrastructure, and helping provide access to services for residents of the City; and

WHEREAS, the City has identified 3 parcels located in the City, identified in EXHIBIT A attached hereto (the "Abatement Property"), which will be benefitted by the Project and from which the City proposes to abate all or a portion of the City's share of taxes to help finance the Project, subject to all the terms and conditions of this resolution; and

WHEREAS, the Abatement Property is not located in a tax increment financing district; and

WHEREAS, the City is authorized under the Abatement Act to issue bonds to (a) pay for public improvements that benefit the property; (b) acquire and convey land or other property; (c) reimburse the property owner for the cost of improvements made to the property; or (d) pay the costs of issuance of the bonds; and

WHEREAS, the City is authorized under the Abatement Act and Minnesota Statutes, Chapter 475, as amended, to issue one or more series of general obligation bonds, a portion of which will be designated as tax abatement bonds in the aggregate principal amount not to exceed $1,660,000 (the "Abatement Bonds"), to pay the costs of the Project, and which are expected to be paid primarily through the collection of Abatement (hereinafter defined) revenues; and

WHEREAS, on the date hereof, the City Council conducted a duly noticed public hearing on the Abatement at which the views of all interested persons were heard; and

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

Section 1. Findings.

1.01. The Council expects the benefits to the City of the Abatement to at least equal or exceed the costs to the City thereof because:

(a) The Abatement will help finance certain public improvements including without limitation a portion of the cost of the construction of certain public improvements, including the Project.

(b) The Project will attract and retain visitors, residents and businesses by providing increased recreational facilities and services in the City which will generate increased City tax revenues (after termination of the Abatement) that, over the long term, will exceed the amount of the Abatement itself.

(c) The Project will help preserve and increase the value of the Abatement Property, thereby helping to generate additional City tax revenues over the long term after expiration of the Abatement.

1.02. Granting the Abatement is in the public interest because the Abatement will:

(a) Increase or preserve tax base, by helping to maintain values in the City and region, for the reasons described in clause 1.01.

(b) Finance or provide public infrastructure and public facilities.

1.03. It is further specifically found and determined that, in addition to the benefits described in clauses 1.01 and 1.02, the Abatement is expected to result in the following public benefits:

(a) The Project will contribute to the quality of life in the City and region by improving recreational facilities and services for residents, help finance public infrastructure in a way that will strengthen the local economy by attracting and retaining citizens and businesses by providing improved recreational facilities, help provide construction jobs, protect the general health and welfare of the community by maintaining public infrastructure and public facilities, provide improved access to services for residents by providing improved recreational facilities in the City, and benefit the Abatement Property by providing improved amenities and public facilities to those who live and work in the City.

(b) The Abatement Property consists of parcels in the City which are among the properties which will benefit from the public improvements and the Abatement Property will not be located in a tax increment financing district for the period of time that the Abatement is in effect.

Section 2. Actions Ratified; Abatement Approved.

2.01. The City Council hereby ratifies all actions of the City's staff and consultants in arranging for approval of this resolution in accordance with the Abatement Act.

2.02. Subject to the provisions of the Abatement Act, the Abatement is hereby approved and adopted subject to the following terms and conditions:

(a) The term "Abatement" means the City's share of the real property taxes generated from the Abatement Property, in the amounts described in this Section:

(i) The aggregate Abatement paid by the City during the term of this resolution will not exceed the amount necessary to pay the principal of and all or a portion of the interest on the Abatement Bonds, up to a maximum of $1,660,000. The maximum principal amount of bonds to be secured by the Abatement under this resolution will not exceed the estimated sum of the Abatement from the Abatement Property for the term authorized under this resolution.

(ii) In accordance with Section 469.1813, subdivision 8 of the Abatement Act, in no year shall the Abatement, together with all other abatements approved by the City under the Abatement Act and paid in that year, exceed the greater of ten percent (10%) of the City's net tax capacity for that year or $200,000 (the "Abatement Volume Cap"). The City may grant any other abatements permitted under the Abatement Act after the date of this resolution, provided that to the extent the total abatements in any year exceed the Abatement Volume Cap, the allocation of Abatement Volume Cap to such other abatements is subordinate to the Abatements under this resolution.

(b) The City will pay the Abatement in installments over a period of 10 years, commencing in taxes payable year 2027, and continuing through taxes payable in 2036 or such other dates that correspond to the payment of debt service on the Abatement Bonds. The City will pay the Abatement solely to finance the cost of the Project, through application of Abatement amounts toward debt service payments on the Abatement Bonds (including any bonds issued to refund the initial Abatement Bonds).

(c) This resolution may be modified only with the prior written approval of the City, and any modification is subject to Section 469.1813, subdivision 7 of the Abatement Act.

(d) In accordance with Section 469.1815 of the Abatement Act, the City will add to its levy in each year during the term of the Abatement the total estimated amount of current year Abatement granted under this resolution.

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

Aye ______; No ______; Absent ______.

Approved and signed this ____ day of __________, 2026.

____
Matt T. Jessop, Mayor

ATTEST:

____
Jenna L. Tuma, City Administrator/City Clerk

EXHIBIT A

ABATEMENT PROPERTY

Parcel Identification Numbers:

17-678-0102
17-678-0103
17-678-0104

DATE: July 21, 2026
TO: Mayor and City Council
FROM: Emily Thamert, Assistant City Administrator
SUBJECT: Resolution 67-26: Sale of General Obligation Street Reconstruction and Tax Abatement Bonds, Series 2026A

Purpose:

Council approval of Resolution 67-26 for the purpose of sale of general obligation street reconstruction and tax abatement bonds, series 2026A.

Background:

Council approval of Resolution 67-26 for the sale of $3,150,000 in General Obligation Street Reconstruction and Tax Abatement Bonds, Series 2026A will finance the 2026 street reconstruction projects (Cardinal Drive and Ivy Street) in addition to improvements at River Springs Water Park.

- The City Council adopted the Street Reconstruction Plan after a public hearing on May 19, 2026. No qualified petition for referendum was received, allowing the City to proceed with bond issuance.
- The tax abatement program for the water park improvements was approved following a public hearing on July 21, 2026.
- The bonds will be issued under Minnesota Statutes Chapter 469 and 475, pledging the City's full faith, credit, and taxing powers.
- The City's statutory debt and abatement limits have been reviewed and remain in compliance.

Budget Impact:

The bond proceeds will fund the approved street reconstruction and water park improvements. Debt service will be paid from property taxes and tax abatement revenues, with all statutory limits observed. Cost of issuance and service provider fees will be paid from bond proceeds.

Staff Recommendation:

Staff recommends approval of Resolution 67-26 for the Sale of General Obligation Street Reconstruction and Tax Abatement Bonds, Series 2026A.

Attachments:

1. Presale Report - Owatonna 2026A Series
2. Resolution 67-26 Sale of GO Street Reconstruction and Tax Abatement Bonds, Series 2026A

July 21, 2026

PRE-SALE REPORT FOR

City of Owatonna, Minnesota

$3,150,000 General Obligation Street Reconstruction and Tax Abatement Bonds, Series 2026A

EHLERS
PUBLIC FINANCE ADVISORS

Prepared by:

Ehlers
3001 Broadway Street, Suite 320
Minneapolis, MN 55413

Advisors:

Dan Tienter, Senior Municipal Advisor
Todd Hagen, Senior Municipal Advisor
Jason Aarsvold, Senior Municipal Advisor

BUILDING COMMUNITIES. IT'S WHAT WE DO.

EXECUTIVE SUMMARY OF PROPOSED DEBT

Proposed Issue:

$3,150,000 General Obligation Street Reconstruction and Tax Abatement Bonds, Series 2026A (the "Bonds")

Purposes:

The fixed-rate, tax-exempt issue will finance the 2026 street reconstruction projects and improvements at River Springs Water Park within the City of Owatonna, Minnesota (the "City").

- **Street Reconstruction Portion.** Under the 2026–2030 Street Reconstruction and Overlay Plan (SROP), the City plans to issue $1,515,000 of bonds to support improvements to Cardinal Drive and Ivy Street. The City will pay debt service with ad valorem property tax revenues.
- **Tax Abatement Portion.** Under the tax abatement program, the City will issue $1,635,000 of bonds for improvements at River Springs Water Park. The City will pay debt service with tax abatement revenues.

Authority:

The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged. They are being issued pursuant to Minnesota Statutes, Chapters:

- 469, property tax abatement authority; and
- 475, street reconstruction and overlay plan authority.

Under the abatement authority, total property taxes abated by the City in any year may not exceed the greater of 10% of its net tax capacity (NTC) or $200,000. For taxes payable in 2026, the City's NTC totals about $35,814,665, resulting in annual abatement authority of about $3,581,467. The City currently has approximately $325,000 in outstanding annual abatements. When combined with approximately $163,500 of average annual debt service on the principal of the Bonds, total annual abatements will remain below the statutory limit.

The street reconstruction portion of the Bonds will count against the City's statutory debt limit. Cities may generally issue net debt up to 3% of their estimated market value (EMV), excluding obligations that qualify for specific statutory exclusions. For taxes payable in 2026, the City's EMV totals $3,354,125,300, for a statutory debt limit of about $100,623,759. The City currently has $10,290,000 of outstanding obligations applicable to the limit. Including the $1,515,000 street reconstruction portion of the Bonds, total debt applicable to the limit would increase to $11,805,000, leaving about $88,818,759 of statutory debt capacity.

Term/Call Feature:

The Bonds are being issued for a term of 11 years. Principal on the Bonds will be due on February 1 in the years 2028 through 2037. Interest will be due every six months beginning August 1, 2027. The Bonds will be subject to prepayment at the discretion of the City on February 1, 2034 or any date thereafter.

Bank Qualification:

Since the City plans issue no more than $10,000,000 in tax-exempt debt during the calendar year, it will designate the Bonds as “bank-qualified” obligations. Bank-qualified status broadens the market for the Bonds, which can result in lower interest rates.

Rating:

The City’s most recent bond issues were rated by Moody’s Investors Service. The current rating on those bonds is “Aa1.” The City will request a new rating for the Bonds.

Basis for Recommendation:

Based on your objectives, financial situation and need, risk tolerance, liquidity needs, experience with the issuance of Bonds and long-term financial capacity, as well as the tax status considerations related to the Bonds and the structure, timing and other similar matters related to the Bonds, we are recommending the issuance of the Bonds as a suitable option.

Method of Sale/Placement:

We are recommending the Bonds be issued as municipal securities and offered through a competitive underwriting process. You will solicit competitive bids, which we will compile on your behalf, for the purchase of the Bonds from underwriters and banks.

An allowance for discount bidding will be incorporated in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction. If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount.

Premium Pricing:

In some cases, investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the City) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.” The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue.

For this issue, we have been directed to contact the City on the day of sale to discuss the use of the net premium to either reduce the size of the issue or increase the net proceeds. These adjustments may slightly change the true interest cost of the Bonds.

Other Considerations:

On May 19, 2026, the City held a public hearing on the SROP associated with the Bonds. Pursuant to Minnesota Statutes, Chapter 475, the City may not issue the Bonds until the completion of a 30-day reverse referendum period. If during that period, the City receives a qualified petition (equal to five percent of the votes cast within the City at the last general election), the Bonds may only be issued following approval by referendum. The City did not receive a qualified petition, and the City Council may issue the street reconstruction portion of the Bonds.

On July 21 2026, the City Council will hold on a public hearing on the property tax abatement program (the "Program"). If the City Council does not approve the Program, the City may need to consider alternatives to fund the improvements to the River Springs Water Park.

Review of Existing Debt:

We have reviewed all outstanding indebtedness for the City and find that there are no viable refunding opportunities at this time. Ehlers will continue to monitor the market and the call dates for the City's outstanding debt and will alert you to any refunding opportunities.

Continuing Disclosure:

Because the City has more than $10,000,000 in outstanding debt subject to a continuing disclosure undertaking (including this issue) and this issue does not meet an available exemption from continuing disclosure, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (MSRB), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds and has contracted with Ehlers to prepare and file the reports.

Arbitrage Monitoring:

The City must ensure compliance with certain sections of the Internal Revenue Code and Treasury Regulations ("Arbitrage Rules") throughout the life of the issue to maintain the tax-exempt status of the Bonds. These Arbitrage Rules apply to amounts held in construction, escrow, reserve, debt service account(s), along with related investment income on each fund or account.

The Bonds may qualify for one or more exception(s) to the Arbitrage Rules by meeting 1) small issuer exception, 2) spend down requirements, 3) bona fide debt service fund limits, 4) reasonable reserve requirements, 5) expenditure within an available period limitations, 6) investments yield restrictions, 7) de minimis rules, or; 8) borrower limited requirements. The City's specific arbitrage responsibilities will be detailed in the Arbitrage Certificate prepared by your Bond Counsel and provided at closing.

An Ehlers arbitrage expert will contact the City within 30 days after the sale date to review the City's specific responsibilities for the Bonds. The City is currently receiving arbitrage services from Ehlers.

Investment of Bond Proceeds:

Ehlers can assist the City in developing a strategy to invest your Bond proceeds until the funds are needed to pay for the Projects. Since the City currently partners with Ehlers to manage its investments, it will likely use those same services to manage the Bond proceeds.

Other Service Providers:

This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from the proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services, please contact us.

Bond Counsel: Kutak Rock, LLP

Paying Agent: Bond Trust Services Corporation

Rating Agency: Moody's Investors Service, Inc.

Summary:

The City Council may accept or modify the assumptions described in this report and consider adopting the resolution to establish an August 18, 2026 bond sale date.

PROPOSED DEBT ISSUANCE SCHEDULE

Pre-Sale Review by the City Council:	July 21, 2026
Due Diligence Call for the Preliminary Official Statement:	Week of August 3, 2026
Conference Call with the Credit Rating Agency:	Week of August 3, 2026
Distribute the Preliminary Official Statement:	August 6, 2026
Award Sale of the Bonds by the City Council:	August 18, 2026
Estimated Closing Date:	September 9, 2026

Attachments

Estimated Sources and Uses of Funds

Estimated Proposed Debt Service Schedule

Resolution Authorizing Ehlers to Proceed with Bond Sale (provided by Bond Counsel)

EHLERS' CONTACTS

Dan Tienter, Senior Municipal Advisor	(651) 697-8537
Todd Hagen, Senior Municipal Advisor	(651) 697-8508
Jason Aarsvold, Senior Municipal Advisor	(651) 697-8512
Emily Wilkie, Senior Public Finance Analyst	(651) 697-8588
Alicia Gage, Senior Financial Analyst	(651) 697-8551

City of Owatonna, Minnesota

$3,150,000 GO Street Reconstruction & Tax Abatement Bonds, Series 2026A

Issue Summary

Assumes Current Market BQ Aa1 Rates plus 50bps

Total Issue Sources And Uses

Dated 09/09/2026 | Delivered 09/09/2026

	Street Reconstruction	Tax Abatement	Issue Summary
Sources Of Funds			
Par Amount of Bonds	$1,515,000.00	$1,635,000.00	$3,150,000.00
Total Sources	**$1,515,000.00**	**$1,635,000.00**	**$3,150,000.00**
Uses Of Funds			
Total Underwriter's Discount (1.200%)	18,180.00	19,620.00	37,800.00
Costs of Issuance	35,109.51	37,890.49	73,000.00
Deposit to Project Construction Fund	1,460,000.00	1,578,130.00	3,038,130.00
Rounding	1,710.49	(640.49)	1,070.00
Total Uses	**$1,515,000.00**	**$1,635,000.00**	**$3,150,000.00**

City of Owatonna, Minnesota

$3,150,000 GO Street Reconstruction & Tax Abatement Bonds, Series 2026A
Issue Summary
Assumes Current Market BQ Aa1 Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/09/2026	-	-	-	-	-
08/01/2027	-	-	95,452.87	95,452.87	-
02/01/2028	235,000.00	3.000%	53,358.75	288,358.75	383,811.62
08/01/2028	-	-	49,833.75	49,833.75	-
02/01/2029	285,000.00	3.100%	49,833.75	334,833.75	384,667.50
08/01/2029	-	-	45,416.25	45,416.25	-
02/01/2030	290,000.00	3.150%	45,416.25	335,416.25	380,832.50
08/01/2030	-	-	40,848.75	40,848.75	-
02/01/2031	300,000.00	3.260%	40,848.75	340,848.75	381,697.50
08/01/2031	-	-	35,958.75	35,958.75	-
02/01/2032	310,000.00	3.300%	35,958.75	345,958.75	381,917.50
08/01/2032	-	-	30,843.75	30,843.75	-
02/01/2033	325,000.00	3.400%	30,843.75	355,843.75	386,687.50
08/01/2033	-	-	25,318.75	25,318.75	-
02/01/2034	335,000.00	3.450%	25,318.75	360,318.75	385,637.50
08/01/2034	-	-	19,540.00	19,540.00	-
02/01/2035	345,000.00	3.550%	19,540.00	364,540.00	384,080.00
08/01/2035	-	-	13,416.25	13,416.25	-
02/01/2036	355,000.00	3.650%	13,416.25	368,416.25	381,832.50
08/01/2036	-	-	6,937.50	6,937.50	-
02/01/2037	370,000.00	3.750%	6,937.50	376,937.50	383,875.00
Total	**$3,150,000.00**	**-**	**$685,039.12**	**$3,835,039.12**	**-**

Yield Statistics

Bond Year Dollars	$19,617.50
Average Life	6.228 Years
Average Coupon	3.4919797%
Net Interest Cost (NIC)	3.6846648%
True Interest Cost (TIC)	3.7015363%
Bond Yield for Arbitrage Purposes	3.4800745%
All Inclusive Cost (AIC)	4.1397944%

IRS Form 8038

Net Interest Cost	3.4919797%
Weighted Average Maturity	6.228 Years

City of Owatonna, Minnesota

$3,150,000 GO Street Reconstruction & Tax Abatement Bonds, Series 2026A

Issue Summary

Assumes Current Market BQ Aa1 Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2027	-	-	-	-	-
02/01/2028	235,000.00	3.000%	148,811.62	383,811.62	403,002.20
02/01/2029	285,000.00	3.100%	99,667.50	384,667.50	403,900.88
02/01/2030	290,000.00	3.150%	90,832.50	380,832.50	399,874.13
02/01/2031	300,000.00	3.260%	81,697.50	381,697.50	400,782.38
02/01/2032	310,000.00	3.300%	71,917.50	381,917.50	401,013.38
02/01/2033	325,000.00	3.400%	61,687.50	386,687.50	406,021.88
02/01/2034	335,000.00	3.450%	50,637.50	385,637.50	404,919.38
02/01/2035	345,000.00	3.550%	39,080.00	384,080.00	403,284.00
02/01/2036	355,000.00	3.650%	26,832.50	381,832.50	400,924.13
02/01/2037	370,000.00	3.750%	13,875.00	383,875.00	403,068.75
Total	**$3,150,000.00**	**-**	**$685,039.12**	**$3,835,039.12**	**$4,026,791.08**

Significant Dates

Dated	9/09/2026
First Coupon Date	8/01/2027

Yield Statistics

Bond Year Dollars	$19,617.50
Average Life	6.228 Years
Average Coupon	3.4919797%
Net Interest Cost (NIC)	3.6846648%
True Interest Cost (TIC)	3.7015363%
Bond Yield for Arbitrage Purposes	3.4800745%
All Inclusive Cost (AIC)	4.1397944%

IRS Form 8038

Net Interest Cost	3.4919797%
Weighted Average Maturity	6.228 Years

City of Owatonna, Minnesota

$1,515,000 GO Street Reconstruction & Tax Abatement Bonds, Series 2026A

Street Reconstruction

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2027	-	-	-	-	-
02/01/2028	115,000.00	3.000%	71,569.16	186,569.16	195,897.62
02/01/2029	135,000.00	3.100%	47,874.50	182,874.50	192,018.23
02/01/2030	140,000.00	3.150%	43,689.50	183,689.50	192,873.98
02/01/2031	145,000.00	3.260%	39,279.50	184,279.50	193,493.48
02/01/2032	150,000.00	3.300%	34,552.50	184,552.50	193,780.13
02/01/2033	155,000.00	3.400%	29,602.50	184,602.50	193,832.63
02/01/2034	160,000.00	3.450%	24,332.50	184,332.50	193,549.13
02/01/2035	165,000.00	3.550%	18,812.50	183,812.50	193,003.13
02/01/2036	170,000.00	3.650%	12,955.00	182,955.00	192,102.75
02/01/2037	180,000.00	3.750%	6,750.00	186,750.00	196,087.50
Total	**$1,515,000.00**	**-**	**$329,417.66**	**$1,844,417.66**	**$1,936,638.54**

Significant Dates

Dated	9/09/2026
First Coupon Date	8/01/2027

Yield Statistics

Bond Year Dollars	$9,432.58
Average Life	6.226 Years
Average Coupon	3.4923377%
Net Interest Cost (NIC)	3.6850738%
True Interest Cost (TIC)	3.7019311%
Bond Yield for Arbitrage Purposes	3.4800745%
All Inclusive Cost (AIC)	4.1403394%

IRS Form 8038

Net Interest Cost	3.4923377%
Weighted Average Maturity	6.226 Years

City of Owatonna, Minnesota

$1,635,000 GO Street Reconstruction & Tax Abatement Bonds, Series 2026A
Tax Abatement

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2027	-	-	-	-	-
02/01/2028	120,000.00	3.000%	77,242.46	197,242.46	207,104.58
02/01/2029	150,000.00	3.100%	51,793.00	201,793.00	211,882.65
02/01/2030	150,000.00	3.150%	47,143.00	197,143.00	207,000.15
02/01/2031	155,000.00	3.260%	42,418.00	197,418.00	207,288.90
02/01/2032	160,000.00	3.300%	37,365.00	197,365.00	207,233.25
02/01/2033	170,000.00	3.400%	32,085.00	202,085.00	212,189.25
02/01/2034	175,000.00	3.450%	26,305.00	201,305.00	211,370.25
02/01/2035	180,000.00	3.550%	20,267.50	200,267.50	210,280.88
02/01/2036	185,000.00	3.650%	13,877.50	198,877.50	208,821.38
02/01/2037	190,000.00	3.750%	7,125.00	197,125.00	206,981.25
Total	**$1,635,000.00**	**-**	**$355,621.46**	**$1,990,621.46**	**$2,090,152.53**

Significant Dates

Dated	9/09/2026
First Coupon Date	8/01/2027

Yield Statistics

Bond Year Dollars	$10,184.92
Average Life	6.229 Years
Average Coupon	3.4916482%
Net Interest Cost (NIC)	3.6842860%
True Interest Cost (TIC)	3.7011707%
Bond Yield for Arbitrage Purposes	3.4800745%
All Inclusive Cost (AIC)	4.1392897%

IRS Form 8038

Net Interest Cost	3.4916482%
Weighted Average Maturity	6.229 Years

RESOLUTION NO. 67-26

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION STREET RECONSTRUCTION AND TAX ABATEMENT BONDS, SERIES 2026A, IN THE PROPOSED AGGREGATE PRINCIPAL AMOUNT OF $3,150,000

WHEREAS, pursuant to Minnesota Statutes, Chapter 475, as amended, specifically Section 475.58, subdivision 3b (the "Street Reconstruction Act"), the City of Owatonna, Minnesota (the "City") is authorized to finance all or a portion of the cost of street reconstruction projects by the issuance of general obligation bonds of the City payable from ad valorem taxes; and

WHEREAS, on May 19, 2026, following a duly noticed public hearing, the City Council adopted a five (5) year street reconstruction plan (the "Street Reconstruction Plan") describing the streets to be reconstructed, estimated costs, and any planned reconstruction of other streets in the City and approved the issuance of obligations by vote of at least two-thirds of the members thereof, all pursuant to the Street Reconstruction Act; and

WHEREAS, the reconstruction activities and expenditures described in the Street Reconstruction Plan include but not limited to the reconstruction of Cardinal Street and Ivy Street in the City, all as described further in the Street Reconstruction Plan (collectively, the "Street Reconstruction"); and

WHEREAS, in accordance with the Street Reconstruction Act, the City did not receive a qualified petition for a referendum on the issuance of the bonds to be issued under the Street Reconstruction Plan within thirty (30) days of the date of the public hearing; and

WHEREAS, it is necessary and expedient to the sound financial management of the affairs of the City for the City to issue general obligation bonds in the approximate principal amount of $1,515,000 (the "Street Reconstruction Bonds"), pursuant to the Street Reconstruction Act, to provide financing for the Street Reconstruction; and

WHEREAS, the City has determined to finance certain public improvements in the City, including improvements to the water park in the City (the "Abatement Project"); and

WHEREAS, under Minnesota Statutes, Chapter 475, as amended, and Sections 469.1812 through 469.1815, as amended (collectively, the "Abatement Act"), the City is authorized to grant a property tax abatement on specified parcels in order to pay for all or part of the cost of financing of or providing or helping acquire or construct public facilities in the City, helping increase or preserve the tax base, providing employment opportunities, including construction jobs in the City, helping finance or provide public infrastructure, and helping provide access to services for residents of the City; and

WHEREAS, on the date hereof, following a duly noticed public hearing, the City Council adopted a resolution (the "Abatement Resolution") approving a property tax abatement (the "Abatements") for certain property in the City (the "Abatement Parcels") over a period of ten (10) years, in an amount sufficient to pay the principal amount of and a portion of the interest on bonds issued to finance the Abatement Project in a maximum amount of $1,660,000; and

WHEREAS, in the Abatement Resolution, the City Council found and determined that the Abatement Project benefits the Abatement Parcels and that the maximum principal amount of bonds to be secured by Abatements does not exceed the estimated sum of Abatements from the Abatement Parcels for the term authorized under the Abatement Resolution; and

WHEREAS, it is necessary and expedient to the sound financial management of the affairs of the City for the City to issue general obligations bonds in the approximate principal amount of $1,635,000 (the "Abatement Bonds"), pursuant to the Abatement Act, to provide financing for the Abatement Project; and

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

Section 1. Issuance of Bonds.

(a) The City Council finds it necessary and expedient to the sound financial management of the affairs of the City to issue its General Obligation Street Reconstruction and Tax Abatement Bonds, Series 2026A (the "Bonds"), in the proposed aggregate principal amount of $3,150,000, pursuant to the Street Reconstruction Act and the Abatement Act (collectively, the "Act"), to provide financing for the Street Reconstruction and the Abatement Project.

(b) The City is authorized by Section 475.60, subdivision 2(9) of the Act to negotiate the sale of the Bonds, it being determined that the City has retained an independent municipal advisor in connection with such sale. The actions of the City staff and municipal advisor in negotiating the sale of the Bonds are ratified and confirmed in all aspects.

Section 2. Sale of Bonds. To provide funds to finance the Street Reconstruction and the Abatement Project, the City will issue and sell the Bonds in the proposed aggregate principal amount of $3,150,000. The principal amount of the Bonds is subject to adjustment in accordance with the official Terms of Proposal to be prepared in connection with the offering and the sale of the Bonds.

Section 3. Authority of Municipal Advisor. Ehlers and Associates, Inc. (the "Municipal Advisor") is authorized and directed to negotiate the sale of the Bonds. The City Council will meet on Tuesday, August 18, 2026, or another date selected by City staff, to consider proposals on the Bonds and take any other appropriate action with respect to the Bonds.

Section 4. Authority of Bond Counsel. The law firm of Kutak Rock LLP, as bond counsel to the City ("Bond Counsel"), is authorized to act as bond counsel and to assist in the preparation and review of necessary documents, certificates and instruments relating to the Bonds. The officers, employees and agents of the City are hereby authorized to assist Bond Counsel in the preparation of such documents, certificates, and instruments.

Section 5. Covenants. In the resolution awarding the sale of the Bonds, the City Council will set forth the covenants and undertakings required by the Act.

Section 6. Official Statement. In connection with the sale of the Bonds, the officers or employees of the City are authorized and directed to cooperate with the Municipal Advisor and participate in the preparation of an official statement for the Bonds and to deliver it on behalf of the City upon its completion.

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

Aye ______; No ______; Absent ______.

Approved and signed this ____ day of __________, 2026.

____
Matt T. Jessop, Mayor

ATTEST:

____
Jenna L. Tuma, City Administrator/City Clerk

Mayor Jessop

CITY OF OWATONNA

Council Minutes

Owatonna City Council Minutes

July 7, 2026 – Draft

City Council Meeting: Tuesday, July 7, 2026, at 7:00 p.m., Council Chambers, Charles S. Crandall Center at City Hall, 540 West Hills Circle.

INTRODUCTORY ACTIONS

On Tuesday, July 7, 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.

Roll Call: Present - Council Members Raney, Burbank, Boeke, McCann, Svenby and Voss; Mayor Jessop
Absent – Dotson
Staff Present – Tuma, Thamert, Clawson, Enz, Murphy, O'Connor, Klecker, Anderson, Licht, Duchene

Following roll call, Council Member Burbank led the Pledge of Allegiance.

Council Agenda

President Raney announced one change to the agenda: add item 2.6.4, Second Amendment Resolution 42-26, Application to Conduct Off-Site Gambling for the Owatonna Elks Club #1395.

Motion by Council member Svenby to approve the agenda with changes, seconded by Council member McCann. Motion carried unanimously. Ross (Aye), Burbank (Aye), Boeke (Aye), McCann (Aye), Svenby (Aye), Voss (Aye), Dotson (Absent).

Mayor Jessop

Resignation of Owatonna Human Rights Commission Board Member - Sherry Hill

Motion by Council member Boeke to approve the agenda with changes, seconded by Council member Svenby. Motion carried unanimously. Ross (Aye), Burbank (Aye), Boeke (Aye), McCann (Aye), Svenby (Aye), Voss (Aye), Dotson (Absent).

Proclamation – Rainbowatonna Pride Day - July 11, 2026

Proclamation declaring July 11, 2026, as Rainbowatonna Pride Day. The celebration — Pride in the Park — will be held at Central Park and the public will be encouraged to attend.

Proclamation – Wastewater Ribbon Cutting Ceremony - July 11, 2026
Proclamation declaring July 11, 2026, as Wastewater Ribbon Cutting Ceremony Day. An open house at the wastewater treatment facility is scheduled from 11:00 AM to 2:00 PM, and the public was encouraged to attend.

CONSENT AGENDA ITEMS
The consent agenda consisted of city council meeting minutes, board and commission minutes, department reports, licenses/permits, and miscellaneous items including the newly added Item 2.6.4., grouped for collective review and approval.

Motion by Council Member Voss to approve the consent agenda items, seconded by Council member McCann. Motion carried unanimously. Ross (Aye), Burbank (Aye), Boeke (Aye), McCann (Aye), Svenby (Aye), Voss (Aye), Dotson (Absent).

ACTION ITEMS

Ordinances - None

Resolutions

3.1.1. Resolution 59-26: Accept Bids and Award Contract - 18th Street SE Reconstruction

City Engineer Sean Murphy presented Resolution 59-26. Bids were received on June 30, 2026, from eight contractors. The lowest responsible bid was submitted by Wentzell Construction, Incorporated of Owatonna, at $5,526,107.85 — approximately 8.77% under the engineer's estimate. The total project cost, including all funding sources, is $5,998,611.43, to be financed through a combination of federal, state, grant, city, OPU, and special assessment funds.

Murphy noted that due to the project's federal funding mechanisms, additional state-level review through the DCP process with FHWA is required, including approval from Minnesota's Office of Civil Rights regarding Wentzell's submitted workforce plans. Awarding the contract contingent upon that approval would allow the contractor to begin work immediately upon receiving state authorization, without requiring a return to a subsequent council meeting.

Council Member Voss inquired about the construction timeline relative to the start of the school year. Murphy confirmed that the contract's special provisions prohibit the contractor from beginning work until after school is out for the 2026–2027 session, making this a multi-year project.

Motion to approve Resolution 59-26 was made by Council Member McCann and seconded by Council Member Burbank. The motion carried unanimously. Ross (Aye), Burbank (Aye), Boeke (Aye), McCann (Aye), Svenby (Aye), Voss (Aye), Dotson (Absent).

3.1.2 Resolution 60-26: Appoint Election Judges - 2026 Primary Election - August 11, 2026

Administrative Coordinator Jeanette Clawson presented the appointment of 111 election judges for the August 11, 2026, primary election. She noted this is the beginning of a new two-year cycle by the Secretary of State's office, requiring all judges to complete training. Of the 111 judges, 24 elected to complete training online. In addition to the standard two-hour training, judges will participate in an additional two-hour session to learn about the county's newly purchased electronic poll pads, which will replace manual rosters and are expected to streamline same-day voter registration.

Motion to approve Resolution 60-26 was made by Council Member Voss and seconded by Council Member McCann. The motion carried unanimously. Ross (Aye), Burbank (Aye), Boeke (Aye), McCann (Aye), Svenby (Aye), Voss (Aye), Dotson (Absent).

3.1.3 Resolution 61-26: Police Software Agreement — Pace Scheduler

Captain Duchene presented Resolution 61-26, seeking approval for a software agreement with Pace Scheduler for police department scheduling. He explained that the department currently uses the CJIN platform for case management, e-briefing, and scheduling at an annual cost of $9,661. However, CJIN is redesigning its platform with a significant price increase — $4,000 per user plus a 30% maintenance fee — bringing the projected 2027 cost to $239,000 and ongoing annual maintenance to $55,000. The department will cancel its CJIN services effective December 31, 2026.

After more than 18 months of research, Pace Scheduler was identified as the best alternative for scheduling needs at a substantially lower cost. The software offers overtime notification, shift bidding by seniority, timesheet recording, and optional integration with the city's UltiPro payroll system. All other functions — reports, e-briefing, and case management — will be handled through LOGIS via the 911 dispatch center.

Captain Duchene noted a correction to the budget figure in the packet: following a discussion with Pace Scheduler and the city's IT staff that day, a single sign-on security feature was recommended, increasing the annual cost from $3,360 to $3,870 (an additional $510/year). Council Member Boeke confirmed the legal authority to vote on the adjusted amount.

Motion to approve Resolution 61-26 was made by Council Member Boeke and seconded by Council Member Burbank. The motion carried unanimously. Ross (Aye), Burbank (Aye), Boeke (Aye), McCann (Aye), Svenby (Aye), Voss (Aye), Dotson (Absent).

3.1.4 Resolution 62-26: Approve Minor PUD Amendment for Mineral Springs Estates

Community Development Director Troy Klecker presented Resolution 62-26 on behalf of Prairie La Salle Partners. The request is a minor amendment to the previously approved Planned Unit Development (PUD) for Mineral Springs Estates, converting six townhome units into two six-unit flat buildings — a net increase of six units. The change was reviewed by the Planning Commission without opposition. Klecker noted that because the final plate has not yet been recorded, the developer may pursue either an administrative lot split or a plat amendment prior to construction of the second building.

Developer Steven Wheeler was present and provided an update on the project's status. He explained that market demand for townhomes in the area has not been strong, while the proposed elevator-served flat design is seeing increasing demand, particularly among seniors, retirees, and individuals with mobility needs — a product type currently underserved in the market. Wheeler cited the presence of five of the ten largest national homebuilders now operating in the Rochester-Owatonna region as evidence that the broader market had validated what the city recognized years ago, although he was optimistic about the upcoming project.

Council members expressed enthusiasm for the project while also candid impatience, with several notes the project has been in development for approximately three years. Council Member Voss stated the images in the council packet were exciting and urged the developer to move forward. Council President Raney pressed Wheeler directly on whether dirt would move in 2026, to which Wheeler responded affirmatively, acknowledging remaining challenges including the high-water table on the site.

Motion to approve Resolution 62-26 was made by Council Member Boeke and seconded by Council Member Svenby. The motion carried unanimously. Ross (Aye), Burbank (Aye), Boeke (Aye), McCann (Aye), Svenby (Aye), Voss (Aye), Dotson (Absent).

3.1.5 Resolution 63-26: Accept Quotes/Award Contract - Airport Runway Crack Seal Project

Community Development Director Troy Klecker presented Resolution 63-26 for the Runway 5/23 crack seal project at the Owatonna Airport, a Capital Improvement Plan (CIP) item. Quotes were received on June 29, 2026, and were requested from local contractors as well. All work and materials are subject to FAA and MnDOT Aeronautical Standards. The lowest quote was submitted by Struck & Irwin Paving at $68,381. The project is eligible for 95% federal and 2.5% state funding, leaving a local share of approximately $1,719.52 — roughly $580 over the budgeted amount due to certain project components falling under state rather than federal eligibility. The overage will be covered by the airport operations budget.

Council Member Voss noted that the low bid came in at less than half the engineer's estimate, and asked staff to confirm the contractor's qualifications. Klecker confirmed that all contractors who submitted quotes regularly perform airport projects and are familiar with the applicable federal standards, which tend to limit the field of bidders.

Motion to approve Resolution 63-26 was made by Council Member Voss and seconded by Council Member McCann. The motion carried unanimously. Ross (Aye), Burbank (Aye), Boeke (Aye), McCann (Aye), Svenby (Aye), Voss (Aye), Dotson (Absent).

3.1.6 Resolution 64-26: Set Date Public Hearing Relating to Proposed Tax Abatement Bonds

Assistant City Administrator Emily Thamert presented Resolution 64-26, which sets the date for a public hearing related to proposed property tax abatement bonds intended to finance Capital Improvement Plan (CIP) improvements at River Springs Water Park. She clarified that the term "abatement" is technically misleading in this context — the tax is not forgiven but rather paid normally, with proceeds directed toward bond repayment. The resolution calls for a public hearing on Tuesday, July 21, 2026, at or after 7:00 PM in the Council Chambers, at which time all people will have the opportunity to express their views. Following the hearing, the Council will consider a resolution formally approving the tax abatement.

Thamert took a moment to distinguish these planned CIP lifecycle improvements from the unplanned pipe leak issues that delayed the water park's 2026 opening, noting that the park successfully opened for the season on Friday, July 3, 2026.

Motion to approve Resolution 64-26 was made by Council Member McCann and seconded by Council Member Burbank. The motion carried unanimously. Ross (Aye), Burbank (Aye), Boeke (Aye), McCann (Aye), Svenby (Aye), Voss (Aye), Dotson (Absent).

3.1.7 Resolution 65-26: Accept Quotes/Award Contract - Airfield Pavement Maintenance Project

Community Development Director Troy Klecker presented Resolution 65-26 for a second airport crack seal project covering Taxiway B and the hangar area taxi lanes. He noted this project is filed separately from the Runway 5/23 project solely because it is funded through a different grant. Quotes were collected from local contractors as well. The low quote was again submitted by Struck & Irwin Paving at $62,546. The local share is approximately 2.5%, running to be about $708 over the estimated amount due to portions of the project not being federally eligible, which will be covered by the airport operations budget.

Motion to approve Resolution 65-26 was made by Council Member Boeke and seconded by Council Member Svenby. The motion carried unanimously. Ross (Aye), Burbank (Aye), Boeke (Aye), McCann (Aye), Svenby (Aye), Voss (Aye), Dotson (Absent).

Miscellaneous

3.2.1 3.2% Off Sale Liquor License - K & L Co-Op, 590 State Avenue

City Administrator Jenna Tuma presented a request for approval of a 3.2% off-sale beer license for K & L Co-Op at 590 State Avenue. The required certificate of insurance, annual license fee payment, and background check request have been received. The license would be effective immediately upon approval and expire June 30, 2027.

Motion to approve the 3.2% Off Sale Liquor License - K & L Co-Op, was made by Council Member Voss and seconded by Council Member McCann. The motion carried

unanimously. Ross (Aye), Burbank (Aye), Boeke (Aye), McCann (Aye), Svenby (Aye), Voss (Aye), Dotson (Absent).

3.2.2 Community Forest Management Plan Contract (ReLeaf Grant) - WSB

Public Works Director Sean Murphy presented the Community Forest Management Plan (CFMP) contract with WSB, the first of two items tied to a DNR ReLeaf grant awarded to the Parks and Recreation Department in spring 2026 — for which Council had approved the application in September 2025. The contract scope includes public outreach, tree and canopy analysis, review of existing city policies and ordinances, creation of goals and performance indicators, and presentation of the final CFMP. All costs — totaling $106,773 — will be covered by the ReLeaf grant with no local match required. Council Member Voss acknowledged staff member Mary Jo for her work in securing the grant.

Motion to approve the Community Forest Management Plan Contract (ReLeaf Grant) - WSB was made by Council Member Boeke and seconded by Council Member Burbank. The motion carried unanimously. Ross (Aye), Burbank (Aye), Boeke (Aye), McCann (Aye), Svenby (Aye), Voss (Aye), Dotson (Absent).

3.2.3 Park Tree Inventory Contract (ReLeaf Grant) - Rainbow Treecare

Public Works Director Sean Murphy presented the Park Tree Inventory contract with Rainbow Tree Care, the second component of the DNR ReLeaf grant. Rainbow Tree Care previously completed an initial park tree inventory in 2020 as part of the city's Emerald Ash Borer grant efforts. This contract will complete the inventory for remaining maintained parkland areas, including Gainey, Willow, Bexler, and Archery Parks, as well as trails, Caplan's Woods, Lake Chase Dog Park, Maple Creek Park, and a portion of the Owatonna Soccer Complex. Inventory data will include GPS coordinates, species, diameter at breast height (DBH), and condition ratings, delivered in a GIS-compatible format. The total contract cost of $14,787.50 is fully covered by the ReLeaf grant with no budget impact to the city. Council Member McCann noted that the scope of work being obtained for the grant dollars represents exceptional value. Council President Raney asked whether the inventory near the Sid Kenyon Courts would address the proximity of trees to the tennis courts and their impact on surface longevity; Murphy indicated he would follow up on that question.

Motion to approve Park Tree Inventory Contract (ReLeaf Grant) - Rainbow Treecare was made by Council Member Voss and seconded by Council Member McCann. The motion carried unanimously. Ross (Aye), Burbank (Aye), Boeke (Aye), McCann (Aye), Svenby (Aye), Voss (Aye), Dotson (Absent).

STAFF REPORTS

Recreation Department – Eric Anderson and Dani Licht

Recreation Manager Eric Anderson and Recreation Supervisor Danny Licht delivered an update on the following items:

- River Springs Water Park experienced a 29-day delay in opening for the 2026 season (scheduled for June 4; opened July 3).

- On May 27, staff detected abnormal water loss during startup—far exceeding the typical 22-24-hour fill time, indicating a potential leak even before the pumps were activated.

- American Leak Detection, the city's contracted vendor, was contacted but could not arrive until June 22 due to high regional demand. Upon inspection, they identified five significant pipe leaks within the pool system, including one major break.

- The Facilities team completed all excavation, pipe repairs, and concrete restoration. The pool was filled June 26–29 using both the standard two-inch supply line and supplemental fire department hoses.
- Anderson highlighted strong interdepartmental collaboration across Facilities, Recreation, Administration, Parks, Wastewater, Fire, and Communications, reflecting the city's "Better Together" culture.

- Seasonal aquatic staff were temporarily assigned to various other city departments during the closure; staff reported positive experiences and likened the assignments to an unplanned internship.

- Since opening on July 3, the water park recorded more than 2,400 visitors in its first four days, including over 800 attendees on the Monday following the holiday weekend, a notably high weekday turnout.

PUBLIC COMMENTS

- **Chad Lang**: Patience with Mineral Springs Estates developer and concerns about project progress.
- **Jason Cooley**: Free speech and religious liberty related to Rainbowatonna Pride event.
- **Jacob Yates**: Support for Pastor Cooley and clarification of church's public preaching practices.
- **Gale Jorgensen**: Thanks for water park restoration and concern about protest noise levels near Pride event.
- **Gary Jones**: Safety concerns about archery at Mineral Springs Park.
- **Melissa Zimmerman**: Appreciation for reopening the water park.
- **Sarah Sanchez**: Praise for the water park and its value ahead of funding discussions.

COUNCIL COMMENT AND GENERAL INFORMATION

Council members offered several remarks during the comment period. A recurring theme was gratitude toward Owatonna police officers following a recent incident involving an armed encounter in which officers were exposed to gunfire but were not physically injured. Multiple council members — including Council Members Voss, Boeke, McCann, and Mayor Jessop — expressed deep appreciation for the officers' training and professionalism. Council Member McCann specifically recognized a sergeant present in the chamber for proactively arranging mental health therapy for officers following the incident and noted that similar services for the Fire Department were also reflected in the consent agenda. The broader importance of mental health support for first responders was emphasized.

Council Member Voss also praised the USA 250 Independence Day celebration and fireworks, thanked staff for resolving a long-standing issue with defective downtown granite installations, and encouraged residents to attend the July 11 wastewater treatment facility open house and ribbon cutting.

City Administrator Tuma noted that the downtown granite situation was the result of a product failure, not city negligence, and that staff — particularly City Attorney Walbran and City Engineer Kruschke — worked to hold the contractor accountable. She expressed pride in the cross-departmental teamwork demonstrated both at River Springs and in the police response.

Mayor Jessop Highlighted the full schedule of community events planned for July 11: the Wenger/Owatonna Eagles Ride for Hope (registration at 8:00 AM, ride at 10:00 AM), the wastewater treatment facility ribbon cutting and open house at 11:00 AM, and Pride in the Park beginning at 2:00 PM.

ADJOURN

With no further business, at 8:14 p.m. a motion was made by Council member Boeke to adjourn, seconded by Council member Voss. Motion carried unanimously and the meeting was closed. Ross (Aye), Burbank (Aye), Boeke (Aye), McCann (Aye), Svenby (Aye), Voss (Aye), Dotson (Absent).

These minutes were generated by AI from the audio recording of the meeting and were reviewed and corrected as necessary and approved and signed by the City Administrator or his/her designee in attendance at the meeting.

Respectfully submitted,

Emily Thamert, Assistant City Administrator

CITY OF OWATONNA

Board - Commission Minutes

PARKS & RECREATION BOARD MEETING MINUTES

Monday, June 1, 2026, at 4:30 PM

West Hills Social Commons, 500 Dunnell Dr, Owatonna, MN 55060

1. OPENING BUSINESS

Call to Order at 4:32 p.m. by Jon Theil

Members Present: Chair, Jon Thiel, Secretary, Sara Baird, Vice-Chair: Gina McGuire, Tyler Cochran, Carter Klecker, Nancy Ness

Members Absent: None, there is one open seat on the Park Board

Staff Present: Eric Anderson, Jesse Wilker, Mike Klein, Maureen Lyons

Guests Present: Leanne T Alt, Zella Ebeling, Scott Fluegel, Cindy Fowler, Theresa Harsma, Melissa Zimmerman

2. APPROVAL OF AGENDA

Motion by Gina McGuire to approve the agenda. Second by Nancy Ness. All members voted aye.

3. APPROVAL OF PRIOR MEETING MINUTES

Motion by Sara Baird to approve the May 4, 2026, Park Board meeting minutes and bring them before the Council. Second by Tyler Cochran. All members voted aye.

4. PERSONS WISHING TO APPEAR

The public forum is intended to afford the public an opportunity to address topics to the Park Board. The public forum will be no longer than 30 minutes in length, and each presenter will have no more than five (5) minutes to speak. Topics of discussion are restricted to local parks and recreation. The Park Board will only listen and not take action on public forum presentations.

4.a. Theresa Harsma shared an excerpt from *How Can I Help* by Douglas W. Tallamy.

4.b. Scott Fluegel, a Master Naturalist, shared his opinion on using neurotoxins and noticing a reduction in the dragonfly population.

4.c. Leann Alt compared the value and positive impact of native pollinators to that of commercial honeybees.

4.d. Cindy Fowler encouraged alternatives to widespread fogging to control mosquitoes.

4.e. Melissa Zimmerman shared concern with using mosquito control methods that subject citizens to hazardous chemicals.

5. NEW BUSINESS

5.a. Park Permit – Prairie Forge Initiative

Motion by Nancy Ness to approve Park Permits as presented. Second by Tyler Cochran. All members voted aye.

6. OLD BUSINESS

6.a. Mosquito Control Discussion

A list of questions from the previous meeting and answers from the Parks Manager was shared with the board. Jesse Wilker and Mike Klein answered additional questions. The board requested clarification on how staff determine when to perform fogging. Staff shared that concerns are received on both sides of the debate and in various ways, including, but not limited to, face-to-face interactions, phone calls, and emails to parks staff, City Council, City administration, and the Parks & Recreation office. Any use of mosquito fogging equipment, whether citywide or project-focused, is logged. Sara Baird requested that application records be forwarded to the Park Board, and that the Questions and Answers document be included in the July meeting packet.

Jon Thiel asked that the discussion be tabled to allow additional data and usage records to be considered before the board makes a recommendation to Council.

6.b. Park Board Annual Work Plan

A preliminary annual work plan for the Park Advisory Board was reviewed, with a few adjustments and additions made. The plan is intended to support agenda planning and reporting throughout the year and to ensure continuity for new and existing board members.

6.c. Event and Park Permit Process

Park Permit details are being emailed to Park Board members in advance of the meeting to allow timely consideration and response to questions or concerns. Board members request that permit details also be included in the meeting packet for their awareness.

. 7. COMMUNICATION

7.a. Park Maintenance Update

7.b. Recreation Division Update

7.c. Biochar Demonstration Recap

Nancy Ness attended the demonstration by Great River Greening. She shared that extensive preparation went into a short event. She doesn't see a practical reason to use a kiln. The possibility of renting one may arise if a local market for the charred remains develops.

7.d. Regional Park Designation Update

7.e. Park Board Seat Vacancy

7.e. Communication from Park Board Members:

Tyler Cochran asked about the vacant Parks & Recreation Director position, but there is no update. He also encouraged everyone to attend the summer Downtown Thursday events. August 6 is an outreach opportunity for the board to join Parks & Recreation staff at the City's booth/table.
Nancy Ness shared appreciation for the staff during the busy summer season.

8. ADJOURNMENT

Motion to Adjourn: Tyler Cochran, Second: Gina McGuire, All Members voted aye at 6:00 p.m.

CITY OF
OWATONNA

PARKS & RECREATION BOARD MEETING MINUTES

Monday, July 6, 2026, at 4:30 PM

West Hills Social Commons, 500 Dunnell Dr, Owatonna, MN 55060

1. OPENING BUSINESS

Call to Order at 4:47 p.m. by Jon Theil
Members Present: Chair, Jon Thiel, Tyler Cochran, Carter Klecker, Nancy Ness
Members Absent: Vice-Chair: Gina McGuire, Secretary: Sara Baird. There is one open seat on the Park Board
Staff Present: Eric Anderson, Mary Jo Knudson, Maureen Lyons, Sean Murphy
Guests Present: Leanne T Alt, Rose Cotter-Lyford, Cindy Fowler, Theresa Harsma, Don McCann, Jacie Smith, Matt Smith

2. APPROVAL OF AGENDA

Motion by Nancy Ness to approve the agenda with the addition of a Park Permit for July 25 for a Disc Gold Tournament on the West Hills Campus. Second by Tyler Cochran. All members voted aye.

3. APPROVAL OF PRIOR MEETING MINUTES

Motion by Tyler Cochran to approve the June 1, 2026, Park Board meeting minutes and bring them before the Council. Second by Carter Klecker. All members voted aye.

4. PERSONS WISHING TO APPEAR

The public forum is intended to afford the public an opportunity to address topics to the Park Board. The public forum will be no longer than 30 minutes in length, and each presenter will have no more than five (5) minutes to speak. Topics of discussion are restricted to local parks and recreation. The Park Board will only listen and not take action on public forum presentations.

4.a. Jacie Smith presented a proposal for a Girl Scouts of America Gold Award project to add signs/mile-markers every half mile along the North Straight River Loop and Buxton Trail. Funding for the project would be grant-based, with signage made by a local business. Collaboration with 911 operations would allow each sign to include a recognizable 6-digit grid number for a prompt response in case of an emergency. A partnership with the City of Owatonna would allow for signs that align with City branding and sign protocol. Park staff would be included for sign placement and installation.

4.b. Leann Alt referenced the City's Fact Sheet, page 5 of the Agenda Packet, and would like to see data included from the Environmental Protection Agency showing the impact of each product used by the City on humans, animals, and insects. Alt supports the continued use and expansion of BTI Dunks in public (and private, where applicable) wetlands and requests that mosquito fogging be used only as a last resort.

4.c. Cindy Fowler questioned how the City determines which insects are targeted for control measures. The cost to homeowners and the City to remove trees killed by Emerald Ash Borer is far greater than that of mosquitoes.

4.d. Theresa Harsma shared support for pollinator protection in addition to health concerns of repeated pesticide exposure. Harsma requested that the City invest in an educational campaign for residents on the risk of pesticide use instead of fogging for mosquitoes.

4.e. Rose Cotter-Lyford shared her opposition to the use of pesticides out of respect for the ecosystem.

5. NEW BUSINESS

5.a. Park Permits

1. Park Permit – July 10 – Kaplan's Woods Pavilion – Steele County 4-H Youth Outdoor Camp
2. Park Permit – July 18 – Jaycee Park – Jaquelynn Wier
3. Park Permit – July 25 – Disc Golf League Event – West Hills Campus ***(added as an amendment to the agenda in Item 2)***
4. Park Permit – July 28 – Central Park – Big Brothers/Big Sisters (electricity & caterer)
5. Park Permit – September 17 – Manthey Park – South Country Health Alliance

Motion by Nancy Ness to approve Park Permits as listed with the addition of the July 25 Disc Golf Event. Second by Tyler Cochran. All members voted aye.

5.b. Park Board Annual Goals

Motion by Tyler Cochran to table this topic for the next meeting. Second by Nancy Ness. All members voted aye.

6. OLD BUSINESS

6.a. Mosquito Control Discussion

A City of Owatonna Fact Sheet covering Herbicide, Larvicide, and Mosquito Control was included in the packet along with data reflecting the use of mosquito fogging equipment 2023-2025. A list of questions from the previous meeting and answers from the Parks Manager were shared with the board in June and were included in the July meeting packet.

The Park Board requested additional clarification on how staff determines when to use fogging, because fogging of City property, parks/trails, and athletic areas on July 2, 2026, was followed by forecast thunderstorms. Staff shared that concerns are received on both sides of the mosquito debate and in various ways, including, but not limited to, face-to-face interactions, phone calls, and emails to parks staff, City Council, City administration, and the Parks & Recreation office. At the request of the Park Board, at its June meeting, the Parks Administrative Coordinator, Mary Jo Knudson, has begun tracking communications related to mosquito fogging.

Motion by Tyler Cochran that the Park Board recommend to the City Council to discontinue mosquito fogging unless there is a documented local public health reason. Second by Nancy Ness. Discussion: Jon Thiel is concerned that discontinuing all fogging will eliminate the option for City staff to use localized fogging when working in wooded areas.

Role Call Vote: Tyler Cochran Aye, Nancy Ness Aye, Carter Klecker Aye, Jon Thiel Nay

Motion by Nancy Ness that the Park Board recommend to the City Council to continue BTI larvicide application in wetlands on City property and on private property where allowable. Second by Carter Klecker. All members voted aye.

Motion by Nancy Ness that the Park Board recommend to the City Council to create an educational component and communication plan regarding mosquito control. Seconded by Tyler Cochran. All members voted aye.

. 7. COMMUNICATION

7.a. River Springs Water Park Opened July 3, 2026

Eric Anderson provided a high-level summary of the situation that delayed the water park's opening and the repairs made to fix several broken underground pipes. He shared preventive maintenance steps taken annually during the shutdown and start-up process.

7.b. July is Parks & Recreation Month

Eric Anderson highlighted new events and highlighted programs offered as part of the month-long recognition.

7.c. Parks & Recreation Director Update

Sean Murphy, Director of Public Works, and Eric Anderson, Recreation Manager, shared that City departments will be realigned and the organizational structure will change over the next six months.

7.d. Park Board Annual Work Plan

An annual work plan for the Park Board was reviewed in June and is included in the packet. The plan is intended to support agenda planning and reporting throughout the year and to ensure continuity for new and existing board members.

7.e. Volunteer Opportunities for Park Board Members

7.e.1. Downtown Thursday, August 6, 2026

7.e.2. City of Owatonna booth in Four-Seasons Center at Steele County Free Fair

7.f Parkland Dedication Update Sean Murphy noted that this topic will be covered in an upcoming Council study session.

7.g. Regional Park Designation Update Mary Jo Knudson shared the status of the documentation and next steps.

7.h Park Maintenance Update

The Maintenance Report is included in the Packet. Data from tracking mosquito concerns will be added to the Park Maintenance report during the summer months in the future.

7.i. Recreation Division Update The Recreation Report is included in the packet.

7.j. Communication from Park Board Members:

Tyler Cochran verified that mosquito-concern tracking data will be communicated to ensure accountability.
Nancy Ness thanked staff for the extra work that went into the water park repairs and communication.

8. ADJOURNMENT

Motion to Adjourn: Tyler Cochran, Second: Carter Klecker, All Members voted aye at 6:40 p.m.

Owatonna Human Rights Commission
Minutes – June 9, 2026

The Owatonna Human Rights Commission (OHRC) met on Tuesday, June 9, 2206, in the Meeting Room of the Charles S. Crandall Center at City Hall. Chairman Bjore called the meeting to order at 5:30 p.m. Present were Commissioners Bjore, Hill, Zinsli and Seykora, Administrative Coordinator Clawson. Commissioner Hult was attending via TEAMS and Commissioner Bendorf was unable to attend. Also present were City Council Member McCann, Matthew Garcia and Khadra Muhidin.

Following the Pledge of Allegiance, Chairman Bjore welcomed everyone to the meeting. Commissioner Hult made a motion to approve the Meeting Agenda as presented, Commissioner Hill seconded the motion, all members present voted aye in approval. Following review of the May 12, 2026 OHRC Meeting Minutes, Commissioner Hill made a motion for approval, Commissioner Bjore seconded the motion, and all members present voted aye in approval.

<u>Items of Discussion</u>

Give-away Items at Summer Events: Reviewed quotes received from Corporate Recognition for variety of items. Commissioner Seykora made a motion to purchase three colors of pens, Commissioner Bjore seconded the motion, and all members present voted aye in approval. Commissioner Seykora will contact Court Sport to inquire if a canvas bag is offered. Commissioner Bjore made a motion to allocate $100 towards of purchase of candy and stickers. Commissioner Seykora seconded the motion, all members present voted aye for approval; Commissioner Zinsli will purchase the stickers and candy.

Member Items: Shirts, name tags, and business cards were available for new members Zinsli and Bendorf.

City Fall/Winter Activity Guide: Administrative Coordinator Clawson advised the publication deadline is past, a small ad will be included advising of the 2027 MLK Jr. Day event on January 18th, 2027 at the History Center.

ICE Updates: No recent activity in Owatonna.

May 30th Sneaker Ball – Commissioners congratulated Commissioner Seykora for receiving a Difference Maker Award from the Alliance for Greater Equity during this event. OHRC Commissioners Seykora, Hult, Bendorf and Bjore attended the event. Discussed if OHRC funds could sponsor a table at future events; not an option, cannot designate funds to another non-profit group.

<u>Future Events:</u>

Monday, June 15th, Women Keeping Hope Alive at Grapeful Wine Bar: Received request for OHRC Commissioners to attend for group discussion. Commissioners Seykora, Bjore and Zinsli plan to attend this event.

June 19th - Juneteenth Celebration by AGE at Manthey Park: There are volunteer opportunities available, sign up is on the AGE website. Commissioners agreed that if they attend, they will plan to wear your OHRC polo shirts and nametags.

June 27th - Stewards of Children Training by United Way of Steele County and Darkness to

Light: This is a program to prevent child molestation, kidnapping, be an advocate for children. The meeting is from 2-5 in Owatonna, there is a link to register. Jessica will send the message with the link to Mathew and Khadra.

July 3rd - Somali Cultural Festival at Central Park: Jessica will set up the table and have candy & stickers available. Planning to attend are Commissioners Zinsli, Bjore, and Hult.

July 11th - Pride in the Park by Rainbowatonna at Central Park: Commissioner Bjore will bring friends to help set up and tear down tent. Commissioner Zinsli will attend as will Commissioners Hult and Seykora during the day.

August 18-23, 2026 - Steele County Free Fair at the city booth. Commissioner Bjore responded to the city's e-mail asking if interested and waiting for time assignment.

September 3 – Downtown Thursday Event: will use 2026 Human Library, might ask some of the books to be present, it rained last year and several were not available. Plan to place a comment board for interactive activity. Commissioner Zinsli has some big canvasses available for use..

September 5th or 12th - Meeting on the Field by HRC at Daikin Fields: Commissioners spoke with Ibrahiem Huesien, and he is concerned about holding this event. Will revisit after the Somali Culture event in July and will also talk to the communities in July prior to the next OHRC Meeting. September 10th – 17th is the National Welcome Week so if game is held, will hold on the 12th during National Welcome Week. The game is open to public to play, participant age limit set at 16, will need to contact Park & Rec on the Go, and food donations.

January 18, 2027 - 2027 MLK Jr. Day Event: Commissioner Bjore has secured the History Center for this event at noon.

Application online, will follow-up with Mayor Jessop and post the application. We have two diverse individuals wanting to serve. So, hoping the commission will have full representation and no open seats soon.

November General Election – Commissioner Seykora asked if commission members could aid voters at the polls. She will check with the Secretary of State Office to ask about serving as a Poll Observer.

Will hold election for OHRC Secretary during the next OHRC Meeting.

<u>Adjournment</u>

At 6:26 p.m., Commissioner Hill made a motion to adjourn, Commissioner Seykora seconded the motion, and the meeting was adjourned. Commissioner Bjore thanked Mathew, Khadra and Council Member McCann for attending. The next OHRC Meeting is planned for Tuesday, July 14th at 5:30 pm.

Respectfully submitted, Jeanette Clawson, Administrative Coordinator

CITY OF OWATONNA

Department Reports

CITY OF OWATONNA

Finance Report

RECAP:	Amount	Vendor - Description
$	279,832.95	HESELTON CONSTRUCTION, LLC - 26001 STREET & UTILITY PAY EST 1
	205,870.00	NEAR NORTH TITLE GROUP - PURCHASE OF NORTH STREET PROPERTY
	29,910.80	CENTRAL FARM SERVICE - FLEET FUEL
	28,120.00	SHORT ELLIOTT HENDRICKSON INC - OWATO 25 TAXILANE PARK LOT CA
	27,000.00	BERGANKDV LTD - INTERIM BILLING FOR THE 2025 AUDIT
	22,828.05	RICE LAKE CONTRACTING CORP - BIOGAS ANALYZER INSTALL
	314,116.46	OTHER EXPENDITURES
$	**907,678.26**	TOTAL EXPENDITURES PRESENTED FOR APPROVAL

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

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
		Cash Account: 999-19100-000-000-000000			
388105	07/14/26	ACME ELECTIRC MOTOR INC	360.44	O	Regular
388106	07/14/26	AFLAC	2,089.80	R	ACH
388107	07/14/26	Albert Lea HRA	1,129.00	O	Regular
388108	07/14/26	Alcon Excavating Inc	11,896.57	O	Regular
388109	07/14/26	Allan Schaefer	50.00	O	Regular
388110	07/14/26	ALEXANDER LUMBER COMPANY	307.03	O	Regular
388111	07/14/26	AMERICAN LEAK DETECTION	2,500.00	O	Regular
388112	07/14/26	AMERICAN TEST CENTER INC	1,540.00	O	Regular
388113	07/14/26	ANHORN'S GAS & TIRE	76.95	O	Regular
388114	07/14/26	APG MEDIA OF SO MINNESOTA LLC	1,565.64	O	Regular
388115	07/14/26	ASPEN MILLS INCORPORATED	823.46	O	Regular
388116	07/14/26	AWARDS DIRECT INC	256.00	O	Regular
388117	07/14/26	BerganKDV LTD	27,000.00	O	Regular
388118	07/14/26	BEACON ATHLETICS LLC	658.22	R	ACH
388119	07/14/26	BLOOMING PRAIRIE FARM RADIO IN	1,180.00	R	ACH
388120	07/14/26	BLUEHAWK PROPERTIES LLC	10,000.00	O	Regular
388121	07/14/26	BOLTON & MENK INC	5,096.50	R	ACH
388122	07/14/26	Brian Scurlock	50.00	O	Regular
388123	07/14/26	BY THE YARD LLC	2,430.00	O	Regular
388124	07/14/26	CDW GOVERNMENT INC	57.57	O	Regular
388125	07/14/26	CEDAR VALLEY SERVICES INC	3,623.57	R	ACH
388126	07/14/26	CEMSTONE CONCRETE MATERIAL LLC	10,500.00	O	Regular
388127	07/14/26	CENTRAL FARM SERVICE	29,910.80	O	Regular
388128	07/14/26	Christina Morales	50.00	O	Regular
388129	07/14/26	CHRISTIAN SKJEVELAND	765.24	O	Regular
388130	07/14/26	CITY OF OWATONNA	48.20	O	Regular
388131	07/14/26	CLUB CADDIE	551.00	R	ACH
388132	07/14/26	Cornerstone Church	50.00	O	Regular
388133	07/14/26	COAST TO COAST CALIBRATION INC	454.00	R	ACH
388134	07/14/26	CONWAY SHIELD, INC.	188.00	O	Regular
388135	07/14/26	CORE & MAIN	370.60	O	Regular
388136	07/14/26	CORPORATE RECOGNITION	260.47	R	ACH
388137	07/14/26	COVERALL OF THE TWIN CITIES	2,455.00	R	ACH
388138	07/14/26	CRANE CREEK ASPHALT	1,084.38	R	ACH
388139	07/14/26	CRYSTEEL TRUCK EQUIP	225.00	R	ACH
388140	07/14/26	CULLIGAN OF OWATONNA	31.08	R	ACH
388141	07/14/26	CUMMINS INC	535.08	R	ACH
388142	07/14/26	CURT'S TRUCK & DIESEL SERVICE	464.20	R	ACH
388143	07/14/26	CUSTOM COMMUNICATIONS INC	7,899.62	O	Regular
388144	07/14/26	DAKOTA COUNTY TECHNICAL COLLEG	1,400.00	O	Regular
388145	07/14/26	DELL MARKETING LP	4,613.92	R	ACH
388146	07/14/26	DELUXE	254.52	O	Regular
388147	07/14/26	DENISE STEWART	140.81	R	ACH
388148	07/14/26	DENISE STEWART	197.53	R	ACH

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
388149	07/14/26	DISH	477.38	O	Regular
388150	07/14/26	DLL FINANCE LLC	952.28	O	Regular
388151	07/14/26	DOWS JONES & COMPANY INC	359.88	O	Regular
388152	07/14/26	Dykes Brothers Excavating	5,250.00	O	Regular
388153	07/14/26	EYE MED VISION CARE	547.09	O	Regular
388154	07/14/26	FIRST SUPPLY OWATONNA	896.06	R	ACH
388155	07/14/26	FLOW MEASUREMENT GROUP LLC	365.00	R	ACH
388156	07/14/26	FORCE AMERICA	436.69	R	ACH
388157	07/14/26	FOUR SEASONS ELECTRIC	5,665.00	R	ACH
388158	07/14/26	GENUINE PARTS COMPANY - NAPA	618.98	R	ACH
388159	07/14/26	GREENER WORLD SOLUTIONS, LLC	4,955.50	O	Regular
388160	07/14/26	HAWKINS INC	10,123.76	R	ACH
388161	07/14/26	Heselton Construction, LLC	279,832.95	O	Regular
388162	07/14/26	HEALTHPARTNERS INC	6,553.41	O	Regular
388163	07/14/26	HEIMAN INC	1,406.68	R	ACH
388164	07/14/26	HILLYARD INC	2,891.64	O	Regular
388165	07/14/26	HORIZON COMMERCIAL POOL SUPPLY	330.00	R	ACH
388166	07/14/26	HUBER SUPPLY CO INC	795.47	O	Regular
388167	07/14/26	I U O E LOCAL 70	3,087.50	O	Regular
388168	07/14/26	IFACS	383.74	R	ACH
388169	07/14/26	Illinois Tollway	40.20	O	Regular
388170	07/14/26	INGRAM LIBRARY SERVICES LLC	339.93	O	Regular
388171	07/14/26	INNOVATIVE OFFICE SOLUTIONS	884.14	O	Regular
388172	07/14/26	INTEGRATED PROCESS SOLUTIONS I	1,025.97	R	ACH
388173	07/14/26	INTERSTATE SERVICES INC	200.00	R	ACH
388174	07/14/26	Jarrod Sorg	50.00	O	Regular
388175	07/14/26	JARDINE LOGAN & O'BRIEN	330.00	O	Regular
388176	07/14/26	JOHN DEERE FINANCIAL	33.15	O	Regular
388177	07/14/26	JOHN RISHAVY	100.00	O	Regular
388178	07/14/26	JONES HAUGH & SMITH INC	6,433.70	O	Regular
388179	07/14/26	KATHRYN MOUW MSW LICSW LADC	300.00	R	ACH
388180	07/14/26	Keystone Construction LLC	8,350.00	O	Regular
388181	07/14/26	KIRI ANN FAUL	1,350.00	R	ACH
388182	07/14/26	LAWSON AUTOMOTIVE LLC	928.95	R	ACH
388183	07/14/26	LAWSON PRODUCTS	971.53	O	Regular
388184	07/14/26	Leanne M Benson	39.98	O	Regular
388185	07/14/26	LEGACY SIGNS INC	807.00	R	ACH
388186	07/14/26	LIFESAVER FIRE	648.60	O	Regular
388187	07/14/26	LIZ'S HAPPY STITCHES	12.00	O	Regular
388188	07/14/26	Lowe's	889.66	O	Regular
388189	07/14/26	MADISON NATL LIF INS CO INC	11,293.34	O	Regular
388190	07/14/26	MARCO TECHNOLOGIES LLC	7,610.10	R	ACH
388191	07/14/26	MARILYNN MCPARLAND	45.00	O	Regular
388192	07/14/26	MARTIN MARIETTA MATERIALS INC	10,055.64	O	Regular
388193	07/14/26	MCMASTER-CARR SUPPLY CO	147.28	R	ACH

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
388194	07/14/26	Metal Culverts, INC	1,893.40	O	Regular
388195	07/14/26	MEI TOTAL ELEVATOR SOLUTIONS	4,707.45	O	Regular
388196	07/14/26	METRO SALES INC	506.90	O	Regular
388197	07/14/26	MID-AMERICAN RESEARCH CHEMICAL	974.66	O	Regular
388198	07/14/26	MIDWEST OPERATIONS LLC	522.50	R	ACH
388199	07/14/26	MIDWEST TAPE LLC	2,595.74	R	ACH
388200	07/14/26	MINER'S OUTDOOR & RECREATION	51.81	O	Regular
388201	07/14/26	MINNESOTA ELEVATOR INC	25.00	R	ACH
388202	07/14/26	MINNESOTA LIFE	3,112.00	O	Regular
388203	07/14/26	MN PUBLIC EMPLOYEES ASSOC	1,296.00	R	ACH
388204	07/14/26	MN TRANSPORTATION ALLIANCE	849.00	O	Regular
388205	07/14/26	MN VALLEY TESTING LABS INC	455.75	R	ACH
388206	07/14/26	MTI DISTRIBUTING INC	1,629.89	R	ACH
388207	07/14/26	NEXTPLAY BRANDS INC	64.00	O	Regular
388208	07/14/26	NORTHLAND FARM SYSTEMS	542.60	R	ACH
388209	07/14/26	NORTHSTAR PROPERTY, LLC	2,500.00	O	Regular
388210	07/14/26	OLMSTED MEDICAL CENTER	158.00	O	Regular
388211	07/14/26	OWATONNA HEATING & COOLING INC	256.00	R	ACH
388212	07/14/26	OWATONNA MOTOR COMPANY	335.93	O	Regular
388213	07/14/26	OWATONNA SOFTBALL ASSN	2,975.00	O	Regular
388214	07/14/26	OWATONNA VETERINARY HOSPITAL	40.00	O	Regular
388215	07/14/26	OWT HARDWARE	305.88	O	Regular
388216	07/14/26	PB PARENT HOLDCO, LP	1,010.00	R	ACH
388217	07/14/26	PENGUIN MANAGEMENT, INC	4,704.00	O	Regular
388218	07/14/26	PIONEER MANUFACTURING COMPANY	5,899.65	R	ACH
388219	07/14/26	PLUNKETT'S PEST CONTROL INC	462.21	R	ACH
388220	07/14/26	Rainbow Books	1,770.13	O	Regular
388221	07/14/26	Registration Fee Trust	20.00	O	Regular
388222	07/14/26	REINDERS INC	310.71	R	ACH
388223	07/14/26	RENEE L RUMLER LPCC	300.00	O	Regular
388224	07/14/26	RICE LAKE CONTRACTING CORP	22,828.05	R	ACH
388225	07/14/26	RISE MODULAR	50.00	O	Regular
388226	07/14/26	ROCON INCORPORATED	245.00	O	Regular
388227	07/14/26	SAFETY AND SECURITY	70.00	O	Regular
388228	07/14/26	SCHILLING SUPPLY CO	1,884.56	R	ACH
388229	07/14/26	SELCO	2,474.84	R	ACH
388230	07/14/26	SENIORPLACE INC	130.00	O	Regular
388231	07/14/26	SHERWIN WILLIAMS COMPANY	173.16	O	Regular
388232	07/14/26	SHI INTERNATIONAL CORP	3,049.73	O	Regular
388233	07/14/26	SHORT ELLIOTT HENDRICKSON INC	28,120.00	O	Regular
388234	07/14/26	SHRED RIGHT	143.32	R	ACH
388235	07/14/26	SOLDO CONSULTING PC	8,970.00	O	Regular
388236	07/14/26	SOUBA GREENHOUSE	260.00	O	Regular
388237	07/14/26	SOUTHEAST SERVICE COOPERATIVE	335.00	O	Regular
388238	07/14/26	SPARETIME ENTERTAINMENT LLC	3,472.00	O	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
388239	07/14/26	SPHERION STAFFING LLC	482.25	O	Regular
388240	07/14/26	SPLIT ROCK MANAGEMENT INC	3,860.00	R	ACH
388241	07/14/26	ST CROIX RECREATION CO	6,619.20	R	ACH
388242	07/14/26	STATE INDUSTRIAL PRODUCTS	510.38	R	ACH
388243	07/14/26	STEELE COUNTY TREASURER	2,246.17	O	Regular
388244	07/14/26	STEVE JAMES EXCAVATING INC	962.40	R	ACH
388245	07/14/26	STEWART COMPANIES INC	155.07	O	Regular
388246	07/14/26	STEWART SANITATION	1,675.70	O	Regular
388247	07/14/26	T-Mobile	1,127.98	O	Regular
388248	07/14/26	T-MOBILE	1,219.33	O	Regular
388249	07/14/26	TELADOC HEALTH INC	1,081.00	O	Regular
388250	07/14/26	TERMINIX	99.24	O	Regular
388251	07/14/26	THE FREE PRESS MEDIA	517.68	O	Regular
388252	07/14/26	THE TESSMAN COMPANY	273.82	O	Regular
388253	07/14/26	THOMPSON SANITATION INC	117.40	R	ACH
388254	07/14/26	TIMBERLINE HOMES	5,000.00	O	Regular
388255	07/14/26	TJD REPAIR & SERVICE	78.74	O	Regular
388256	07/14/26	TOM SCHMOLL	50.00	O	Regular
388257	07/14/26	TRI M GRAPHICS	10,203.78	R	ACH
388258	07/14/26	TRUCK CENTER COMPANIES LLC	1,316.18	O	Regular
388259	07/14/26	TURFWERKS	529.03	R	ACH
388260	07/14/26	TURTLE CREEK NURSERY & LNDSCP	1,569.92	O	Regular
388261	07/14/26	ULINE	179.24	O	Regular
388262	07/14/26	UNITED WAY	20.00	O	Regular
388263	07/14/26	UTILITY CONSULTANTS INC	3,661.95	R	ACH
388264	07/14/26	UTILITY LOGIC	295.98	R	ACH
388265	07/14/26	VAN METER INC	299.79	O	Regular
388266	07/14/26	VENTURE HYDRAULICS INC	81.01	R	ACH
388267	07/14/26	VERIZON	2,303.56	O	Regular
388268	07/14/26	VERIZON WIRELESS	497.26	O	Regular
388269	07/14/26	VERSATERM PUBLIC SAFETY US INC	1,800.00	R	ACH
388270	07/14/26	VESTIS GROUP INC	399.10	O	Regular
388271	07/14/26	W W BLACKTOPPING INC	417.56	O	Regular
388272	07/14/26	WALBRAN & FURNESS CHARTERED	13,774.26	R	ACH
388273	07/14/26	WEN-COL INC	2,502.62	O	Regular
388274	07/14/26	WEST PUBLISHING CORPORATION	705.13	R	ACH
388275	07/14/26	WHKS & CO	370.00	R	ACH
388276	07/14/26	Wilson's Gun Shop Inc	504.19	O	Regular
388277	07/14/26	WOLFF AND SONS INC	195.00	R	ACH
388278	07/14/26	ZACK'S INC	5,565.09	O	Regular
388279	07/14/26	Zenon Environmental Corp	2,106.00	O	Regular
388280	07/15/26	NEAR NORTH TITLE GROUP	205,870.00	O	Regular

111	Checks total:	765,400.15
65	ACH total:	142,278.11
0	EFTPS total:	
0	Wire transfer total:	
0	Payment Manager total:	
176	GRAND TOTALS	907,678.26

City of Owatonna
Summary of PAYGO & Interfund Loan Payments by TIF District
1st Half 2026

TIF District Name	Note Name	Principal Amount	Interest Amount	Total Payment	Comments
District 3-10 Pro PE	Pro Pet, LLC	$ 30,813.00	$ -	**$ 30,813.00**	
District 3-11 Cemstone	Cemstone	25,970.24	-	**25,970.24**	
District 3-12 Costco Warehouse	Costco Warehouse	340,276.07	-	**340,276.07**	
District 3-13 Daikin	Daikin Applied	85,334.08	-	**85,334.08**	
District 3-14 Bosch	Bosch Automotive Solutions, Inc.	224,638.60	-	**224,638.60**	
	Interfund Loan	21,571.78	-	**21,571.78**	
District 3-15 Climate	CDI - Concepts by Design	139,381.51	96,653.80	**236,035.31**	
District 3-16 Kamp A	KAMP	17,004.71	27,650.66	**44,655.37**	
	IFL from EDA Land Fund	9,445.95	2,554.05	**12,000.00**	
District 3-17 FOAMCR	Foamcraft Packaging Inc.	2,583.37	7,603.32	**10,186.69**	
District 4-1 Hospital	Fareway PAYGO	19,138.80	5,851.85	**24,990.65**	
District 5-1 Hardees	Barney Street	6,401.63	149.71	**6,551.34**	Barney Street PAYGO will be paid off in 2nd half. Will start to pay on Tailwind in 2nd half
District 7-1 Northgate	IFL from Capital Projects Fund	5,145.91	-	**5,145.91**	
District 8-1 South Pointe Apts	South Pointe Owatonna, LLC	26,601.47	5,902.96	**32,504.43**	
District 8-2 South Pointe Apts II	South Pointe II Owatonna, LLC	16,701.81	6,230.97	**22,932.78**	
District 9-1 Hardware Store	IFL from EDA Land Fund	6,361.68	5,076.54	**11,438.22**	
District 10-1 37-Unit Apartments	43-Unit Market Rate Rental Apts	28,705.44	-	**28,705.44**	
	Interfund Loan	13,250.00	-	**13,250.00**	
District 10-2 N Cedar Ave Redevel	Owatonna Hospitality LLC	-	89,201.06	**89,201.06**	
	IFL from Capital Projects Fund	2,797.66	3,736.19	**6,533.85**	
	IFL from EDA Land Fund	3,387.71	4,524.20	**7,911.91**	
District 11-1 Torey's	Torey's	9,811.70	-	**9,811.70**	
District 12-1 54-Unit Apts	Equity Growth Owatonna, LLC	48,982.62	-	**48,982.62**	
District 13-1 Foremost	Foremost Properties, LLC	-	-	**-**	Brewery closed in 2024. No Payments.
District 14-1 Eastgate	IFL from Future Projects Fund	6,049.12	-	**6,049.12**	Paying 100% of 1st Half to IFL. No admin charges recommended to this district. Change in 4d housing decreased captured value
District 15-1 660 Mound St	Mound Owatonna, LLC	28,190.76	-	**28,190.76**	
District 16-1 202 Bridge St W Redevel.	RL Holdings, LLC	9,728.43	-	**9,728.43**	
District 17-1 224 CE	Interfund Loan	-	-	**-**	Developer backed out - land reverted back to City. No payment
District 18-1 147 PE	Interfund Loan	-	11,124.87	**11,124.87**	
District 19-1 Straight River	IFL from EDA Land Fund	2,058.71	13,505.18	**15,563.89**	
	IFL from Future Projects Fund	90,755.84	40,992.51	**131,748.35**	
	TOTALS	**$ 1,221,088.60**	**$ 320,757.87**	**$ 1,541,846.47**	

DATE: July 21, 2026
TO: Mayor and City Council
FROM: Jodi Bursheim
SUBJECT: Report to Council - June 2026

Purpose:
Financial Report to Council at mid-year.

Background:
Items attached for your review.

Budget Impact:
This is a mid-year financial status report.

Staff Recommendation:
Staff recommends review and approval.

Attachments:
1. June Council Report
2. General Fund
3. General Fund Departments
4. Special Revenue Funds
5. Internal Service Funds
6. Enterprise Funds

City of Owatonna
2026 Financial Report – Key Highlights (through June 30, 2026)

Overview

<u>Overall Financial Position</u>

At mid-year, the City is generally tracking within budget; however, several funds show timing-related variances and noteworthy shifts from prior year activity.

- The General Fund reflects a larger deficit year-over-year, primarily driven by higher expenditures and lower intergovernmental and interest revenues recorded by the report deadline.
- Enterprise funds remain positive overall, though the Wastewater Fund shows a significant decline compared to prior year due to nonrecurring intergovernmental revenues in 2025.
- Internal service funds are operating within expected ranges, with minor revenue shortfalls offset by lower expenses.
- A significant negative variance is present in Special Revenue due to lower-than-expected donations and miscellaneous revenues.

<u>Key Revenue Trends</u>

- Property tax levy remains the most stable and largest revenue source, trending slightly ahead of prior year due to planned increases.
- Intergovernmental revenues are significantly lower year-over-year, particularly in the General Fund and Enterprise Funds, reflecting timing or one-time funding differences.
- Interest earnings in the General Fund compared to PYTD appear lower due to timing differences but expected results are anticipated to be higher.
- Charges for services remain generally consistent, with some department-level variability driven by activity levels.
    - Public Safety service-related revenues decreased by approximately $48,500, primarily in charges for services and fines, reflecting reduced enforcement activity or lower service demand compared to prior year levels.
    - Parks and Recreation and Facilities related activities show moderate declines, reflecting slightly lower participation or utilization of facilities/programs compared to last year.
    - Conversely, Planning & Zoning shows a notable increase, indicating higher development-related activity, permit processing, or fee-based services.
    - Wastewater and stormwater service charges declined significantly, which likely reflects billing timing differences.

<u>Key Expenditure Trends</u>

- Personnel costs remain the largest expenditure driver across all funds, with planned increases in employee benefits and select wage categories.
- Professional and technical services increased significantly in the General Fund, especially within administrative and police functions, suggesting project-based or contract-driven spending.
- Enterprise funds show controlled spending overall, with notable variability across line items.

Departmental Highlights

- Administrative Services experienced a significant increase in professional and technical services, which is the primary driver of higher costs. This reflects consulting, IT services, and external support tied to projects or operational needs rather than ongoing staffing.
- Police expenditures also increased, particularly in professional services and employee benefits. This indicates greater reliance on contracted services (e.g., investigations, legal/prosecutorial coordination, or specialized support) in addition to rising benefit costs.
- Parks & Recreation Administration experienced lower expenses year-over-year, suggesting vacancies, delayed hiring, or reduced seasonal programming early in the year.

General Fund

Overall Financial Position

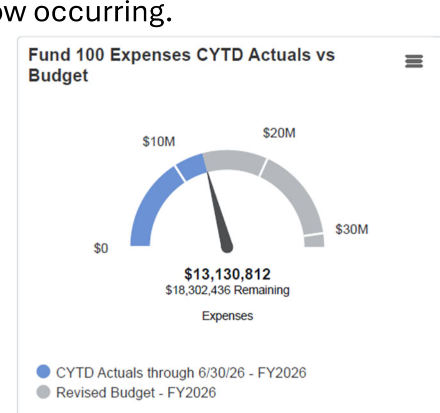
- Net position:-$1.39M, compared to-$0.80M PYTD
    - The primary driver is expenditures increased faster than revenues, particularly in services and benefits.

Key Revenue Trends

- Tax levy increased with approved Council resolution by $1.06M year-over-year.
- Intergovernmental revenue declined with a $545K variance due to changes in federal and state funding sources.
- Interest earnings decreased relative to prior year due to timing of this report.
- Revenues from other financial sources include service charges from recreation, library, planning and zoning, and park maintenance.

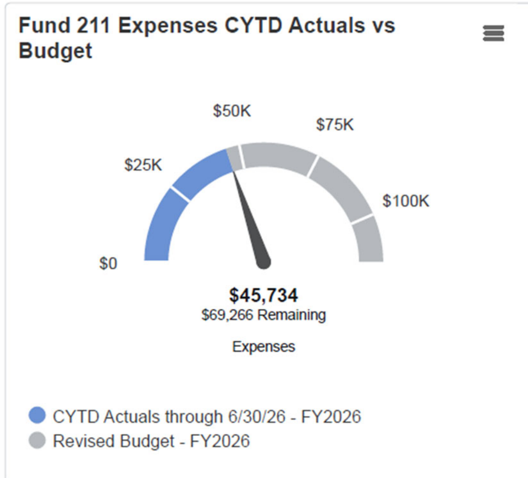
Key Expenditure Trends

- Professional & Technical Services increased reflecting an increase in contracted services rather than internal staff due to one-time or project-based work (e.g., consulting, legal, IT, engineering, or studies).
- Supplies cost increased. Supply costs are sensitive to inflation (fuel, materials, equipment, and parts), operational activity levels (more maintenance, repairs, or service delivery), and deferred purchases from prior year now occurring.



Special Revenue Funds

- Library Memorials Fund shows a negative net position of $34,987 through June 30,2026 compared to a positive $70,959 in the prior year primarily due to a large, one-time donation received in 2025.



Internal Service Funds

Insurance Fund

- The fund is reporting a net deficit of $81,761, improved from a $139,623 deficit in the prior year, indicating a modest recovery but still operating at a loss.
- Expenses decreased by approximately $102,962 year-over-year, primarily within Other Services & Charges (claims and insurance-related costs).
- Current spending levels are well below annual budget, indicating either lower claims activity or timing of large insurance costs later in the year.
- Variances are largely timing-related, as insurance claims and premium adjustments fluctuate throughout the year.

Vehicle Replacement Fund

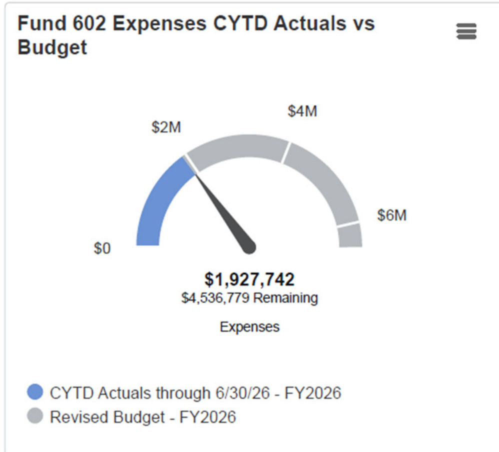
- The fund is reporting a positive net position of ~$646,386, slightly lower than the $706,325 prior year, but still performing strongly.
- Depreciation expense is not recognized until year end, despite a $2.5M annual budget, which is the primary reason for the strong net position.
- The fund's positive position is not indicative of surplus operations, but rather timing of planned expenses (depreciation and vehicle replacement).

Enterprise Funds

Wastewater Treatment Fund

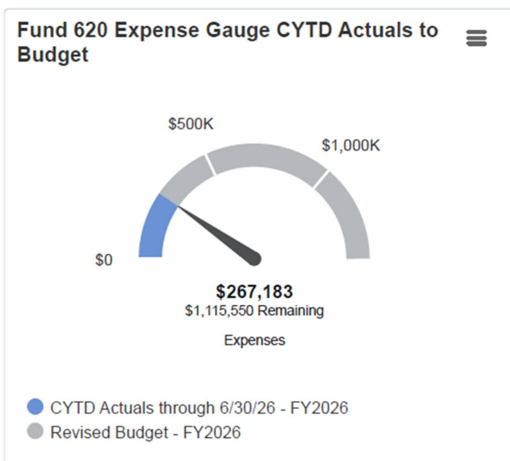
- Revenue decline of nearly $4.1M driven primarily by the absence of prior-year SPAP bond proceeds.

- Charges for services decreased in the current year due to a high volume of service activation fees in 2025.
- Total expenses increased only slightly, indicating stable overall operating costs.



<u>Stormwater Treatment Fund</u>

- Net position remains positive at approximately $355K but is down from ~$615K in the prior year.
- Charges for services decreased, representing the primary driver of revenue decline which is due to a timing difference with the report.
- Total expenses increased, reflecting higher operating costs due to an increase in professional & technical services and an increase in other services & charges.



Key Takeaways for Council

<u>Positive Indicators</u>

- Enterprise funds continue to generate positive net income, supporting financial stability.
- Vehicle Replacement Fund maintains reserves for future capital needs.
- Tax levy growth supporting General Fund revenue base.

Monitoring Areas

- Intergovernmental and interest revenues appearing lower year-to-date are primarily driven by timing
  - Many intergovernmental revenues (grants, state aids, reimbursements) are received later in the year or after eligibility is met, creating an early-year shortfall.
  - Interest earnings can also fluctuate based on cash balances and investment cycles and may not align evenly throughout the year.
  - Analytics: These variances are expected at mid-year and do not currently indicate a structural revenue decline.
- Increased reliance on professional services reflects timing of project and contract activity
  - Higher spending in administrative, police, and planning areas is tied to project-based work, consulting, and contracted services that often occur in phases.
  - Mid-year reporting captures when invoices are processed, not necessarily when work began or will conclude.
  - Analytics: The increase should be monitored but is likely episodic and tied to specific initiatives, rather than an ongoing cost escalation pattern.

CITY OF OWATONNA

General Fund

100 - General Fund

100

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	**FY2026**	**Variance PYTD - CYTD**	**FY2026**	**Variance Budget - CYTD Actuals**
Revenues					
Revenues	–	$5,999	-$5,999	$0	-$5,999
Tax Levy	$8,030,550	$9,085,800	-$1,055,250	$18,427,728	$9,341,928
Other Taxes	$58,215	$48,039	$10,176	$300,000	$251,961
Licenses & Permits	$295,171	$305,983	-$10,812	$466,650	$160,667
Intergovernmental	$780,167	$234,905	$545,262	$7,343,084	$7,108,179
Charges for Services	$1,148,867	$1,107,065	$41,802	$3,601,127	$2,494,062
Special Assessments	$507	$0	$507	$0	$0
Fines & Forfeitures	$72,777	$58,722	$14,055	$136,500	$77,778
Interest Earnings	$346,445	$104,160	$242,285	$525,000	$420,840
Miscellaneous	$293,271	$271,669	$21,602	$633,159	$361,490
Other Financial Sources	$493,941	$522,313	-$28,372	$0	-$522,313
REVENUES TOTAL	**$11,519,913**	**$11,744,655**	**-$224,743**	**$31,433,248**	**$19,688,593**
Expenses					
Expenses	$0	$81,887	-$81,887	$122,073	$40,186
Personnel Services - Salaries & Wages	$6,764,287	$6,531,800	$232,487	$15,799,878	$9,268,078
Personnel Services - Employee Benefits	$2,231,169	$2,367,609	-$136,441	$5,788,713	$3,421,104
Supplies	$1,003,475	$1,188,156	-$184,682	$2,737,490	$1,549,334
Professional and Technical Services	$532,693	$1,080,889	-$548,196	$1,782,285	$701,396
Other Services & Charges	$1,785,443	$1,880,470	-$95,027	$5,152,809	$3,272,339
Property & Equipment Purchases	$2,950	$0	$2,950	$0	$0
Transfers Out	$0	$0	$0	$50,000	$50,000
EXPENSES TOTAL	**$12,320,017**	**$13,130,812**	**-$810,795**	**$31,433,248**	**$18,302,436**
Net of Revenue and Expenditures	-$800,104	-$1,386,157	–	$0	–

Actual vs Budget Year to Date with Prior Year Comparison by Department

Fund Category: General Fund; Fund: 100 - General Fund; Department: All; Division: All; Account Category: All; GL Account: All; Program: All

Mayor & Council

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	FY2026	Variance PYTD - CYTD	FY2026	Variance Budget - CYTD Actuals
Revenues					
Tax Levy	$8,030,550	$9,085,800	-$1,055,250	$18,427,728	$9,341,928
Other Taxes	$58,215	$48,039	$10,176	$300,000	$251,961
Licenses & Permits	$51,863	$67,800	-$15,937	$90,650	$22,850
Intergovernmental	$540,012	$0	$540,012	$5,751,369	$5,751,369
Charges for Services	-$6,574	-$1,353	-$5,221	$0	$1,353
Fines & Forfeitures	$0	$0	$0	$500	$500
REVENUES TOTAL	**$8,674,065**	**$9,200,286**	**-$526,221**	**$24,570,247**	**$15,369,961**
Expenses					
Expenses	$0	$395	-$395	$791	$396
Personnel Services - Salaries & Wages	$50,700	$50,700	$0	$101,400	$50,700
Personnel Services - Employee Benefits	$3,468	$3,471	-$3	$6,946	$3,475
Supplies	$1,918	$543	$1,376	$2,000	$1,457
Professional and Technical Services	$12,035	$12,488	-$453	$30,000	$17,513
Other Services & Charges	$115,272	$124,410	-$9,138	$530,134	$405,724
Transfers Out	$0	$0	$0	$50,000	$50,000
EXPENSES TOTAL	**$183,393**	**$192,006**	**-$8,613**	**$721,271**	**$529,265**
Net of Revenue and Expenditures	$8,490,672	$9,008,280	–	$23,848,976	–

Administrative Services

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	**FY2026**	**Variance PYTD - CYTD**	**FY2026**	**Variance Budget - CYTD Actuals**
Revenues					
Charges for Services	$15,343	$2,874	$12,469	$35,500	$32,626
Interest Earnings	$346,445	$104,160	$242,285	$525,000	$420,840
Other Financial Sources	$0	$5,000	-$5,000	$0	-$5,000
REVENUES TOTAL	**$361,788**	**$112,033**	**$249,755**	**$560,500**	**$448,467**
Expenses					
Expenses	$0	$32,773	-$32,773	$14,678	-$18,095
Personnel Services - Salaries & Wages	$802,721	$763,751	$38,970	$1,931,130	$1,167,379
Personnel Services - Employee Benefits	$250,194	$247,905	$2,289	$636,576	$388,671
Supplies	$11,938	$14,220	-$2,282	$117,850	$103,630
Professional and Technical Services	$81,867	$433,249	-$351,382	$489,975	$56,726
Other Services & Charges	$370,052	$420,744	-$50,692	$799,617	$378,873
EXPENSES TOTAL	**$1,516,771**	**$1,912,642**	**-$395,871**	**$3,989,826**	**$2,077,184**
Net of Revenue and Expenditures	-$1,154,983	-$1,800,609	–	-$3,429,326	–

City Attorneys

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	**FY2026**	**Variance PYTD - CYTD**	**FY2026**	**Variance Budget - CYTD Actuals**
Expenses					
Supplies	$99	$608	-$509	$500	-$108
Professional and Technical Services	$154,575	$156,411	-$1,836	$332,000	$175,589
Other Services & Charges	$3,675	$0	$3,675	$6,260	$6,260
EXPENSES TOTAL	**$158,349**	**$157,019**	**$1,330**	**$338,760**	**$181,742**
Net of Revenue and Expenditures	-$158,349	-$157,018	–	-$338,760	–

Central Services

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	**FY2026**	**Variance PYTD - CYTD**	**FY2026**	**Variance Budget - CYTD Actuals**
Revenues					
Charges for Services	$13,830	$0	$13,830	$0	$0
Miscellaneous	$68,451	$32,231	$36,219	$57,864	$25,633
REVENUES TOTAL	**$82,281**	**$32,231**	**$50,049**	**$57,864**	**$25,633**
Expenses					
Expenses	$0	$2,351	-$2,351	$5,589	$3,238
Personnel Services - Salaries & Wages	$297,201	$280,059	$17,142	$718,477	$438,418
Personnel Services - Employee Benefits	$96,120	$116,557	-$20,436	$280,311	$163,755
Supplies	$30,768	$66,374	-$35,606	$127,425	$61,051
Professional and Technical Services	$87,043	$58,649	$28,394	$193,500	$134,851
Other Services & Charges	$76,054	$167,162	-$91,108	$286,100	$118,938
EXPENSES TOTAL	**$587,186**	**$691,152**	**-$103,966**	**$1,611,402**	**$920,250**
Net of Revenue and Expenditures	-$504,906	-$658,921	–	-$1,553,538	–

Police

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	**FY2026**	**Variance PYTD - CYTD**	**FY2026**	**Variance Budget - CYTD Actuals**
Revenues					
Revenues	–	$5,999	-$5,999	$0	-$5,999
Licenses & Permits	$0	$12,825	-$12,825	$0	-$12,825
Intergovernmental	$75,391	$65,952	$9,439	$851,632	$785,680
Charges for Services	$67,497	$18,957	$48,540	$72,800	$53,843
Fines & Forfeitures	$72,305	$57,885	$14,421	$134,500	$76,615
Miscellaneous	$0	$29,792	-$29,792	$14,895	-$14,897
REVENUES TOTAL	**$215,193**	**$191,410**	**$23,783**	**$1,073,827**	**$882,417**
Expenses					
Expenses	$0	$17,847	-$17,847	$37,836	$19,989
Personnel Services - Salaries & Wages	$2,091,319	$2,082,725	$8,594	$4,856,456	$2,773,731
Personnel Services - Employee Benefits	$789,200	$831,774	-$42,574	$2,004,172	$1,172,398
Supplies	$98,118	$99,397	-$1,280	$302,040	$202,643
Professional and Technical Services	$56,492	$237,897	-$181,404	$378,650	$140,753
Other Services & Charges	$225,553	$139,210	$86,343	$546,667	$407,457
EXPENSES TOTAL	**$3,260,682**	**$3,408,850**	**-$148,168**	**$8,125,821**	**$4,716,971**
Net of Revenue and Expenditures	-$3,045,489	-$3,217,440	–	-$7,051,994	–

Fire

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	FY2026	Variance PYTD - CYTD	FY2026	Variance Budget - CYTD Actuals
Revenues					
Licenses & Permits	$12,681	$6,079	$6,602	$31,200	$25,121
Intergovernmental	$0	$1,549	-$1,549	$218,270	$216,721
Charges for Services	$101,188	$100,845	$343	$199,587	$98,742
Special Assessments	$507	$0	$507	$0	$0
Miscellaneous	$1,000	$500	$500	$0	-$500
REVENUES TOTAL	**$115,376**	**$108,972**	**$6,403**	**$449,057**	**$340,085**
Expenses					
Expenses	$0	$4,865	-$4,865	$9,893	$5,028
Personnel Services - Salaries & Wages	$554,632	$569,386	-$14,754	$1,289,560	$720,174
Personnel Services - Employee Benefits	$215,484	$235,417	-$19,933	$728,877	$493,460
Supplies	$27,385	$77,460	-$50,075	$107,650	$30,190
Professional and Technical Services	$30,268	$31,133	-$865	$59,845	$28,712
Other Services & Charges	$171,957	$149,903	$22,054	$376,865	$226,962
EXPENSES TOTAL	**$999,727**	**$1,068,164**	**-$68,437**	**$2,572,690**	**$1,504,526**
Net of Revenue and Expenditures	-$884,351	-$959,191	–	-$2,123,633	–

Building Inspection

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	FY2026	Variance PYTD - CYTD	FY2026	Variance Budget - CYTD Actuals
Revenues					
Licenses & Permits	$222,329	$211,744	$10,585	$321,200	$109,456
Charges for Services	$56,593	$61,522	-$4,929	$130,300	$68,778
REVENUES TOTAL	**$278,922**	**$273,266**	**$5,657**	**$451,500**	**$178,234**
Expenses					
Expenses	$0	$1,572	-$1,572	$3,367	$1,795
Personnel Services - Salaries & Wages	$202,395	$183,870	$18,525	$431,640	$247,770
Personnel Services - Employee Benefits	$56,811	$58,289	-$1,478	$123,993	$65,704
Supplies	$3,355	$1,904	$1,451	$7,700	$5,796
Professional and Technical Services	$0	$44	-$44	$350	$306
Other Services & Charges	$39,684	$37,487	$2,197	$51,535	$14,048
EXPENSES TOTAL	**$302,245**	**$283,165**	**$19,079**	**$618,585**	**$335,420**
Net of Revenue and Expenditures	-$23,322	-$9,900	–	-$167,085	–

Engineering

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	FY2026	Variance PYTD - CYTD	FY2026	Variance Budget - CYTD Actuals
Revenues					
Licenses & Permits	$6,274	$6,592	-$318	$22,000	$15,408
Intergovernmental	$0	$3,321	-$3,321	$0	-$3,321
Charges for Services	$3,134	$6,045	-$2,911	$1,177,500	$1,171,455
Other Financial Sources	$382,500	$409,375	-$26,875	$0	-$409,375
REVENUES TOTAL	**$391,908**	**$425,332**	**-$33,425**	**$1,199,500**	**$774,168**
Expenses					
Expenses	$0	$2,527	-$2,527	$4,849	$2,322
Personnel Services - Salaries & Wages	$306,729	$294,887	$11,842	$623,186	$328,299
Personnel Services - Employee Benefits	$78,085	$96,245	-$18,160	$190,772	$94,527
Supplies	$6,011	$3,050	$2,961	$49,500	$46,450
Professional and Technical Services	$24,379	$10,622	$13,757	$60,000	$49,378
Other Services & Charges	$24,443	$39,298	-$14,855	$832,400	$793,102
EXPENSES TOTAL	**$439,647**	**$446,629**	**-$6,982**	**$1,760,707**	**$1,314,078**
Net of Revenue and Expenditures	-$47,740	-$21,297	–	-$561,207	–

Street Maintenance

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	FY2026	Variance PYTD - CYTD	FY2026	Variance Budget - CYTD Actuals
Revenues					
Intergovernmental	$62,750	$138,060	-$75,310	$225,500	$87,440
Charges for Services	$12,589	$30,211	-$17,622	$178,000	$147,789
Miscellaneous	$2,317	$1,198	$1,119	$0	-$1,198
Other Financial Sources	$72,998	$71,042	$1,956	$0	-$71,042
REVENUES TOTAL	**$150,654**	**$240,510**	**-$89,856**	**$403,500**	**$162,990**
Expenses					
Expenses	$0	$6,387	-$6,387	$13,429	$7,042
Personnel Services - Salaries & Wages	$740,104	$752,402	-$12,298	$1,721,596	$969,194
Personnel Services - Employee Benefits	$268,965	$297,538	-$28,573	$689,165	$391,627
Supplies	$298,212	$322,945	-$24,733	$689,350	$366,405
Professional and Technical Services	$5,265	$3,742	$1,523	$20,250	$16,508
Other Services & Charges	$319,767	$353,410	-$33,642	$764,990	$411,580
Property & Equipment Purchases	$2,950	$0	$2,950	$0	$0
EXPENSES TOTAL	**$1,635,263**	**$1,736,424**	**-$101,161**	**$3,898,780**	**$2,162,356**
Net of Revenue and Expenditures	-$1,484,610	-$1,495,915	–	-$3,495,280	–

Airport

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	**FY2026**	**Variance PYTD - CYTD**	**FY2026**	**Variance Budget - CYTD Actuals**
Revenues					
Intergovernmental	$0	$0	$0	$69,313	$69,313
Charges for Services	$136,394	$103,717	$32,677	$387,000	$283,283
Miscellaneous	$119,777	$115,200	$4,578	$261,000	$145,800
REVENUES TOTAL	**$256,171**	**$218,917**	**$37,254**	**$717,313**	**$498,396**
Expenses					
Expenses	$0	$728	-$728	$1,556	$828
Personnel Services - Salaries & Wages	$87,902	$85,972	$1,930	$199,415	$113,443
Personnel Services - Employee Benefits	$28,474	$30,269	-$1,796	$65,204	$34,935
Supplies	$107,216	$119,797	-$12,582	$328,100	$208,303
Other Services & Charges	$73,631	$70,601	$3,030	$123,840	$53,239
EXPENSES TOTAL	**$297,223**	**$307,368**	**-$10,144**	**$718,115**	**$410,747**
Net of Revenue and Expenditures	-$41,052	-$88,451	–	-$802	–

Planning & Zoning

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	**FY2026**	**Variance PYTD - CYTD**	**FY2026**	**Variance Budget - CYTD Actuals**
Revenues					
Licenses & Permits	$2,025	$925	$1,100	$1,600	$675
Charges for Services	$7,794	$34,224	-$26,430	$104,070	$69,846
Other Financial Sources	$38,443	$36,896	$1,547	$0	-$36,896
REVENUES TOTAL	**$48,262**	**$72,045**	**-$23,783**	**$105,670**	**$33,625**
Expenses					
Expenses	$0	$1,426	-$1,426	$2,853	$1,427
Personnel Services - Salaries & Wages	$142,749	$166,895	-$24,146	$365,729	$198,834
Personnel Services - Employee Benefits	$34,225	$41,266	-$7,041	$90,420	$49,154
Supplies	$381	$351	$30	$3,750	$3,399
Professional and Technical Services	$19,401	$79,331	-$59,930	$52,000	-$27,331
Other Services & Charges	$3,661	$5,962	-$2,301	$47,850	$41,888
EXPENSES TOTAL	**$200,417**	**$295,232**	**-$94,815**	**$562,602**	**$267,370**
Net of Revenue and Expenditures	-$152,155	-$223,187	–	-$456,932	–

Parks & Rec Administration

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	**FY2026**	**Variance PYTD - CYTD**	**FY2026**	**Variance Budget - CYTD Actuals**
Revenues					
Charges for Services	$1,644	$0	$1,644	$0	$0
REVENUES TOTAL	**$1,644**	**$0**	**$1,644**	**$0**	**$0**
Expenses					
Expenses	$0	$639	-$639	$2,421	$1,782
Personnel Services - Salaries & Wages	$138,245	$75,115	$63,130	$307,403	$232,288
Personnel Services - Employee Benefits	$38,194	$17,330	$20,864	$90,930	$73,600
Supplies	$2,642	$1,223	$1,418	$13,300	$12,077
Professional and Technical Services	$1,485	$0	$1,485	$2,500	$2,500
Other Services & Charges	$25,386	$21,722	$3,664	$61,250	$39,528
EXPENSES TOTAL	**$205,951**	**$116,028**	**$89,922**	**$477,804**	**$361,776**
Net of Revenue and Expenditures	-$204,306	-$116,028	–	-$477,804	–

Park Maintenance

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	**FY2026**	**Variance PYTD - CYTD**	**FY2026**	**Variance Budget - CYTD Actuals**
Revenues					
Licenses & Permits	$0	$19	-$19	$0	-$19
Intergovernmental	$0	$21,320	-$21,320	$0	-$21,320
Charges for Services	$11,418	$8,097	$3,321	$500	-$7,597
REVENUES TOTAL	**$11,418**	**$29,435**	**-$18,017**	**$500**	**-$28,935**
Expenses					
Expenses	$0	$4,117	-$4,117	$9,505	$5,388
Personnel Services - Salaries & Wages	$545,012	$487,570	$57,443	$1,235,634	$748,064
Personnel Services - Employee Benefits	$166,769	$182,072	-$15,303	$376,126	$194,054
Supplies	$277,546	$281,563	-$4,016	$545,375	$263,812
Professional and Technical Services	$4,372	$515	$3,857	$15,500	$14,985
Other Services & Charges	$161,199	$156,754	$4,445	$370,651	$213,897
EXPENSES TOTAL	**$1,154,897**	**$1,112,590**	**$42,307**	**$2,552,791**	**$1,440,201**
Net of Revenue and Expenditures	-$1,143,479	-$1,083,155	–	-$2,552,291	–

Building/Grounds Maintenance

Recreation

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	**FY2026**	**Variance PYTD - CYTD**	**FY2026**	**Variance Budget - CYTD Actuals**
Revenues					
Intergovernmental	$0	$0	$0	$12,000	$12,000
Charges for Services	$725,178	$674,618	$50,560	$1,309,170	$634,552
Miscellaneous	$101,726	$92,749	$8,978	$299,400	$206,651
REVENUES TOTAL	**$826,904**	**$767,366**	**$59,538**	**$1,620,570**	**$853,204**
Expenses					
Expenses	$0	$2,935	-$2,935	$7,881	$4,946
Personnel Services - Salaries & Wages	$395,708	$349,225	$46,483	$1,066,307	$717,082
Personnel Services - Employee Benefits	$96,908	$99,697	-$2,789	$255,293	$155,596
Supplies	$104,540	$139,432	-$34,892	$298,800	$159,368
Professional and Technical Services	$31,818	$33,909	-$2,091	$113,715	$79,806
Other Services & Charges	$123,843	$124,766	-$923	$272,555	$147,789
EXPENSES TOTAL	**$752,818**	**$749,965**	**$2,853**	**$2,014,551**	**$1,264,586**
Net of Revenue and Expenditures	$74,086	$17,402	–	-$393,981	–

Library

Library

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	**FY2026**	**Variance PYTD - CYTD**	**FY2026**	**Variance Budget - CYTD Actuals**
Revenues					
Intergovernmental	$102,014	$4,704	$97,310	$215,000	$210,296
Charges for Services	$2,841	$67,310	-$64,469	$6,700	-$60,610
Fines & Forfeitures	$472	$837	-$366	$1,500	$663
REVENUES TOTAL	**$105,327**	**$72,851**	**$32,475**	**$223,200**	**$150,349**
Expenses					
Expenses	$0	$3,325	-$3,325	$7,425	$4,100
Personnel Services - Salaries & Wages	$408,870	$389,242	$19,627	$951,945	$562,703
Personnel Services - Employee Benefits	$108,271	$109,780	-$1,509	$249,928	$140,148
Supplies	$33,346	$59,289	-$25,943	$144,150	$84,861
Professional and Technical Services	$23,695	$22,901	$795	$34,000	$11,099
Other Services & Charges	$44,840	$69,041	-$24,201	$82,095	$13,054
EXPENSES TOTAL	**$619,022**	**$653,578**	**-$34,555**	**$1,469,543**	**$815,965**
Net of Revenue and Expenditures	-$513,696	-$580,726	–	-$1,246,343	–

Special Revenue Funds

211 - LIBRARY MEMORIALS

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	**FY2026**	**Variance PYTD - CYTD**	**FY2026**	**Variance Budget - CYTD Actuals**
Revenues					
Charges for Services	$81	$28	$53	$0	-$28
Interest Earnings	$6,731	$9,554	-$2,823	$0	-$9,554
Miscellaneous	$111,504	$1,165	$110,340	$115,000	$113,836
REVENUES TOTAL	**$118,316**	**$10,746**	**$107,570**	**$115,000**	**$104,254**
Expenses					
Supplies	$21,931	$24,532	-$2,602	$55,000	$30,468
Other Services & Charges	$25,427	$21,201	$4,226	$60,000	$38,799
Property & Equipment Purchases	$0	$0	$0	$0	$0
EXPENSES TOTAL	**$47,358**	**$45,734**	**$1,624**	**$115,000**	**$69,266**
Net of Revenue and Expenditures	$70,959	-$34,987	–	$0	–

CITY OF OWATONNA

Internal Service Funds

740 - Insurance Fund

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	**FY2026**	**Variance PYTD - CYTD**	**FY2026**	**Variance Budget - CYTD Actuals**
Revenues					
Charges for Services	$1,530,729	$1,681,980	-$151,251	$2,647,400	$965,420
Interest Earnings	$0	$9,573	-$9,573	$0	-$9,573
REVENUES TOTAL	**$1,530,729**	**$1,691,553**	**-$160,824**	**$2,647,400**	**$955,847**
Expenses					
Supplies	$0	$0	$0	$4,000	$4,000
Professional and Technical Services	$0	$0	$0	$0	$0
Other Services & Charges	$1,670,352	$1,773,314	-$102,962	$2,732,050	$958,736
EXPENSES TOTAL	**$1,670,352**	**$1,773,314**	**-$102,962**	**$2,736,050**	**$962,736**
Net of Revenue and Expenditures	-$139,623	-$81,761	–	-$88,650	–

750 - Vehicle Replacement Fund

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	**FY2026**	**Variance PYTD - CYTD**	**FY2026**	**Variance Budget - CYTD Actuals**
Revenues					
Intergovernmental	$0	-$26,908	$26,908	$0	$26,908
Charges for Services	$626,730	$627,865	-$1,135	$1,506,876	$879,011
Interest Earnings	$0	$17,415	-$17,415	$0	-$17,415
Other Financial Sources	$79,595	$28,014	$51,580	$9,600	-$18,414
REVENUES TOTAL	**$706,325**	**$646,386**	**$59,938**	**$1,516,476**	**$870,090**
Expenses					
Depreciation	$0	$0	$0	$2,500,000	$2,500,000
EXPENSES TOTAL	**$0**	**$0**	**$0**	**$2,500,000**	**$2,500,000**
Net of Revenue and Expenditures	$706,325	$646,386	–	-$983,524	–

CITY OF OWATONNA

Enterprise Funds

602 - Wastewater Treatment Fund

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	**FY2026**	**Variance PYTD - CYTD**	**FY2026**	**Variance Budget - CYTD Actuals**
Revenues					
Intergovernmental	$3,651,480	$4,353	$3,647,127	$0	-$4,353
Charges for Services	$2,777,398	$2,315,898	$461,500	$6,750,000	$4,434,102
Special Assessments	$16	$913	-$897	$32	-$881
Interest Earnings	$161,375	$133,054	$28,321	$250,000	$116,946
Miscellaneous	$0	$0	$0	$0	$0
Other Financial Sources	$0	$18,007	-$18,007	$0	-$18,007
REVENUES TOTAL	**$6,590,269**	**$2,472,226**	**$4,118,043**	**$7,000,032**	**$4,527,806**
Expenses					
Expenses	$403,641	$431,828	-$28,187	$7,968	-$423,860
Personnel Services - Salaries & Wages	$424,096	$457,443	-$33,347	$1,032,160	$574,717
Personnel Services - Employee Benefits	$127,346	$146,584	-$19,238	$324,948	$178,364
Supplies	$230,751	$150,488	$80,263	$730,495	$580,007
Professional and Technical Services	$421,679	$74,021	$347,658	$362,500	$288,480
Other Services & Charges	$77,005	$347,979	-$270,975	$1,570,450	$1,222,471
Depreciation	$0	$0	$0	$1,800,000	$1,800,000
Debt Service	$216,742	$319,399	-$102,657	$636,000	$316,601
EXPENSES TOTAL	**$1,901,259**	**$1,927,742**	**-$26,482**	**$6,464,521**	**$4,536,779**
Net of Revenue and Expenditures	$4,689,010	$544,485	–	$535,511	–

620 - Storm Water Utility

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	**FY2026**	**Variance PYTD - CYTD**	**FY2026**	**Variance Budget - CYTD Actuals**
Revenues					
Tax Levy	$64,276	$0	$64,276	$106,752	$106,752
Other Taxes	$0	$0	$0	$0	$0
Intergovernmental	$0	$0	$0	$0	$0
Charges for Services	$705,646	$567,486	$138,160	$1,787,000	$1,219,514

	PYTD ACTUALS THROUGH 6/30/25	CYTD ACTUALS THROUGH 6/30/26	CALCULATION	REVISED BUDGET	CALCULATION
	FY2025	**FY2026**	**Variance PYTD - CYTD**	**FY2026**	**Variance Budget - CYTD Actuals**
Interest Earnings	$46,483	$54,525	-$8,041	$220,000	$165,475
Miscellaneous	$0	$0	$0	$0	$0
Other Financial Sources	$0	$0	$0	$0	$0
REVENUES TOTAL	**$816,405**	**$622,011**	**$194,394**	**$2,113,752**	**$1,491,741**
Expenses					
Expenses	$90,300	$86,228	$4,072	$1,037	-$85,191
Personnel Services - Salaries & Wages	$54,542	$40,393	$14,149	$152,894	$112,502
Personnel Services - Employee Benefits	$12,806	$8,301	$4,505	$32,908	$24,607
Supplies	$9,942	$245	$9,697	$28,250	$28,005
Professional and Technical Services	$1,663	$30,146	-$28,483	$100,000	$69,854
Other Services & Charges	$16,069	$98,471	-$82,401	$238,790	$140,319
Depreciation	$0	$0	$0	$380,000	$380,000
Property & Equipment Purchases	$0	$0	$0	$0	$0
Debt Service	$15,919	$3,399	$12,520	$238,504	$235,105
Transfers Out	$0	$0	$0	$210,350	$210,350
EXPENSES TOTAL	**$201,241**	**$267,183**	**-$65,942**	**$1,382,733**	**$1,115,550**
Net of Revenue and Expenditures	$615,165	$354,828	–	$731,019	–

Weed/Nuisance Complaint Inspections						OWATONNA FIRE DEPARTMENT	
June 30, 2026 to July 15, 2026							
Address	Complaint Description	Inspection Date	Violation Notice Sent	Correction Due Date	Violation Corrected Date	Comments	Staff Hours
22 Street Northwest	Long grass & weeds	7/13/2026					0.5
22 Street Southeast	7/10: hasn't mowed, 18+ inches	7/10/2026					0.5
22 Street Southeast	Tall grass and weeds	6/22/2026	6/24/2026	7/5/2026			0.5
4 Avenue Southeast	Long weeds	6/22/2026	6/24/2026	7/5/2026	7/10/2026	Has been cut	0.5
Kilworth Drive	Long grass/weeds, wild parsnips - lot west of Auto Zone	6/24/2026	6/26/2026	7/9/2026	7/15/2026	Has been cut	0.5
Park Drive	Tall weeds, wild parsnips 7/6/26-Their mowing service couldn't get out there before the 5th to mow. Will be done by 7/10.	6/23/2026	6/24/2026	7/10/2026	7/15/2026	Has been cut	0.5
State Avenue	Wild Parsnips and tall weeds in vacant lot - west of old Walmart and north of Auto Zone 6/24/26: Confirmed tall weeds and wild parsnip	6/24/2026	6/26/2026	7/9/2026	7/15/2026	Has been cut	0.5
1025 Vine Street East	Couch in backyard, construction debris from unfinished garage project, piles of gravel in front yard, sediment barriers still in place after garage construction, and general debris left around property/backyard. 6/30: couch not visible from street, confirmed construction debris and gravel	6/4/2026					0.5
1039-1041 Oak Avenue South	Tall grass/weeds, especially in back yard. 6/18: confirmed grass and weeds in back 7/8 - spoke with owner. Gave him an extension	6/4/2026	6/25/2026	7/15/2026			0.5
110 Spruce Avenue	Wild parsnip	6/30/2026	7/3/2026	7/15/2026			0.5
1130 Frontage Road West	Wild Parsnip is growing around wal marts storm water pond that is located south of frontage road and north of Hoffman drive, across from wal marts semi parking lot. 6/23/26: confirmed tall weeds and wild parsnip	6/22/2026	7/3/2026	7/15/2026	7/15/2026	Sprayed for wild parsnip	0.5
116 Selby Avenue	Tall grass 6/26: confirmed tall grass	6/25/2026	7/3/2026	7/15/2026			0.5
123 Selby Avenue	Long grass & weeds	6/26/2026	6/30/2026	7/10/2026			0.5
1425 Havana Road	Bush on corner of Havana and Greenleaf that is blocking view when turning onto Havana.	7/15/2026					0.5

Weed/Nuisance Complaint Inspections

OWATONNA FIRE DEPARTMENT

June 30, 2026 to July 15, 2026

Address	Complaint Description	Inspection Date	Violation Notice Sent	Correction Due Date	Violation Corrected Date	Comments	Staff Hours
1500 Park Drive	Long grass and weeds 6/24/26: confirmed long grass and weeds, including wild parsnip 7/6/26: spoke with responsible party and they just received the letter. Gave them an extension to 7/17 to have it mowed.	6/24/2026	6/25/2026	7/17/2026			0.5
1810 Cedar Avenue South	Long grass by can collection	7/14/2026	7/15/2026	7/25/2026			0.5
216 Highland Avenue	Long grass	6/19/2026	6/22/2026	7/2/2026	7/10/2026	Has been cut	0.5
232 15 Street Northeast	Tall grass & weeds.	7/13/2026	7/14/2026	7/24/2026			0.5
248 School Street East	6/23/26: tall weeds 6/25/26 - Contacted mower to cut.	6/23/2026			6/25/2026	Has been cut	0.5
251 Phelps Street East	Junk in back and on driveway	6/18/2026	6/25/2026	7/9/2026			0.5
251 Rice Street East	Long grass	6/18/2026	6/22/2026	7/2/2026	7/10/2026	Has been cut	0.5
2515 Stony Creek Drive Northeast	Tall grass/weeds on vacant lot	7/14/2026					0.5
252 McKinley Street West	7/10: long grass, hole in roof; neighbor complained about rodents in neighborhood (thinks increase is due to this property)	7/10/2026					0.5
252 McKinley Street West	Long grass & weeds	6/29/2026	6/30/2026	7/10/2026			0.5
258 Woodland Drive	6/30: grass mowed, but junk on driveway and yard	6/30/2026	7/3/2026	7/15/2026			0.5
258 Woodland Drive	7/15: still tall weeds House recently sold, change of ownership will happen 8/1, new owner is aware of weeds and plans to remove them	7/15/2026					0.5
262 Woodland Drive	Tall weeds near house & driveway	6/30/2026	7/3/2026	7/15/2026			0.5
353 Thomas Avenue	Long grass	7/1/2026	7/2/2026	7/15/2026			0.5
372 School Street East	Wild parsnip	7/9/2026					0.5
398 Sylvan Street	Junk on driveway	7/1/2026					0.5
404 Kim Lane	Tall grass and weeds. 6/23/26: confirmed tall grass and weeds	6/23/2026	6/25/2026	7/9/2026			0.5

Weed/Nuisance Complaint Inspections							OWATONNA FIRE DEPARTMENT
June 30, 2026 to July 15, 2026							
Address	**Complaint Description**	**Inspection Date**	**Violation Notice Sent**	**Correction Due Date**	**Violation Corrected Date**	**Comments**	**Staff Hours**
409 Sylvan Street	Long grass	7/1/2026	7/2/2026	7/15/2026			0.5
415 Pebble Beach Drive Northeast	6/16: long weeds by house	6/16/2026	6/17/2026	6/27/2026	7/15/2026	Cleared weeds	0.5
416 Oak Avenue South	Long grass 6/18: confirmed long grass	6/16/2026	6/25/2026	7/9/2026			0.5
428 Pearl Street East	Long grass, brush on side of driveway.	6/12/2026	6/16/2026	6/26/2026			0.5
431 State Avenue	Couch by the garbage for weeks, tires hidden behind recycle bins, 6/4: couch and junk by garbage	6/4/2026	6/17/2026	7/1/2026			0.5
439 Dartt Avenue	Long grass, junk on driveway.	6/12/2026	7/1/2026	7/11/2026			0.5
457 Bridge Street West	Corner of Franklin and Bridge - there is a plant that blocks view of oncoming traffic. Uploaded complainant's pictures. 6/30: confirmed plant blocking view of traffic	6/30/2026	7/3/2026	7/15/2026			0.5
486 Martin Street	Junk piled up by side of house. 6/23/26: not visible from street	6/23/2026	6/25/2026	7/9/2026			0.5
500 Hazeltine Place Northeast	garbage on driveway, confirmed trailer with junk on it.	6/22/2026	6/25/2026	7/9/2026			0.5
505 State Avenue	Wild parsnip	7/13/2026					0.5
508 23 Street Northeast	Long grass - they don't mow regularly 7/1: long grass and weeds including thistle by fence 7/14 - Spoke with owner. Needs extension.	7/1/2026	7/3/2026	7/20/2026			0.5
509 Truman Avenue	Junk/weed on front and side of house	7/1/2026					0.5
538 14 Street Northeast	Logs on the west side of the house have been there for over a year. Overgrown grass/weeds in both the front and back yard. 7/14: confirmed tall weeds in the back, plus junk on the driveway and front step	7/14/2026					0.5
541 Main Street East	Need to go in alley between Main St and Agnes to see junk. Appliances, lumber and other junk in back yard. 6/30: confirmed junk (appliances, lumber, bags of trash etc)	6/30/2026	7/3/2026	7/15/2026			0.5

Weed/Nuisance Complaint Inspections							OWATONNA FIRE DEPARTMENT
June 30, 2026 to July 15, 2026							
Address	**Complaint Description**	**Inspection Date**	**Violation Notice Sent**	**Correction Due Date**	**Violation Corrected Date**	**Comments**	**Staff Hours**
546 School Street East	Garbage pile on side of house	7/1/2026					0.5
567 School Street East	Junk on boulevard, garbage bags piled by side of house. 7/1: no junk on boulevard, some on driveway near house and fence	6/11/2026	6/17/2026	7/1/2026			0.5
575 Mineral Springs Road Northeast	Long grass, especially on boulevard	7/1/2026	7/2/2026	7/15/2026	7/15/2026	Has been cut	0.5
610 22 Street Northeast	Wild parsnip	7/9/2026					0.5
615 Willowbrook Drive Northeast	Long grass on property line	6/24/2026	7/3/2026	7/15/2026	7/15/2026	Has been cut	0.5
645 20 Street Northeast	Junk on driveway and side of house.	6/25/2026	7/3/2026	7/15/2026			0.5
701 25 Street Northeast	Thistle and wild parsnip. Pond on the corner of 25 St NE & 7 Ave NE	7/1/2026					0.5
714 School Street East	Junk on driveway and yard	6/30/2026	7/3/2026	7/15/2026			0.5
725 Escalade Lane Southeast	Tall grass & weeds	6/26/2026	6/30/2026	7/14/2026			0.5
728 South Street East	6/23/26: confirmed long grass 6/25/26 - Contacted mower to cut. 6/25/26 - Letter was returned.	6/24/2026			6/25/2026	Has been cut	0.5
810 Minnesota Avenue	Overgrown weeds on side of house, junk on driveway.	7/14/2026					0.5
817 Minnesota Avenue Southeast	Long grass front and back 7/10: confirmed long grass, esp. in back	7/10/2026					0.5
830 Robinswood Place Northeast	Furniture and trash in back under deck.	6/18/2026	6/26/2026	7/9/2026			0.5
845 Myers Drive	Dresser and other items behind semi in driveway 7/1: confirmed dresser behind semi, plus other junk near garage door	7/1/2026	7/3/2026	7/15/2026			0.5
919 Elm Avenue North	Long grass 6/30: clumps of long weeds on boulevard, grass under 8 inches	6/30/2026	7/3/2026	7/15/2026	7/15/2026	Has been cut	0.5

Licenses
Permits

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: Owatonna Soccer Association

Previous Gambling Permit Number: X-94544-25-008

Minnesota Tax ID Number, if any: 41-1908332

Federal Employer ID Number (FEIN), if any: 41-1908332

Mailing Address: PO Box 169

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

Name of Chief Executive Officer (CEO): Michael Johnson

CEO Daytime Phone: 507-213-4503 CEO Email: michaelj@owatonnasoccer.org

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

Email permit to (if other than the CEO): samanthag@owatonnasoccer.com

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): Owatonna Soccer Complex

Physical Address (do not use P.O. box): 841 14th St SE

Check one:

☑ City: Owatonna Zip: 55060 County: Steele

☐ Township: ______ Zip: ______ County: ______

Date(s) of activity (for raffles, indicate the date of the drawing): 8-21-26

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: 7/6/26

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: [signature] Date: 5/21/26
(Signature must be CEO's signature; designee may not sign)

Print Name: Michael Johnson

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:
X a copy of your proof of nonprofit status; and
X 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

DATE: July 21, 2026
TO: Mayor and City Council
FROM: Jeanette Clawson, Administrative Coordinator
SUBJECT: Temporary Liquor Permit - August 14-23, 2026 Steele County Agricultural Society

Purpose:
Request Council approval of applications received for Temporary Liquor Licenses.

Background:
Steele County Agricultural Society submitted applications for Temporary Liquor Permits during the duration on the 2026 Steele County Free Fair activities. The required Certificate of Insurance and payment of fee were received.

Budget Impact:
$50 fee for a Temporary Liquor Permit.

Staff Recommendation:
Staff recommends approval.

Attachments:
1. Temporary Applications

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
Steele County Agricultural Society	7-09-2026	41-6038084

Organization Address (No PO Boxes)	City	State	Zip Code
1525 S Cedar Ave.	Owatonna	Minnesota	55060

Name of person making application	Business phone	Home phone
Scott Kozelka	507-451-5305	507-363-6093

Date(s) of event: 8/14/2026 - 8/16/2026

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

Organization officer's name	City	State	Zip Code
Scott Kozelka	Owatonna	Minnesota	55060
Dan Deml	Owatonna	Minnesota	55060
Timothy Arlt	Owatonna	Minnesota	55060

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

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.
Secura Insurance Co & SFM Mutual Insurance Company Policy #CP3465398 Coverage-one million

APPROVAL

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

City or County approving the license: Owatonna

Date Approved:

Fee Amount: 50.00

Permit Date:

Event in conjunction with a community festival ☒ Yes ☐ No

City or County E-mail Address:

Current population of city: 26,735

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: Steele County Agricultural Society
Date of organization: 7-09-2026
Tax exempt number: 41-6038084

Organization Address (No PO Boxes): 1525 S Cedar Ave.
City: Owatonna
State: Minnesota
Zip Code: 55060

Name of person making application: Scott Kozelka
Business phone: 507-451-5305
Home phone: 507-363-6093

Date(s) of event: 8/17/2026 - 8/23/2026

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

Organization officer's name	City	State	Zip Code
Scott Kozelka	Owatonna	Minnesota	55060
Dan Deml	Owatonna	Minnesota	55060
Timothy Arlt	Owatonna	Minnesota	55060

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

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.
Secura Insurance Co & SFM Mutual Insurance Company Policy #CP3465398 Coverage-one million

APPROVAL

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

City or County approving the license: Owatonna

Date Approved:

Fee Amount: 50.00

Permit Date:

Event in conjunction with a community festival ☒ Yes ☐ No

City or County E-mail Address:

Current population of city: 26,735

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*

CITY OF OWATONNA

EVENTS PERMIT APPLICATION
SUMMARY

Date Received: June 22, 2026

SUBJECT TO CITY COUNCIL APPROVAL

Date to Council: July 21, 2026

<table>
<tr><td colspan="5">APPLICATION INFORMATION</td></tr>
<tr><td colspan="2">Sponsoring Organization: Owatonna Parks and Recreation</td><td colspan="3">City: Owatonna</td></tr>
<tr><td colspan="2">Primary Contact/Applicant Name: Maureen Lyons</td><td colspan="3">Phone: 507-774-7363</td></tr>
<tr><td colspan="5">EVENT INFORMATION</td></tr>
<tr><td colspan="2">Event Name: Introduction to Mountain Biking</td><td colspan="3">Event Date: July 22, 2026</td></tr>
<tr><td colspan="2">Location (Address) of Event: Kaplan's Woods</td><td colspan="3">Event Contact: Maureen Lyons</td></tr>
<tr><td colspan="5">Event Description:
This event includes an introduction to the concepts, equipment, and skills of single track mountain biking.</td></tr>
<tr><td colspan="2">Estimated Attendance (Participants and spectators): 20
Neighborhood Notification Complete:</td><td colspan="3">Inclement Weather (Cancel/Postpone?): Canceled
Reschedule Date:</td></tr>
<tr><td colspan="2">Event Set Up Date: July 22, 2026</td><td colspan="3">Event Set Up Time: 3:00 p.m. - 4:00 p.m.</td></tr>
<tr><td colspan="2">Event Clean Up Date:July 22, 2026</td><td colspan="3">Event Clean Up Time: 6:30 p.m.-7:00 p.m.</td></tr>
<tr><td colspan="2">Primary On-Site Contact: Jessica Riskedahl</td><td colspan="3">Alternate On-Site Contact: Maureen Lyons</td></tr>
<tr><td colspan="2">Phone: 507-774-7363</td><td colspan="3">Phone: 507-213-0727</td></tr>
<tr><td colspan="5">EVENT FEATURES</td></tr>
<tr><td colspan="5">Advertisement: Promotion will be done through social media and paper flyers</td></tr>
<tr><td>City Streets or ROW: No
Street Names:

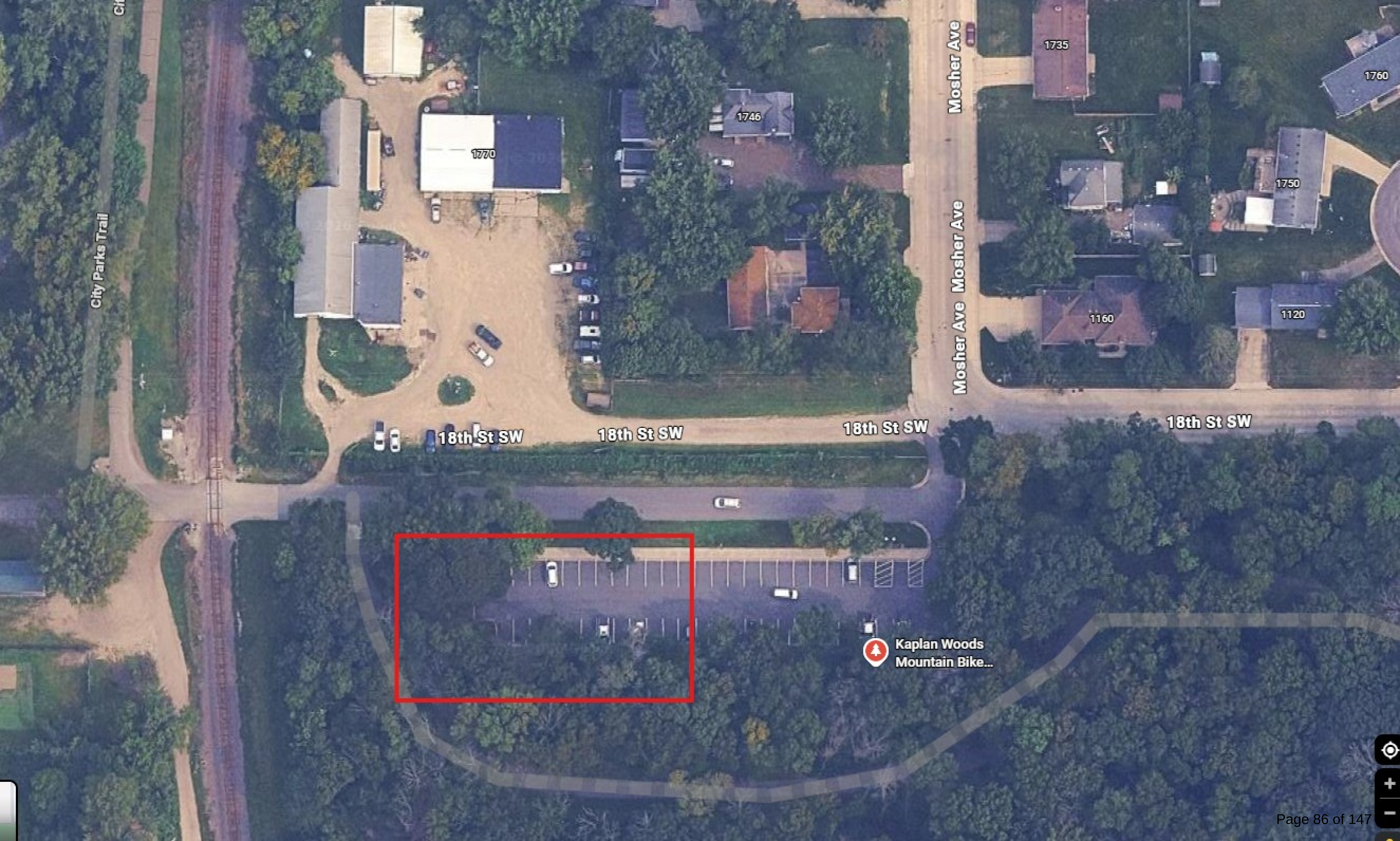
Street Use Date:
Time:</td><td>Alleys: No
Alley Name:

Alley Use Date:
Time:</td><td>City Sidewalk or Trails: No
Sidewalk/Trail Use Date:
Time:</td><td>Public Parking Lot: Yes
Parking Lot Date: July 22, 2026
Time: 3:00-7:00 p.m.</td><td>Public Park(s): No
Name of Park:

Date:
Time:</td></tr>
<tr><td>Banners: Yes
Number & Size: Ledger size paper signs will be posted on information board at Kaplan's Woods prior to the event with sandwich boards use the day of event.</td><td>Entertainment: No
Type:</td><td>Sound Amplification: No
Type:
Hours:
After 10 pm:</td><td>Stage or Tent: No
Dimensions:</td><td>Temp Fencing: No
Dimensions:</td></tr>
<tr><td colspan="5">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</td></tr>
<tr><td>Inflatables: No</td><td colspan="2">Fireworks Display: No</td><td colspan="2">Horses: No
#:</td></tr>
<tr><td colspan="5">Trash Removal: No food or drink are included, so no additional trash is expected at the event.</td></tr>
<tr><td colspan="2">Food/Alcohol</td><td colspan="3"></td></tr>
<tr><td colspan="2">Merchandise/Food Sale: No
# of Vendors:
Food Prepared on Site: No</td><td colspan="3">Alcohol Sales: No
Liquor License Provider:
Caterer w/ alcohol endorsement on license:
Temporary Liquor License Required: No</td></tr>
<tr><td colspan="5">SERVICES</td></tr>
</table>

Power Needs: None		
Barricades: Yes Size: Small Number: 2	Cones: Yes Size: Small Number: 20	Call at least 2 days prior the event to schedule barricade, cone delivery 507-456-5028
No Parking Signs: Yes Number: 8	Traffic Control: No Security: No	

EMERGENCY INFORMATION	
Emergency Action Plan: In the event of severe weather, the event will be canceled with notification on Parks and Recreation social media pages and cancellation hotline and webpage.	
Emergency Contact: Maureen Lyons	Phone Number: 507-213-0727
Crowd Control Procedures: West half of the Kaplan's Woods parking lot will be blocked off to allow for bicycle handing/skills in a controlled area.	


City Parks Trail
Mosher Ave
Mosher Ave
Mosher Ave
1735
1760
1746
1770
1750
1160
1120
18th St SW
18th St SW
18th St SW
18th St SW
Kaplan Woods
Mountain Bike...

EVENTS PERMIT APPLICATION
SUMMARY

Date Received: July 1, 2026 ***SUBJECT TO CITY COUNCIL APPROVAL*** **Date to Council:**

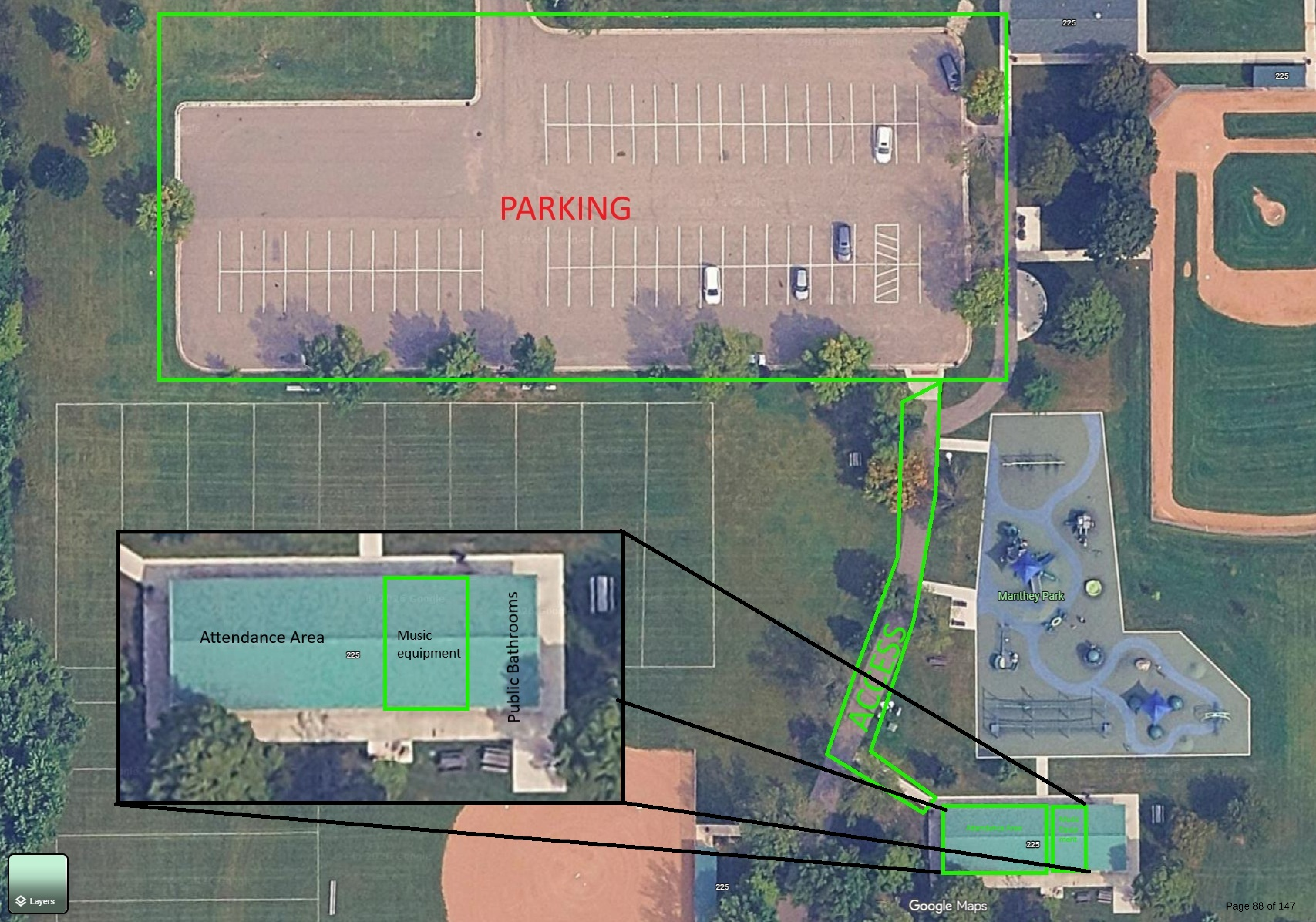
APPLICATION INFORMATION	
Sponsoring Organization: In Bed by Nine	City: Owatonna
Primary Contact/Applicant Name: Kevin	Phone: 5073639087
EVENT INFORMATION	
Event Name: In Bed by Nine	Event Date: August 29, 2026
Location (Address) of Event: Manthey Park Pavilion	Event Contact: Kevin Keller
Event Description: Concert	
Estimated Attendance (Participants and spectators): 100 Neighborhood Notification Complete:	Inclement Weather (Cancel/Postpone?): Canceled Reschedule Date:
Event Set Up Date: August 29, 2026	Event Set Up Time: 2:00PM
Event Clean Up Date:August 29, 2026	Event Clean Up Time: 6:00PM
Primary On-Site Contact: Kevin Keller	Alternate On-Site Contact: Grady Ewing
Phone: 5073639087	Phone: 3202936229

EVENT FEATURES				
Advertisement: personal invites				
City Streets or ROW: No Street Names: Street Use Date: Time:	Alleys: No Alley Name: Alley Use Date: Time:	City Sidewalk or Trails: No Sidewalk/Trail Use Date: Time:	Public Parking Lot: Yes Parking Lot Date: August 29, 2026 Time: 4:00 - 6:00 PM	Public Park(s): Yes Name of Park: Manthey Park Date: August 29, 2026 Time: 4:00 - 6:00 PM
Banners: No Number & Size:	Entertainment: Yes Type: Live music	Sound Amplification: Yes Type: Guitar amps and PA speakers Hours: 2 After 10 pm: No	Stage or Tent: No Dimensions:	Temp Fencing: No Dimensions:
Inflatables: No	Fireworks Display: No		Horses: No #:	
Trash Removal: We won't really generate any trash. However, we will leave things the way we found them, like a state park.				

Food/Alcohol	
Merchandise/Food Sale: No # of Vendors: Food Prepared on Site: No	Alcohol Sales: No Liquor License Provider: Caterer w/ alcohol endorsement on license: Temporary Liquor License Required: No
SERVICES	
Power Needs: Utilizing electrical outlets in the pavilion	
Barricades: No Size: Number:	Cones: No Size: Number:
No Parking Signs: No Number:	Traffic Control: No Security: No

EMERGENCY INFORMATION	
Emergency Action Plan: If there is a significant threat of severe weather, the event would be cancelled.	
Emergency Contact: Kevin Keller	Phone Number: 5073639087
Crowd Control Procedures: We are only anticipating 50ish people, maybe up to 100 if everyone shows. There should not be a need for crowd control.	

Note from Park &U Rec: P&R impact or request for anything outside of the pavilion. The group has already rented the pavilion. Just a reminder not to drive on the grass, even to drop off equipment


PARKING
ACCESS
Manthey Park
Attendance Area
225
Music
equipment
Public Bathrooms
Layers
Google Maps

EVENTS PERMIT APPLICATION
SUMMARY

Date Received: July 9, 2026

SUBJECT TO CITY COUNCIL APPROVAL

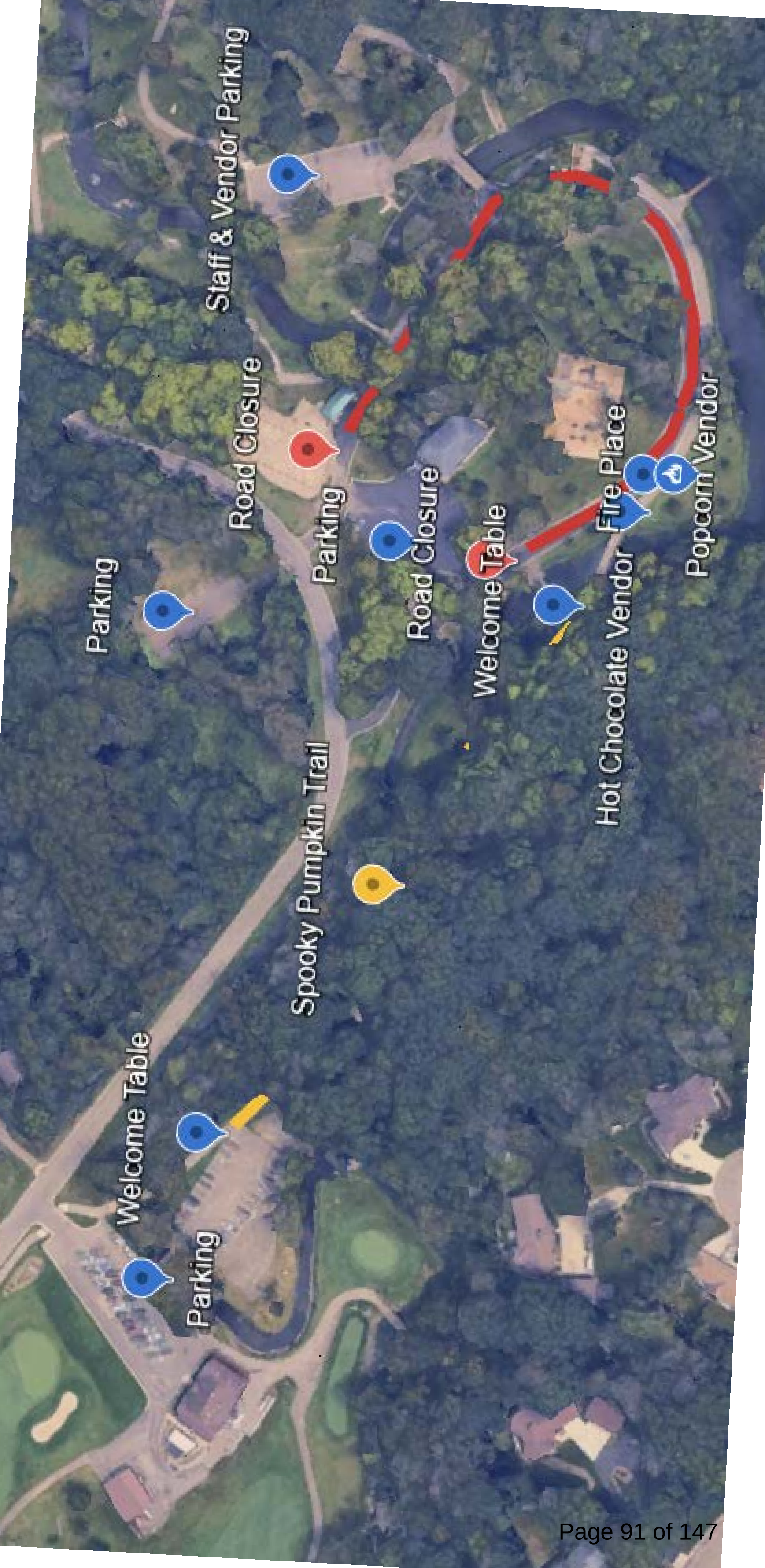
Date to Council: July 21, 2026

APPLICATION INFORMATION	
Sponsoring Organization: Owatonna Parks and Recreation	City: Owatonna
Primary Contact/Applicant Name: Carter Duerkop	Phone: 5077747110
EVENT INFORMATION	
Event Name: Spooky Pumpkin Trail	Event Date: October 24, 2026
Location (Address) of Event: Mineral Springs Park	Event Contact: Carter Duerkop
Event Description: The Spooky Pumpkn Trail is a trail full of carved and decorated pumpkins created from members of the community. The trail from brooktree golf couse to mineral springs park will be lined with pumpkins that the community can come see. At the end of the trail in the park there will be a hot chocolate/popcorn stand as well as a campfire with benches surrounding it. People will park in the brooktree parking lot, the front mineral springs parking lot, the overflow parking space across the street from the park and surrounding neighborhood street parking.	
Estimated Attendance (Participants and spectators): 1,400 Neighborhood Notification Complete:	Inclement Weather (Cancel/Postpone?): Postponed Reschedule Date: October 25, 2026
Event Set Up Date: October 24, 2026	Event Set Up Time: 12pm
Event Clean Up Date:October 24, 2026	Event Clean Up Time: 8pm
Primary On-Site Contact: Carter Duerkop	Alternate On-Site Contact: Kalyn Maurer
Phone: 5077747110	Phone: 5073012395

EVENT FEATURES				
Advertisement: Facebook, Emails, Flyers, Website, Community Activity Guide				
City Streets or ROW: Yes Street Names: Mineral Springs Park Road Street Use Date: October 24, 2026 Time: 4pm	Alleys: No Alley Name: Alley Use Date: Time:	City Sidewalk or Trails: Yes Sidewalk/Trail Use Date: October 24, 2026 Time: 12pm	Public Parking Lot: Yes Parking Lot Date: October 24, 2026 Time: 4pm	Public Park(s): Yes Name of Park: Mineral Springs Park Date: October 24, 2026 Time: 12pm
Banners: Yes Number & Size: Two 6ft x 2ft	Entertainment: No Type:	Sound Amplification: No Type: Hours: After 10 pm:	Stage or Tent: No Dimensions:	Temp Fencing: No Dimensions:
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				
Inflatables: No	Fireworks Display: No		Horses: No #:	
Trash Removal: Use of park and recreation staff Please connect with MJ and Jesse prior to the event if there are needs from Park Maintenance staff				
Food/Alcohol				

Merchandise/Food Sale: Yes # of Vendors: 2 Food Prepared on Site: No	Alcohol Sales: No Liquor License Provider: Caterer w/ alcohol endorsement on license: Temporary Liquor License Required: No
SERVICES	
Power Needs: Will need power to the Popcorn and hot chocolate vendor	
Barricades: Yes Size: Medium Number: 2 Please call 5074565028 at least 2 days prior the event	Cones: No Size: Number:
No Parking Signs: No Number:	Traffic Control: Yes Security: No

EMERGENCY INFORMATION	
Emergency Action Plan: Announcement will be made to all guests notifying them as soon as possible that severe weather is approaching and can have time to evacuate. If needed, the brooktree club house can be used as an emergency shelter.	
Emergency Contact: Carter Duerkop	Phone Number: 5076765784
Crowd Control Procedures: Assistance with pedestrains crossing Cherry st in front of mineral springs park	


Staff & Vendor Parking
Road Closure
Parking
Parking
Road Closure
Welcome Table
Fire Place
Popcorn Vendor
Hot Chocolate Vendor
Spooky Pumpkin Trail
Welcome Table
Parking

CITY OF OWATONNA

Miscellaneous

CITY OF OWATONNA

DATE: July 21, 2026
TO: Mayor and City Council
FROM: Rachel Boss, Human Resources Director
SUBJECT: Revised 2026 Non-Benefited Employee Pay Structure

Purpose:

Approve the revised non-benefited employee pay structure for the Election Judges rate of pay for hours training and working the 2026 Elections.

Background:

On March 17, 2026, the City Council approved the 2026 non-benefit pay structure. The non-benefit pay structure establishes wage ranges for seasonal, temporary, and other non-benefited positions within the City.

Since adoption of the 2026 pay structure, staff identified the need to adjust the rate of pay for the Election Judges. These rates were included in the 2026 Budget.

This revision does not impact any other positions within the pay structure and does not modify the wages of any currently approved positions.

Budget Impact:

Increase hourly rate of pay by $1 for Election Judges and added a Student Judge pay rate.

Staff Recommendation:

Staff recommends approval of the revised 2026 Non-Benefited Employee Pay Structure.

Attachments:

1. Non-Benefited Employee Pay Structure 7.21.2026

City of Owatonna
Non-Benefited Employees Pay Structure
Effective 06-01-2026

	Pay Range																
Job Title	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
Adult Program Official*	$19.00	$19.50	$20.00	$20.50	$21.00	$21.50	$22.00	$22.50	$23.00	$23.50	$24.00	$24.50					
Airport Maintenance	$22.50	$23.00	$23.50	$24.00	$24.50	$25.00											
Coordinator*	$19.50	$20.00	$20.50	$21.00	$21.50	$22.00	$22.50	$23.00	$23.50	$24.00	$24.50						
Guest Services*	$13.00	$13.50	$14.00	$14.50	$15.00												
Guest Services Lead *	$16.00	$16.50	$17.00	$17.50	$18.00												
Head Lifeguard*	$16.50	$17.00	$17.50	$18.00	$18.50												
Intern*	$16.00	$16.50	$17.00	$17.50	$18.00	$18.50	$19.00	$19.50	$20.00	$20.50	$21.00	$21.50	$22.00	$22.50	$23.00	$23.50	$24.00
Library Page*	$12.00	$12.50	$13.00	$13.50	$14.00												
Library Substitute*	$18.00	$18.50	$19.00	$19.50	$20.00												
Lifeguard*	$14.50	$15.00	$15.50	$16.00	$16.50												
Lifeguard Training Instructor*	$19.50	$20.00	$20.50	$21.00	$21.50	$22.00	$22.50	$23.00	$23.50	$24.00	$24.50						
Park, Golf & Facilities Maintenance*	$15.00	$15.50	$16.00	$16.50	$17.00	$17.50	$18.00										
Program Lead*	$16.00	$16.50	$17.00	$17.50	$18.00	$18.50	$19.00										
Street Maintenance*	$15.00	$15.50	$16.00	$16.50	$17.00	$17.50	$18.00										
Water Safety Instructor*	$16.50	$17.00	$17.50	$18.00	$18.50	$18.50	$19.00										
Youth Program Official*	$15.00	$15.50	$16.00	$16.50	$17.00	$17.50	$18.00	$18.50	$19.00	$19.50	$20.00						
Fire																	
Paid on Call Firefighter - Trainee	$14.11																
Paid on Call Firefighter - Probationary	$16.93																
Paid on Call Firefighter	$19.73																
Paid on Call Resident Firefighter	$23.35																
Weed/Nusiance Inspector *	$16.00	$16.50	$17.00	$17.50	$18.00	$18.50	$19.00	$19.50	$20.00	$20.50	$21.00	$21.50	$22.00	$22.50	$23.00	$23.50	$24.00
Judges																	
Student Judge	$13.00																
Election Judge	$14.00																
Head Election Judge	$15.00																

Seasonal/Temporary Employee Wage Increase Procedure

The starred (*)positions will move up a step effective January 1 after every consecutive year/season of service in that role with the city until reaching the maximum rate.

**Youth Program Soccer Officials who provide proof of certification will receive an additional $3

DATE: July 21, 2026
TO: Mayor and City Council
FROM: Jeanette Clawson, Administrative Coordinator
SUBJECT: Amendment to Resolution 42-26 Application to Conduct Off-Site Gambling - Owatonna Elks Club #1395

Purpose:
Request Council approval of an amendment to Resolution 42-26 approving an Off-Site Gambling Application from the Elks.

Background:
The Elk's has a Charitable Gambling License, so they are required to file a LG230 to take their license off-site and not use the LG220, Exempt Permit. Council previously approved this resolution but the Minnesota Gambling Control Board requests more detail within the resolution giving event specifics. The Elks plan to operate pull tabs during the Steele County Free Fair on August 18-23, 2026 at the site address of 1440 Elm Avenue S.

Budget Impact:
None

Staff Recommendation:
Staff recommends approval.

Attachments:
1. Resolution 42-26 Amendment - Off-Site Gambling Activity - Owatonna Elks Club

AMENDMENT TO RESOLUTION NO. 42-26

A RESOLUTION APPROVING APPLICATION TO CONDUCT
OFF-SITE GAMBLING

WHEREAS the Owatonna Elks Club #1395 holds a current Lawful Charitable Gambling Permit with the Minnesota Gambling Control Bard to conduct lawful charitable gambling at designated sites; and

WHEREAS the Owatonna Elks Club #1395 plans to conduct lawful gambling at another site, the Steele County Fairgrounds at 1440 Elm Avenue South in Owatonna, Minnesota during the Steele County Free Fair, from August 18 to August 23, 2026; and

WHEREAS Owatonna Elks Club #1395 has made application to conduct Off-Site Gambling for this date and location by providing pull tabs.

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

1. The application to conduct Off-Site Gambling submitted by the Owatonna Elks Club #1395 for dates of August 18-23, 2026 at the Steele County Fairgrounds,1440 Elm Ave South may may be and hereby is approved.

Passed and adopted this ______ 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

CITY OF OWATONNA

Resolutions

PURPOSE MEMO

To: Mayor, City Council, City Administrator
From: Mark M. Walbran
Re: Reappointment of Charter Commission Members
Date: July 16, 2026

Purpose:

The purpose of Resolution No. 68-26 is to reappoint 4 Charter Commissioners whose terms have expired.

Background:

The terms of Nick Lewis (First Ward), John Havelka (Second Ward), Brad Bloomenrader (Third Ward), and Ken Henricksen (Fourth Ward) have expired, and each has consented to serve an additional four year term; and

Presently there are 3 current Commissioners, Vern Wilker, Walter Hansen, and Don Overlie, whose terms expire on December 31, 2007, for a total of 7.

Budget Impact:

None.

Recommendation:

Staff recommends that the Council adopt Resolution No. 68-26 reappointing the four (4) Commissioners whose terms have expired.

RESOLUTION NO. 68-26
A RESOLUTION APPROVING THE REAPPOINTMENT
OF COMMISSIONERS TO THE CHARTER COMMISSION

WHEREAS, a Charter Commission of the City of Owatonna has heretofore been duly established; and

WHEREAS, the terms of Nick Lewis (First Ward), John Havelka (Second Ward), Brad Bloomenrader (Third Ward), and Ken Henricksen (Fourth Ward) have expired, and each has consented to serve an additional four year term; and

WHEREAS, the foregoing have been found eligible under the law to continue their service on the Charter Commission; and

WHEREAS, Minn. Stat. § 410.05, subd. 2, provides that the Chief Judge of the District Court of the Judicial District in which the City is situated shall appoint Charter Commission members.

NOW, THEREFORE, BE IT RESOLVED, that the City Council approves the reappointments of Nick Lewis (First Ward), John Havelka (Second Ward), Brad Bloomenrader (Third Ward), and Ken Henricksen (Fourth Ward) to the Charter Commission.

BE IT FURTHER RESOLVED that the recommendation of these appointments be forwarded to the Chief Judge of the District Court of the Judicial District in which the City is situated for appointment to the Charter Commission.

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

DATE:	July 21, 2026
TO:	Mayor and City Council
FROM:	Troy Klecker, Community Development Director
SUBJECT:	Resolution 69-26: Approving the Assignment of Tax Increment Financing Development Agreement and Collateral Assignment of TIF Note

Purpose:

Approve the Assignment of Tax Increment Financing Development Agreement and Collateral Assignment of TIF Note for the Ascend project

Background:

The original Ascend project downtown along the river is now complete. The Ascend South project is currently under construction under a different owner group than the original Ascend project. The Ascend South owner group will now be purchasing the original Ascend project and the legal documents need to change to make the sale happen. The Collateral Assignment and Subordination of Development Agreement and TIF Note and the Assignment and Assumption of the Development Agreement are two documents that would need to be signed by the City. The documents transfer the responsibilities and guarantees of the project to the new owner group and it's lender. Taft Law, the City development attorney, worked with the developer's attorney to create the documents.

Budget Impact:

There is no budget impact to the City. The original agreement is still in place, just with a different owner. Legal costs associated with this transfer will be paid by the new owner.

Staff Recommendation:

Staff recommends approval of the proposed resolution.

Attachments:

1. Resolution 69-26
2. Collateral Assignment and Subordination of Development Agreement and TIF Note (Phase I) 3
3. Assignment and Assumption of Development Agreement 2

RESOLUTION 69-26: APPROVING THE ASSIGNMENT OF TAX INCREMENT FINANCING DEVELOPMENT AGREEMENT AND COLLATERAL ASSIGNMENT OF TIF NOTE

A. WHEREAS, the City and Block 300 Owatonna LLC, a Minnesota limited liability company (the "Developer"), have entered into a Development Agreement dated as of March 22, 2023 (the "Development Agreement"), in connection with redevelopment of certain property within Tax Increment Financing District 19-1 by the Developer and the construction of an approximately 29,194 square-foot mixed-use building containing commercial space and 69 apartment units and a 7,000 square-foot commercial building (the "Project"); and

B. WHEREAS, the City, upon compliance by the Developer with the provisions of the Development Agreement, issued that certain Tax Increment Revenue Note of 2023, dated October 28, 2025, payable to the Developer or its registered assigns (the "TIF Note"); and

C. WHEREAS, the Developer is conveying the Property to Ascend North LLC, a Minnesota limited liability company (the "Assignee"), pursuant to that certain Purchase Agreement dated October 2, 2025, as amended, and, in connection with such conveyance, Developer desires to assign to Assignee all of Developer's right, title, and interest in and to the Development Agreement and the TIF Note.

D. WHEREAS, the Assignee is seeking to further 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 Assignee 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 "Collateral Assignment"); and

E. WHEREAS, pursuant to the terms of the Development Agreement, the Assignment and the Collateral Assignment require the consent of the City; and

F. WHEREAS, a draft of the Assignment and a draft of the Collateral Assignment have 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 and the Collateral Assignment (the "Assignments"), in substantially the forms submitted, and the Mayor and the City Administrator are hereby authorized and directed to execute the Assignments 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 Assignments 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 Assignments. The execution of the Assignments by the appropriate officer or officers of the City shall be conclusive evidence of the approval of the Assignments in accordance with the terms hereof.

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

Aye ____: No____; Abesnt____.

Approved and signed this __ day of July, 2026

____
Matt Jessop
Mayor

Attest:

____
Jenna Tuma
City Administrator

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 July, 2026, by and among the **CITY OF OWATONNA, MINNESOTA**, a municipal corporation existing under the laws of the State of Minnesota (the "City"), **Ascend North LLC**, a Minnesota limited liability company (the "Property Owner"), and **OLD NATIONAL BANK**, a national banking association (the "Lender").

Recitals

WHEREAS, the City and the Block 300 Owatonna LLC ("Developer") are parties to that certain Development Agreement dated as of March 22, 2023 (the "Development Agreement"), pertaining to, among other things, the construction of a mixed-use building consisting of 69 market-rate apartments, 62 underground parking spaces, approximately 29,194 of commercial space, and an approximately 7,000 square foot building (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 issued a Tax Increment Revenue Note of 2023 (the "TIF Note") payable to the Developer or its registered assigns upon the terms and conditions set forth therein; and

WHEREAS, on or about the date hereof, the Developer has sold the Project to Property Owner, and in connection with such sale, the Developer has assigned all of its right, title and interest in the TIF Note to Property Owner; and

WHEREAS, in connection with the purchase of the Project by Property Owner, the Property Owner and the Lender have entered into that certain Loan Agreement of even date herewith (the "Loan Agreement"), pursuant to which the Lender has agreed to make a loan to the Property Owner in the original principal amount of $19,730,000.00, evidenced by a Promissory Note in the original principal amount of $19,730,000.00 (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 Property Owner 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 of Leases"), executed by the Property Owner 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 Property Owner assign its rights under the Development Agreement and in and to the TIF Note to the Lender to secure the obligations of the Property Owner under the Note, the Loan Agreement, the Mortgage and the Assignment of Leases, 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 Property Owner 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 Property Owner 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 amendments, addenda and modifications thereof, whether made now or hereafter, to secure the obligations of the Property Owner under the Note, the Loan Agreement, the Mortgage and the Assignment.

3. The Property Owner 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), and that to the Property Owner's knowledge, (a) the Development Agreement is a valid and enforceable agreement, (b) neither the City nor the Property Owner is in default thereunder and (c) all covenants, conditions and agreements have been performed as required therein, except those not required to be performed until after the date hereof. The Property Owner 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. The Property Owner hereby irrevocably constitutes and appoints the Lender as its attorney-in-fact to demand, receive and enforce the Property Owner's rights under the Development Agreement and the TIF Note for and on behalf of and in the name of the Property Owner or, at the option of the Lender, in the name of the Lender, with the same force and effect as the Property Owner 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, except as otherwise expressly provided in this Assignment.

5. Upon the occurrence of an Event of Default, without affecting any of the Lender's rights or remedies against the Property Owner under any other instrument or agreement, the

Property Owner shall be deemed to have irrevocably appointed the Lender as the Property Owner's attorney-in-fact to exercise any or all of the Property Owner's rights in, to and under this Assignment and to give appropriate receipts, releases and satisfactions on behalf of the Property Owner in connection with the performance by any party to the Development Agreement or the TIF Note and to do any or all other acts in the Property Owner's name or in the Lender's own name that the Property Owner could do under the Development Agreement or the TIF Note 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 Property Owner 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 Property Owner hereby authorizes the Lender to deliver a copy of this Assignment to any other party to the Development Agreement or the TIF Note to verify the rights granted to the Lender hereunder. The City is authorized and directed by the Property Owner to make payments and otherwise perform its obligations under the Development Agreement and the TIF Note to the Lender upon presentation of a copy of this Assignment, provided that the Property Owner, or the Lender on its behalf, is in compliance with all required provisions of the Development Agreement (other than as set forth in Paragraph 9 of this Assignment).

6. The City hereby consents to 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 Property Owner 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 City further represents and warrants that the Project has been completed in compliance with the Development Agreement, and the City either has executed, or shall execute, the Certificate of Completion and Release of Forfeiture and cause such certificate and release to be recorded with the Steele County Recorder's Office.

7. The Property Owner shall execute such endorsements, assignments or other transfer documents as may be reasonably required to evidence the Lender's security interest in the TIF Note and shall deliver to the Lender the original TIF Note to be held as collateral security for this Assignment. Upon receipt of written notice from the Lender following an Event of Default, the City agrees to make payments under the TIF Note directly to the Lender.

8. The City agrees to provide the Lender with a copy of each notice of default concurrently with delivery thereof to the Property Owner 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(3) 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(3) 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 Property Owner 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 may be waived, modified, amended, terminated or discharged only by a written instrument signed by the Lender and the Property Owner; provided, however, that if such waiver, modification, amendment, termination or discharge affects the rights or obligations of the City hereunder, the City's consent shall also be required. 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 Property Owner 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 Property Owner:

Ascend North LLC
100 4th Avenue South
St. Cloud, Minnesota 56301
Attention: Lawrence Brutger

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 Property Owner has caused this Assignment to be duly executed as of July __, 2026.

13930.466
43301472v1

[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 July, 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 July, 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

SIGNATURE PAGE
COLLATERAL ASSIGNMENT AND SUBORDINATION OF DEVELOPMENT
AGREEMENT AND TIF NOTE

<u>PROPERTY OWNER</u>:

ASCEND NORTH LLC,
a Minnesota limited liability company

By: Brutger Equities, Inc.,
a Minnesota corporation
Its: Manager

By:______________________________
Lawrence Brutger
Its: President

STATE OF ______________)
)
COUNTY OF ____________)

The foregoing instrument was acknowledged before me this ____ day of July, 2026, by Lawrence Brutger, the President of Brutger Equities, Inc., a Minnesota corporation, the Manager of Ascend 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 July, 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

SIGNATURE PAGE
COLLATERAL ASSIGNMENT AND SUBORDINATION OF DEVELOPMENT AGREEMENT AND TIF NOTE

EXHIBIT A

(Legal Description)

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

Lot 2, Block 1, REDLINE ADDITION, Steele County, Minnesota.

ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT AND TAX INCREMENT REVENUE NOTE

Block 300 Owatonna LLC, a Minnesota limited liability company ("**Assignor**"), and **Ascend North LLC**, a Minnesota limited liability company ("**Assignee**") enter into this Assignment and Assumption of Development Agreement and Tax Increment Revenue Note (this "**Agreement**") effective as of July 31, 2026 (the "**Effective Date**"),

RECITALS

A. Assignor and the City of Owatonna, Minnesota (the "**City**") are parties to that certain Development Agreement dated as of March 22, 2023, recorded June 27, 2023, as Document No. 8088728, Steele County, Minnesota, as the same may have been amended or supplemented (the "**Development Agreement**"), relating to certain real property located at 210 Oak Avenue North, Owatonna, Minnesota and legally described as Lot 2, Block 1, Redline Addition, Steele County, Minnesota (the "**Property**").

B. Pursuant to the Development Agreement, the City issued that certain Tax Increment Revenue Note of 2023, dated October 28, 2025, payable to Assignor or its registered assigns, in the maximum principal amount of $2,767,514, subject to the terms and limitations set forth therein (the "**TIF Note**").

C. Assignor is conveying the Property to Assignee pursuant to that certain Purchase Agreement dated October 2, 2025, as amended, and, in connection with such conveyance, Assignor desires to assign to Assignee all of Assignor's right, title, and interest in and to the Development Agreement and the TIF Note.

D. Assignee desires to accept such assignment and assume the obligations of Assignor under the Development Agreement and TIF Note arising from and after the Effective Date, to the extent such obligations survive issuance and recording of the Certificate of Completion and Release of Forfeiture.

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, Assignor and Assignee agree as follows:

1. **Assignment**. Effective as of the Effective Date, Assignor sells, assigns, transfers, and conveys to Assignee all of Assignor's right, title, and interest in and to all of the following:

a. the Development Agreement;

b. the TIF Note;

c. all rights to receive payments under the Development Agreement and the TIF Note becoming due from and after the Effective Date;

d. all ledgers, payment histories, records, and other rights relating to the TIF Note;

e. all amendments, modifications, supplements, replacements, renewals, and extensions of the Development Agreement or TIF Note; and

f. all rights, claims, and causes of action arising under the Development Agreement or TIF Note from and after the Effective Date.

2. **Assumption**. Effective as of the Effective Date, Assignee accepts the foregoing assignment and assumes and agrees to perform the obligations of Assignor under the Development Agreement and TIF Note arising from and after the Effective Date, but only to the extent such obligations survive issuance and recording of the Certificate of Completion and Release of Forfeiture and have not previously been satisfied, waived, released, or discharged. Assignee does not assume, and Assignor shall remain responsible for, any duties, obligations, liabilities, defaults, claims, or breaches arising from or relating to facts, events, conditions, or periods occurring before the Effective Date. Nothing contained in this Agreement shall be construed as creating any liability of Assignee for any act, omission, breach, default, obligation or liability of Assignor occurring or arising prior to the Effective Date.

3. **TIF Note Registration**. Promptly following Closing, Assignor shall deliver, or cause to be delivered, the original TIF Note to the City, if required, for registration of Assignee as the Registered Owner of the TIF Note in accordance with its terms. Assignor and Assignee shall execute and deliver such endorsements, assignments, registrations, replacement notes, or other documentation as may be reasonably required to effectuate such registration. Assignor authorizes Assignee to present the original TIF Note and this Agreement to the City and to request that the City register Assignee as the Registered Owner of the TIF Note in accordance with its terms.

4. **Assignor Representations**. Assignor represents and warrants to Assignee that:

a. Assignor is a Minnesota limited liability company duly organized and in good standing under Minnesota law, Assignor has full power and authority to execute and deliver this Agreement, and Assignor's execution and delivery of this Agreement have been duly authorized.

b. Assignor is the current Developer under the Development Agreement and the current Registered Owner and holder of the TIF Note;

c. Assignor has not assigned, pledged, transferred, or encumbered the Development Agreement or TIF Note, except as disclosed in writing to Assignee;

d. To Assignor's knowledge, no Event of Default has occurred and is continuing under the Development Agreement or the TIF Note;

e. Assignor has not received any written notice of default from the City under the Development Agreement or TIF Note that remains uncured; and

f. Assignor has provided to Assignee copies of all amendments, notices, waivers, payment histories, ledgers, and material correspondence in Assignor's possession relating to the Development Agreement or TIF Note.

5. **Assignee Representations**. Assignee represents and warrants to Assignor that Assignee is a Minnesota limited liability company duly organized and in good standing under Minnesota law, Assignee has full power and authority to execute and deliver this Agreement, and Assignee's execution and delivery of this Agreement have been duly authorized.

6. **Indemnification**. Assignor shall indemnify, defend, and hold Assignee harmless from and against any and all claims, liabilities, losses, damages, costs, and expenses, including reasonable attorneys' fees, arising from or relating to (a) Assignor's obligations, acts, omissions, defaults, or breaches under the Development Agreement or the TIF Note occurring or accruing before the Effective Date, or (b) any breach by Assignor of its representations, warranties, or covenants contained in this Agreement. Assignee shall indemnify, defend, and hold Assignor harmless from and against any and all claims, liabilities, losses, damages, costs, and expenses, including reasonable attorneys' fees, arising from or relating to (a) Assignee's obligations, acts, omissions, defaults, or breaches under the Development Agreement or the TIF Note occurring or accruing from and after the Effective Date, but only to the extent such obligations are expressly assumed by Assignee pursuant to Section 2 of this Agreement, or (b) any breach by Assignee of its representations, warranties, or covenants contained in this Agreement.

7. **Further Assurances**. Assignor and Assignee shall execute and deliver such additional instruments and take such further actions as may be reasonably necessary to carry out the intent of this Agreement, including completion of the City's registration procedures for the TIF Note.

8. **No Amendment**. This Agreement does not amend the Development Agreement or TIF Note.

9. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

10. **Counterparts; Electronic Signatures**. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. PDF and electronic signatures shall be effective for all purposes.

[Remainder of page intentionally left blank. Signature pages follow.]

SIGNATURE PAGE TO
ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT
AND TAX INCREMENT REVENUE NOTE

The undersigned have executed this Agreement as of the Effective Date.

ASSIGNOR:

Block 300 Owatonna LLC

By________________________________
Darrin Stadheim, President

ASSIGNEE:

Ascend North LLC

By: Brutger Equities, Inc.,
Its sole manager

By________________________________
Lawrence P. Brutger, President

CITY CONSENT, ACKNOWLEDGMENT, AND LIMITED ESTOPPEL

Reference is made to that certain Assignment and Assumption of Development Agreement and Tax Increment Revenue Note dated as of July 31, 2026 (the "**Assignment Agreement**"), between Block 300 Owatonna LLC ("**Assignor**") and Ascend North LLC ("**Assignee**"). Capitalized terms not otherwise defined herein have the meanings given in the Assignment Agreement.

At the request of Assignor and Assignee, and in consideration of the transactions contemplated by the Assignment Agreement, the City of Owatonna, Minnesota (the "**City**") confirms and agrees as follows:

1. **Consent to Assignment**. The City consents to the assignment by Assignor to Assignee of Assignor's right, title, and interest in and to the Development Agreement and the TIF Note.

2. **Recognition of Assignee**. From and after the Effective Date, the City acknowledges Assignee as the successor Developer under the Development Agreement and as the Registered Owner and holder of the TIF Note, subject to the terms and conditions of the Development Agreement and TIF Note.

3. **Registration of TIF Note**. The City consents to the assignment of the TIF Note pursuant to the Assignment Agreement and agrees, upon receipt of the original TIF Note and such other documentation as the City reasonably requires, to register Assignee as the registered owner of the TIF Note in accordance with its terms. Following such registration, the City shall make all payments payable under the TIF Note to Assignee in accordance with the terms of the TIF Note, subject to any collateral assignment of the TIF Note consented to by the City.

4. **Certificate of Completion; Release of Reverter Rights**. The City confirms that the Certificate of Completion and Release of Forfeiture has been executed and recorded, or will be executed and recorded prior to or concurrently with Assignee's acquisition of the Property. Upon recording of the Certificate of Completion and Release of Forfeiture, the City acknowledges and agrees that the provisions for breach of condition subsequent, revesting of title, re-entry, and taking possession under Section 4.3 of the Development Agreement are released and of no further force or effect, and that the City has no present right to exercise any such remedies with respect to the Property.

5. **No Default**. As of the date of this Consent, the City has not issued any written notice of default under the Development Agreement or TIF Note that remains uncured and, to the City's knowledge, no uncured Event of Default currently exists under the Development Agreement or TIF Note.

6. **No Prior Assignment Noted**. The City has no knowledge of any prior assignment of the TIF Note other than the assignment to Assignee contemplated by the Assignment Agreement and the proposed subsequent collateral assignment to Assignee's lender.

7. **Payment Status**. The City confirms that, as of the date of this Consent, the principal amount shown on the Ledger attached to the TIF Note is $_______ , payment made to

date total $________, and the unpaid principal balance is $__________, together with interest accruing as provided in the TIF Note.

8. **Continuing Obligations**. Except for the continuing obligations, if any, expressly set forth in the Development Agreement and the TIF Note, the City is not aware of any remaining construction or completion obligations required to be performed by Assignor as a condition to issuance of the Certificate of Completion.

9. **No Existing Claims**. The City has not commenced, threatened in writing, or, to the City's knowledge, contemplated any action against Assignor under the Development Agreement or the TIF Note, including any action to declare an Event of Default or enforce any remedy thereunder.

10. **No Waiver of Future Rights**. Except as expressly provided in this Consent and the Certificate of Completion and Release of Forfeiture, nothing herein waives the City's rights under the Development Agreement or TIF Note with respect to future defaults occurring after the Effective Date.

Dated effective as of July 31, 2026.

CITY OF OWATONNA, MINNESOTA

By______________________________
Matt Jessop, Mayor

By______________________________
Jenna Tuma, City Administrator

DATE: July 21, 2026
TO: Mayor and City Council
FROM: Troy Klecker, Community Development Director
SUBJECT: Resolution 70-26: Amend Land Development Agreement for Redline Addition

Purpose:
Amend Land Development Agreement for Redline Addition.

Background:
As part of the original Ascend project, guarantees were provided by the developer within the Land Development Agreement. One of those guarantees was that Vine Street was to be reconstructed with a trail on the south side of the street from Oak Avenue to the river. That trail was to be completed by July 31, 2026. It was anticipated that there would be a second phase at that time and the trail could be completed by that date. The second phase was approved, and the project began earlier this year. The developer feels it is more conducive to do the trail on Vine Street towards the end of the project, which will be next summer. Therefore, the developer is requesting to move the completion date to August 1, 2027. Staff feels we would end up with a better product in the end if we did this.

Budget Impact:
There is no budget impact with this change. The trail will still get done just a year later.

Staff Recommendation:
Staff recommends approval of this resolution.

Attachments:
1. Resolution 70-26 Amend Land Dev greement - Redline Addition
2. 2023-06-20 Dev Agreement - Reline Add - 300 Block LLC
3. Request Letter

RESOLUTION NO. 70-26

A RESOLUTION AUTHORIZING AMENDMENT TO THE LAND DEVELOPMENT AGREEMENT BETWEEN THE CITY AND 300 BLOCK OWATONNA, LLC, EXTENDING THE TIME TO COMPLETE THE TRAIL

WHEREAS, the City and 300 Block Owatonna, LLC entered into a Land Development Agreement on June 27, 2023 providing certain public improvements in connection with the Ascend South project at the 300 block of North Oak Avenue; and

WHEREAS, the Agreement provided that a 10' wide bituminous trail would be constructed on the south side of Vine Street West with a completion date of July 31, 2026; and

WHEREAS, the Developer has advised that current site work underway of Ascend South is not conducive for completion of the public trail until later in the construction process,

WHEREAS, the Developer requests that the date of completion of the trail be extended to July 31, 2027 and the City Community Development Department has no objection to the request,

NOW, THEREFORE, BE IT RESOLVED, that the Land Development Agreement between the City and 300 Block Owatonna LLC dated June 27, 2023 is hereby amended by amending section 1.C.5. to extend the time within which the trail shall be constructed to July 31, 2027; and

BE IT FURTHER RESOLVED that a certified copy of this Resolution shall be affixed to the original of the Land Development Agreement dated June 27, 2023.

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

LAND DEVELOPMENT AGREEMENT
REDLINE ADDITION

THIS AGREEMENT, is made and entered into as of June 27, 2023, by and between 300 BLOCK OWATONNA, LLC, a Minnesota limited liability company (herein the "Owner") and CITY OF OWATONNA, MINNESOTA (herein the "City").

WHEREAS, the Owner and the City agree that this Agreement shall serve to facilitate the orderly and efficient development of the Project to the mutual benefit of the Owner and the City;

WHEREAS, The City has approved the Final Plat of Redline Addition, attached as Exhibit A and legally described as Exhibit B, on June 20, 2023;

WHEREAS, the City has outlined certain public improvements and/or facilities which in part provide needed infrastructure for the development of the Property;

WHEREAS, The proposed project is shown in the plans attached as Exhibit C and the Cost Estimate attached as Exhibit D.

WHEREAS, the City agrees to allow the development to proceed subject to the execution of an Agreement that addresses the impacts of the Project on the public infrastructure.

I. OWNER'S OBLIGATIONS

A. Property Development. The Owner agrees to proceed and complete the platting process of two (2) lots within Redline Addition of the Project, including recording the plat in accordance with the Subdivision Ordinance for the City of Owatonna prior to the completion of the infrastructure improvements. Outlot A will be deeded to the City of the Owatonna.

B. Grading, Drainage, Erosion Control, Utility Lines. The Owner agrees to complete the grading and drainage improvements and install the erosion control facilities and utilities in accordance with the construction plans and specifications prepared by Jones, Haugh, & Smith, Inc., and reviewed and approved by the City of Owatonna.

1. The owner shall be responsible for installing and maintaining all necessary temporary erosion and sediment control measure to be in compliance with the City of Owatonna Construction Stormwater Ordinance and the MPCA Construction Stormwater Permit and any applicable rules and regulations.

2. The owner shall be responsible for construction of all required permanent stormwater control measures. The stormwater control measures shall be in accordance with City, MPCA and any other applicable standards.

a. An access easement for inspection of stormwater control and treatment measures shall be granted to the City of Owatonna for inspection. If the stormwater control and treatment measures are found to be out of compliance, the City may repair the measures at the property owner's expense.

b. The permanent stormwater improvements will be privately owned. An association for the subdivision shall be formed or a stormwater easement and maintenance agreement agreed upon and recorded if the improvement serves more than one lot describing the responsibility for the operation and maintenance of the stormwater improvements.

3. The owner will be responsible for the design and construction of all utility improvements, including but not limited to: sanitary sewer, watermain, storm sewer, etc. in accordance with City of Owatonna regulations and all applicable rules and regulations.

4. The Owner agrees to grant a public easement for surface drainage to preserve the natural or constructed drainage flows across the Project, and acknowledges the private stormwater improvements will be treating the public right of way at the cost of the private owner or private association.

5. The Owner shall provide the City Engineer with copies of utility layout plans, as provided by the electrical, telephone, gas, and cable companies before construction.

C. Roadway Improvements. The Owner will construct all public roadways within the Project in accordance with the design standards set forth by the City of Owatonna.

1. The Owner shall dedicate through the platting process the public right-of-way for Vine Street W.

2. The applicant will also dedicate all easements shown on the plat of Redline Addition.

3. Vine Street W will be reconstructed from Oak Avenue to the River.

   a. The south curb line will remain with this construction. This will be reconstructed with the future trail project.

4. A 5' wide concrete sidewalk will be constructed on the north side of Vine Street W. Appropriate pedestrian ramps will also be constructed at each intersection.

5. Upon future development to the south, a 10' wide bituminous trail will be constructed on the south side of Vine Street W. This trail shall be constructed prior to July 31, 2026 or by completion of construction of the Phase 2 project on the south side of Vine Street W, whichever occurs first.

6. The Owner shall reimburse Owatonna Public Utilities for any streetlights on Vine Street W that are deemed necessary for this development in accordance with their policy at a cost not to exceed $15,000 per light. The lights and poles will be the fixtures that were used on Cedar Avenue. Additional street lighting may be required with a Phase 2 project on the south side of Vine Street W.

7. The Owner shall reimburse Owatonna Public Utilities for costs of any streetlight relocations on Oak Avenue (CR 45) that are necessary to be relocated for these improvements.

D. Development Plans. The project shall be developed and constructed in accordance with the plans and specifications prepared by Jones, Haugh, & Smith and attached as Exhibit D, and as approved by the City Engineer of the City of Owatonna. No work shall begin until the plan for the proposed improvements is approved by the City Engineer in writing. The plans required to be reviewed and approved are as follows:

1. Construction of Vine Street W extending from Oak Avenue to the River. The Owner shall be responsible for all grading, construction, and surfacing of Vine Street .

    a. Construction observation shall be completed by an individual with the appropriate MNDOT Certifications, including but not limited to; grading and base, aggregate production, concrete I & II, etc. To avoid any conflict of interest, construction observation shall be performed by a third party with no material connection to the Redline Addition (Ascend) Project.

    b. Test results in accordance with the Minnesota Department of Transportation Schedule of Materials control shall be performed by a qualified testing agency and shall be submitted to the City.

    c. Testing as required for utilities shall be submitted to the City, including but limited to: sanitary sewer pressure and mandrel testing along with video inspection, watermain bacteria testing and pressure testing.

    d. Construction schedule shall be submitted to the City and updated as changes occur.

2. An 18-inch (or in field equivalent) diameter public sanitary sewer main will be constructed from an existing manhole (Manhole E) on the south end of the lot and reconnected on the north end at an existing manhole (Manhole A). Service lines will be extended into both lots of the project.

3. Construct 145 feet of twelve inch public water main with tracer wire around the stormwater facility. Water services will be constructed into each lot.

4. A public Storm Sewer System will be constructed from Oak Avenue outletting to the river through the middle of the site. The Owner shall be responsible for the construction of this line. This storm line services Oak Avenue (CR 45).

5. Owatonna Public Utilities will relocate and reconstruct the steel gas main to the west side of the proposed building. The Owner will be responsible to reimburse Owatonna Public Utilities the cost to relocate and reconstruct this gas main at a cost not to exceed $65,000.

6. A fee of 1% of the total construction cost of street and utility installation costs as provided in Exhibit D shall be submitted to the City Engineer for City oversight of the public infrastructure prior to commencing construction.

7. Any variation from the approved construction plans shall be approved in writing by the City Engineer prior to making any changes.

8. As-Built construction plans shall be submitted to the City within 60 days of the City Council declaring substantial completion of the public improvements, as recommended by the City Engineer. The Owner agrees to a fine of $100 for every calendar day after the 60 day deadline for submission of the As Built drawings to the City.

E. <u>Access.</u>

1. The Owner has been granted a full access across from Pearl Street by Steele County.

2. The City agrees to a right turn only exit onto Vine Street with initial construction. If issues arise at Vine Street and Oak Avenue intersection or the Bridge Street and Oak Avenue intersection the owner shall have 90 days to remedy the situation in a manner acceptable to the City Engineer upon notice in writing from the City of Owatonna. If the Owner fails to comply and remedy the situation the access may be closed and / or removed.

3. A full access to the parking lot on the west side of the building is granted on Vine Street.

4. No other vehicular access is permitted to this property without written approval by the City.

F. Stormwater. The Owner acknowledges that the City has stormwater requirements that need to be met for all development projects. Stormwater responsibilities will all be constructed and maintained by the Owner.

G. Traffic Improvements. The Owner shall pay for all street signs, within the Project as required by the Ordinance for the City of Owatonna and Minnesota Uniform Traffic Control Manual.

H. Permits. The Owner shall obtain all necessary permits for the construction within the property.

I. Recording Fee. The Owner shall pay the recording fee for the recording of this Agreement at the Steele County Recorder's office.

J. License. The Owner hereby grants the City, its agent, and employees a license to enter the project to perform periodic inspections or observations of the work as deemed appropriate by the City.

K. Warranty. The Owner warrants all work to be performed in the public right-of-way and within the public utility easements against poor material and faulty workmanship for a period of three (3) years after its completion.

L. Inspection. Owner agrees to hire Widseth or other suitably qualified consultant to inspect and test the construction of the public improvements on a regular and routine basis including the sewage collection system, water distribution, roadways and stormwater systems. Material testing to be paid for by the owner and completed by a certified testing agency.

Owner agrees to hire Jones, Haugh, and Smith, Inc.to provide construction staking for the construction of all improvements.

Owner agrees to hire Widseth to provide as-built construction drawings within 60 days of substantial completion of the roadway and utility work.

The Owner hereby grants the City, its agents, officials, and engineers, license to enter onto the Property for purposes of undertaking its own inspections at the City's discretion, and at the City's sole expense. City agrees to indemnify Owner, their Governors, Managers, Members and Agents including but not limited to Mohs Contracting and hold them harmless from any and all claims, demands, actions, causes of action, suits, proceedings, costs, expenses, damages, and liabilities, including attorney fees, arising out of any entry authorized by City onto Owner's real property except if the claim arises from negligence caused by the Owner.

M. Security. Prior to commencement of the project, Owner shall deliver to City a Subdivision Bond or other acceptable financial surety to ensure project completion, as estimated by Jones, Haugh, and Smith and attached as Exhibit D, as principal and the City of Owatonna as obligee in the sum of $377,916.50. Said as principal and the City of Owatonna as obligee in the sum of $377,916.50. Said surety will be released by the City once the improvements have been accepted by the City Engineer.

The City is hereby granted the option, but not the obligation, to complete or cause completion in whole or part of all of the Owner's obligations under this Agreement for which a bond, letter of credit, cash deposit or other security (hereinafter referred to as the "Security") is required if the Owner defaults with respect to any term or condition in this Agreement for which Security is required and fails to cure such default(s) within ten (10) days after receipt of written notice thereof from the City; provided however if the nature of the cure is such that it is not possible to complete the cure within ten (10) days, it shall be sufficient if the Owner has initiated and is diligently pursuing such cure. The Owner acknowledges that the City does not assume any obligations or duties of the Owner with respect to any such contract agreements unless the City shall agree in writing to do so.

The City may make a claim against the Security, as appropriate, after the notice and cure period set forth in the foregoing paragraph, for any violation of the terms of this Agreement or if the Security is allowed to lapse prior to the end of the required term.

N. Monuments. Monuments of a permanent character shall be placed at the corners of all lots created by the subdivision and located as required by Minnesota Statute 505.02. Building permits will not be issued until such monuments are placed.

O. Owner's Responsibility for Code Violations. In the event of a violation of City Code relating to use of the property construction thereon or failure to fulfill an obligation imposed upon the Owner pursuant to this Agreement, City shall give the Owner written notice after which the Owner shall have 10 days within which to cure such violation, provided however, City need not issue a building or occupancy permit for construction or occupancy on the Land while such a violation is continuing, unless waived in writing by City.

P. Owner's Responsibility for its Contractors. Owner shall release, defend and indemnify City, its elected and appointed officials, employees and agents from and against any and all claims, demands, lawsuits, complaints, loss, costs (including attorneys' fees), damages and injunctions relating to any acts, failures to act, errors, omissions of Owner or Owner's consultants, contractors, subcontractors, suppliers and agents. Owner shall not be released from its responsibilities to release, defend and indemnify to the extent provided in this Agreement because of any inspection, review or approval by City.

II. CITY'S OBLIGATIONS

A. The City shall consider the Project/plat under the process outlined in the Zoning and Subdivision Ordinance for the City of Owatonna. The City shall allow the Owner to proceed and complete the platting process including plat recording for the Property prior to completion of the infrastructure.

B. Building permits will be allowed to be issued prior to the public improvements being constructed.

C. No Certificate of Occupancies will be issued until all public improvements have been deemed substantially complete by the City Council of the City of Owatonna.

D. The City will not require any transportation or environmental studies for Redline Addition at this time. Please note that this project may be considered as a connected action to any future improvements in this area for a period of 3 years from the date of this agreement.

III. GENERAL PROVISIONS

A. Waiver and Amendment. This Agreement will not be altered, modified, supplemented, or amended in any manner whatsoever except by written agreement signed by both parties.

B. Entire Agreement. This Agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, beyond those specified in this agreement.

C. Successors and Assigns. This Agreement shall be binding upon the parties, their heirs, successors and/or assigns.

D. Ordinances. Except as otherwise expressly provided herein, the Owner and the City acknowledge that they will remain subject to all applicable City ordinances, policies, and other governmental regulations.

E. Enforcements

1. In the event of either party's default which is not cured within thirty (30) days after written notice thereof, that party shall be deemed to be in default, provided however if the nature of the cure is such that it is not possible to complete the cure within thirty (30) days, it shall be sufficient if the party has initiated and is diligently pursuing such cure and completes the cure within a reasonable time as determined by The City Engineer. If the defaulting party fails to cure the default, the City shall send notice describing with specificity the nature of the default asserted, to the defaulting party and the non-defaulting party shall have all rights and remedies available under law or equity with respect to the default either to restrain any violation or recover damages, or both. In addition, and without limitation, the parties shall have the following specific rights and remedies.

a. With respect to matters that are capable of being corrected by the non-defaulting party, a non-defaulting party may, at its option enter upon the Property for the purpose of correcting the default and the non-defaulting party's reasonable costs in correcting same, plus interest as provided in Section C below, shall be paid by the defaulting party to the non-defaulting party immediately upon demand;

2. Reimbursement. Each party shall be responsible for their own Attorney's fees.

3. Interest. Interest shall accrue on all amounts required to be reimbursed by the defaulting party to the non-defaulting party pursuant to Section B above at the rate of Prime Rate as established from time to time by U.S. Bank, Rochester, Minnesota, plus two percent per annum from the date of payment by the defaulting party until the date reimbursed in full with accrued interest.

4. Remedies are Cumulative. All remedies provided herein shall be cumulative and the exercise of one remedy shall not preclude the use of any other or all of said remedies.

5. Failure to Enforce not a Waiver. Failure of any party to enforce any provisions contained herein shall not be deemed a waiver of that party's rights to enforce such provision or any other provision in the event of a subsequent default.

F. Severability. Invalidation of any of the provisions in the Agreement by judgment or court order shall in no way effect any of the other provisions, which other provision shall remain in full force and effect.

G. Force Majeure. If either party fails to perform under this Agreement because of any delays caused by fire, flood, explosion, hurricane, earthquake, tornado, wind storm, heavy rain storm, unusually inclement weather, or other casualty, strikes, walk-outs, labor disputes, governmental laws or regulations, unavailability of labor or materials, contractor delays, or other similar causes beyond either parties control, performance by such party will be extended for the period of time attributable to such causes.

H. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Minnesota.

I. Notices. Any notice or election herein required or permitted to be given or serviced by any party hereto upon the other will be in writing and delivered in person, by facsimile, recognized overnight delivery service (i.e., Federal Express, UPS, etc.), or sent by United States certified or registered mail, postage prepaid, addressed as follows:

If to Owner:

Block 300 Owatonna, LLC
Attention: Darrin Stadheim
11401 72nd Avenue SW
Ellendale, MN 56026

If to the City: City of Owatonna
Attention: City Administrator
540 West Hills Circle
Owatonna, MN 55060

Any such communication, if mailed as provided herein, will be deemed to have been received on the expiration of four (4) business days after mailing. Any such communication, if sent by recognized overnight delivery service (i.e., Federal Express, UPS, etc.) will be deemed to have been received on the first business day after the communication is sent by such means. Any communication personally delivered will be deemed to have been given upon delivery thereof in the manner above provided on the date delivered. If the last day of a period within which either party is required or allowed to provide a notice, demand, offer, election, acceptance or other communication hereunder should fall upon a Saturday, Sunday or legal holiday then, the next full business day will be included in such period and such notice, offer, demand, request or communication may be made and given on such next full business day.

J. No Third Party Beneficiaries

The terms and provisions of the Agreement are intended solely for the benefit of each party hereto and their respective successors or permitted assigns, and it is not intended to confer third-party beneficiary rights upon any other person.

IN WITNESS WHEREOF, the parties set their hands and seals as of the date and year first above written.

CITY OF OWATONNA, a Minnesota Municipal Corporation

By: Thomas A Kuntz
Its Mayor

Attest: Kris M Busse
Its City Administrator

Owner:
Block 300, LLC. a
Minnesota limited liability company

By: Darrin Stadheim

Its: Chief Officer

STATE OF MINNESOTA)
) ss
COUNTY OF STEELE)

The foregoing instrument was acknowledged before me this 27th day of June, 2023, by Thomas A Kuntz and Kris M Busse, the Mayor and City Clerk, respectively, of the City of Owatonna, a Minnesota municipal corporation, on behalf of the corporation.

Jeanette Clawson
Notary Public

JEANETTE K. CLAWSON
NOTARY PUBLIC - MINNESOTA
My Commission Expires Jan. 31, 2028

My commission expires Jan 31, 2028.

STATE OF MINNESOTA)
) ss
COUNTY OF __________)

The foregoing instrument was acknowledged before me this 26th day of June, 2023, by Darrin Stadheim, the Owner, of Block 300, LLC, a Minnesota limited liability company, on behalf of the company.

Kristen A. Kopp
Notary Public

KRISTEN A. KOPP
NOTARY PUBLIC - MINNESOTA
My Commission Expires Jan. 31, 2024

My commission expires Jan. 31, 2024.

Exhibit A

OFFICIAL PLAT

REDLINE ADDITION

KNOW ALL PERSONS BY THESE PRESENTS THAT: Block 300 Owatonna LLC, a Minnesota Limited Liability Company, owner of the following described property:

Commencing at the northeast corner of Lot 3 in Block 2 of Abbott's Addition to Town (now City) of Owatonna, thence South 48 feet; thence West 11 rods, thence North 48 feet, thence East 11 rods to the place of beginning, Steele County, Minnesota.

AND

Lots 4 and 5, Block 2, Abbott's Addition to the Town (now City) of Owatonna, Steele County,Minnesota.

AND

The East 90 feet of Lot 6, Block 2, Abbott's Addition to the City of Owatonna, Steele County,Minnesota.

AND

Lots 6 and 7, Block 2, Abbott's Addition to the City of Owatonna, Minnesota except the East 90 feet of each of said Lots, Steele County, Minnesota.

AND

The East 90 feet of Lot 7, Block 2, Abbott's Addition to the City of Owatonna, according to the recorded plat thereof, Steele County, Minnesota.

AND

Lot 8, Block 2, Abbott's Addition to the City of Owatonna, Minnesota, according to the recorded plat thereof, Steele County, Minnesota.

AND

That part of Lot 9, Block 2, Abbott's Addition to the City of Owatonna, Minnesota, according to the recorded plat thereof, described as follows: Commencing at the northeast corner of Lot 8, Block 2 Abbott's Addition to the City of Owatonna, Minnesota; thence West 17 feet along the north line of said Lot 8 to the true point of beginning; thence West 105 feet along the north line of said Lot 8; thence northeasterly 95 feet; thence southeasterly 55 feet to the true point of beginning, Steele County, Minnesota.

AND

All that part of Riverside Parking Lot Addition, according to the Plat thereof on file and of record in the Office of the County Recorder in and for Steele County, Minnesota, lying North of a line described as follows: Beginning at a point on the east line of Lot 3, Block 2 of Abbott's Addition to the Town (now City) of Owatonna which point is Forty Eight (48) feet south of the northeast corner of said Lot 3, Block 2; thence West and parallel to the north line of said Lot 3, Block 2 extended, to the easterly bank of the Straight River, and there terminating, Steele County, Minnesota.

AND

Lot 9, Block 2, Abbott's Addition to the City of Owatonna, Steele County, Minnesota, except that part of Lot 9, Block 2, Abbott's Addition to the City of Owatonna, Minnesota, according to the recorded plat thereof, described as follows: Commencing at the northeast corner of Lot 8, Block 2, Abbott's Addition to the City of Owatonna, Minnesota; thence West 17 feet along the north line of said Lot 8 to the true point of beginning; thence West 105 feet along the north line of said Lot 8; thence northeasterly 95 feet; thence southeasterly 55 feet to the true point of beginning, Steele County, Minnesota.

AND

All that part of RIVERSIDE PARKING LOT ADDITION, as the same is platted and recorded in the office of the Steele County Recorder, Steele County, Minnesota; described as follows:
Beginning at the southwest corner of the North 48.00 feet, of Lot 3, Block 2, ABBOTTS ADDITION TO OWATONNA, as the same is recorded and platted in said office; thence South 00°26'19" West a distance of 66.00 feet, on an assumed bearing on the east line of Walnut Avenue; thence North 89°32'35" West a distance of 153 feet more or less, on a line parallel to the south line of the said North 48.00 feet, to the easterly bank of the Straight River; thence northeasterly 66 feet more or less, on said easterly bank to a point on a west extension of the south line of the said North 48.00 feet; thence South 89°32'35" East a distance of 148.00 feet more or less, to the point of beginning.

Has caused the same to be surveyed and platted as REDLINE ADDITION, and does hereby dedicate to the public for public use the public ways and easements as created herewith, as shown on this plat.

In witness whereof said Block 300 Owatonna LLC, a Minnesota Limited Liability Company, has caused these presents to be signed by its proper officer this

__________ day of ____________________, 2023.

Block 300 Owatonna LLC, a Minnesota Limited Liability Company

____
SIGNATORY, TITLE

STATE OF MINNESOTA

This instrument was acknowledged before me this ______ day of ____________________, 2023 by ____, ____ of Block 300 Owatonna LLC, a Minnesota Limited 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 ____________________, 2023.

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

STATE OF MINNESOTA
This instrument was acknowledged before me this ______ day of ____________________, 2023 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 REDLINE 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 ____________________, 2023, and said plat is in compliance with the provisions of Minnesota Statutes, Section 505.03 Subd. 2.1

____
Kris M. Busse, 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 ____________________, 2023.

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

No delinquent taxes and transfer entered this ______ day of ____________________, 2023.

____
Brenda Blood, County Auditor
Steele County, Minnesota

I hereby certify that taxes payable for the year 2023 on the land hereinbefore described have been paid this

______ day of ____________________, 2023.

____
Catherine Piepho, County Treasurer
Steele County, Minnesota

Filed in the Office of the County Recorder this ______ day of ____________________ 2023, at ____ O'clock ____M., in Book ____ of Plats,

Page ____, as Document Number ____________________.

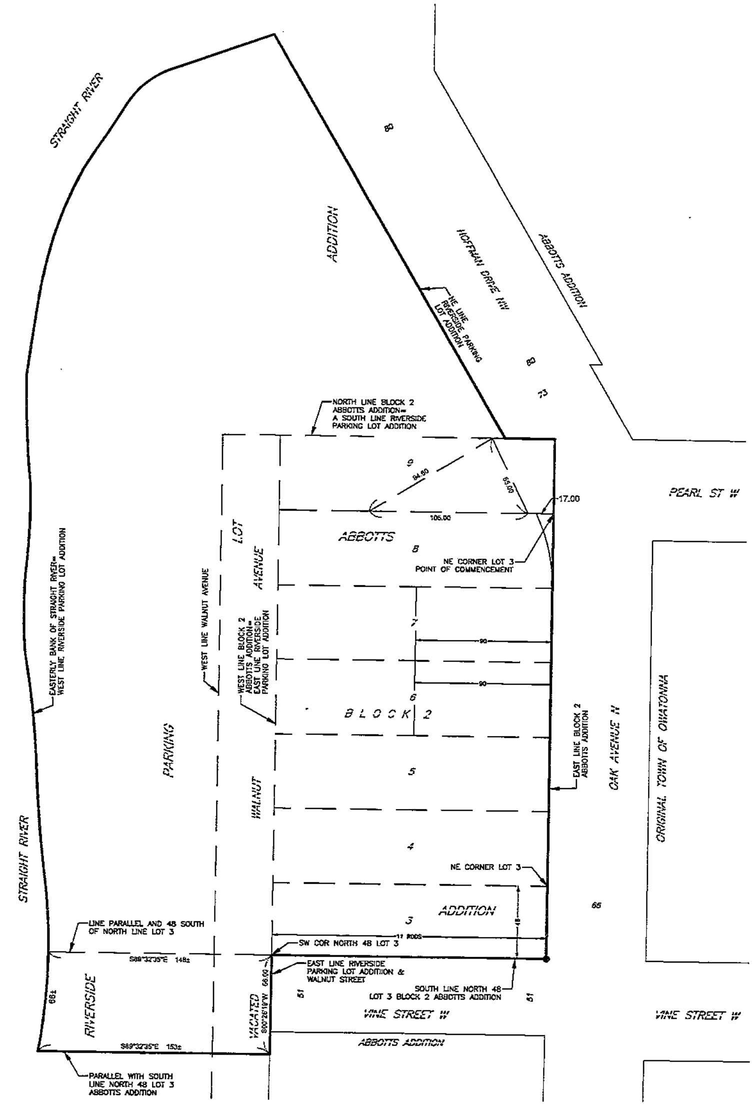
____
Rick G. Kvien, County Recorder
Steele County, Minnesota

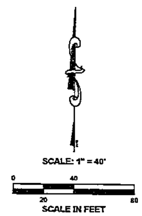
JONES, HAUGH & SMITH
PROFESSIONAL ENGINEERS & LAND SURVEYORS

SHEET NO. 2 OF 2 SHEETS

OFFICIAL PLAT

REDLINE ADDITION

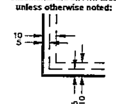




BASIS OF BEARING SYSTEM
All bearings are based on the east line of Abbotts Addition being South 00° 25' 56" West

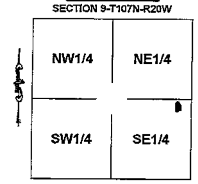
BENCHMARK:
TNFH located at the northeast corner of Oak Avenue and Vine Street.
Elevation = 1152.63

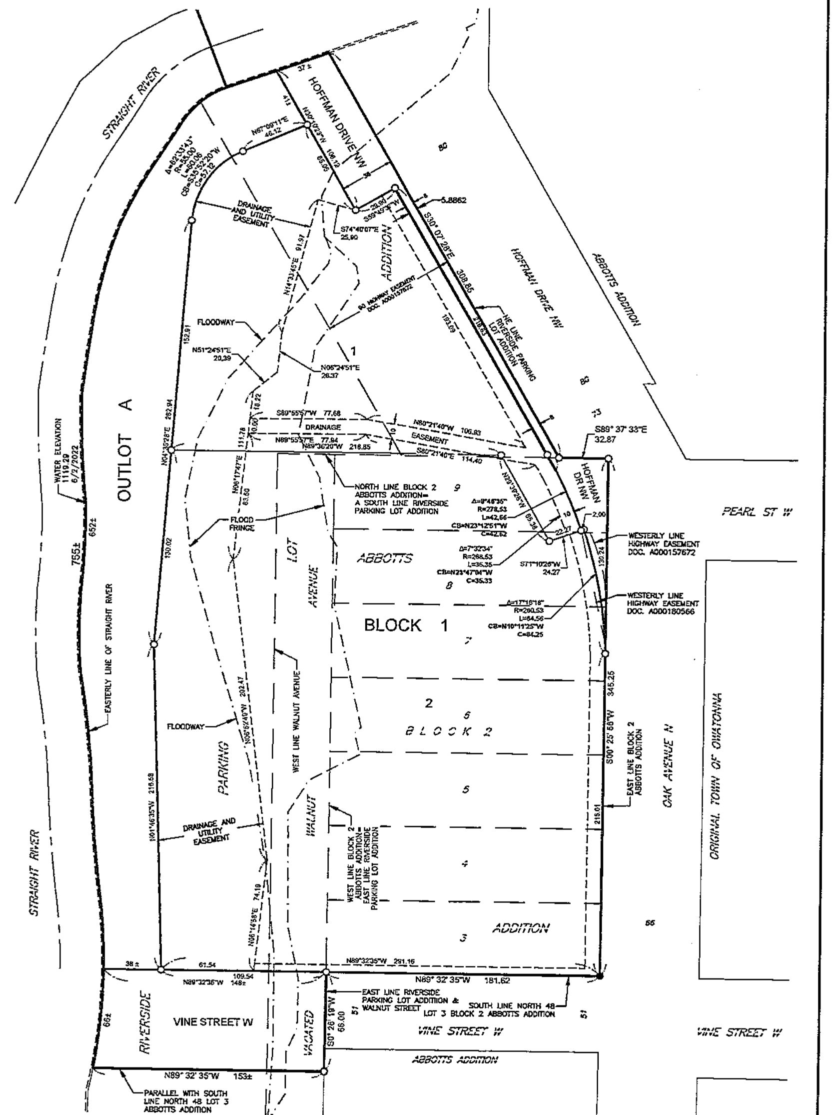
LEGEND
Drainage and Utility easements are shown thus unless otherwise noted:



○ = 5/8 inch x 16 inch iron monument (capped LS 52646)-Placed
● = Iron monument - Found
= Addition Corner

VICINITY MAP
SECTION 9-T107N-R20W





NOTES:
The location of the Flood Fringe was determined from lines provided by Steele County as determined by the Federal Emergency Management Agency (FEMA) Flood Insurance Study effective December 2, 2011. Reference Panel No. 27147C0153C
Building permitted in accordance with special requirements set forth by the City of Owatonna.

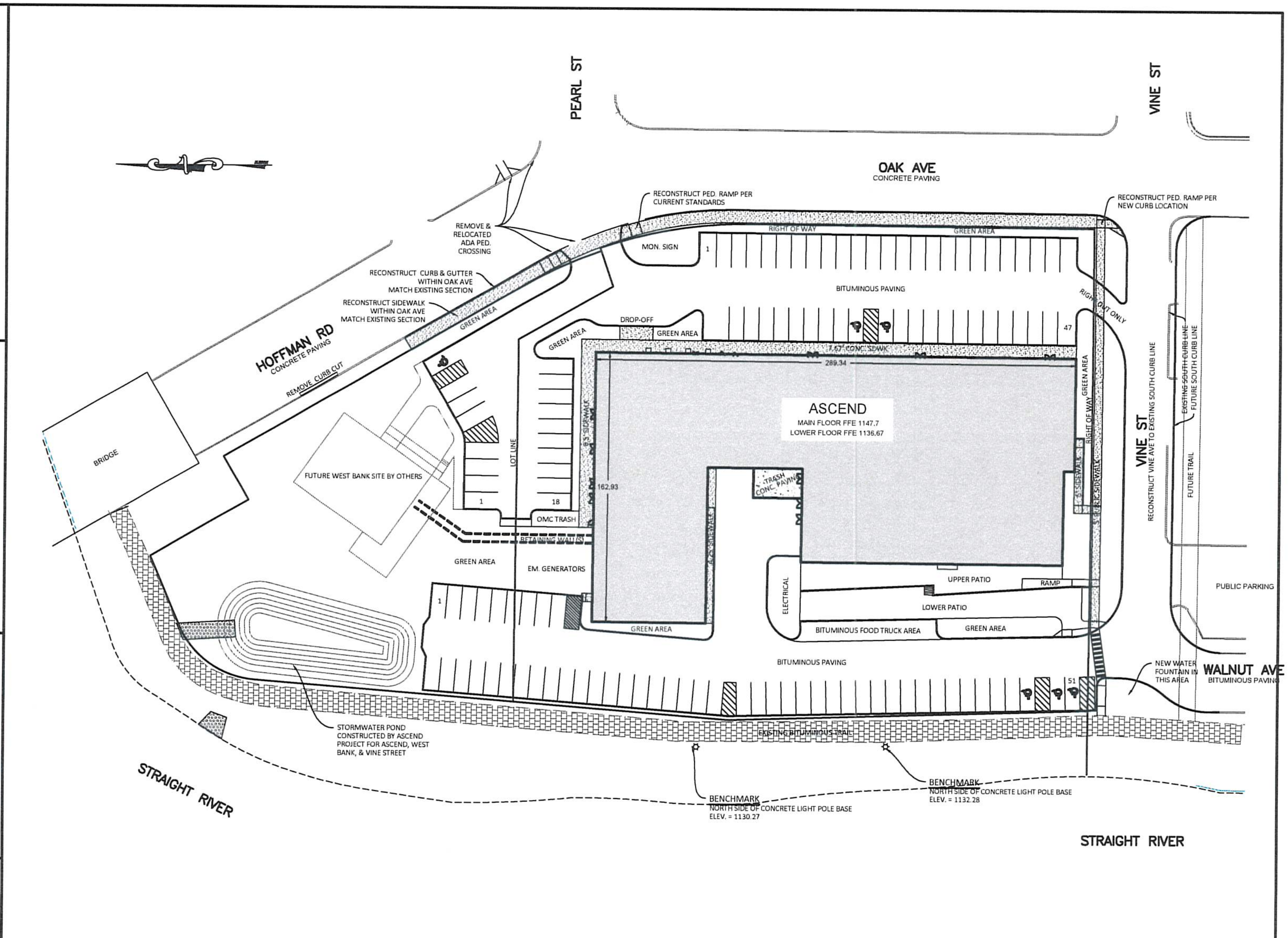
JONES, HAUGH & SMITH
PROFESSIONAL ENGINEERS & LAND SURVEYORS

SHEET NO. 1 OF 2 SHEETS

Exhibit B

Lots 1-2, Block 1, Redline Addition, Steele County, Minnesota

Exhibit C



PARKING CALCULATION:

ZONED: B-3 CENTRAL BUSINESS DISTRICT

RESIDENTIAL
1 STALL PER 1 BDR, 2 STALLS PER 2 BDR+
39 1-BDR + 30 2BDR = 99 STALLS
COMMERCIAL
1 STALL PER 500 SF

BREWERY	8929 SF
OMC	22961 SF
WEST BANK	6733 SF
	38628 SF LESS 10%= 34765 SF

34765/500 = 70 STALLS

TOTAL REQUIRED = 99+70 = 169 STALLS

STALLS PROVIDED:

ENCLOSED:	61
OAK LOT	47
NORTH LOT	18
WALNUT LOT:	51
	177

30 0 30
HORIZ. SCALE FEET
DRAWINGS ON 11x17 SHEETS ARE HALF SCALE

REV.	BY	DATE	REVISION DESCRIPTION
-	-	-	-

JONES HAUGH SMITH
Engineers + Surveyors
415 West North Street Owatonna, MN 507-451-4598

DESIGNED: JHS5
DRAWN: JHS5
CHECKED: BJJ
Date: MAY 2023
DWG: 22-1109

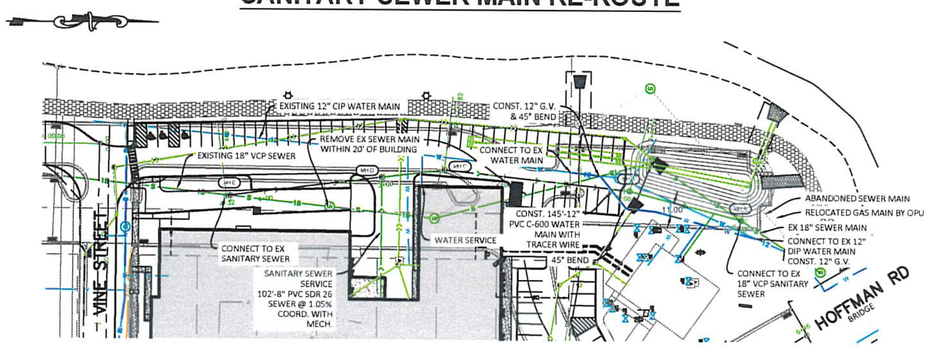
I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

John H. Schulte V
License No. 44630 Date: 5/23/23

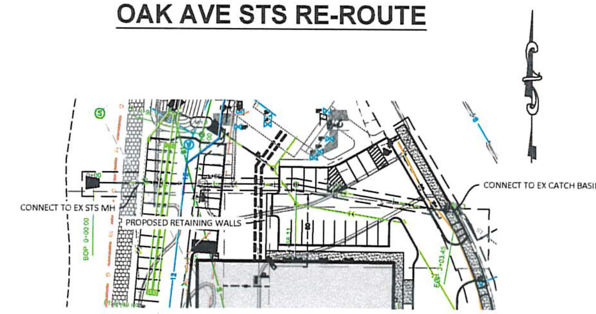
ASCEND
REDLINE DEVELOPMENT
REDLINE ADDITION
OVERALL SITE PLAN

SHEET 12 OF 22

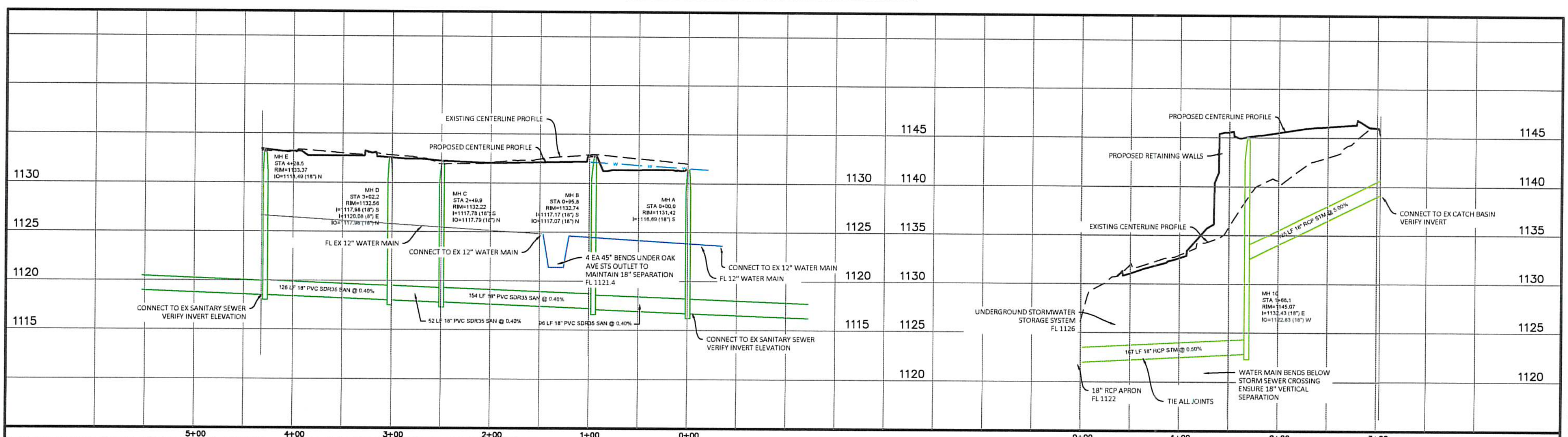
SANITARY SEWER MAIN RE-ROUTE



OAK AVE STS RE-ROUTE



PROPOSED CONSTRUCTION



50 0 50 HORIZ. SCALE FEET

5 0 5 VERT. SCALE FEET

REV.	BY	DATE	REVISION DESCRIPTION
-	-	-	-

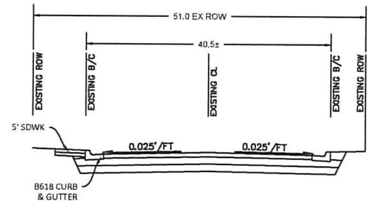
JONES HAUGH SMITH
Engineers + Surveyors
415 West North Street Owatonna, MN 507-451-4598

DESIGNED: JHSS
DRAWN: JHSS
CHECKED: SAT
DATE: MAY 2023
FILE NO: 22-1109

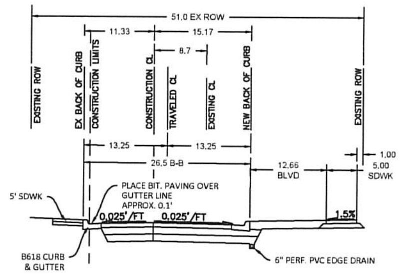
I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.
John H. Schulte V
License No. 44639 Date: 5/23/23

ASCEND
REDLINE DEVELOPMENT
REDLINE ADDITION
PUBLIC UTILITY RE-ROUTES

SHEET 21 OF 22

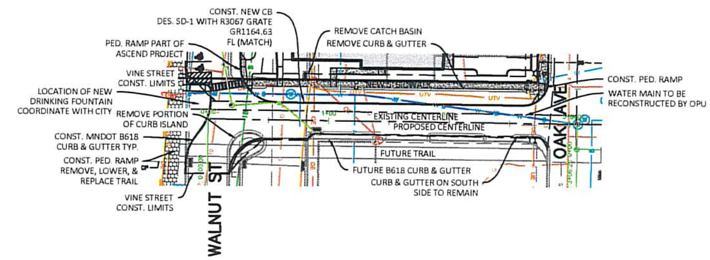


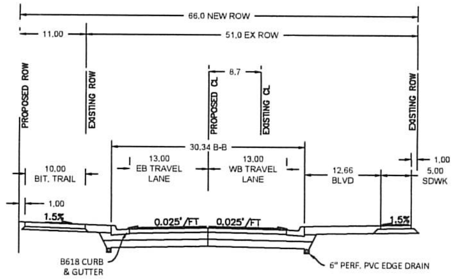
EXISTING VINE STREET TYPICAL SECTION



INTERIM VINE STREET TYPICAL SECTION

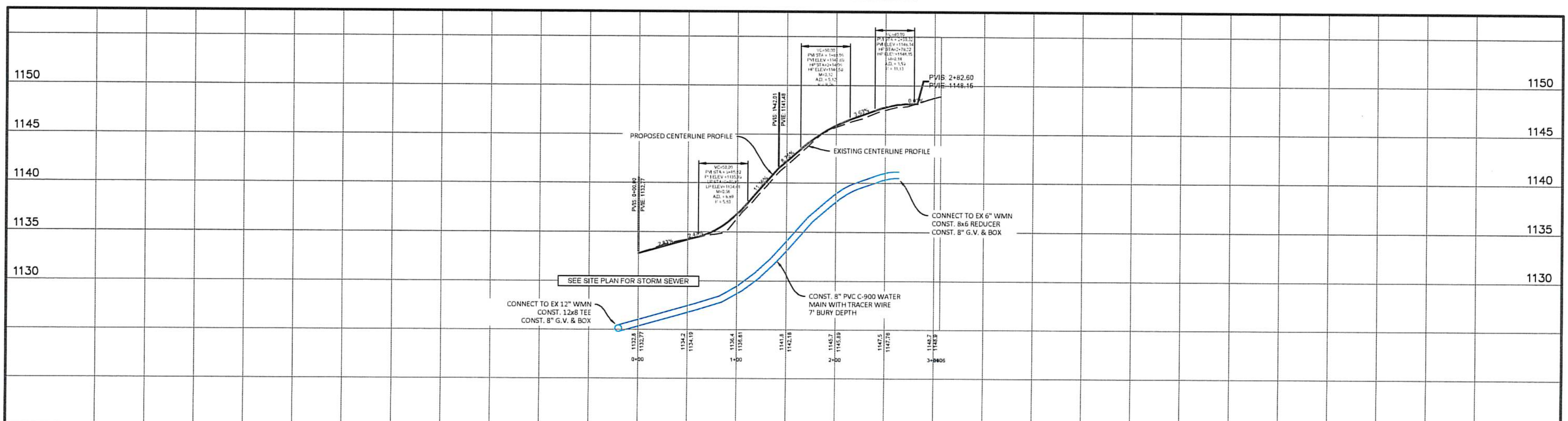
VINE STREET RECONSTRUCTION





ULTIMATE VINE STREET TYPICAL SECTION

PROPOSED CONSTRUCTION



REV.	BY	DATE	REVISION DESCRIPTION
-	-	-	-

HORIZ. SCALE 50 0 50 FEET

VERT. SCALE 5 0 5 FEET

JONES HAUGH SMITH
Engineers + Surveyors
415 West North Street Owatonna, MN 507-451-4598

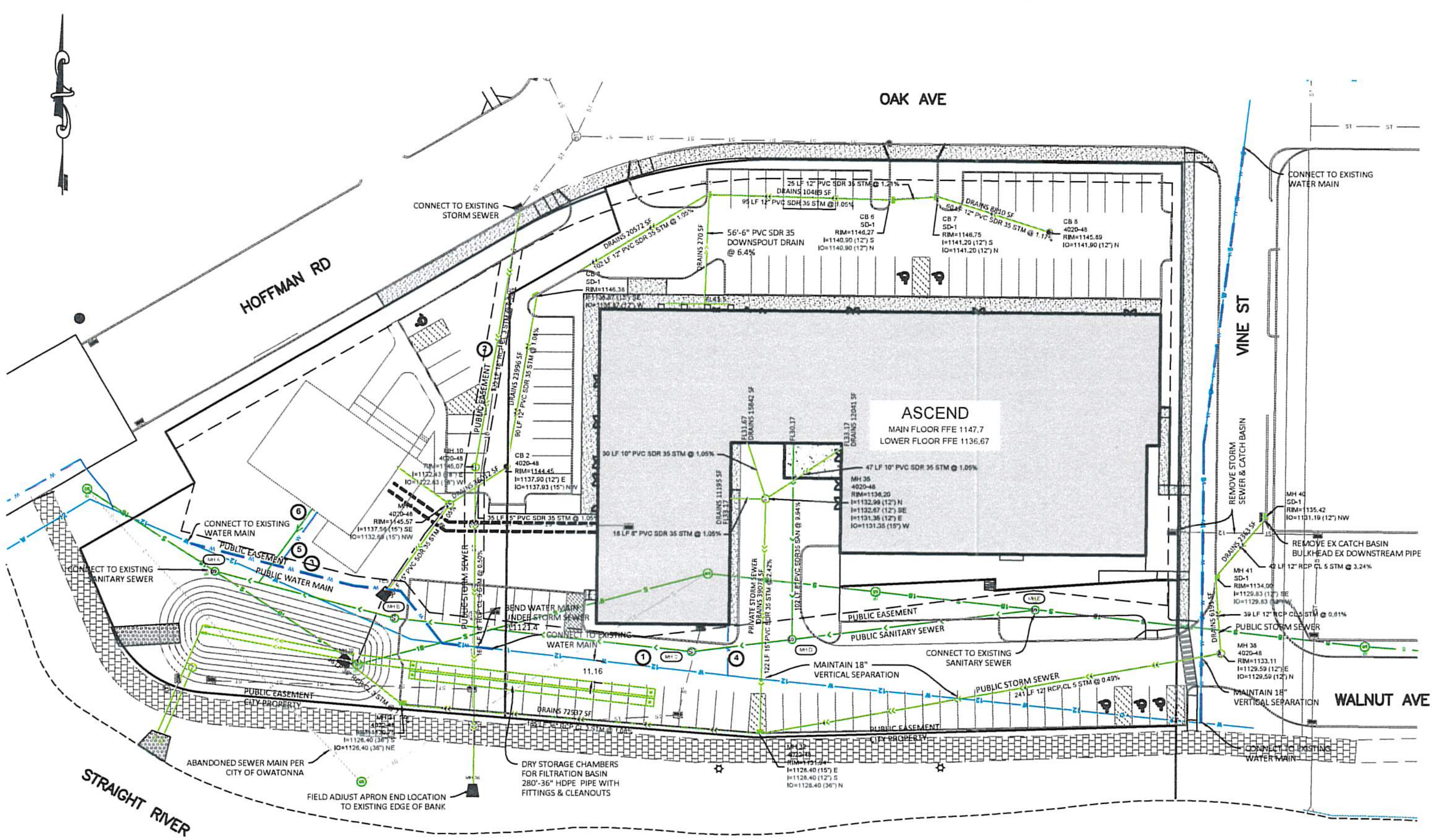
DESIGNED: JHS5
DRAWN: JHS5
CHECKED: SAT
DATE: MAY 2023
FILE NO: 22-1109

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

John H. Schulte V
License No. 44639 Date: 5/23/23

ASCEND
REDLINE DEVELOPMENT
REDLINE ADDITION
VINE STREET RECONSTRUCTION

SHEET 22 OF 22



KEYNOTES

1. SANITARY SEWER MAIN RE-ROUTE – SEE PLAN AND PROFILE SHEETS
2. OAK AVE STS RE-ROUTE – SEE PLAN AND PROFILE SHEETS
3. WATER MAIN RE-ROUTE – SEE PLAN AND PROFILE SHEETS
4. 8" PVC C-900 WATER SERVICE WITH TRACER WIRE COORD. WITH MECH.
5. 6" PVC C-900 WATER SERVICE WITH TRACER WIRE COORD. WITH MECH.
6. 6" PVC SDR 26 SEWER SERVICE STUB

30 0 30
HORIZ. SCALE FEET
DRAWINGS ON 11x17 SHEETS ARE HALF SCALE

REV.	BY	DATE	REVISION DESCRIPTION
-	-	-	-

JONES HAUGH SMITH
Engineers + Surveyors
415 West North Street Owatonna, MN 507-451-4598

DESIGNED: JHS5
DRAWN: JHS5
CHECKED: BJJ
Date: MAY 2023
DWG: 22-1109

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.
John H. Schulte V
License No. 44639 Date: 5/23/23

ASCEND
REDLINE DEVELOPMENT
REDLINE ADDITION
UTILITY PLAN

SHEET 14 OF 22

Exhibit D

PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COSTS

Ascend Public Improvements
Owatonna, Minnesota
5/25/2023

ITEM NO.	ITEM	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL COST
SCHEDULE ONE: SITE & MISCELLANEOUS CONSTRUCTION					
2021.501	MOBILIZATION	LS	1	$24,725.00	$24,725.00
2104.503	SAWING BITUMINOUS OR CONCRETE PAVEMENT	LF	523	$5.00	$2,615.00
2104.518	REMOVE BITUMINOUS OR CONCRETE PAVEMENT	SF	15846	$2.00	$31,692.00
2104.518	REMOVE CONCRETE CURB & GUTTER	LF	603	$5.00	$3,015.00
2104.518	REMOVE CONCRETE SIDEWALK	SF	3268	$2.00	$6,536.00
2105.507	COMMON EXCAVATION (EV) (P) (POND) (12% WATERSHED)	CY	58	$25.00	$1,450.00
2503.502	4" PVC SCHED. 40 CLEANOUT (12% WATERSHED)	EA	0.24	$500.00	$120.00
2503.502	34" PVC SCHED. 40 GATE VALVE (12% WATERSHED)	EA	0.5	$800.00	$400.00
2503.511	4" PVC SCHED. 40 PIPE SEWER (POND UNDERDRAIN) (12% WATERSHED	LF	26	$50.00	$1,300.00
2511.507	RANDOM RIPRAP, CLASS 3 (12% WATERSHED)	TON	13	$50.00	$650.00
2563.601	TRAFFIC CONTROL	LS	1	$1,500.00	$1,500.00
2573.502	SILT FENCE	LF	65	$3.00	$195.00
2573.503	SEDIMENT CONTROL LOG - 8" WOOD CHIP	LF	65	$4.00	$260.00
2573.503	STORM DRAIN INLET PROTECTION	EA	3	$175.00	$525.00
2573.602	TEMPORARY ROCK CONSTRUCTION ENTRANCE	EA	2	$1,200.00	$2,400.00
2575.501	TURF ESTABLISHMENT	ACRE	0.1	$6,000.00	$600.00
SCHEDULE 2: STREET CONSTRUCTION					
2105.507	COMMON EXCAVATION (EV) (P)	CY	845	$20.00	$16,900.00
2105.507	SELECT GRANULAR BORROW	TON	1085	$20.00	$21,700.00
2105.604	GEOTEXTILE FABRIC	SY	1085	$5.00	$5,425.00
2211.501	AGGREGATE BASE, CLASS V	TON	398	$25.00	$9,950.00
2350.503	BITUMINOUS PATCH (TRAIL)	SY	32	$25.00	$800.00
2350.503	TYPE SP 3 BITUMINOUS NON WEAR COURSE 2.0" THICK	TON	115	$100.00	$11,500.00
2350.503	TYPE SP 3 BITUMINOUS WEAR COURSE 2.0" THICK	TON	115	$100.00	$11,500.00
2357.502	BITUMINOUS MATERIAL FOR TACK COAT	GAL	45	$5.00	$225.00
2521.518	4" CONCRETE WALK (1)	SF	4545	$8.00	$36,360.00
2531.501	CONCRETE CURB & GUTTER, DESIGN B618	LF	1232	$20.00	$24,640.00
SCHEDULE 3: SANITARY SEWER CONSTRUCTION					
2502.602	CONNECT TO EXISTING SANITARY SEWER	EA	2	$2,500.00	$5,000.00
2503.511	8" PVC PIPE SEWER (SDR 35)	LF	428	$45.00	$19,260.00
2506.503	CONSTRUCT DRAINAGE STRUCTURE, DES. 48-4007C	VF	74.29	$500.00	$37,145.00
2506.516	SANITARY CASTING ASSEMBLY	EA	5	$750.00	$3,750.00
SCHEDULE 4: STORM SEWER CONSTRUCTION					
2503.511	6" PERF. PIPE STORM SEWER (EDGE DRAIN)	LF	231	$15.00	$3,465.00
2503.541	12" RCP PIPE SEWER, CLASS 5	LF	322	$48.00	$15,456.00
2503.541	18" RCP PIPE SEWER, CLASS 5	LF	302	$55.00	$16,610.00
2503.541	24" RCP PIPE SEWER, CLASS 5 (12% WATERSHED)	LF	4.5	$75.00	$337.50
2503.541	36" RCP PIPE SEWER, CLASS 3 (12% WATERSHED)	LF	38	$135.00	$5,130.00
2503.502	18" RC PIPE APRON	EA	1	$1,800.00	$1,800.00
2503.502	24" RC PIPE APRON (12% WATERSHED)	EA	0.12	$2,500.00	$300.00
2503.502	36" RC PIPE APRON (12% WATERSHED)	EA	0.24	$3,500.00	$840.00
2506.502	CONSTRUCT DRAINAGE STRUCTURE, DES SD-1	VF	8.4	$500.00	$4,200.00
2506.502	CONSTRUCT DRAINAGE STRUCTURE, DES. 4020/22-48	VF	3.52	$500.00	$1,760.00
2506.502	STORMWATER POND OUTLET STRUCTURE (12% WATERSHED)	LS	0.12	$5,000.00	$600.00
2506.516	STORM CASTING ASSEMBLY	EA	3	$800.00	$2,400.00
SCHEDULE 5: WATERMAIN CONSTRUCTION					
2503.502	CONNECT TO EXISTING WATER MAIN	EA	4	$1,500.00	$6,000.00
2503.502	12" M.J. GATE VALVE & BOX	EA	2	$2,500.00	$5,000.00
2503.502	8" M.J. GATE VALVE & BOX	EA	2	$2,000.00	$4,000.00
2503.502	12"x8" WATER MAIN TEE	EA	1	$1,200.00	$1,200.00
2503.502	12" 45 DEGREE BEND	EA	2	$600.00	$1,200.00
2503.502	10"x8" WATER MAIN REDUCER	EA	1	$800.00	$800.00
2503.503	12" PVC C-900 WATER MAIN WITH TRACER WIRE	LF	172	$65.00	$11,180.00
2503.503	8" PVC C-900 WATER MAIN WITH TRACER WIRE	LF	300	$45.00	$13,500.00
(1)	INCLUDES PED. RAMPS				
	TOTAL:				**$377,916.50**

Prepared By: Jones, Haugh Smith Inc

REDLINE DEVELOPMENT GROUP

Redline Development Group
11401 SW 72 Ave
Ellendale, MN 56026
C/O Darrin Stadheim

July 14, 2026

Greg Kruschke
Community Development Manager
540 West Hills Circle Dr.
Owatonna, MN 55060

RE: 210 Oak Ave N / Ascend Development Agreement

Mr. Kruschke,

Redline Development Group is requesting an extension for the completion of the public walkway and trail to be located on Vine Street as stated in the DA to be completed by July 31st, 2026.

Current sitework underway of phase II (Ascend South) is not conducive for this public trail access at this time and will advertently cause further traffic issues until later in the construction process.

This extension request will move the completion of all trail access and public work by August 1, 2027.

Please consider this request for a July 21st council approval.

Sincerely,

Redline Development Group
Darrin Stadheim, President

CITY OF OWATONNA

Miscellaneous

DATE: July 21, 2026
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: 2026 Street & Utility Project Change Order 1

Purpose:
Requesting City Council approval of Changer Order 1 for the 2026 Street & Utility Project.

Background:
The 2026 Street & Utility Project includes the reconstruction of Cardinal Drive SE and Ivy Street SE. The contractor on the project, Heselton Construction, has submitted a change order for 44" Arch Pipe. Storm sewer design for this project had very tight tolerances and was originally designed with standard RCP. But after working with the contractor and their precast supplier, it was determined structure heights that were required for standard RCP caused constructibility issues with the paving section and curb. In order to remove constructibility issues and eliminate substandard paving sections, switching to arch RCP storm sewer would be required. Arch pipe provides the equivalent conveyance capacity in a shorter section.

Budget Impact:
The original contract price was $2,623,273.94. Change Order 1 is an increase of $34,098.30 and will be paid for using storm sewer funds. The contract total is $2,657,372.24.

Staff Recommendation:
Staff recommends approval.

Attachments:
1. 26001 Change Order 1 - Signed

Change Order

No. 1

Date of Issuance: July 17, 2026 Effective Date: July 17, 2026

Project: 2026 Street & Utility Project	Owner: City of Owatonna	Owner's Contract No.: 26001
Contract:		Date of Contract: May 5, 2026
Heselton Construction, Inc		Engineer's Project No.:

The Contract Documents are modified as follows upon execution of this Change Order:

Add Pay Item for 44” Arch Pipe at $228.42 per lineal foot, add 365 LF of 44” Arch Pipe, and delete 365 LF of 36” RC Pipe

Attachments: (List documents supporting change):

Contractor prices for additional work

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price: $2,623,273.94	Original Contract Times: ☐ Working days ☐ Calendar days Substantial completion (days or date): September 30, 2026 Ready for final payment (days or date): ____________
[Increase] [Decrease] from previously approved Change Orders No.____________ to No.____________: $0.00	[Increase] [Decrease] from previously approved Change Orders No.____________ to No.____________: Substantial completion (days): ____________ Ready for final payment (days): ____________
Contract Price prior to this Change Order: $2,623,273.94	Contract Times prior to this Change Order: Substantial completion (days or date): September 30, 2026 Ready for final payment (days or date): ____________
Increase of this Change Order: $34,098.30	[Increase] [Decrease] of this Change Order: Substantial completion (days or date): September 30, 2026 Ready for final payment (days or date): ____________
Contract Price incorporating this Change Order: $2,657,372.24	Contract Times with all approved Change Orders: Substantial completion (days or date): September 30, 2026 Ready for final payment (days or date): ____________

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: Sean Murphy Digitally signed by Sean Murphy DN: C=US, E=sean.murphy@owatonna.gov, OU=City of Owatonna, CN=Sean Murphy Date: 2026.07.17 11:39:40-05'00'	By: ____________	By: Jason Brandvold Digitally signed by Jason Brandvold DN: C=US, E=jason@heseltonconstruction.com, CN=Jason Brandvold Date: 2026.07.17 13:52:00-05'00'
Engineer (Authorized Signature)	Owner (Authorized Signature)	Contractor (Authorized Signature)
Date: ____________	Date: ____________	Date: ____________

Approved by Funding Agency (if applicable): ____________ Date:

HESELTON CONSTRUCTION, LLC

P.O. BOX 246 • FARIBAULT, MN 55021

WORK ORDER

DATE	July 13, 2026	**PROJECT NO.**	2026-04	**W.O. #**	1
OWNER:	City of Owatonna				
ADDRESS:					
LOCATION:	Cardinal Dr.				

LABOR	**RATE**	**HOURS**		**EXTENSION**
	0	-		$ -
	0	-		-
	0	-		-
	0	-		-
	0	-		-
	0	-		-
	0	-		-
			Subtotal	$ -
EQUIPMENT (OPERATED)	**RATE**	**HOURS**		**EXTENSION**
	0	-		$ -
	0	-		-
	0	-		-
	0	-		-
	0	-		-
	0	-		-
	0	-		-
	0	-		-
		-		-
			Subtotal	$ -
MATERIALS/SUBS	**QUANTITY**	**UNIT**	**U.P.**	**EXTENSION**
Price Increase for 44" Arch	365.00	LF	$ 87.00	$ 31,755.00
			-	-
	-		-	-
	-		-	-
	-			-
				-
				-
				-
				-
				-
SUBTOTAL MATERIALS AND SUBS				$ 31,755.00
MARKUP MATERIALS AND SUBS	Tax	7.375%		$ 2,341.93
GRAND TOTAL				**$ 34,096.93**

DESCRIPTION OF WORK:

Price increase for 44" RCP Arch instead of 36" RCP

Jason Brandvold	
Foreman or Project Manager	Authorized By