CITY OF OWATONNA

CITY COUNCIL MEETING

Tuesday, August 18, 2026 at 7:00 PM
Council Chambers, Charles S. Crandall Center at City Hall, 540 West Hills Circle.
Roll Call: Council Members Dotson, Burbank, Boeke, McCann,Svenby, Voss and Raney

Prior to the Council Meeting: At 5:30 p.m. Council will meet in a Study Session in Chambers, Charles S. Crandall Center at City Hall, 540 West Hills Circle. Discussion will be about Flock Cameras.

1. **INTRODUCTORY ACTIONS:** Call to Order, Roll Call, and Pledge of Allegiance
    - 1.1. Council Agenda
    - 1.2. Mayor Jessop
        - 1.2.1. Police Update
2. **CONSENT AGENDA ITEMS**
    - 2.1. Minutes – Council Meeting – August 5, 2026
    - 2.2. Minutes - Boards/Commissions
        - 2.2.1. EDA Minutes - July 15, 2026
        - 2.2.2. Human Rights Commission Meeting - August 11, 2026
    - 2.3. Department Reports
        - 2.3.1. Finance Report
        - 2.3.2. Building Inspections Monthly Report- July 2026
        - 2.3.3. Fire Department Monthly Activity Report and Dashboard - July 2026
        - 2.3.4. Police Department Monthly Activity Report - July 2026
    - 2.4. Licenses/Permits
        - 2.4.1. Exempt Permit - Exchange Club of Owatonna - Raffle - December 10, 2026
    - 2.5. Miscellaneous
        - 2.5.1. Adaptive Recreation Donation - Knights of Columbus
        - 2.5.2. Memorandum of Agreement — School Resource Officer - ISD 761
        - 2.5.3. 2026 City Administrator Performance Evaluation Proposal and Engagement Plan - Employmee Strategies
        - 2.5.4. Vehicle Purchase - Engineering Division - Owatonna Ford
3. **ACTION ITEMS**
    - 3.1. Ordinances
        - 3.1.1. Second/Final Reading Proposed Ordinance 26-07: Vacate Portion of Drainage and Utility Easement - Heers Addition No. 4

3.2. Resolutions

3.2.1. Resolution 75-26 Award GO Street Recon & Abate 2026A Bonds

3.2.2. Resolution 76-26 Pledge of Tax Increment Financing Development Agreement - Aire Apartments

3.2.3. Resolution 77-26 Loan Agreement - Workforce Housing Development Program

3.2.4. Resolution 78-26 State Appropriations to Acquire Flood Prone Property - 614 N Oak Avenue

3.2.5. Resolution 79-26 Purchase Property - 614 North Oak Avenue

3.3. Miscellaneous

3.3.1. Cooperative Agreement for Pavement Striping and Markings - Steele County

4. **STAFF REPORTS - Jason Ringhofer, Facilities Manager**

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

6. **COUNCIL COMMENT AND GENERAL INFORMATION**

7. **ADJOURN**

CITY OF OWATONNA

Mayor Jessop

CITY OF OWATONNA

Council Minutes

Owatonna City Council Minutes

August 5, 2026 – Draft

City Council Meeting: Wednesday, August 5, 2026, at 7:00 p.m., Council Chambers, Charles S. Crandall Center at City Hall, 540 West Hills Circle.

INTRODUCTORY ACTIONS

On Wednesday, August 5, 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, Klecker, Dashiell, Brown, Mundale, O'Connor, and City Attorney Walbran

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

Council Agenda

Motion to Approve the Agenda was made by Council Member Svenby, seconded by Council Member McCann. Motion carried unanimously. Aye - Raney, Burbank, Boeke, McCann, Svenby and Voss.

Fire Department Update

Assistant Fire Chief Dashiell provided a verbal update, as technical difficulties prevented the display of his prepared presentation. He reported that call volume through the first half of the year is trending approximately 100 calls ahead of last year's pace. He also noted that eight offers for paid-on-call positions had been accepted, with the goal of getting new recruits into class by the end of the month. The Assistant Fire Chief indicated that an additional staffing position would be included in the upcoming budget proposal. The Chief was invited to return at a future meeting to present his full slide presentation.

Mayor Jessop - Recommendations for Appointment: Charter Commission Member - Sandra McConn Halla and West Hills Commission Member - Chad Lange

Mayor Jessop presented two candidates following an interview process: Sandra McConn Halla for the Charter Commission and Chad Lange for the West Hills Commission.

> Motion to approve both appointments was made by Council Member Boeke and seconded by Council Member Svenby. Motion carried unanimously. Aye - Raney, Burbank, Boeke, McCann, Svenby and Voss.

Both appointees were sworn in by Mayor Jessop. During the swearing-in of Chad Lange, it was noted by a council member that the occasion coincided with his birthday.

Administrative Coordinator Clawson noted that a separate resolution was required to formally appoint the Charter Commission member and submit the record to the court.

> Motion to approve Resolution 74-26 for appointment to the Charter Commission was made by Council Member McCann and seconded by Council Member Boeke. Motion carried unanimously. Aye - Raney, Burbank, Boeke, McCann, Svenby and Voss.

CONSENT AGENDA

The consent agenda consisted of city council meeting minutes, board and commission minutes, department reports, licenses/permits, and miscellaneous items grouped for collective review and approval.

Minutes – City Council Meeting – July 21, 2026

Library Board Meeting Minutes – May 21, 2026

Airport Commission Meeting Minutes – July 16, 2026

Planning Commission Minutes – July 28, 2026

HRA Board Minutes – July 27, 2026

Finance Report

Weed/Nuisance Inspection Report – July 28, 2026

Event Permit – Kid's Day - Owatonna Business Partnership – August 7, 2026

Event Permit – 2026 Steele County Free Dair – August 18-23, 2026

Event Permit – Southern MN Youth XC Invitational – Change Date to Sept 12, 2026

T-Hangar Lease Agreement – Kanikula

Amenement #1HealthiestYou Service Agreement – Teladoc Health, Inc.

Motion to approve the Consent Agenda was made by Council Member Boeke, seconded by Council member Burbank. Motion carried unanimously. Aye - Raney, Burbank, Boeke, McCann, Svenby and Voss.

ACTION ITEMS

2025 Audit Report - Andy Grice, CPA, BerganKDV

Andy Grice, CPA with BerganKDV, presented the audit results for the fiscal year ended December 31, 2025. He reported that the city received a clean, unmodified audit opinion — the highest level of assurance an auditor can provide.

Mr. Grice highlighted two findings under the report on Government Auditing Standards: a lack of segregation of accounting duties, and prior period restatements. He noted that restatements are not uncommon, particularly in the context of an auditor transition. One additional finding was reported under the Minnesota Legal Compliance report, related to TIF reporting.

Regarding the General Fund, Mr. Grice reported that fund balance increased from $16 million to $17.9 million. The unassigned fund balance of $14.5 million represents 46.3% of 2026 budgeted expenditures, putting the city in compliance with its fund balance policy of maintaining a minimum of 45%. General fund revenues of $28.1 million came in $427,000 better than budgeted, and expenditures came in approximately $1.5 million under budget, primarily due to conservative budgeting for personnel costs.

General fund revenues increased approximately $1.6 million year-over-year, driven largely by a $1.5 million increase in property taxes. Property taxes and intergovernmental revenues together represent 85% of general fund revenues, at 58% and 27% respectively. General fund expenditures increased approximately $2.1 million, with General Government seeing the largest increase of $1.4 million, attributed to wages, contracted services, and IT expenditures. Public Safety increased approximately $326,000 due to wage increases, while Public Works decreased approximately $414,000 with fewer projects in 2025.

For enterprise funds, the Sewer Fund experienced a significant surplus of approximately $4.1 million, driven by connection and access fees related to the City of Medford accessing the wastewater treatment plant. Cash and investments in the Sewer Fund increased slightly to $17.4 million, with unrestricted net position increasing from $17.5 million to $18.1 million. The Storm Water Fund also posted a surplus, growing from $687,000 to $871,000, with unrestricted net position increasing from $5 million to $5.6 million.

On the tax capacity levy and rates, Mr. Grice noted a slight increase in the tax capacity rate, as the certified tax levy grew from $18.2 million to $19.4 million at a greater rate than the growth in tax capacity, which moved from $33.7 million to approximately $33.8 million.

Council Member Boeke asked for clarification on the city's overall financial position as reflected in the government-wide financial statements, specifically regarding net position figures. Mr. Grice explained that the unrestricted net position of $85.3 million represents assets minus liabilities, excluding amounts invested in capital assets.

Council Member Voss observed the notable growth in general fund revenues and expenditures over recent years, and Mr. Grice confirmed that inflationary pressures and fund balance policy targets contribute to such trends across cities.

Council Member McCann summarized his takeaway that while some reporting deficiencies were identified, the city's overall financial position is sound — a characterization Mr. Grice affirmed.

Council Member Svenby commended the depth and clarity of the audit presentation compared to prior years, specifically noting the level of detail provided regarding FTEs, services, and expenditure breakdowns. This comment was also stated by Council President Raney.

Resolution 73-26 2025 Audited Financial Statements and Independent Auditor's Report

> Motion to approve Resolution 73-26 accepting the 2025 Audited Financial Statements and Independent Auditor's Report was made by Council Member McCann and seconded by Council Member Voss. Motion carried unanimously. Aye - Raney, Burbank, Boeke, McCann, Svenby and Voss.

ORDINANCES

First Reading Proposed Ordinance 26-07: Vacate Portion of Drainage and Utility Easement - Heers Addition No. 4

Community Development Director Troy Klecker presented a request to vacate a portion of a 20-foot-wide drainage and utility easement located within the garage and a portion of a house. The property is under contract for sale, and the title company is requiring the easement be vacated. The house was constructed in 1890, and the lot was platted in 1978. Staff confirmed there are no utilities or drainage functions within the easement area. The Planning Commission held a public hearing with no public comment received. Staff and the Planning Commission recommend approval.

> On a roll call vote, Council Members Burbank, Boeke, McCann, Svenby, Voss, and Raney each voted Aye. The motion to approve the First Reading of Proposed Ordinance 26-07 carried 6-0.

RESOLUTIONS

Resolution 71-26: CUP-26 - KNBC Storage Building CUP Amendment

Director Klecker presented an amendment to an existing Conditional Use Permit (CUP) for a storage facility located at 1980 Austin Road. The property owner received a CUP for storage units, which was conditioned to prohibit commercial use. The applicant is now requesting that up to 1,600 square feet of the building be permitted for commercial use. The 1,600 square foot limitation was derived from the number of parking spaces — eight — that can be accommodated on-site, including a shared arrangement with an adjacent property.

Director Klecker explained that any unit proposed for commercial use would require plan submission by a licensed architect, building code compliance, and ADA compliance on a unit-by-unit basis. Signage would be subject to existing city ordinance requirements. Should the applicant wish to exceed the 1,600 square foot commercial threshold in the future, a new public hearing and CUP amendment process would be required.

A public hearing was held at the Planning Commission. No comments were received from neighboring property owners, and the Planning Commission recommended approval with conditions. Staff concurred with that recommendation.

Council Member Voss inquired about signage allowances, and Director Klecker confirmed that each business would be entitled to its permitted square footage of signage under the ordinance. Council Member McCann asked about the size of individual units and was informed that units are flexible and can be modified to meet a tenant's needs.

Council Member McCann noted that the situation had the appearance of a "switcheroo" — building for storage then pivoting to commercial — but acknowledged that owners often do not know market demand until the facility is operational, and voted in favor. Council Member Svenby noted that the Planning Commission's conditions were appropriately rigorous.

> Motion to approve Resolution 71-26 was made by Council Member Voss and seconded by Council Member McCann. Motion carried unanimously. Aye - Raney, Burbank, Boeke, McCann, Svenby and Voss.

Resolution 72-26: Accepting Bid and Awarding Contract - Apron Reconstruction

Director Klecker reported that bids were received on June 29th for the airport apron reconstruction project. Seven bids were submitted against an engineer's estimate of just over $1 million. The low bid was submitted by JJD Companies at $672,900. After applying federal and state grant funding, the local share is $40,615.50, which is approximately $24,786 above the budgeted local amount. The overage is attributable to certain project elements that did not qualify for federal funding. Staff indicated that surplus funds from other airport CIP projects would cover the difference.

The Airport Commission reviewed the bids and recommended award to JJD Companies. Director Klecker noted that due to the timeline for grant approval — typically arriving in September or October — the project is anticipated to be constructed in 2027. The bid price will be guaranteed by JJD Companies through the 2027 construction season.

> Motion to approve Resolution 72-26 accepting the bid and awarding the contract to JJD Companies was made by Council Member Boeke and seconded by Council Member Svenby. Motion carried unanimously. Aye - Raney, Burbank, Boeke, McCann, Svenby and Voss.

Supplemental Letter of Agreement - Apron Reconstruction - SEH, Inc.

Director Klecker presented a Supplemental Letter of Agreement with SEH, Inc. for professional engineering services and project management associated with the airport apron reconstruction project. The total fee is $159,100, with a local share of $6,617 after grant funding. As required by the FAA, an independent fee estimate was conducted, and SEH's proposed fee was confirmed to fall within — and on the lower end of — the acceptable range for a project of this scope.

> Motion to approve the Supplemental Letter of Agreement with SEH, Inc. was made by Council Member Voss and seconded by Council Member Boeke. The motion carried unanimously, Aye - Raney, Burbank, Boeke, McCann, Svenby and Voss.

STAFF REPORTS - Ryan Brown, IT Director - IT Update

IT Director Ryan Brown introduced Systems and Security Operations Administrator Jackson Enz, who presented a cybersecurity update on behalf of the IT Department.

Mr. Enz reported the following operational metrics: the city receives approximately 7,471 emails per day — roughly 2.7 million per year — of which approximately 200 are automatically blocked daily for spam, malicious content, or phishing. Over the past year, more than 1,200 security incidents were identified, with approximately 280 addressed through manual intervention by staff and approximately 1,000 remediated automatically through configured policies and scripts.

Mr. Enz summarized accomplishments from the past year, including standardization of the city's network and firewall platform on a single vendor, migration of endpoint security to Microsoft tools (resulting in cost savings in the tens of thousands of dollars), reimplementation of citywide phishing awareness training, and the formal addition of security-focused responsibilities to his role with improved processes for daily monitoring and incident review.

Mr. Enz outlined the broader threat environment facing local governments, noting that phishing targeting local government entities has increased 360% in the past year, and that ransomware attacks continue to cause major outages for cities nationwide. He cited an IBM study placing the average cost of a data breach at $4.8 million, with average ransomware costs of $1.8 million before regulatory fees and civil litigation. He also addressed a recent coordinated cyberattack targeting Minnesota water systems and confirmed that AE2S — the city's SCADA network administrator — verified that the network ports exploited in those incidents are closed on Owatonna's systems.

Looking ahead, Mr. Enz identified priorities including the addition of a Security Information and Event Management (SIEM) system to centralize log management and lower response times, and a Managed Detection and Response (MDR) service to provide around-the-clock monitoring. He emphasized the importance of continued staff training as a critical defense against phishing and credential theft.

Council Member Svenby asked whether the IT Department collaborates with Owatonna Public Utilities (OPU) on cybersecurity matters. Director Brown confirmed that some collaboration and tabletop exercises have taken place with OPU and the school district; and expressed a desire to be more intentional about those engagements going forward.

City Administrator Tuma and several council members extended public commendation to Mr. Enz for his work ethic, positive attitude, and for having volunteered as part of an interim payroll processing team during a staff leave period.

PUBLIC COMMENTS

Gary Jones, 995 Ridge Road, addressed the Council regarding archery hunting at Maple Creek Park. Request archery hunting be restricted to the second season only, when the cemetery gates are locked and the park sees significantly less public use, thereby reducing city liability to zero.

Kate Coleman, Owatonna resident, asked the Council to publicly support Section 106 of the National Historic Preservation Act and to urge Minnesota's congressional delegation to oppose proposed federal changes that would weaken it. She formally requested that the Council adopt a resolution in support of strong Section 106 protections and transmit it to Minnesota's congressional delegation and appropriate federal officials.

Melissa Zimmerman, Owatonna resident, offered comments on three topics. First, she expressed appreciation for Night to Unite and encouraged continued investment in the North Country neighborhood park. Second, she praised the city's decision not to spray for mosquitoes this season, citing benefits to wildlife and pollinators, and encouraged continued reduction of chemical use in parks and neighborhoods. Third, she echoed Mr. Jones' concerns about hunting safety in city parks and recommended that if hunting in city parks continues, it be limited to one or two designated weekends with the affected parks closed to the public during those times and then asked the Council to close 15th Street to protect children.

COUNCIL COMMENT AND GENERAL INFORMATION

Council Member McCann reflected positively on Night to Unite, noting that meaningful dialogue with residents occurred across multiple neighbor hood stops. He also expressed favorable impressions of a Community Service Officer candidate he met during a police ride-along.

Council Member Svenby had no comment.

Council Member Voss highlighted upcoming downtown events: a Thursday evening Central Park event, a Kids Day on Friday, and a Sunday evening community worship service from 6:00–8:00 PM with food trucks and children's programming from 4:00–6:00 PM.

Council Member Boeke suggested scheduling a study session presentation by Leann Alt to allow the Council and public to review her research on mosquito spraying and its broader ecological impacts.

Mayor Jessop echoed Council Member McCann's sentiments about Night to Unite, describing the 28 neighborhood gatherings as a testament to the welcoming character of the Owatonna community.

City Administrator Tuma reported that River Springs Water Park, which experienced a closure in June, recorded over 21,000 visits in July alone — well ahead of the typical full-season total of 30,000–32,000 guests. She also noted that the West Hills Pool has reopened following repairs.

Council President Raney shared that he participated in a police ride-along during Night to Unite, attending four neighborhood parties, and thanked the police and fire departments for facilitating council participation in the event.

ADJOURN

With no further business, at 8:07 p.m. a motion was made by Council member Boeke to adjourn, seconded by Council Member Svenby. The motion carried unanimously, Aye - Raney, Burbank, Boeke, McCann, Svenby and Voss and the meeting was closed.

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,

Jeanette Clawson, Administrative Coordinator

Board - Commission Minutes

EDA
Minutes
July 15, 2026

The Owatonna Economic Development Authority met in regular session at 4:00 pm in the Charles S. Crandall Center – Chambers at City Hall with President Voss presiding. Commissioners present: Dan Boeke, Dave Burbank, Andrew Cowell, Corey Mensink, and Doug Voss. Commissioners absent: Brian Savage. Also present were Troy Klecker, Brad Meier, Sean Williams, and Lisa Cochran.

Approval of Minutes. Commissioner Cowell moved approval of the minutes of the May 20, 2026 meeting with second by Commissioner Boeke. All Commissioners voting Aye, the motion passed.

Treasurer's Report. Community Development Director Troy Klecker presented the revenue and expense reports for June. He said that they owe the second half payments to OABDC and the Chamber for second half contracts. A motion was made by Boeke and seconded by Mensink to approve the Treasurer's Report as presented. All Commissioners voting Aye, the motion passed.

Loan Report. OABDC Director Sean Williams presented the Loan Report for June. He said that all loans are current. Cowell asked about the overpayment for Uncaged VR & Game Lounge. Klecker said that the overpayment was applied to the other loan.

OACCT / OPED Report. OACCT Director Brad Meier presented the OACCT Report for June. They are kicking off a grant program to continue work experience funds for businesses. They will be able to provide wages for up to 160 hours for businesses that bring in students for work experience. Sputtering Components' ribbon cutting for their addition was yesterday.

MainStreet Report. MainStreet Director Lisa Cochran presented the Quarterly MainStreet Report for Quarter 2. She said that things are going great. She gave an update on Downtown Thursdays so far this summer. She said they are excited about Roma's reopening.

OABDC Report. OABDC Director Sean Williams presented the OABDC Report for June. They are planning to merge some monthly meetups in the entrepreneurial space as attendance has been on the decline across the state. They will talk about Rose Street Center later in the meeting. The Minnesota Angel Investor Network is going gangbusters. He has meetings lined up across the state for partners. The latest Small Business Academy started on June 16. There are a number of workshops and bootcamps coming up as well. The Makers Faire will be on June 12, 2027 and it is officially the SE Minnesota Maker Faire and they are excited about that. The Owatonna Business Incubator Program will be getting some funding through United Way. They recently hosted the Growing in the GreenSeam Workshop. They are in the process of transitioning the SBDC contract from being housed with the SE regional office to being a statewide contract. This will give them access to working with more clients in the angel network.

Airport Report. Airport Manager Dave Beaver presented the quarterly Airport Report. He said that activity is up because it's summertime. He gave an overview of projects. The parking lot is now complete and they've gotten a lot of good comments on it. The fuel card reader replaced a 25-year-old system and is good for self-service 24 hours a day, which is helpful. Other projects include Airport Zoning and airfield pavement maintenance. The long-term vision is to look at runway extension and building area development closer to the hospital. The Exchange Club is doing a flag field in September. The Civil Air Patrol Fly-In Breakfast was in May this year.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for June. He said that there has not been any action on the old Hardees/Budget Mart site. That is a vacant lot that is privately owned. They are generating enough TIF to cover what we have into the Barney Street realignment. They would love to see it developed. He said that they close on the lots adjacent to the Cemstone site tomorrow morning. They will be doing some soil borings on it. He said that they are planning to do some improvements to the Bubba's building. They were able to get some of the waterpark staff to clean out 117 Bridge Street West. They are getting bids for painting and taking off the exterior covering over the windows on Main Street. The goal is to do it by winter. 148 Main Street West is still in limbo. OPU is doing some work along that street, but the water lines need some work. They plan to demo the house at 140 Fremont Street East. We own the Marco building and the Kreco Car Wash. We are still trying to line up a meeting with Heartland Car Wash.

New Business: Improvements to 224 Cedar Avenue North. Klecker said that they've talked about doing more improvements to Bubba's. They would want to do improvements that would have to be done regardless of what happens to the building and that would be noticeable from the exterior. One thing that would have to be done regardless is removing a vault under the sidewalk on Vine Street, as that is the responsibility of the owner of the building. There is also a gap between the sidewalk and the basement that will need to be fixed. They got a couple of bids. Hodgeman Concrete and Masonry came in at $13,877.50 and Greenhaven Landscaping came in at $13,500. He said this doesn't include the removal of the vault, which would cost around $5,000 to $7,000. It will probably be around a $20,000 project when it is all said and done. Klecker said his recommendation is to go with the lower bid—Greenhaven Landscaping. Cowell asked if the City Street Department has the equipment and expertise to pull the vault out. Typically, the City hires out the removal of vaults. On all the street projects we do, we take the vaults out and assess the property owner. He thinks this is the only vault on Pearl Street. Boeke asked about the inside entrance to the vault. Klecker said that it is sealed up. Voss asked what they were used for. Klecker said that vaults were used for all kinds of things, including coal and utilities. A motion was made by Boeke and seconded by Cowell to approve Greenhaven Landscaping to do the Bubba's Sidewalk Project. All Commissioners voting Aye, the motion passed.

Discuss Rose Street Center. OABDC Director Sean Williams gave an update on the Rose Street Center. As of this week, all the work is done on the interior of the building including accessible doors into the back half of the building, a rail in the Maker Space, the security system, deferred maintenance around the fire safety lights, and the elevator. The money they got from the Owatonna Foundation along with the forgivable loan for interior improvements should cover it all. The exterior still needs electrical work for the shops and food trucks, a boardwalk between the shops, an accessible ramp at the front door, the drive through into the alley, along with striping and signage. The shops being delayed until this fall ended up being a good thing. They are looking at $50,000 for the electrical, $30,000 for the boardwalk, and whatever the striping and drive through ends up being. Brad is planning on putting in for another Owatonna Foundation grant for the exterior. They're currently getting things organized on the inside and once that is cleared they can have a grand opening. Voss asked if any of them will office out of there. Williams said that he has been using the coworking space because there are fewer interruptions. Klecker said that it does generate some revenue, but there are startup costs. He said there might be an ask of the EDA to help finish the gap of the startup costs, especially when it comes to the shops and getting the boardwalk in. Williams said that all of the programs are expected to be fully self-sustainable once they are up and running. Williams said that it is a much more competitive landscape for grants than it was even a year ago. Klecker suggested that the EDA funnel a little more of their money into the EDA projects like Bubba's and the Rose Street Center to get some of our initiatives moving more quickly.

Schedule Next Meeting. The Commissioners decided to cancel the August meeting as it is during Fair week. The next scheduled meeting will be on **Wednesday, September 16, 2026 at 4:00 pm**. The Commissioners decided to hold the September meeting at the Rose Street Center Conference Room.

Adjournment. There being no further business, a motion was made by Commissioner Cowell and seconded by Burbank to adjourn the meeting at 5:01 pm. All Commissioners voting Aye, the motion passed.

Owatonna Human Rights Commission
Minutes – August 11, 2026 – DRAFT COPY

The Owatonna Human Rights Commission (OHRC) met on Tuesday, August 11, 2026, in the Second-Floor Conference Room at City Hall. Chairman Bjore called the meeting to order at 5:05 p.m. Present were Commissioners Bjore, Hult and Bendorf and Administrative Coordinator Clawson. Commissioners Zinski and Seykora joined the meeting five minutes later.

Following the Pledge of Allegiance, Chairman Bjore welcomed everyone to the meeting. Commissioner Bendorf made a motion to approve the Meeting Agenda as presented, Commissioner Hult seconded the motion, all members present voted aye in approval. Following review of the July 14, 2026, OHRC Meeting Minutes, Commissioner Bjore made a motion for approval, Commissioner Hult seconded the motion, and all members present voted aye in approval.

<u>Items of Discussion</u>
Open Seats on OHRC – Clawson advised five applications were received and interviews will be done soon to fill two seats currently open.

Name Tags and Business Cards – Commissioner Zinsli requested more business cards.

Canvass Tote Swag – Commissioner Bjore commented the bag approved for purchase during the last OHRC Meeting was out of stock. She ordered a similar bag which should be received prior to the Downtown Event in September.

OHRC Thank You/Blank Cards – Commissioner Bjore commented she received two quotes and recommended purchase from Tri-M Graphics as they offer current city branding options. Commissioner Hult made a motion to purchase 100 blank cards from Tri-M Graphics, Commissioner Seykora seconded the motion, all members present voted aye in approval.

Tent Wall for the Human Library – the plastic sheeting used last year has been misplaced. Commissioner Zinsli commented she could prepare similar one for the Downtown Thursday Event.

Translate OHRC Brochures – Commissioner Seykora recommended using Chat GBT for the translations. Commissioner Sinski commented she has spoken with a Spanish speaking translator, and they want confirmation of payment for their services. Commissioner Seykora isn't opposed to using the translator and paying the fee, will want to review options with the city's new Communication Specialist for display on the city's website. Seykora suggested offering Chamber Bucks as payment for the translator services.

ICE Updates – nothing to report, there were rumors that ICE would be present at Polling Sites during today's election but there haven't been any reports.

OHRC Facebook Page – Clawson to follow-up with IT Director Brown and Communications Specialist Harmon if the OHRC can have a city Facebook Page.

Recap Discussion with Jamie Vanoosbree – Jamie joined the meeting and confirmed they did have a phone call discussion about AGE request to be an active partner for the MLK Jr. Day Event next January.

Recap Subcommittee re OHRC Promotional Video – Commissioners Bjore, Zinsli and Hult met with photographer Aaron Guzman. Aaron has been gathering material for the video and suggested including live testimonials. The video verbiage was prepared; Aaron will select a voiceover and language translations. Aaron plans to attend the October OHRC Meeting and complete the video later this year. Commissioners will contact potential testimony contributors for discussion during the September OHRC Meeting.

Future Events:

August 18-23, 2026 - Steele County Free Fair at the city booth. Commissioner Bjore recommended OHRC literature be available. Commissioners Zinsli and Bendorf will check their calendars to consider covering an in-person assignment at the booth.

September 3 – Downtown Thursday Event. Will use 2026 Human Library. Several human books have been contacted and asked if they would be present. Commissioner Seykora has table and tent in her garage for setup. Commissioner Bjore recommended all OHRC Commissioners attend this event wearing their OHRC polo shirts, Photographer Guzman plans to attend for pictures/video. Commissioner Seykora will ask for cookie donation.

September 12th - Meeting on the Field. Commissioner Bjore commented she could use some assistance in promoting this event. Commissioner Seykora will check her access to Canva to prepare an event flyer. Commissioner Seykora and Commissioner Bjore have bottled water, Seykora will follow up on donations of fruit and cookies. Commissioner Bjore will contact Matthew and Mustafe about participating teams.

January 18, 2027 - 2027 MLK Jr. Day Event. The date, time, site, and vendor are the same as 2026. Planning for a panel presentation as was used last year, the topic and participant criteria will be discussed at a future OHRC Meeting. Jamie Vanoosbree commented that AGE wants an active partner for this event, OHRC will remain the primary lead with AGE participating in the event plans.

Adjournment

At 6:01 p.m., Commissioner Bjore made a motion to adjourn, Commissioner Seykora seconded the motion, and the meeting was adjourned. Commissioner Bjore thanked everyone for attending, the next OHRC Meeting is planned for Tuesday, September 8th at 5:30 pm.

Respectfully submitted, Jeanette Clawson, Administrative Coordinator

CITY OF OWATONNA

Department Reports

Check Date	Vendor Name	Net Check Amount	Check Statu	Check Type
	999-19100-000-000-000000			
08/19/26	A H HERMEL CANDY & TOBACCO CO	5,203.27	R	ACH
08/19/26	Aaron Bishop	70.87	O	Regular
08/19/26	AARON GUZMAN PHOTOGRAPHY LLC	1,000.00	R	ACH
08/19/26	ACME ELECTIRC MOTOR INC	1,929.00	O	Regular
08/19/26	ADVANCED ENGINEERING & ENVIRON	1,710.00	R	ACH
08/19/26	AFLAC	2,089.80	R	ACH
08/19/26	AIM ELECTRONICS INC	80.00	O	Regular
08/19/26	ALEXANDER LUMBER COMPANY	6,703.43	O	Regular
08/19/26	APG MEDIA OF SO MINNESOTA LLC	96.25	O	Regular
08/19/26	ASPEN MILLS INCORPORATED	1,148.45	O	Regular
08/19/26	AUSTIN DAILY HERALD	276.00	O	Regular
08/19/26	AVFUEL CORPORATION	39,669.56	R	ACH
08/19/26	BALDWIN SUPPLY COMPANY	137.96	R	ACH
08/19/26	BARB GRANOWSKI	50.00	O	Regular
08/19/26	BLOOMING PRAIRIE FARM RADIO IN	1,180.00	R	ACH
08/19/26	BRIDGETOWER OPCO LLC	393.98	O	Regular
08/19/26	BROYHILL EQUIPMENT LLC	1,232.57	R	ACH
08/19/26	CARS N CREDIT	50.00	O	Regular
08/19/26	CEDAR VALLEY SERVICES INC	790.80	R	ACH
08/19/26	CEMSTONE CONCRETE MATERIAL LLC	5,185.50	O	Regular
08/19/26	CENTRAL FARM SERVICE	3,624.63	O	Regular
08/19/26	Chelsie Hansen-Stratton	70.87	O	Regular
08/19/26	CITY OF ALBERT LEA	4,793.99	O	Regular
08/19/26	CITY OF OWATONNA	20.00	O	Regular
08/19/26	Clare Hagen	50.00	O	Regular
08/19/26	ClearView Window Cleaning	410.00	O	Regular
08/19/26	CLAREYS SAFETY EQUIPMENT	112.61	R	ACH
08/19/26	COALITION OF GREATER MN CITIES	180.00	O	Regular
08/19/26	COVERALL OF THE TWIN CITIES	2,455.00	R	ACH
08/19/26	CRANE CREEK ASPHALT	35,615.83	R	ACH
08/19/26	CULLIGAN OF OWATONNA	39.08	R	ACH
08/19/26	CURT'S TRUCK & DIESEL SERVICE	100.52	R	ACH
08/19/26	DELL MARKETING LP	3,548.94	R	ACH
08/19/26	DENISE STEWART	414.62	R	ACH
08/19/26	DISH	156.23	O	Regular
08/19/26	DLL FINANCE LLC	952.28	O	Regular
08/19/26	Dylan Fredrickson	35,095.00	O	Regular
08/19/26	EARL F ANDERSEN & ASSOC	1,609.18	O	Regular
08/19/26	ECHOSAT INC	240.30	O	Regular
08/19/26	EHLERS & ASSOCIATES INC	950.00	O	Regular

08/19/26	ENTENMANN-ROVIN CO	680.35	R	ACH
08/19/26	EYE MED VISION CARE	547.77	O	Regular
08/19/26	FASTENAL COMPANY	1,804.66	R	ACH
08/19/26	FIRST SUPPLY OWATONNA	548.59	R	ACH
08/19/26	FLEXIBLE PIPE TOOLS & EQUIP	2,009.35	R	ACH
08/19/26	FLOW MEASUREMENT & CONTROL	2,658.75	R	ACH
08/19/26	FOUR SEASONS ELECTRIC	9,847.24	R	ACH
08/19/26	GALLAGHER BENEFIT SERVICES INC	1,650.00	R	ACH
08/19/26	GENESIS LAMP CORPORATION	1,206.67	R	ACH
08/19/26	GENUINE PARTS COMPANY - NAPA	1,002.78	R	ACH
08/19/26	Ginger Benjamin	16.00	O	Regular
08/19/26	GLEN WOLF	50.00	O	Regular
08/19/26	GROVE DEVELOPMENT LLC	10,000.00	O	Regular
08/19/26	HAWKINS INC	10,000.98	R	ACH
08/19/26	HEALTHPARTNERS INC	6,396.29	O	Regular
08/19/26	HELEN M NAGEL INC	369.00	O	Regular
08/19/26	HILLYARD INC	93.42	O	Regular
08/19/26	HORIZON COMMERCIAL POOL SUPPLY	4,104.47	R	ACH
08/19/26	HUBER SUPPLY CO INC	117.25	O	Regular
08/19/26	I/O SOLUTIONS INC	226.00	O	Regular
08/19/26	IFACS	559.93	R	ACH
08/19/26	INDUCTIVE AUTOMATION	6,321.00	R	ACH
08/19/26	INGRAM LIBRARY SERVICES LLC	59.39	O	Regular
08/19/26	INNOVATIVE OFFICE SOLUTIONS	405.45	O	Regular
08/19/26	Jamie Kuhlman	86.67	O	Regular
08/19/26	JOHN DEERE FINANCIAL	197.73	O	Regular
08/19/26	KARI MARIE JACOTT LPCC	1,425.00	O	Regular
08/19/26	KARLA ZUFALL	50.00	O	Regular
08/19/26	KIRI ANN FAUL	2,025.00	R	ACH
08/19/26	KOWZ-FM	500.00	O	Regular
08/19/26	LAWSON AUTOMOTIVE LLC	782.60	R	ACH
08/19/26	LAWSON PRODUCTS	492.48	O	Regular
08/19/26	Leah Soland	50.00	O	Regular
08/19/26	LEGACY SIGNS INC	1,200.00	R	ACH
08/19/26	LEGENCE SUBSIDIARY HOLDINGS LL	22,145.00	R	ACH
08/19/26	MADISON NATL LIF INS CO INC	9,734.23	O	Regular
08/19/26	MALO ROOFING	1,467.65	R	ACH
08/19/26	MARCO TECHNOLOGIES LLC	29,980.49	R	ACH
08/19/26	MARTIN MARIETTA MATERIALS INC	473.03	O	Regular
08/19/26	MCMASTER-CARR SUPPLY CO	258.51	R	ACH
08/19/26	METRONET SYSTEMS HOLDINGS LLC	58.02	R	ACH
08/19/26	Michaela Rose Fountain	40.00	O	Regular
08/19/26	MID-AMERICAN RESEARCH CHEMICAL	1,023.38	O	Regular
08/19/26	MIDWEST TAPE LLC	2,950.10	R	ACH

08/19/26	MINER'S OUTDOOR & RECREATION	49.42	O	Regular
08/19/26	MINNESOTA ELEVATOR INC	100.00	O	Regular
08/19/26	MINNESOTA ELEVATOR INC	25.00	R	ACH
08/19/26	MINNESOTA LIFE	6,332.80	O	Regular
08/19/26	MINNESOTA SECURITY CONSORTIUM	1,552.00	R	ACH
08/19/26	MN DEPT OF LABOR AND INDUSTRY	195.00	O	Regular
08/19/26	MN DEPT OF TRANSPORTATION	195.07	O	Regular
08/19/26	MN PETROLEUM SERVICE	30,640.10	O	Regular
08/19/26	MN RECREATION & PARK ASSN	1,213.00	R	ACH
08/19/26	MN VALLEY TESTING LABS INC	577.75	R	ACH
08/19/26	MRI SOFTWARE LLC	25.00	R	ACH
08/19/26	MTI DISTRIBUTING INC	5,173.29	R	ACH
08/19/26	NowMed PLLC	195.00	O	Regular
08/19/26	NORTHERN SAFETY TECHNOLOGY INC	942.51	R	ACH
08/19/26	NORTHLAND FARM SYSTEMS	624.54	R	ACH
08/19/26	OLMSTED MEDICAL CENTER	237.00	O	Regular
08/19/26	OWATONNA COUNTRY CLUB	3,117.00	O	Regular
08/19/26	OWATONNA HEATING & COOLING INC	805.50	R	ACH
08/19/26	OWATONNA PUBLIC UTILITIES	2,078.30	R	ACH
08/19/26	OWT HARDWARE	572.60	O	Regular
08/19/26	Paulette Nelson	50.00	O	Regular
08/19/26	PAAPE COMPANIES INC	16,675.06	R	ACH
08/19/26	PEGGY OLIVIER	50.00	O	Regular
08/19/26	PHONE STATION INC	2,475.00	O	Regular
08/19/26	PLUNKETT'S PEST CONTROL INC	273.42	R	ACH
08/19/26	POLYDYNE INC	23,736.00	R	ACH
08/19/26	PRAIRIE CREEK FENCE LLC	117.00	O	Regular
08/19/26	QT Pod	1,675.00	O	Regular
08/19/26	Radiant Church	50.00	O	Regular
08/19/26	RAMY TURF PRODUCTS	361.00	O	Regular
08/19/26	Renee Pavek	50.00	O	Regular
08/19/26	REM Hillside	50.00	O	Regular
08/19/26	RENT N SAVE PORTABLE SERVICES	1,906.45	O	Regular
08/19/26	RONCO ENGINEERING SALES	1,039.68	R	ACH
08/19/26	Sara Bogue	200.00	O	Regular
08/19/26	SELCO	2,474.84	R	ACH
08/19/26	SENIORPLACE INC	202.00	O	Regular
08/19/26	SHI INTERNATIONAL CORP	333.50	O	Regular
08/19/26	SHRED RIGHT	71.66	R	ACH
08/19/26	SONS OF NORWAY	50.00	O	Regular
08/19/26	SPLIT ROCK MANAGEMENT INC	3,860.00	R	ACH
08/19/26	ST CROIX RECREATION CO	7,063.38	R	ACH
08/19/26	STATE INDUSTRIAL PRODUCTS	239.91	R	ACH
08/19/26	STEELE COUNTY RECORDER	46.00	O	Regular

08/19/26	STEVE JAMES EXCAVATING INC	730.25	R	ACH
08/19/26	STEWART COMPANIES INC	348.10	O	Regular
08/19/26	STEWART SANITATION	1,681.60	O	Regular
08/19/26	TAMMY R INGVALDSON	20.00	O	Regular
08/19/26	Terri Lambaere	50.00	O	Regular
08/19/26	TELADOC HEALTH INC	2,399.10	O	Regular
08/19/26	TEMPLE ELECTRIC MOTOR SERV INC	3,252.00	R	ACH
08/19/26	TEXAS REFINERY CORP	660.23	R	ACH
08/19/26	THEODORE SORENSEN	50.00	O	Regular
08/19/26	THOMPSON SANITATION INC	318.00	R	ACH
08/19/26	TRI M GRAPHICS	1,011.26	R	ACH
08/19/26	UNITED LABORATORIES INC	1,049.98	O	Regular
08/19/26	UNITED WAY	20.00	O	Regular
08/19/26	UTILITY CONSULTANTS INC	1,462.62	R	ACH
08/19/26	VAULT HEALTH	1,256.76	O	Regular
08/19/26	VERIFIED FIRST LLC	399.50	R	ACH
08/19/26	VERIZON WIRELESS	497.34	O	Regular
08/19/26	VESTIS GROUP INC	339.84	O	Regular
08/19/26	WALBRAN & FURNESS CHARTERED	13,955.85	R	ACH
08/19/26	WASECA COUNTY NEWS	159.40	O	Regular
08/19/26	WEN-COL INC	931.31	O	Regular
08/19/26	WEST SHORE SERVICES INC	1,132.00	O	Regular
08/19/26	WOLFF AND SONS INC	967.25	R	ACH
08/19/26	WORLD TRADE PRESS	428.40	O	Regular
08/19/26	ZEP MANUFACTURING CO	360.69	R	ACH

City of Owa jgoerdt 4

A/P Check Register
to

Checks total:	156,102.82
ACH total:	290,131.19
EFTPS total:	
Wire transfer total:	
Payment Manager total:	
GRAND TOTALS	446,234.01

COMPARISON REPORT OF BUILDING DONE IN CITY OF OWATONNA IN YEARS 2025 AND 2026													Ken Beck, Building Official	
	DWELLINGS		ACCESSORY		COMMERCIAL		ADD. & ALT.		DUPLEX/APTS		DEMO		TOTAL	
Month	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.		NO.	VALUE
Jan '25	0	0	0	0	22	13,865,031	85	566,740	0	0	0		107	14,431,771
Jan '26	0	0	2	1,000	20	4,787,137	107	$ 761,152.83			5		134	$ 5,549,289.83
Feb '25	1	317,000	1	500	40	15,540,396.00	185	1,110,858.11					227	16,968,754.11
Feb '26	1	461,000	2	1,000	36	5,661,962.00	169	1,173,226.15			5		213	7,297,188.15
Mar '25	1	317,000	14	51,721	59	17,995,810	278	$ 1,975,163.16			2		354	$ 20,339,694.16
Mar '26	4	1,591,000	9	23,000	46	5,971,140	274	$ 2,059,257.16			6		339	$ 9,644,397.16
Apr '25	6	1,502,000	25	102,117	73	22,381,515	395	3,025,025.86	0	0	3		502	27,010,657.86
Apr '26	10	3,375,000	28	141,139	63	7,888,040	419	$ 3,839,674.11	4	$1,000,000.00	6		530	$16,243,853.11
May '25	7	2,068,000	39	170,017	102	31,555,159.00	567	4,993,234.30			4		719	38,786,410.30
May '26	11	3,675,000	48	237,747	78	24,008,393.00	567	5,318,971.57	4	$1,000,000.00	8		716	34,240,111.21
Jun '25	8	2,448,000	51	218,624.33	120	34,423,774.00	740	7,382,208.84			4		923	44,472,607.17
Jun '26	13	4,765,000	68	322,300.76	108	27,962,746.50	727	7,023,399.66	7	1,930,000	8		931	42,003,446.92
Jul '25	10	3,298,000	70	340,568.33	141	37,792,700.00	923	9,366,792.64			4		1148	50,798,060.97
Jul '26	13	4,765,000	91	436,700.76	134	30,031,642.53	873	8,245,952.23	7	1,930,000	8		1126	45,409,295.52
Aug '25	10	3,298,000	86	404,032.00	166	41,045,386.00	1075	11,186,236.26			5		1,342	$55,933,654.26
Aug '26														-
Sep '25	11	3,623,000	102	464,032.00	189	41,567,217.38	1290	13,253,047.25			7		1,599	58,907,296.63
Sep '26														0.00
Oct '25	12	4,173,000	118	550,508.77	219	42,658,452.42	1,473	15,124,203.49			9		1,831	62,506,164.68
Oct '26														
Nov '25	14	4,613,000	124	561,008.77	230	43,761,000.42	1,615	16,723,718.50			10		1,993	65,658,727.69
Nov ' 26														
Dec '25	15	4,925,500	125	564,008.77	244	53,804,896.42	1,758	17,666,330.14			10		2,152	76,960,735.33
Dec '26														0.00

**Starting April 2023, Commerical and Industrial are combined

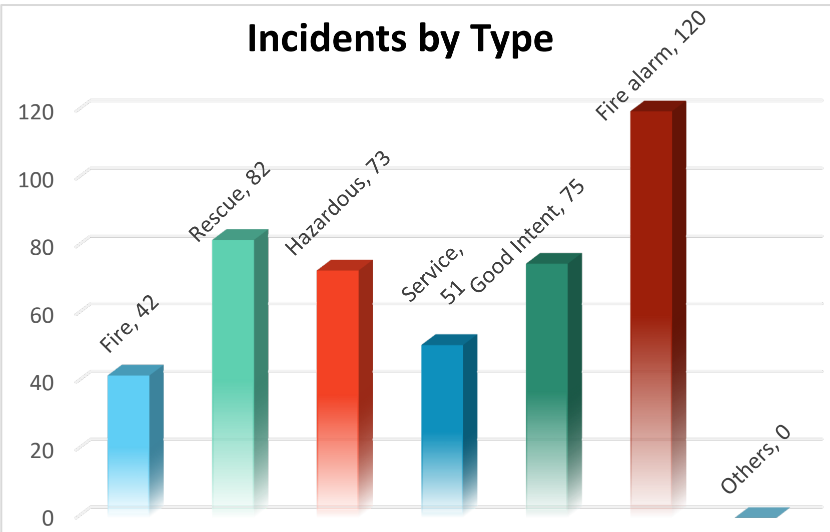
Owatonna Building Inspection Department Comparison Report- Construction to Date 2025/2026

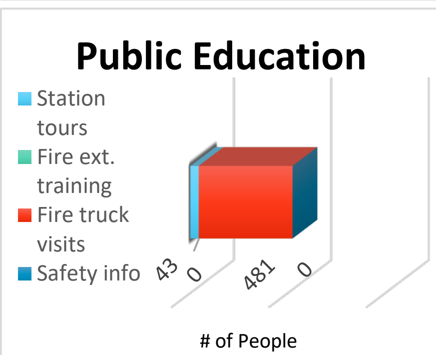
Construction Report for Permits Issued through July, 2026

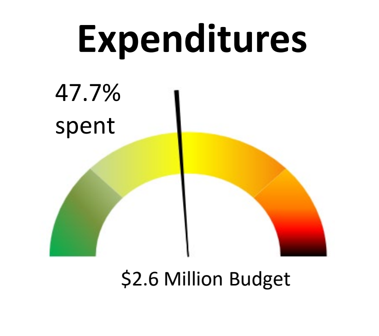
TYPE OF WORK	2025 PERMITS ISSUED	PERMITS ISSUED FOR CONSTRUCTION COST	Units	2026 PERMITS ISSUED	PERMITS ISSUED FOR CONSTRUCTION COST	Units
NEW DWELLINGS	10	3,298,000		13	4,765,000	
ACCESSORY BUILDINGS	70	340,568.33		91	436,700.76	
(INCLUDES GARAGES, UTIL.						
BLDGS, SW. POOLS, ETC.)						
COMMERCIAL AND INDUSTRIAL PF	141	37,792,700.00		134	30,031,642.53	
RESIDENTIAL ADD. & ALT.	923	9,366,792.64		873	8,245,952.23	
DUPLEXES & APTS.	0	0	0	7	1,930,000	0
(INCLUDES ATTACHED SF)						
DEMOLITION PERMITS	4	0		8	0	
TOTAL PERMITS ISSUED	1,148	50,798,061	0	1,126	45,409,296	0

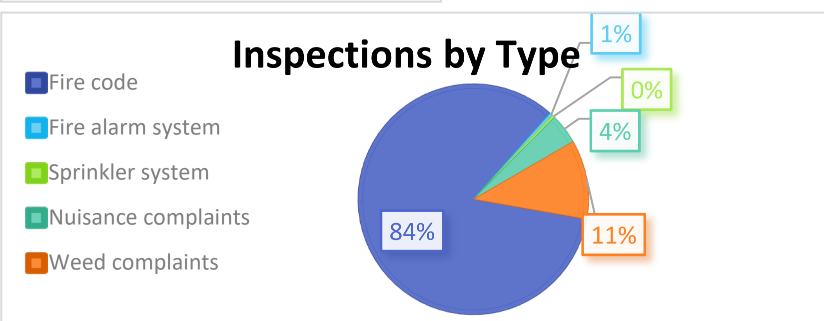
OWATONNA FIRE DEPARTMENT DASHBOARD

2026 STATISTICS

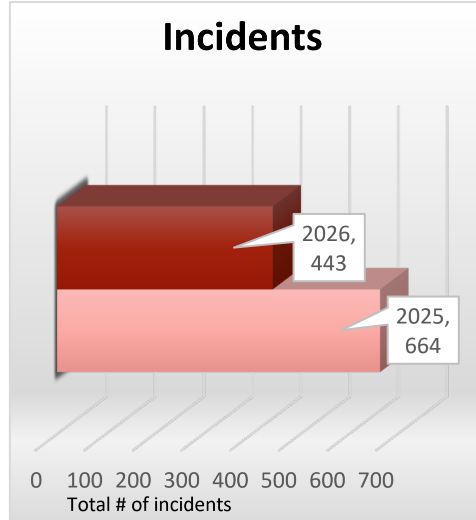


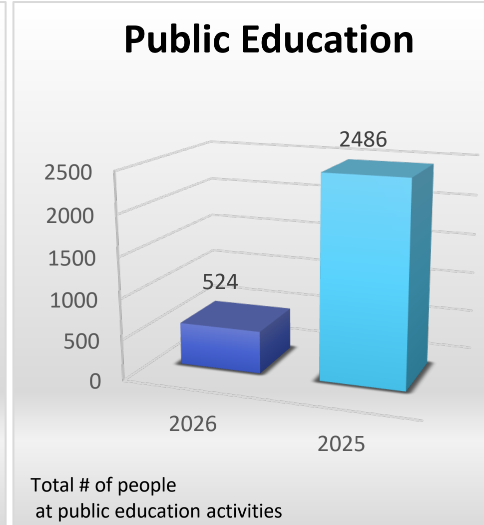


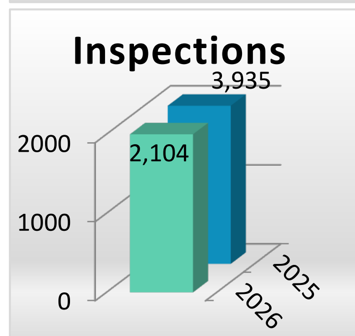


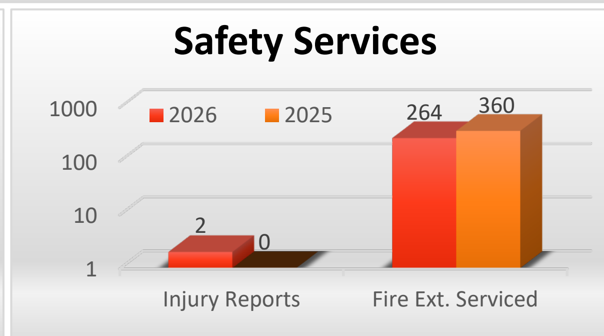


2026 VS 2025 STATISTICS









Updated through July 2026

2026 OWATONNA FIRE DEPARTMENT MONTHLY ACTIVITY REPORT

INSPECTION SERVICES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2026	2025
Fire code inspections	192	270	168	342	240	278	274						1764	2892
Fire alarm inspections	0	0	3	1	2	0	3						9	30
Sprinkler system inspections	0	2	2	4	0	0	0						8	53
Nuisance inspections	2	4	7	6	18	21	31						89	154
Weed inspections	0	0	0	0	32	104	98						234	806
Sprinkler system permits issued	1	0	1	0	0	0	2						4	25
Fire alarm system permits issued	2	1	1	4	3	0	1						12	20
Hood/Suppression system permits issued	0	0	0	0	0	0	0						0	2
Plan reviews	8	6	6	12	6	2	8						48	91
Code reviews	2	2	1	0	1	0	3						9	29
# Knox boxes checked	0	0	2	2	0	0	1						5	12

PUBLIC EDUCATION SERVICES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2026	2025
# people given tours	0	30	0	0	0	0	13						43	354
# people given extinguisher demos	0	0	0	0	0	0	0						0	114
# people at truck visits	0	0	0	0	200	241	40						481	1717
# people fire safety information	0	0	0	0	0	0	0						0	300
# people juvenile firesetters	0	0	0	0	0	0	0						0	1

EMERGENCY RESPONSE SERVICES		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2026	2025
Incidents	City incidents	54	31	59	57	54	56	64						375	557
	Rural incidents	5	7	14	11	10	10	9						66	101
	Mutual aid given	0	0	0	1	1	0	0						2	6
Monthly Totals		59	38	73	69	65	66	73						443	664
Type of Incidents	Fire	5	0	4	10	13	5	5						42	65
	Rescue calls	6	8	14	9	11	16	18						82	115
	Hazardous conditions	11	10	14	8	8	12	10						73	88
	Service calls	6	2	10	7	10	6	10						51	38
	Good intent calls	16	7	12	16	9	7	8						75	185
	Fire alarms	15	11	19	19	14	20	22						120	160
	Others	0	0	0	0	0	0	0						0	13
Monthly Totals		59	38	73	69	65	66	73						443	664
Total training hours		295.42	312.83	406.92	196.75	241.94	160.50	196.74						1811	3876

SAFETY SERVICES	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2026	2025
# injury reports	0	1	0	0	0	0	0						1	0
# lost work hours	0	0	0	0	0	0	0						0	0
# fire extinguishers serviced	143	0	0	42	15	0	64						264	360
TOTAL HOURS														
Full-time shift hours worked	1668.00	1559.00	1845.50	1606.50	1642.07	1584.00	1606.50						11511.57	18816.00
Full-time overtime hours worked	263.94	137.57	133.34	195.77	264.90	265.66	195.77						1456.95	2100.13
Paid-on-Call hours worked	361.25	254.25	474.25	374.25	167.25	167.25	204.50						2003.00	4517.23
Monthly Hours Worked Total	2293.19	1950.82	1950.82	2118.77	2016.91	2016.91	2006.77						14971.52	25433.36

Owatonna Police Department Crime Clock
July 2026

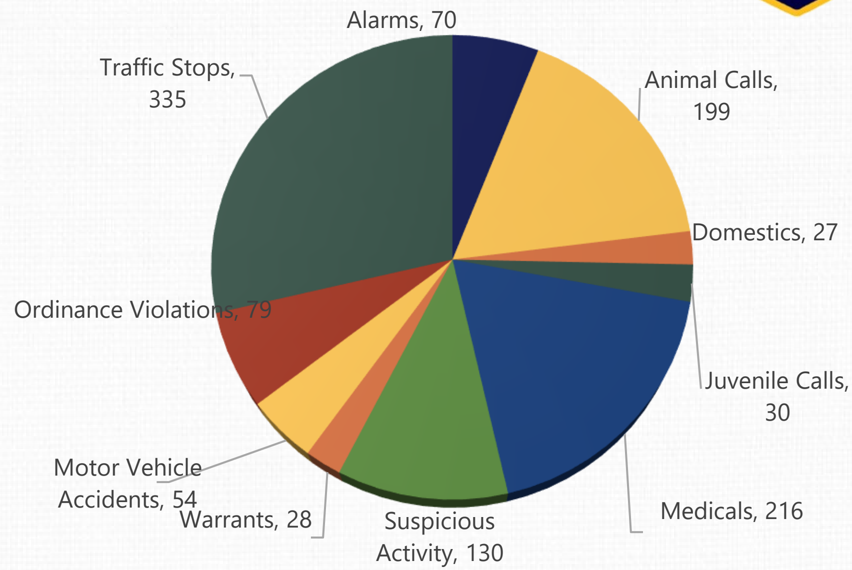
Calls for Service: 3,324

Average Daily Calls for Service: 107.23

Busiest Day: Tuesday

Average Hourly Calls for Service: 4.47

Busiest Hour: 10:00 PM

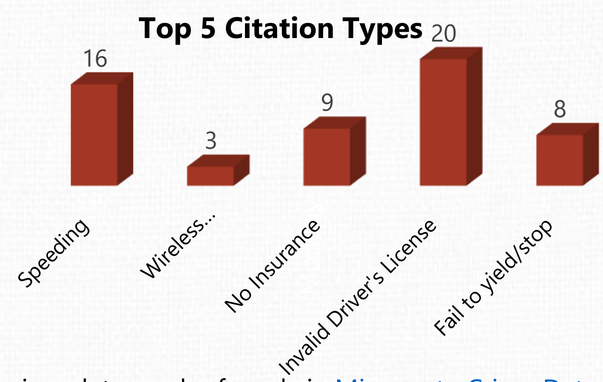


The Owatonna Police Department issued a total of 81 citations and 192 warnings in July.

Monthly Traffic Stops: 335

Average Daily Traffic Stops: 10.81

Average Hourly Traffic Stops: 0.45



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

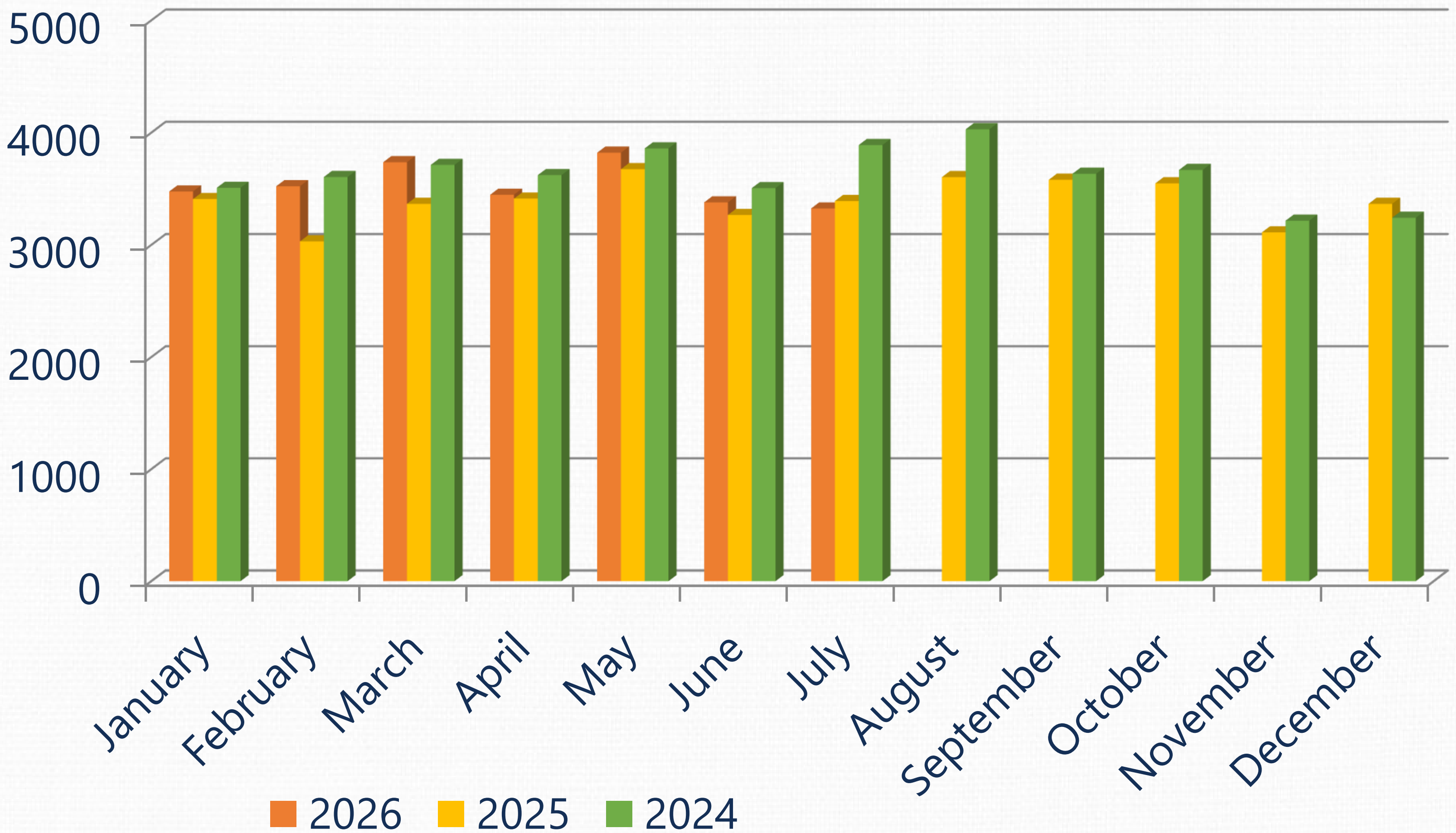
Owatonna Police Department

July 2026 Crime Statistics

CITY OF OWATONNA

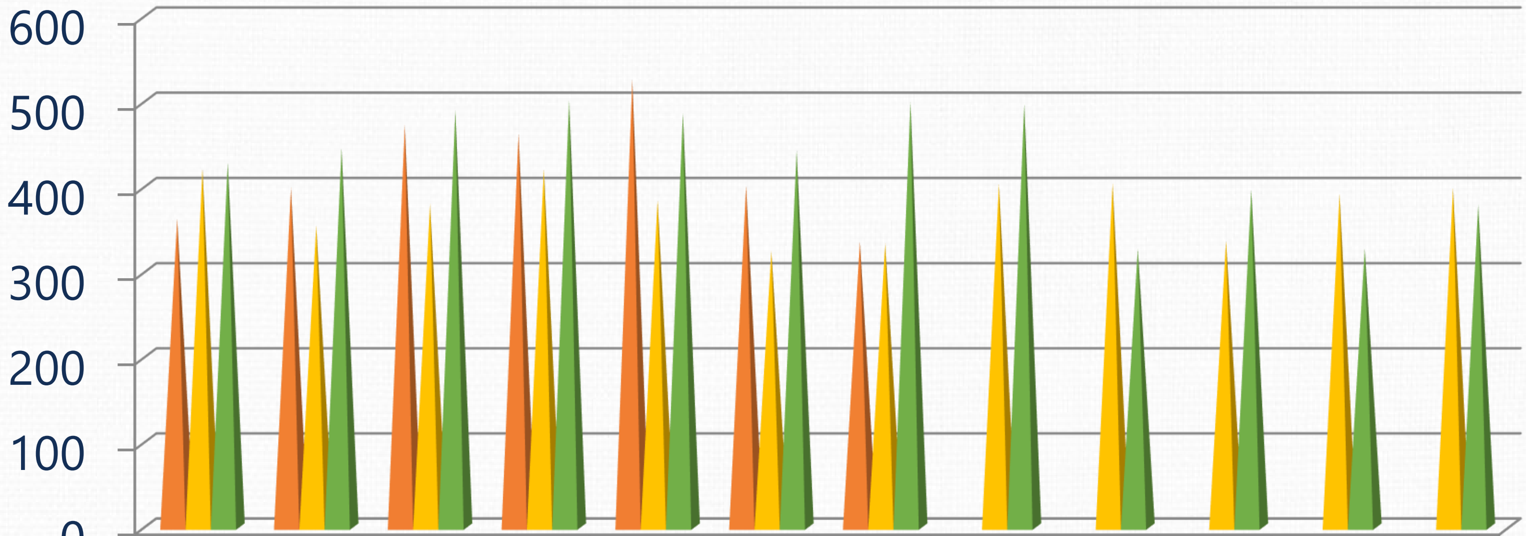
The following statistics are based on calls for service reports compiled monthly. Official crime data can be found via Minnesota Crime Data Explorer.

Total Calls for Service



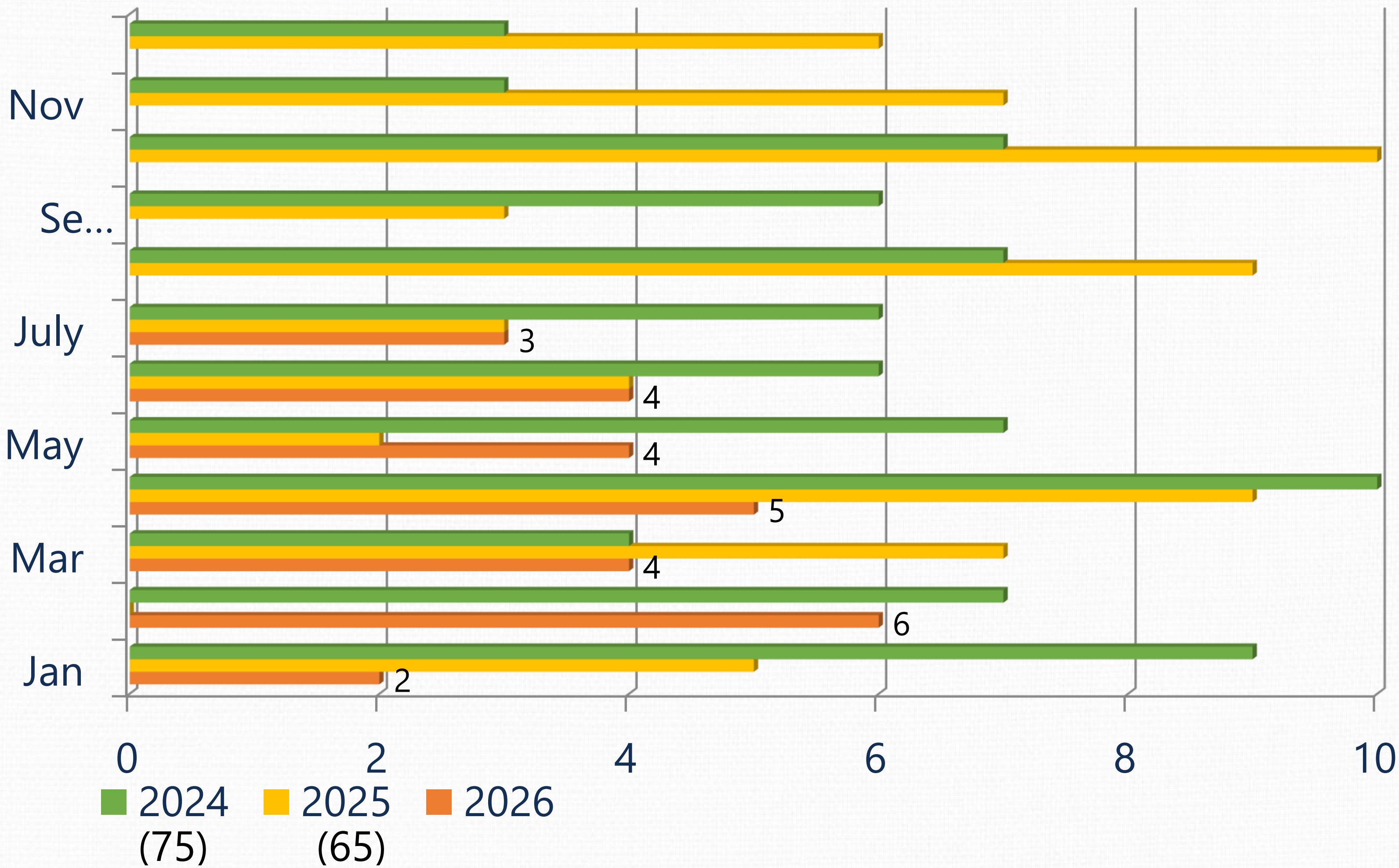
CITY OF OWATONNA

Traffic Stops

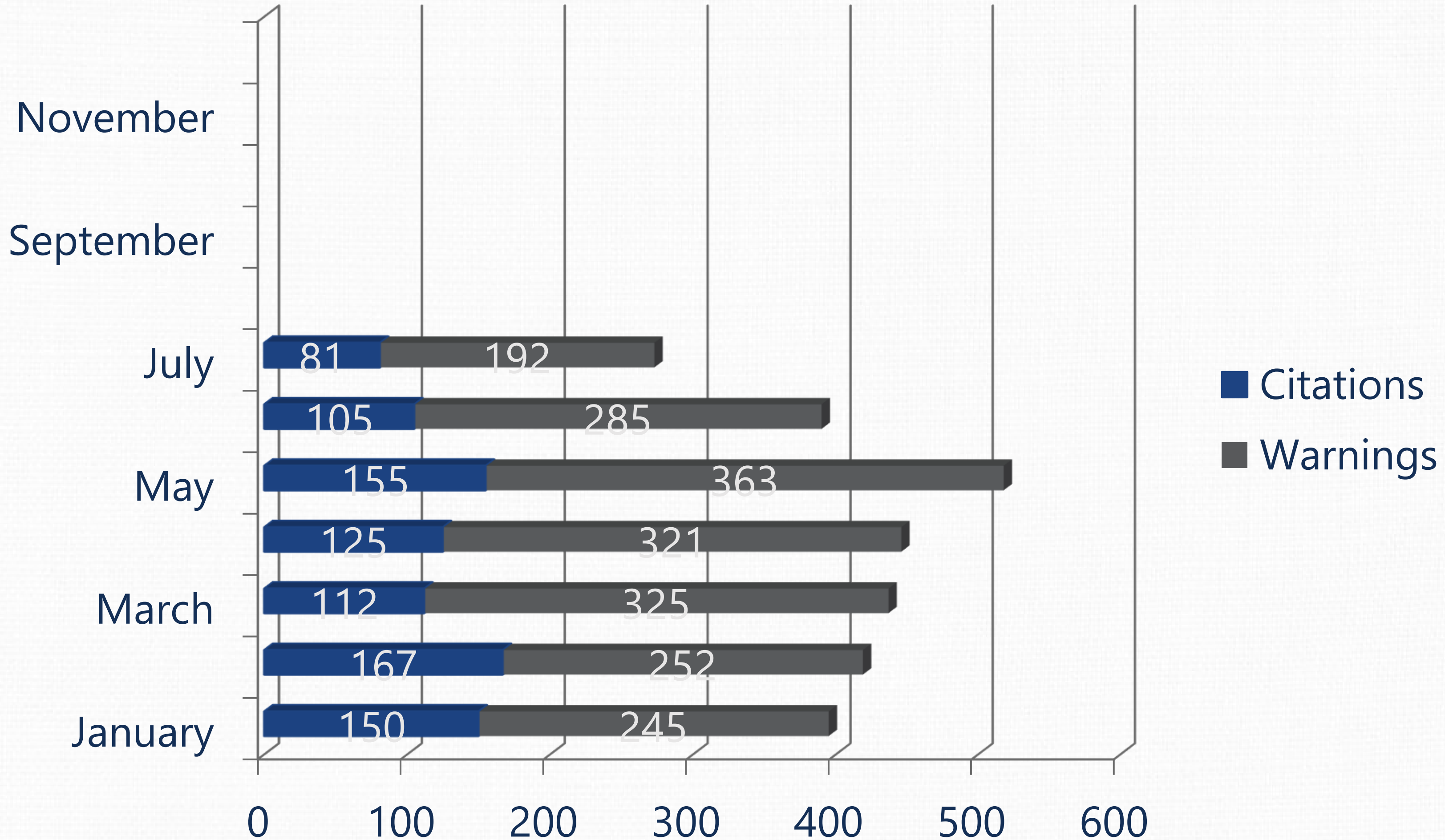


	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec
2026	362	398	472	462	525	401	335					
2025	421	354	379	420	384	324	333	403	404	336	391	398
2024	428	445	489	501	486	442	499	497	327	396	327	378

DWI



Citations and Warnings



CITY OF OWATONNA

Group A Crimes

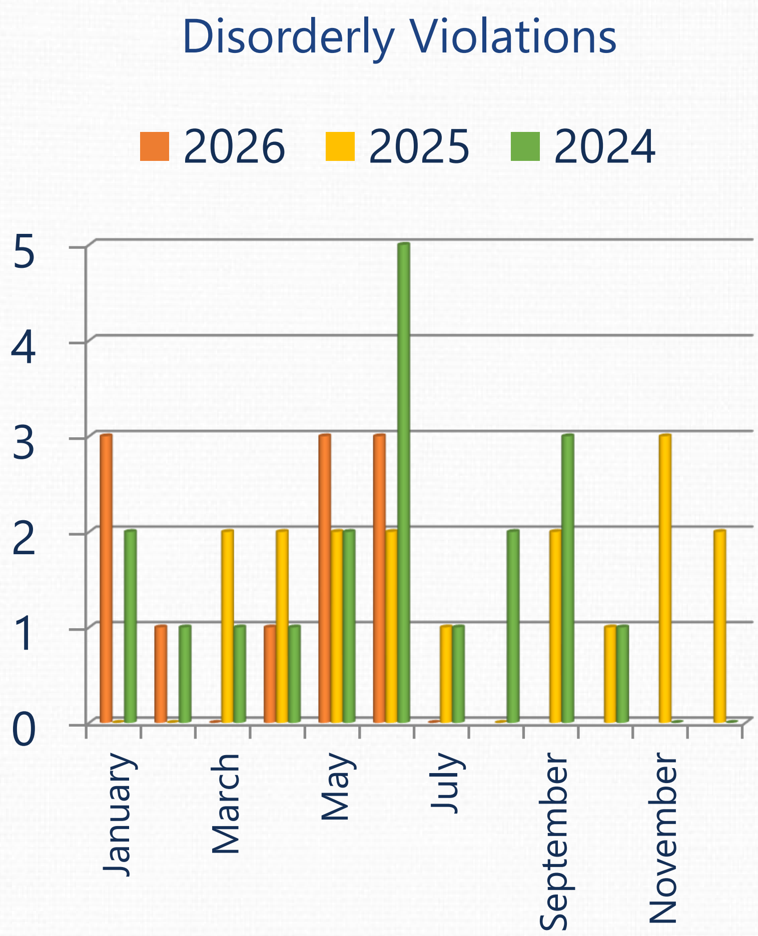
Murder and Non-Negligent Manslaughter	0	Purse Snatching	0	Identity Theft	13
Kidnapping/Abduction	3	Shoplifting	24	Hacking/Computer Invasion	0
Rape	11	Theft From Building	7	Embezzlement	1
Sodomy	0	Theft From Coin-Operated Machine or Device	0	Stolen Property Offenses	3
Fondling	19	Theft From Motor Vehicle	12	Destruction/Damage/Vandalism of Property	31
Robbery	0	Theft of Motor Vehicle Parts or Accessories	4	Drug/Narcotic Violations	18
Aggravated Assault	29	All Other Larceny	62	Drug Equipment Violations	0
Simple Assault	47	Motor Vehicle Theft	2	Incest	0
Intimidation (Assault)	33	Counterfeiting/Forgery	5	Pornography/Obscene Material	3
Arson	0	False Pretenses/Swindle/Confidence Game	15	Weapon Law Violations	10
Extortion/Blackmail	2	Credit Card/Automated Teller Machine Fraud	7	Human Trafficking, Commercial Sex Acts	1
Burglary/Breaking & Entering	12	Wire Fraud	0	Animal Cruelty	2
				TOTAL:	376

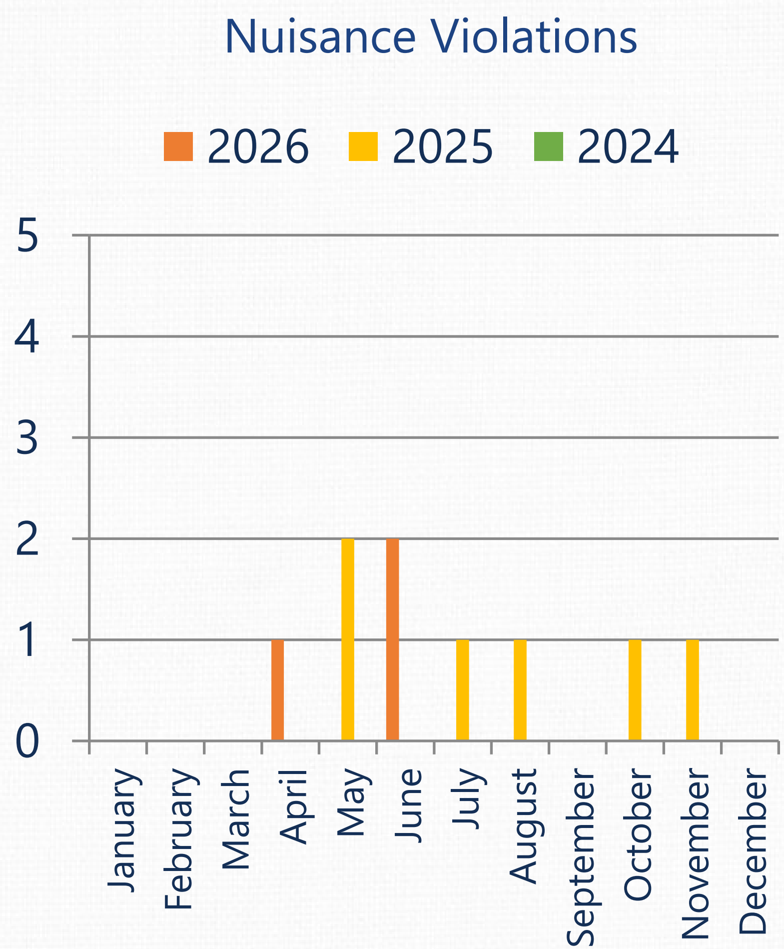
Group B Crimes

Curfew/Loitering/Vagrancy Violations	9
Disorderly Conduct	25
Driving Under the Influence	84
Family Offenses, Nonviolent	5
Liquor Law Violations	29
Trespass of Real Property	11
All Other Offenses	100

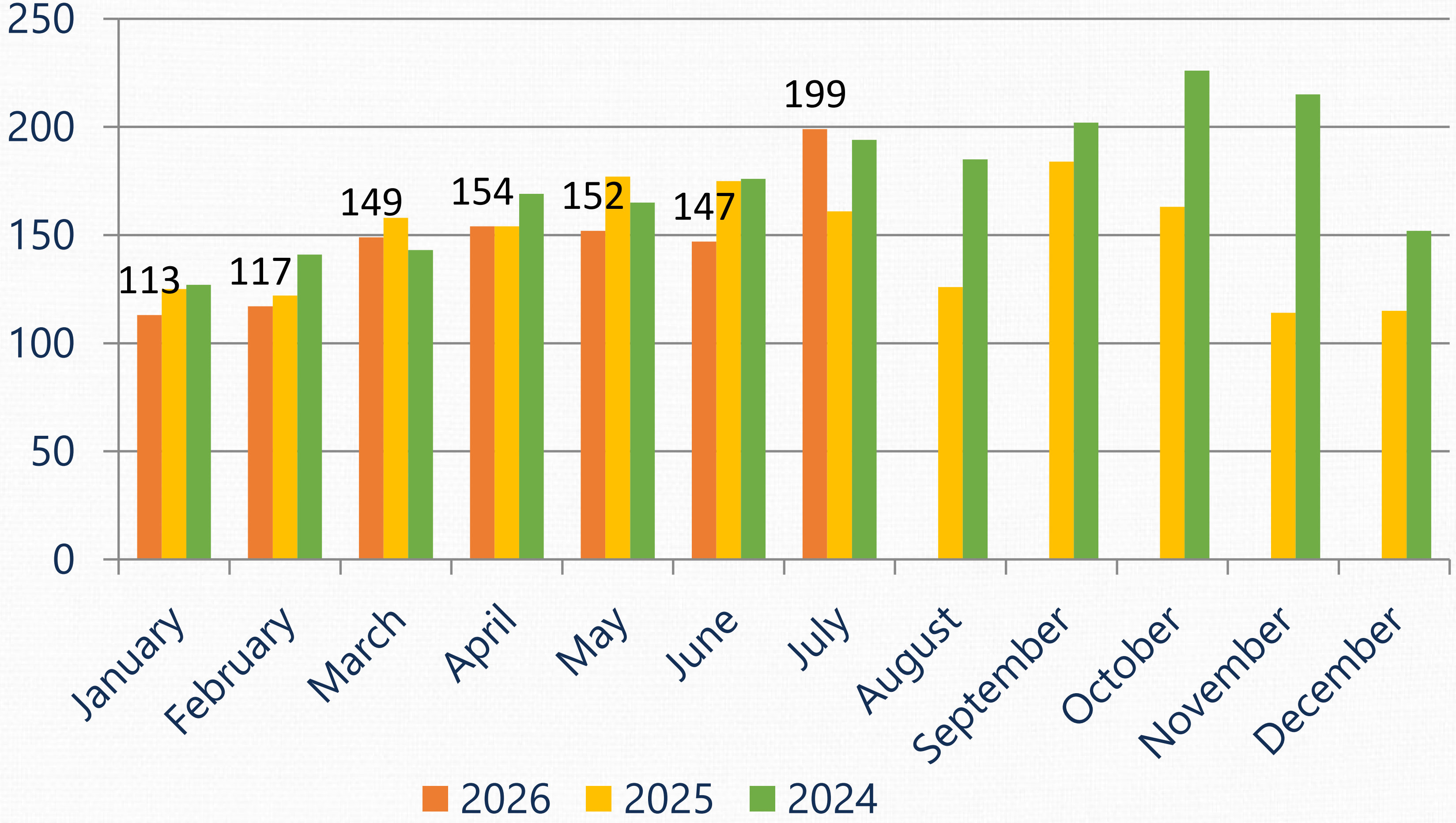
Total: 263

Disorderly and Nuisance Violations





Animal Control Calls



CITY OF OWATONNA

CITY OF OWATONNA

Licenses
Permits

MINNESOTA LAWFUL GAMBLING

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: EXCHANGE CLUB OF OWATONNA, MINNESOTA

Previous Gambling Permit Number: X- 93483-25-012

Minnesota Tax ID Number, if any: 23-7084374

Federal Employer ID Number (FEIN), if any: Nat. Exchange Club 34-4312210

Mailing Address: P O BOX 13

City: OWATONNA State: MN Zip: 55060 County: STEELE

Name of Chief Executive Officer (CEO): DALLAS R. KETCHUM

CEO Daytime Phone: 507-39*0-5214 CEO Email: dallasketchum65@outlook.com

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

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

NONPROFIT STATUS

Type of Nonprofit Organization (check one):

☐ Fraternal ☐ Religious ☐ Veterans ☑ Other Nonprofit Organization

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

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

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

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

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

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

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

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

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

If your organization falls under a parent organization, attach copies of both of the following:
1. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling; and
2. the charter or letter from your parent organization recognizing your organization as a subordinate.

GAMBLING PREMISES INFORMATION

Name of premises where the gambling event will be conducted (for raffles, list the site where the drawing will take place): OWATONNA EAGLES CLUB

Physical Address (do not use P.O. box): 141 EAST ROSE STREET

Check one:

☑ City: OWATONNA Zip: MN County: STEELE

☐ Township: ____ Zip: ____ County: ____

Date(s) of activity (for raffles, indicate the date of the drawing): DECEMBER 10, 2026

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

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

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

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: 8/13/26

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: Dallas R. Ketchum Date: 8/13/26
(Signature must be CEO's signature; designee may not sign)

Print Name: DALLAS R. KETCHUM

REQUIREMENTS

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

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

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

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

MAIL APPLICATION AND ATTACHMENTS

Mail application with:

____ a copy of your proof of nonprofit status; and

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

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

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

CITY OF OWATONNA

Miscellaneous

CITY OF OWATONNA

DATE: August 18, 2026
TO: Mayor and City Council
FROM: Eric Anderson, Recreation Manager
SUBJECT: Adaptive Recreation Donation - Knights of Columbus

Purpose:
Request City Council approval to accept a $3,000 donation from the Owatonna Knights of Columbus in support of the City's work done with the developmentally disabled.

Background:
The local Knights of Columbus chapter continues its long-standing tradition of supporting individuals with intellectual disabilities through their national Tootsie Roll Drive. Our City's Adaptive Recreation program has been fortunate to receive donations from this campaign for many years, helping to enhance programs and opportunities for participants. We are grateful for their ongoing generosity and commitment to our community.

Budget Impact:
The donation offsets expenses for Adaptive Recreation programs, helping to lower participation fees and reduce the tax burden impact.

Staff Recommendation:
Staff recommends approval.

Attachments:
1. 2026 KOC Donation Letter

Dear Friends,

Congratulations. You have been chosen by Council #945 from Owatonna of the Knights of Columbus to receive a donation for your great work with the Developmentally Disabled. As State Treasurer of the Minnesota State Council of the Knights of Columbus, I have been asked by the above council to forward their check directly to you. The check is in the amount of $3,000.00. Please acknowledge with any thank you directly to the Grand Knight of the Council at the following address:

Brandon Fandel
Grand Knight #00945
1138 Sumac Ave
Owatonna 55060-3754

Sincerely,

Joe George
State Treasurer
1926 72nd Street
Centerville, MN 55038
(651) 253-3112

DATE: August 18, 2026
TO: Mayor and City Council
FROM: Jeffrey Mundale, Police Chief
SUBJECT: Memorandum of Agreement — School Resource Officer - ISD 761

Purpose:

Seeking approval of the 2026-2027 School Resource Officer Agreement with Owatonna ISD 761.

Background:

The City/Police Department has maintained a long-standing agreement to provide two police officers (School Resource Officers, or SRO) to the school district during the academic year. The school district agrees to reimburse the City $97,043.28 per position for wages and benefits for the 2026-2027 academic year, a 3% increase from the previous contract year. In addition, the City also provides an SRO presence for special events and activities outside the normal school hours. As such, overtime reimbursement that is paid by the City that exceeds $2,000 per SRO, is paid by the District.

Budget Impact:

Revenue/reimbursement of $194,086.56 plus overtime reimbursement.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. 2026-2027 SRO Agreement

MEMORANDUM OF AGREEMENT

THIS AGREEMENT is made and entered into as of the date that all parties have signed the Agreement (the "Effective Date") by and between Independent School District No. 761, Owatonna, MN 55060 ("District") and the City of Owatonna ("City"), Owatonna, MN 55060.

The City, through the Owatonna Police Department (hereafter called "OPD"), desires and is able to provide to the District, resources and services which aid and assist the District in the administration of the District's school programs. In like fashion, the District, through the administration of its school programs, is able to afford OPD opportunities for OPD to provide its services to the community. The Officers shall not have school disciplinary authority or be considered educational service providers and are limited to provide police functions which include law enforcement duties. The Officers shall not be assigned as support staff, hall monitors, substitute teachers, or cafeteria attendants.

The City and District each wish to establish a mutually beneficial arrangement to achieve their common objectives and reduce their common understanding to writing. It is, therefore, agreed by the City and District as follows:

1. Subject to the terms and conditions set forth in this Agreement, the District hereby agrees to utilize the services of two (2) law enforcement officers from August 31, 2026 through June 4, 2027. The law enforcement officers shall service primarily Owatonna High School and Owatonna Middle School and shall be shared with other District sites as needed. The City shall execute and deliver proper notice to the District that this Agreement constitutes a valid and binding obligation of the City for the time period stated.

2. The officers shall be scheduled and assigned by OPD exclusively to school related issues and activities including, without limitation, general school liaison officer duties, life skills training/instruction assistance and such other programs and activities as the District may from time-to-time prescribe.

3. OPD will have the authority to hire and assign such officers for duty as contemplated in this

Agreement. OPD will seek and consider recommendations of the District in the selection and assignment of officers.

4. The District and the City acknowledge and agree that the City law enforcement officers are not employees of the District and that the City or its agents will have the authority to bind the District or otherwise incur liability on behalf of the District without express delegation of authority by the District. The District shall have no obligation to provide any employee benefits or privilege of any kind or nature to the City law enforcement officers including without limitation, insurance benefits, pension benefits or the like.

5. The law enforcement officers are not entitled to access private or confidential data maintained by the District, including, but not limited to, private personnel data and private student data, unless state or federal law allows such access. In the event that the law enforcement officers learn private student state or private personnel data in connection with their assignment to the schools, such information cannot be shared with individuals other than District employees who have a legitimate need to know such information, unless otherwise authorized by the law.

6. The District's sole authorized representatives on matters relating to this Agreement are Mark Stotts, Director of Finance & Operations, and Tamara Champa, Superintendent, unless the City is notified in writing of an additional or substitute representatives. Said Representatives shall have final authority for acceptance of the City's services as satisfactory and shall certify acceptance on each invoice submitted by the City. The City shall not rely on the directives or interpretations of any other individual as representing the District under this Agreement.

7. The City acknowledges and agrees that it and the law enforcement officers that are assigned to perform services under this Agreement shall comply with District policies and any amendments to those policies that are made during the term of this Agreement.

8. The City shall remain responsible for and shall provide workers' compensation insurance for the officers assigned hereunder. The City shall also provide as may be

required by law, unemployment compensation coverage for the officers assigned hereunder. The City shall also maintain liability insurance coverage in amounts reasonably satisfactory to the District and City for the officers assigned hereunder and the City shall indemnify, defend and hold harmless the District from any and all claims for bodily injury, death and property damage arising out of or alleged to arise out of the conduct and performance of the officers assigned hereunder.

9. The City shall at all times hereunder be responsible for the payment of wages or salary payable to the officers so assigned and shall be responsible for such withholdings there from as may be required by law or otherwise directed by such officers. The City shall also be responsible to provide all benefits which might be available to the officers as employees of the City.

10. In consideration of the full and complete performance of the agreed services in paragraph one hereof, the District agrees to compensate the City amounts equal to the following:

    The District shall pay to the City for the services contracted for hereunder, such amounts as may be required to offset the actual cost of salary and benefits for the officer positions assigned hereunder; however, not to exceed the amount of $97,043.28 annually for each full-time officer position.

    The City shall invoice the District for the services performed bi-annually, and the District shall pay such invoice within thirty (30) days following receipt. The City invoices shall show for the City employee by name and title and the time period included for the billing period.

11. This is intended to be the entire Agreement between the City and the District with respect to the services contracted for hereunder and this Agreement shall not be modified, amended or otherwise altered unless in writing signed by both parties.

12. <u>Overtime.</u> SROs provide services to the District outside of the regular school hours for special

events. Special events include after-hours security and police presence at school sporting events, prom, dances, activity nights, graduation, school board meetings and at other times upon request. The City agrees to continue to provide SROs for such special events and to absorb the cost of such overtime up to a cap of $2,000 per SRO per the contract year. Any hours exceeding the cap will be billed back to the District once annually at the end of the school year.

City of Owatonna
Owatonna Police Department

By: ___________________________________
Chief of Police, Jeff Mundale
City of Owatonna

Date: _________________________________

By:
____
City Administrator, Jenna Tuma
City of Owatonna

Date: _________________________________

Independent School District No. 761

By: ___________________________________
Director of Finance and Operations
Owatonna Public Schools

Date: _________________________________

DATE: August 18, 2026
TO: Mayor and City Council
FROM: Rachel Boss, Human Resources Director
SUBJECT: 2026 City Administrator Performance Evaluation Proposal and Engagement Plan - Employmee Strategies

Purpose:
Approve the proposal and engagement plan with Employee Strategies for the 2026 City Administrator performance evaluation.

Background:
City Council partnered with Employee Strategies to guide them through the City Administrator's 2023 performance evaluation. The City is looking to partner again for 2026. The project outline will include compiling data and summarizing results in a written report to be delivered at a Closed Council Executive Session.

Budget Impact:
The budget impact for this project with Employee Strategies is $12,000. There are sufficient funds in the Mayor/Council 2026 Budget.

Staff Recommendation:
Staff recommends approval of the proposed engagement plan with Employee Strategies.

Attachments:
1. 2026 Proposal - City Administrator Performance Review

City of Owatonna 2026 City Administrator Performance Review

Proposal & Engagement Plan | August 2026

Situation Summary

Employee Strategies has partnered with the City of Owatonna since 2023 to support the City Administrator's annual performance review, most recently completing the process for former City Administrator Kris Busse. Jenna Tuma began her role as City Administrator in August 2025. The City managed her six-month review cycle internally.

For the twelve-month review currently underway, the City has already distributed the electronic 360 survey and collected input from City Council members and the City Administrator's direct reports. Mayor Matt Jessop and the City Council have asked Employee Strategies to re-engage at this stage — to help synthesize that input, prepare for and facilitate Council's discussion of the findings, and support the Mayor in setting clear, measurable goals and delivering the review to Ms. Tuma.

Scope of Services

Closed Council Session — Review Preparation

Employee Strategies will join the City Council's closed session (currently anticipated for Monday, August 17, 2026) to help Council and the Mayor prepare for the review process — discussing what's been collected so far, aligning on how the review will move forward, and answering questions before the process continues.

Synthesis & Theming of Survey Input

Employee Strategies will review the completed 360 survey responses from Council members and direct reports and synthesize the input into three to four clear, actionable themes — distinguishing genuine patterns from one-off comments, and separating what belongs in a formal performance review from what doesn't.

Confidential 1:1 Interviews (Add-On Option)

To add depth and context to the survey data, Employee Strategies can conduct up to nine confidential interviews, each approximately 30 minutes via Zoom or phone: four with City Council members, four with the City Administrator's direct reports, and one with City Administrator Jenna Tuma herself. Interview input is aggregated and summarized at a theme level; individual responses are not attributed to a specific participant in any reporting to Council or City leadership.

Goal-Setting & Review Delivery Preparation

Employee Strategies will work directly with Mayor Jessop and HR leadership to translate the survey themes into specific, measurable goals for the year ahead, and to prepare for the conversation in which he delivers the review to Ms. Tuma — including how to open the conversation, sequence the feedback, and set goals collaboratively so she leaves with clear direction.

Additional Sessions or Scope

Should the City need additional closed Council sessions, follow-up meetings, or scope beyond what's outlined above, Employee Strategies will scope and price that work separately, in writing, before beginning it.

Timeline

The timeline below reflects our current understanding of where the review stands; exact dates will be confirmed directly with HR Director Rachel Boss and Mayor Jessop as scheduling allows.

- Week of August 17, 2026 — Closed Council session to prepare for the review process.
- Late August 2026 — Synthesis of survey input (and interviews, if selected) into core themes.
- Early-to-mid September 2026 — Goal-setting and review-delivery preparation with Mayor Jessop.
- As needed — Follow-up Council session(s) to review synthesized findings, if not completed on August 17.

Your Investment

Because the City has already administered the 360 survey and collected initial input independently, this proposal picks up from that point forward. Two scope options are available:

Option A — Facilitation & Synthesis: $12,000

- Closed Council session preparation and facilitation
- Synthesis and theming of the completed 360 survey input
- Goal-setting and review-delivery preparation with Mayor Jessop

Option B — Facilitation, Synthesis & Interviews: $16,000
Includes everything in Option A, plus nine confidential 1:1 interviews — four City Council members, four direct reports, and City Administrator Jenna Tuma

Agreement

This Agreement is made and entered into by and between the City of Owatonna ("Client") and Employee Strategies, Inc. ("Provider"). Provider represents that it has the professional expertise, insurance, and financial capacity necessary to perform the services described above, and the parties agree to the terms below.

Payment Terms

- 50% of the project fee is due upon signing; an invoice will be delivered upon receipt of this signed proposal.

- The remaining balance is due within 15 days of final deliverable completion.
- Payment is accepted via check or ACH.

Confidentiality

All survey and interview input will be handled under Employee Strategies' standard confidentiality protocols: responses are aggregated and reported at a theme level, and no individual response will be attributed to a specific participant in any reporting to Council or City leadership. This protocol is intended to promote candor, not to limit the City's visibility into the findings. Provider will report all substantive themes arising from the input — including critical or unfavorable feedback — to the Mayor, Council, and HR leadership; only the identity of individual respondents is withheld. Nothing in this Section is intended to limit the City's obligations under applicable public records and data practices laws.

Scope & Independence

This engagement addresses the City Administrator's twelve-month performance review process specifically. Employee Strategies conducts its analysis and facilitation independently, and findings and recommendations reflect the input gathered through this process.

Changes to Scope

Any changes to the scope described above will be discussed and agreed upon in writing before additional work begins or additional fees are incurred.

Selected Option — Client to check one and initial:

☒ Option A — Facilitation & Synthesis: $12,000 Client Initials: ______

☐ Option B — Facilitation, Synthesis & Interviews: $16,000 Client Initials: ______

By signing below, Client confirms the option selected above, and that option's scope and fee govern this Agreement. If no option is indicated, Provider will confirm the intended scope and fee in writing with the City before beginning work.

This proposal is valid for 30 days from the date below.

Whereas, both parties agree to execute this agreement by affixing their signatures below:

Andy Zimney, Employee Strategies **Date**

______________________________________ Aug 12, 2026

Rachel Boss, HR Director, City of Owatonna **Date**

______________________________________ ____________

DATE: August 18, 2026
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: Vehicle Purchase - Engineering Division - Owatonna Ford

Purpose:
Requesting City Council approval of the purchase of a 2027 Ford Explorer to replace the Engineering Division's current 2019 Jeep Grand Cherokee.

Background:
The Engineering Division’s 2019 Jeep Grand Cherokee is scheduled for replacement this year. Trading in the vehicle now preserves its remaining market value and supports a cost-effective transition.
Engineering vehicles are essential for responding to resident inquiries, supporting construction projects, conducting inspections, and providing transportation for off-site training and meetings. After discussion with City Mechanics and considering the declining trade-in value in future years, replacing this unit now offers the best long-term value and reliability for continued operational needs.

Budget Impact:
The total cost for the 2027 Ford Explorer is $41,377 and the trade in value for the 2019 Jeep is $16,000 for a purchase price of $25,377. This item was budgeted for in 2026 and will be funded through the Vehicle Replacement Fund (VRF).

Staff Recommendation:
Staff recommends approval.

Attachments:
1. 2027 Ford Explorer Purchase Order

Preview Order 0723 - K8D - Active 4WD : Order Summary Time of Preview: 07/23/2026 11:12:48 Receipt: NA

Dealership Name : Owatonna Ford-Lincoln **Sales Code :** F58622

Dealer Rep.	Brandon Ratkowski
Customer Name	CITY OF OWATO

Type	Fleet
Priority Code	J2

Vehicle Line	Explorer
Model Year	2027

Order Code	0723
Price Level	715

DESCRIPTION	MSRP
K8D0 EXPLORER ACTIVE 4WD	$42400
.119 INCH WHEELBASE	$0
TOTAL BASE VEHICLE	$42400
CARBONIZED GRAY METALLIC	$0
ACTIVEX SEAT MATERIAL	$0
SPACE GRAY INTERIOR	$0
EQUIPMENT GROUP 200A	$0
.2.3L ECOBOOST I-4 ENGINE	$0
.10-SPEED AUTO TRANSMISSION	$0
P255/65R18 A/S BSW TIRES	$0
FLR LNERS RW 1&2/NO CRPET MAT	$160
2ND ROW CAPTAIN'S CHAIRS	$0
SECURITY PACKAGE: 1 YR INCL	$0
18" SILVER PAINTED ALUM WHLS	$0
ACTIVE COMFORT PACKAGE	$3145
.REMOTE START SYSTEM	$0
.LED FOG LAMPS	$0

DESCRIPTION	MSRP
.HEATED STEERING WHEEL	$0
.LED SIGNATURE LIGHTING	$0
.8-WAY POWER PASSENGER SEAT	$0
PRICE CONCESSION INDICATOR	$0
REMARKS TRAILER	$0
INFLATOR KIT-DELETE SPARE TIRE	$0
FORD CONNECTIVITY -1YR TRIAL	$0
FRONT LICENSE PLATE BRACKET	$0
50 STATE EMISSIONS	$0
SPECIAL DEALER ACCOUNT ADJUSTM	$0
SPECIAL FLEET ACCOUNT CREDIT	$0
FUEL CHARGE	$0
PRICED DORA	$0
ADVERTISING ASSESSMENT	$0
DESTINATION & DELIVERY	$1795
ALL WTHR FLR LNRS 2ND ROW CAPT	$135
TOTAL DIO OPTS	$135

	MSRP
TOTAL BASE AND OPTIONS	$47635
ACTIVE COMFORT PKG DISC	$-1000
TOTAL	$46635

41,377
-16,000 Jeep
25,377

ORDERING FIN: QS031 END USER FIN: QS031

INCENTIVES:

Acc. Code ID: 10 Contract/Ref #: 04-463V Concession Amount: $-2200.00

This order has not been submitted to the order bank.

This is not an invoice.

CITY OF OWATONNA

Ordinances

DATE: August 18, 2026
TO: Mayor and City Council
FROM: Emma Bransford, Sr Administrative Technician
SUBJECT: Second/Final Reading Proposed Ordinance 26-07: Vacate Portion of Drainage and Utility Easement - Heers Addition No. 4

Purpose:
Request approval of the second/final reading of proposed ordinance 26-07, VACA-26-1, a drainage and utility easement vacation at 1636 St Paul Rd.

Background:
See attached staff report.

The Planning Commission held a public hearing on July 28th and recommended approval.

The City Council approved the first reading at their August 5th meeting.

Budget Impact:
None.

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

Attachments:
1. Proposed Ordinance 26-07 VACA 26-1
2. VACA 26-1 Staff Report

Proposed Ordinance No. 26-07

ORDINANCE NO. ____

AN ORDINANCE PURSUANT TO SECTION 6.2 OF THE HOME RULE CHARTER OF THE CITY OF OWATONNA, AND SECTION 675 OF THE 1992 ORDINANCE CODE OF THE CITY OF OWATONNA, VACATING A STREET, ALLEY, OR PUBLIC RIGHT-OF-WAY, OR ANY PART THEREOF, HEREIN DESCRIBED, AND PROVIDING FOR ITS RECORDING.

WHEREAS, there has been filed with the City Council a petition to vacate the premises hereinafter described; and

WHEREAS, a public hearing was held on July 28, 2026, on the said petition and after public notice was given, pursuant to Section 6.2 of the Home Rule Charter; and

WHEREAS, the proposed vacation does not destroy or interfere with the rights of any person, corporation, or municipality; and

WHEREAS, the City finds that the premises hereinafter described are no longer required for municipal purposes.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OWATONNA DO ORDAIN:

SECTION 1. That the following described portion of a drainage and utility easement are hereby vacated:

All that part of Lot 8, Block 2, Heers Addition No. 4, Owatonna, Minnesota, lying south of the following described line:
Commencing at the southeast corner of said Lot 8; thence N 67° 53' 29" W, assumed bearing, 95.93 feet along the southerly line of said Lot 8 to the True Point of Beginning; thence N 78° 15' 07" E 89.54 feet to the northwest corner of Lot 1 in said Block 2, and there terminating.
AND
All that part of Lot 9, Block 2, Heers Addition No. 4, Owatonna, Minnesota, described by: Beginning at the northeast corner of said Lot 9; thence N 67° 53' 29" W, assumed bearing, 95.83 feet along the northerly line of said Lot 9; thence S 00° 05' 04" W 75.97 feet; thence S 89° 54' 56" E 89.88 feet to a corner of said Lot 9; thence N 01° 16' 27" W 40.00 feet to beginning.
AND
All that part of Lot 1, Block 2, Heers Addition No. 4, Owatonna, Minnesota lying South of the North 13.00 feet of said Lot 1.

SECTION 2. The City Clerk shall cause this Ordinance to be filed for record in the offices of the City Clerk and the City Engineer of the City of Owatonna and its title added to Appendix IV of the 1992 Ordinance Code of the City of Owatonna.

SECTION 3. The City Clerk shall cause an original copy hereof to be filed for record and duly recorded in the office of the Steele County Recorder in and for Steele County, Minnesota.

SECTION 4. Effective Date. This Ordinance shall be in full force and effect from and after its passage and publication.

Passed and adopted this 11th day of August, 2026, with the following roll call vote:

Aye:
No:
Absent:

Approved and signed this 11th day of August, 2026.

____
Matthew Jessop, Mayor

ATTEST:

____
Jenna Tuma, City Administrator/City Clerk

July 24, 2026

To: Planning Commission
From: Community Development Department
RE: Request to vacate a portion a utility easement

Application Review:

Applicant:	Kellie Cultice
Location of Property:	1636 St Paul Rd NE
Legal Description:	All that part of Lot 8, Block 2, Heers Addition No. 4, Owatonna, Minnesota…
Report Attachments:	1. Location Map 2. Survey and Legal Description

Proposed Development:

- The applicant is requesting the vacation of a portion of a 20' wide drainage and utility easement that extends through the garage and a portion of their house.
- The property is under contract for sale, and the title company has required the easement vacation before closing.
- The house was originally built in the 1890s, with the garage added in 1966. The property was platted with drainage and utility easements in 1978.
- There are currently no drainage concerns or utilities located within the easement.
- Based on the existing grading of the property, there is no identified foreseeable need for this portion of the easement to serve a drainage function.
- All utility services enter the property from St. Paul Road.

Public Comment:

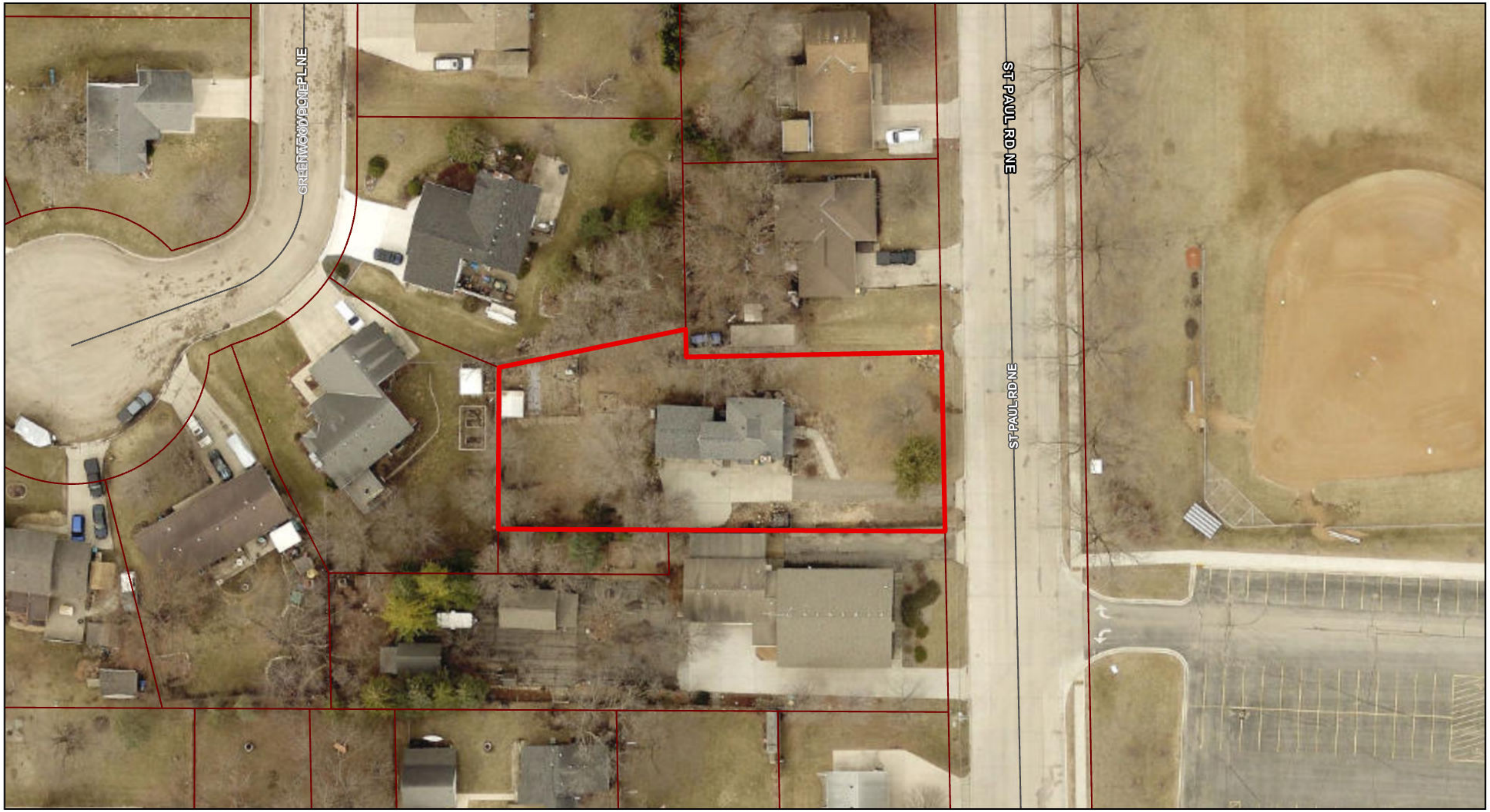
No public comments have been received by staff at the time of this report.

Staff Recommendation:

Staff recommends approval of the vacation of a portion of a utility easement as described above.

Planning Commission:

Application VACA-26-1, which is a request by Kellie Cultice to vacate a portion of utility easement at 1636 St. Paul Road, was presented by Planning Specialist Emma Bransford. (Refer to report on file.) Public hearing opened at 5:31 pm. No comments were made regarding this request. Public hearing closed at 5:32 pm. A motion was made by Eickhoff and seconded by Effertz to recommend City Council approval of VACA-26-1. All commissioners voting Aye, the motion carried.



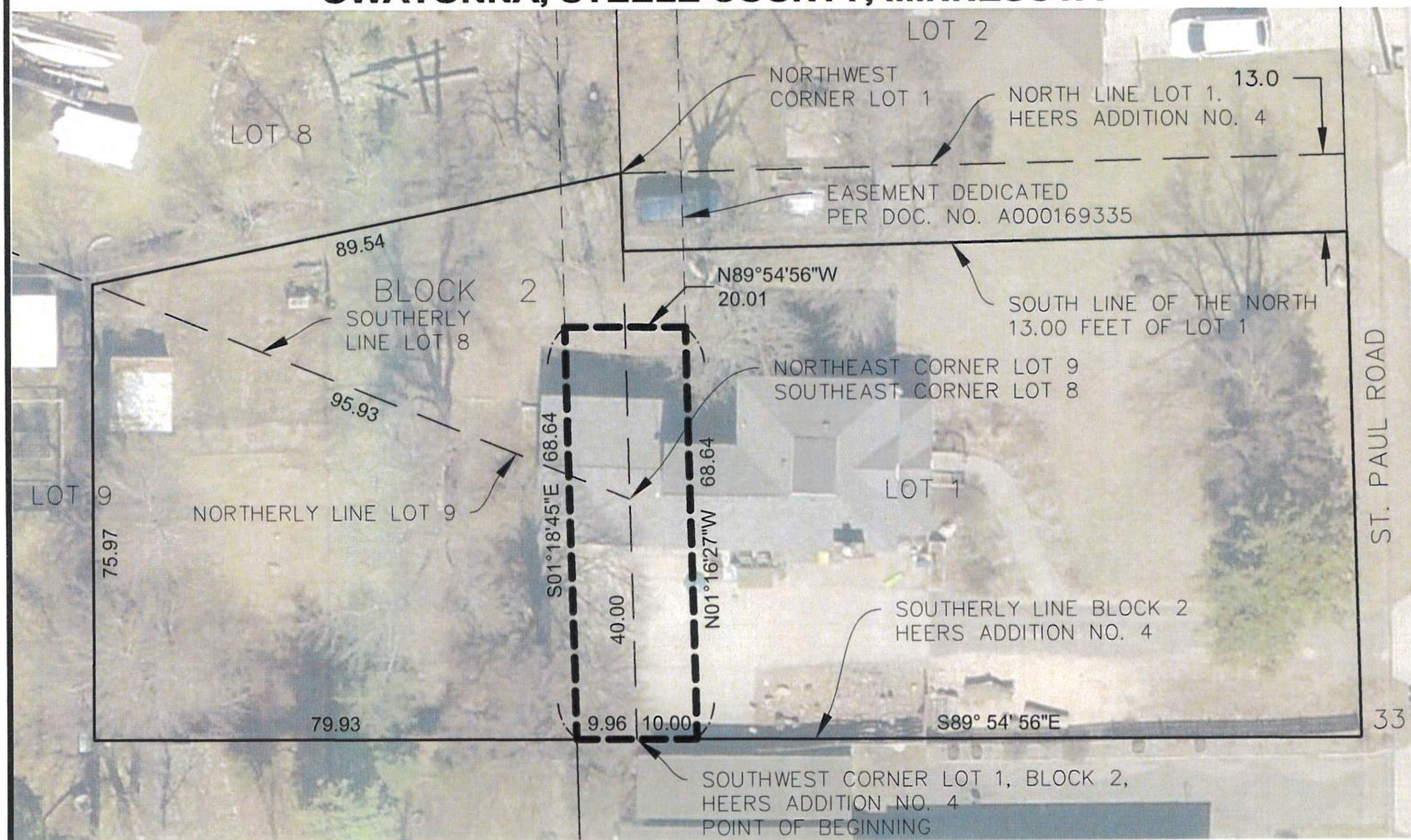
VACA-26-1 Easement Vacation
1636 St Paul Rd

0 25 50 100 Feet

N

EASEMENT VACATION

PART OF LOTS 1, 8, AND 9, BLOCK 2, HEERS ADDITION NO. 4
OWATONNA, STEELE COUNTY, MINNESOTA



RECORD LEGAL DESCRIPTION PER DOC. NO. T000074764

All that part of Lot 8, Block 2, Heers Addition NO. 4, Owatonna, Minnesota, lying south of the following described line:
Commencing at the southeast corner of said Lot 8; thence N67°53'29"W, assumed bearing, 95.93 feet along the southerly line of said Lot 8 to the True Point of Beginning; thence N78°15'07"E 89.54 feet to the northwest corner of Lot 1 in said Block 2; and there terminating.
AND
All that part of Lot 9, Block 2, Heers Addition No. 4, Owatonna, Minnesota, described by:
Beginning at the northeast corner of said Lot 9; thence N67°53'29"W assumed bearing, 95.93 feet along the northerly line of said Lot 9; thence S00°05'04"W 75.97 feet; thence S89°54'56"E 89.88 feet to a corner of said Lot 9; thence N01°16'27"W 40.00 feet to beginning.
AND
All that part of Lot 1, Block 2, Heers Addition no. 4, Owatonna, Minnesota lying south of the North 13.00 feet of said Lot 1.

north

PREPARED EASEMENT VACATION DESCRIPTION

All that part of Lots 1, 8, and 9, Block 2, HEERS ADDITION NO. 4, OWATONNA, MINNESOTA, 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 said Lot 1, thence South 89°54'56" East a distance of 10.00 feet, on an assumed bearing on a southerly line of said Block 2;
thence North 01°16'27" West a distance of 68.64 feet;
thence North 89°54'56" West a distance of 20.01 feet;
thence South 01°18'45' East a distance of 68.64 feet, to a southerly line of said Block 2;
thence South 89°54'56" East a distance of 9.96 feet, to the point of beginning.

0 30 15 60
SCALE IN FEET

FOR: NEAR NORTH TITLE GROUP

Date: 07/07/2026	Revised date: -
Drawn by: SAT	Survey: SAT
Field Book: -	Page 1 of 1
Coord-System: RECORD PLAT	
Job No: 26-1130	File: -

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

Scott A. Tuchtenhagen
Date: 7/7/26
L.S. No. 52646

JONES HAUGH SMITH
Engineers + Surveyors
515 South Washington Ave.
Albert Lea, MN 56007
507-373-4876

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

Vacation of the portion of the 10 foot drainage and utility easement along the Westerly 10 feet of Lot 1, Block 2, Heers Addition No. 4 and the 10 foot drainage and utility easement along the Easterly 10 feet of Lots 8 and 9, Block 2, Heers Addition No. 4 that lies within the subject premises.

CITY OF OWATONNA

Resolutions

DATE: August 18, 2026
TO: Mayor and City Council
FROM: Emily Thamert, Assistant City Administrator
SUBJECT: Resolution 75-26 Award GO Street Recon & Abate 2026A Bonds

Purpose:

Consider adoption of A Resolution Awarding the Sale of General Obligation Street Reconstruction and Tax Abatement Bonds, Series 2026A, in the Original Aggregate Principal Amount of $3,150,000; Fixing Their Form and Specifications; Directing Their Execution and Delivery; and Providing for Their Payment.

The bonds will finance street reconstruction projects, including Cardinal Drive and Ivy Street, and improvements at River Springs Water Park.

Background:

On July 21, 2026, the City Council authorized the sale of $3,150,000 of General Obligation Street Reconstruction and Tax Abatement Bonds, Series 2026A. The financing combines street reconstruction authority and tax abatement authority into a single bond issue, which reduces issuance costs and streamlines the issuance process.

The street reconstruction portion will finance improvements identified in the 2026-2030 Street Reconstruction and Overlay Plan, including Cardinal Drive and Ivy Street. The tax abatement portion will finance improvements at River Springs Water Park. The City Council approved the Street Reconstruction and Overlay Plan on May 19, 2026, and approved the property tax abatement program on July 21, 2026.

Following City Council authorization, Ehlers solicited bids for the bonds. The attached resolution awards the sale to the bidder submitting the lowest true interest cost in accordance with the terms established by the City Council. On August 18, 2026 (the sale date), the City Council will receive an updated resolution that reflects the winning bid and its pricing. Following the bond award, the transaction will close on September 9, 2026.

Budget Impact:

The bond issue includes approximately $1,515,000 of Street Reconstruction Bonds and $1,635,000 of Tax Abatement Bonds. The financing assumes through the property tax levy. The bonds will mature in 2037.

Based on presale estimates, the average annual levy equals approximately $193,700 for the

Street Reconstruction Bonds and $209,000 for the Tax Abatement Bonds, for a combined average annual levy of approximately $402,700. The full faith, credit, and taxing powers of the City secure both bond portions and the associated debt service.

Staff Recommendation:

Staff recommends adoption of the resolution awarding the sale of General Obligation Street Reconstruction and Tax Abatement Bonds, Series 2026A, in the original aggregate principal amount of $3,150,000. The resolution accepts the winning bid, authorizes execution and delivery of the bonds, establishes the required funds and accounts, and provides for repayment of principal and interest.

Attachments:

1. Res 75-26 Award GO Street Recon & Abate 2026A Bonds

RESOLUTION NO. 75-26

A RESOLUTION AWARDING THE SALE OF GENERAL OBLIGATION STREET RECONSTRUCTION AND TAX ABATEMENT BONDS, SERIES 2026A, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,150,000; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; AND PROVIDING FOR THEIR PAYMENT

BE IT RESOLVED By the City Council of the City of Owatonna, Minnesota (the "City") as follows:

Section 1. Sale of Bonds.

1.01. Authorization.

(a) Pursuant to a resolution adopted by the City Council on July 21, 2026 (the "Authorizing Resolution"), the City authorized the sale of its General Obligation Street Reconstruction and Tax Abatement Bonds, Series 2026A (the "Bonds"), in the proposed aggregate principal amount of $3,150,000, to finance (i) the reconstruction of various streets in the City, including the reconstruction of Cardinal Street and Ivy Street, all as described further in the street reconstruction plan approved by the City Council on May 19, 2026 (the "Street Reconstruction"), pursuant to Minnesota Statutes, Chapter 475, as amended, including Section 475.58, subdivision 3b (the "Street Reconstruction Act"); and (ii) the construction of improvements to the water park in the City (the "Abatement Project") pursuant to Minnesota Statutes, Chapter 475, as amended, and Sections 469.1812 through 469.1815, as amended (the "Abatement Act"). The Street Reconstruction Act and the Abatement Act are referred to collectively herein as the "Act."

(b) In connection with the Abatement Project, the City Council approved a resolution, following a duly noticed public hearing, on July 21, 2026, 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.

(c) Pursuant to the Authorizing Resolution, 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.

1.02. Award to the Purchaser and Interest Rates. A tabulation of the bids received for the purchase of the Bonds is attached hereto as EXHIBIT A. The proposal of _________________________ (the "Purchaser") to purchase the Bonds is hereby found and determined to be a reasonable offer and is hereby accepted, the proposal being to purchase the Bonds at a price of $____________ (par amount of $___________.00, [plus original issue premium of $___________,] [less original issue discount of $_____________,] less underwriter's discount of $________________), plus accrued interest, if any, to the date of delivery for Bonds bearing interest as follows:

Year of Maturity	Interest Rate	Year of Maturity	Interest Rate
2028	%	2033	%
2029		2034	
2030		2035	
2031		2036	
2032		2037	

True interest cost: ______________%

1.03. Purchase Contract. The amount proposed by the Purchaser in excess of the minimum bid shall be credited to the accounts of the Debt Service Fund hereinafter created or deposited in the accounts of the Construction Fund hereinafter created, as determined by the Finance Director of the City in consultation with the City's municipal advisor. The good faith deposit of the Purchaser shall be retained and deposited until the Bonds have been delivered and shall be deducted from the purchase price paid at settlement. The Mayor and City Administrator/City Clerk are directed to execute a contract with the Purchaser on behalf of the City.

1.04. Terms and Principal Amounts of the Bonds. The City will forthwith issue and sell the Bonds pursuant to the Act, in the original aggregate principal amount of $3,150,000, originally dated the date of delivery (which is expected to be September 9, 2026), in the denomination of $5,000 each or any integral multiple thereof, being in fully registered form, numbered No. R-1, upward, bearing interest as above set forth, and maturing serially on February 1 in the years and amounts as follows:

Year of Maturity	Amount	Year of Maturity	Amount
2028	$	2033	$
2029		2034	
2030		2035	
2031		2036	
2032		2037	

(a) $____________________ in principal amount of the Bonds (the "Abatement Bonds"), maturing on February 1 in the years and in the amounts set forth below, will be used to finance the construction of the Abatement Project:

Year of Maturity	Amount	Year of Maturity	Amount
2028	$	2033	$
2029		2034	
2030		2035	
2031		2036	
2032		2037	

(b) The remainder of the Bonds in the principal amount of $_________ (the "Street Reconstruction Bonds"), maturing on February 1 in the years and in the amounts set forth below, will be used to finance the construction of the Street Reconstruction:

Year of Maturity	Amount	Year of Maturity	Amount
2028	$	2033	$
2029		2034	
2030		2035	
2031		2036	
2032		2037	

1.05. Optional Redemption. The City may elect on February 1, 2034, and on any day thereafter to prepay Bonds maturing on or after February 1, 2035. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

[1.06. Mandatory Redemption; Term Bonds. The Bonds maturing on February 1, 20___ and February 1, 20___ shall hereinafter be referred to collectively as the "Term Bonds." The principal amount of the Term Bonds subject to mandatory sinking fund redemption on any date may be reduced through earlier optional redemptions, with any partial redemptions of the Term Bonds credited against future mandatory sinking fund redemptions of such Term Bonds in such order as the City shall determine. The Term Bonds are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on February 1 of the following years and in the principal amounts as follows:

Sinking Fund Installment Date

February 1, 20___ Term Bond	Principal Amount

* *Maturity*

February 1, 20___ Term Bond	Principal Amount

* *Maturity*]

Section 2. Registration and Payment.

2.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof, is payable by check, wire, or draft issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2027, to the registered owners of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not such day is a business day.

2.03. Registration. The City will appoint a bond registrar, transfer agent, authenticating agent and paying agent (the "Registrar" and "Paying Agent"). The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

(a) Register. The Registrar must keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bonds. When Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. Bonds surrendered upon transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name a Bond is registered in the bond register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes, and payments so made to a registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Bonds sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the City and the Registrar must be named as obligees. Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bonds. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

2.04. Appointment of Initial Registrar. The City appoints Bond Trust Services Corporation, Minneapolis, Minnesota, as the initial Registrar. The Mayor and the City Administrator/City Clerk are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Bonds in its possession to the successor Registrar and must deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of the City Council, the Finance Director must transmit to the Registrar moneys sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the Finance Director and executed on behalf of the City by the signatures of the Mayor and the City Administrator/City Clerk, provided that those signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of a Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been so prepared, executed and authenticated, the City Administrator/City Clerk will deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

Section 3. Form of Bond.

3.01. Execution of the Bonds. The Bonds will be printed or typewritten in substantially the form set forth in EXHIBIT B.

3.02. Approving Legal Opinion. The City Administrator/City Clerk is authorized and directed to obtain a copy of the proposed approving legal opinion of Kutak Rock LLP, Minneapolis, Minnesota, and cause the opinion to be printed on or accompany each Bond.

Section 4. Payment; Security; Pledges and Covenants.

4.01. Debt Service Fund. For the convenience and proper administration of the moneys to be borrowed and repaid on the Bonds, and to provide adequate and specific security for the Purchaser and holders from time to time of the Bonds, there is hereby created a special fund to be designated the General Obligation Street Reconstruction and Tax Abatement Bonds, Series 2026A Debt Service Fund (the "Debt Service Fund") hereby created. The Debt Service Fund shall be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The City will maintain the following accounts in the Debt Service Fund: the "Street Reconstruction Account" and the "Abatement Project Account." Amounts in the Street Reconstruction Account are irrevocably pledged to the Street Reconstruction Bonds, and amounts in the Abatement Project Account are irrevocably pledged to the Abatement Bonds.

(a) Street Reconstruction Account. Ad valorem taxes hereinafter levied for the Street Reconstruction are hereby pledged to the Street Reconstruction Account of the Debt Service Fund. There is also appropriated to the Street Reconstruction Account of the Debt Service Fund a pro rata portion of (i) any amounts over the minimum purchase price paid by the Purchaser, to the extent designated for deposit in the Abatement Account of the Debt Service Fund in accordance with Section 1.03 hereof; and (ii) capitalized interest financed from Bond proceeds, if any. There also shall be deposited to the Street Reconstruction Account of the Debt Service Fund all investment earnings on amounts in the Street Reconstruction Account of the Debt Service Fund and any other funds appropriated for the payment of principal of or interest on the Street Reconstruction Bonds by the City Council. The Finance Director must report to the City Council any current or anticipated deficiency in the Street Reconstruction Account in the amount necessary to pay principal of and interest on all of the Abatement Bonds when due. If a payment of principal or interest on the Street Reconstruction Bonds becomes due when there is not sufficient money in the Street Reconstruction Account in the Debt Service Fund to pay the same, the Finance Director is directed to pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for the advances out of the proceeds of taxes when collected.

(b) Abatement Project Account. Abatements from the Abatement Parcels and ad valorem taxes levied for the Abatement Project are hereby pledged to the Abatement Account of the Debt Service Fund. There is appropriated to the Abatement Account of the Debt Service Fund a pro rata portion of (i) any amounts over the minimum purchase price paid by the Purchaser, to the extent designated for deposit in the Abatement Account of the Debt Service Fund in accordance with Section 1.03 hereof; and (ii) capitalized interest financed from Bond proceeds, if any. There also shall be deposited to the Abatement Project Account of the Debt Service Fund all investment earnings on amounts in the Abatement Project Account of the Debt Service Fund and any other funds appropriated for the payment of principal of or interest on the Abatement Bonds by the City Council. The Finance Director must report to the City Council any current or anticipated deficiency in the Abatement Account in the amount necessary to pay principal of and interest on all of the Abatement Bonds when due. If a payment of principal or interest on the Abatement Bonds becomes due when there is not sufficient money in the Abatement Account in the Debt Service Fund to pay the same, the Finance Director is directed to pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for the advances out of the proceeds of taxes or Abatements when collected.

4.02. Construction Fund. The City hereby creates the General Obligation Street Reconstruction and Tax Abatement Bonds, Series 2026A Construction Fund (the "Construction Fund") to be administered and maintained by the City as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The City will maintain the following accounts in the Construction Fund: the "Street Reconstruction Account" and the "Abatement Project Account." Amounts in the Street Reconstruction Account are irrevocably pledged to the Street Reconstruction Bonds, and amounts in the Abatement Project Account are irrevocably pledged to the Abatement Bonds.

(a) Street Reconstruction Account. Proceeds of the Street Reconstruction Bonds, less the appropriations made in Section 4.01(a) hereof, together with the ad valorem taxes levied and any other funds appropriated for the Street Reconstruction collected during the construction of the Street Reconstruction, will be deposited in the Street Reconstruction Account of the Project Fund to be used solely to defray expenses of the Street Reconstruction. When the Street Reconstruction is completed and the cost thereof paid, the Street Reconstruction Account of the Construction Fund is to be closed and any funds remaining may be deposited in the Street Reconstruction Account of the Debt Service Fund or may be used as provided in Section 475.65 of the Act, under the direction of the City Council.

(b) Abatement Project Account. Proceeds of the Abatement Bonds, less the appropriations made in Section 4.01(b) hereof, together with any other funds appropriated for the Abatement Project, will be deposited in the Abatement Project Account of the Construction Fund to be used solely to defray expenses of the Abatement Project. When the Abatement Project is completed and the cost thereof paid, the Abatement Project Account of the Construction Fund is to be closed and any funds remaining may be deposited in the Abatement Project Account of the Debt Service Fund or may be used as provided in Section 475.65 of the Act, under the direction of the City Council.

4.03. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds, as the same respectively become due, the full faith, credit and taxing powers of the City will be and are hereby irrevocably pledged. If the balance in the Debt Service Fund is ever insufficient to pay all principal and interest then due on the Bonds and any other bonds payable therefrom, the deficiency will be promptly paid out of monies in the general fund of the City which are available for such purpose, and such general fund may be reimbursed with or without interest from the Debt Service Fund when a sufficient balance is available therein.

4.04. Pledge of Tax Levy. For the purpose of paying the principal of and interest on the Street Reconstruction Bonds and the all or a portion of the principal of and interest on the Abatement Bonds, there is levied a direct annual irrepealable ad valorem tax upon all of the taxable property in the City (the "Taxes"), which will be spread upon the tax rolls and collected with and as part of other general taxes of the City. The Taxes will be credited to the Street Reconstruction Account and the Abatement Project Account of the Debt Service Fund above provided and will be in the years and amounts as attached hereto as EXHIBIT C.

4.05. Debt Service Coverage. It is hereby determined that (i) the estimated collection of the foregoing Taxes will produce at least five percent (5%) in excess of the amount needed to pay, when due, the principal and interest payments on the Street Reconstruction Bonds; and (ii) the estimated collection of the foregoing Abatements and Taxes will produce at least five percent (5%) in excess of the amount needed to pay when due, the principal and interest payments on the Abatement Bonds. The tax levy herein provided is irrepealable until all of the Bonds are paid, provided that at the time the City makes its annual tax levies the Finance Director may certify to the Director of Property Tax & Elections of Steele County, Minnesota (the "Director of Property Tax & Elections") the amount available in the Debt Service Fund to pay principal and interest due during the ensuing year, and the Director of Property Tax & Elections will thereupon reduce the levy collectible during such year by the amount so certified.

4.06. Registration of Resolution. The City Administrator/City Clerk is authorized and directed to file a certified copy of this resolution with the Director of Property Tax & Elections and to obtain the certificate required by Section 475.63 of the Act.

Section 5. Authentication of Transcript.

5.01. City Proceedings and Records. The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, will be deemed representations of the City as to the facts stated therein.

5.02. Certification as to Official Statement. The Mayor, the City Administrator/City Clerk, and/or the Finance Director are authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

5.03. Other Certificates. The Mayor, the City Administrator/City Clerk, and/or the Finance Director are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing the Mayor, the City Administrator/City Clerk, and/or the Finance Director shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Finance Director shall also execute and deliver a certificate as to payment for and delivery of the Bonds.

5.04. Electronic Signatures. The electronic signatures of the Mayor, the City Administrator/City Clerk, the Finance Director, and/or the City Clerk to this resolution and to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the City thereto. For purposes hereof, (i) “electronic signature” means (a) a manually signed original signature that is then transmitted by electronic means or (b) a signature obtained through DocuSign or Adobe or a similarly digitally auditable signature gathering process; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

5.05. Payment of Costs of Issuance. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses in accordance with the closing memorandum to be prepared and distributed by Ehlers and Associates, Inc., the municipal advisor to the City, on the date of closing.

Section 6. Tax Covenants.

6.01. Tax-Exempt Bonds. The City covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds. To that end, the City will comply with all requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, and limitations on amounts invested at a yield greater than the yield on the Bonds.

6.02. No Rebate Required.

(a) The City will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States if the Bonds (together with other obligations reasonably expected to be issued in calendar year 2026) exceed the small issuer exception amount of $5,000,000.

(b) For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the City hereby finds, determines, and declares that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities of the city) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed $5,000,000, all within the meaning of Section 148(f)(4)(D) of the code.

6.03. Not Private Activity Bonds. The City further covenants not to use the proceeds of the Bonds or the Abatement Project or the Street Reconstruction financed with the proceeds of the Bonds or to cause or permit them or any of them to be used, in such a manner as to cause the Bonds to be “private activity bonds” within the meaning of Sections 103 and 141 through 150 of the Code.

6.04. Qualified Tax-Exempt Obligations. In order to qualify the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the City makes the following factual statements and representations:

(a) the Bonds are not “private activity bonds” as defined in Section 141 of the Code;

(b) the City designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;

(c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) which will be issued by the City (and all subordinate entities of the City) during calendar year 2026 will not exceed $10,000,000; and

(d) not more than $10,000,000 of obligations issued by the City during calendar year 2026 have been designated for purposes of Section 265(b)(3) of the Code.

6.05. Procedural Requirements. The City will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

Section 7. Book-Entry System; Limited Obligation of City.

7.01. DTC. The Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Bond for each of the maturities set forth in Section 1.04 hereof. Upon initial issuance, the ownership of each Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (“DTC”). Except as provided in this section, all of the outstanding Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person (other than a registered owner of Bonds, as shown by the registration books kept by the Registrar), of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a registered owner of Bonds, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bonds, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City’s obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Bond evidencing the obligation of this resolution. Upon delivery by DTC to the City Administrator/City Clerk of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." will refer to such new nominee of DTC; and upon receipt of such a notice, the City Administrator/City Clerk will promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03. Representation Letter. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which will govern payment of principal of, premium, if any, and interest on the Bonds and notices with respect to the Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Bonds will agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

7.04. Transfers Outside Book-Entry System. In the event the City, by resolution of the City Council, determines that it is in the best interests of the persons having beneficial interests in the Bonds that they be able to obtain Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Bond certificates. In such event the City will issue, transfer and exchange Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City will issue and the Registrar will authenticate Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this resolution to the contrary, so long as a Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on the Bond and all notices with respect to the Bond will be made and given, respectively in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 8. Continuing Disclosure.

8.01. Execution of Continuing Disclosure Certificate. "Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate executed by the Mayor and City Administrator/City Clerk and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

8.02. City Compliance with Provisions of Continuing Disclosure Certificate. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this resolution, failure of the City to comply with the Continuing Disclosure Certificate is not to be considered an event of default with respect to the Bonds; however, any bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section.

Section 9. Defeasance. When all Bonds and all interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The City may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

(The remainder of this page is intentionally left blank.)

The question was on the adoption of the resolution and upon vote being taken thereon, the following members voted in favor thereof:

and the following voted against the same:

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

PROPOSALS

EXHIBIT B

FORM OF BOND

No. R-_____ UNITED STATES OF AMERICA $_________

STATE OF MINNESOTA
COUNTY OF STEELE
CITY OF OWATONNA

GENERAL OBLIGATION STREET RECONSTRUCTION AND TAX ABATEMENT BOND
SERIES 2026A

Rate	Maturity	Date of Original Issue	CUSIP
	February 1, 20__	September 9, 2026	

Registered Owner: Cede & Co.

The City of Owatonna, Minnesota, a duly organized and existing municipal corporation in Steele County, Minnesota (the "City"), acknowledges itself to be indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal sum of $__________ on the maturity date specified above, with interest thereon from the date hereof at the annual rate specified above (calculated on the basis of a 360-day year of twelve 30-day months), payable February 1 and August 1 in each year, commencing August 1, 2027, to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check or draft by Bond Trust Services Corporation, Minneapolis, Minnesota, as Bond Registrar, Paying Agent, Transfer Agent and Authenticating Agent, or its designated successor under the Resolution described herein. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

The City may elect on February 1, 2034, and on any day thereafter to prepay Bonds due on or after February 1, 2035. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company ("DTC") of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

This Bond is one of an issue in the aggregate principal amount of $3,150,000 all of like original issue date and tenor, except as to number, maturity date, redemption privilege, and interest rate, all issued pursuant to a resolution adopted by the City Council on August 18, 2026 (the "Resolution"), for the purpose of providing money to defray the expenses incurred and to be incurred in undertaking street reconstruction and public improvements, pursuant to and in full conformity with the Charter of the City and the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Chapter 475, as amended, including Section 475.58, subdivision 3b, and Sections 469.1812 through 469.1815, as amended. The principal hereof and interest hereon are payable in part from tax abatement revenues and in part from ad valorem taxes, as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred. The full faith and credit of the City are irrevocably pledged for payment of this Bond and the City Council has obligated itself to levy additional ad valorem taxes on all taxable property in the City in the event of any deficiency in tax abatement revenues and ad valorem taxes pledged, which additional ad valorem taxes may be levied without limitation as to rate or amount. The Bonds of this series are issued only as fully registered Bonds in denominations of $5,000 or any integral multiple thereof of single maturities.

The City Council has designated the issue of Bonds of which this Bond forms a part as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Bond Registrar, by the registered owner hereof in person or by the owner's attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the City nor the Bond Registrar will be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the City and the Charter and the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional, charter or statutory limitation of indebtedness.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Bond Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of Owatonna, Steele County, Minnesota, by its City Council, has caused this Bond to be executed on its behalf by the facsimile or manual signatures of the Mayor and City Administrator/City Clerk and has caused this Bond to be dated as of the date set forth below.

Dated: September 9, 2026

CITY OF OWATONNA, MINNESOTA

(Facsimile) ______________________
Mayor

(Facsimile) ______________________
City Administrator/City Clerk

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

BOND TRUST SERVICES CORPORATION

By ___________________________________
Authorized Representative

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM – as tenants in common

TEN ENT – as tenants by entireties

JT TEN – as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT
_________ Custodian _________
(Cust) (Minor)
under Uniform Gifts or Transfers to Minors Act, State of _______________

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _______________________________________ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint ________________________ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: ________________________ ___________________________________

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

____

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures Program ("MSP") or other such "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address: ____

____

____

(Include information for all joint owners if this Bond is held by joint account.)

Please insert social security or other identifying number of assignee

____

PROVISIONS AS TO REGISTRATION

The ownership of the principal of and interest on the within Bond has been registered on the books of the Registrar in the name of the person last noted below.

Date of Registration	Registered Owner	Signature of Officer of Registrar
________________________	Cede & Co. Federal ID #13-2555119	________________________

EXHIBIT C

TAX LEVY SCHEDULE

DATE: August 18, 2026
TO: Mayor and City Council
FROM: Troy Klecker, Community Development Director
SUBJECT: Resolution 76-26 Pledge of Tax Increment Financing Development Agreement - Aire Apartments

Purpose:
Council to approve a resolution approving the Pledge of Tax Increment Financing Development Agreement for Aire Apartments.

Background:
Construction of Aire Apartments along Bixby Road is now complete and tenants are starting to move into the building. Tax Increment Financing was approved to assist in the redevelopment project and 20 affordable units were included within the building. The existing TIF Development Agreement is with Stadheim Properties of Owatonna, LLC and to complete the financing for the project, it is being requested that the TIF Development Agreement be pledged to the lender, Old National Bank. The proposed resolution would need to be adopted and the City would need to sign the Pledge Agreement to complete that action. Taft Law, the City's development attorney, has reviewed this request and drafted the proposed resolution for adoption.

Budget Impact:
There is no budget impact. The agreement is still in place just with a different entity.

Staff Recommendation:
Staff recommends approval of proposed Resolution 76-26.

Attachments:
1. Resolution 76-26

RESOLUTION NO. 76-26

RESOLUTION APPROVING THE PLEDGE OF TAX INCREMENT FINANCING DEVELOPMENT AGREEMENT

A. WHEREAS, the City and Stadheim Properties of Owatonna, a Minnesota limited liability company (the "Developer"), have entered into a Development Agreement dated as of October 15, 2024 (the "Development Agreement"), in connection with redevelopment of certain property within Tax Increment Financing District 20-1 by the Developer and the construction of an apartment building containing 73 apartment units (the "Project"); and

B. WHEREAS, the City, upon compliance by the Developer with the provisions of the Development Agreement, will issue that certain Tax Increment Revenue Note, payable to the Developer or its registered assigns (the "TIF Note"), in the form set out in the Development Agreement; and

C. WHEREAS, as a condition to a construction loan made by Old National Bank, a national banking association (the "Bank") to Aire Holdings LLC, a Minnesota limited liability company and an affiliate of the Developer, the Bank is requiring that the Developer assign its rights under the Development Agreement and TIF Note to the Bank, pursuant to a Pledge Agreement from the Developer to the Bank (the "Pledge Agreement"); and

D. WHEREAS, pursuant to the terms of the Development Agreement, assignment of the Development Agreement and TIF Note pursuant to the Pledge Agreement require the consent of the City; and

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

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

1. The City Council hereby approves the Pledge Agreement, in substantially the form submitted, and the Mayor and the City Administrator are hereby authorized and directed to execute the Consent and Acknowledgement to the Pledge Agreement (the "Consent") 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 Pledge Agreement and the Consent 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 Consent. The execution of the Consent by the appropriate officer or officers of the City shall be conclusive evidence of the approval of the Pledge Agreement and Consent in accordance with the terms hereof.

The motion for the adoption of the foregoing resolution was duly seconded by member __________________, and after full discussion thereof and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Adopted this __ day of ________, 2026.

____
Matt Jessop
Mayor

Attest:

____
Jenna Tuma
City Administrator

DATE: August 18, 2026
TO: Mayor and City Council
FROM: Troy Klecker, Community Development Director
SUBJECT: Resolution 77-26 Loan Agreement - Workforce Housing Development Program

Purpose:
Approve Loan Agreement with Stadheim Properties for the Aire Apartments Project.

Background:
As part of the Aire Apartments project, the City Council approved a deferred loan in the amount of $495,000 with the Minnesota Housing Finance Agency under the Workforce Housing Development Program. The loan is to help projects to provide more workforce housing in communities. The loan will assist with construction costs throughout the project, and it will be forgiven once the project is complete. The Aire Apartment project is nearing completion. The staff is recommending approving a loan agreement be entered into before the last draw on the loan is made.

The proposed loan agreement with Stadheim Properties of Owatonna, LLC would put the responsibility of repaying the loan on the developer rather than the City should the loan need to be repaid. This ensures that the City has no financial obligation with this loan should it need to be repaid. Once approved and signed, the City can make the last draw on the loan for the developer at the completion of the project.

Budget Impact:
There is no budget impact. This agreement with the developer ensures that there is no financial obligation by the City for the deferred loan through the Workforce Housing Development Program.

Staff Recommendation:
Staff recommends approval of the proposed resolution.

Attachments:
1. Resolution 77-26
2. Loan Agreement

RESOLUTION NO. 77-26

RESOLUTION APPROVING WORKFORCE HOUSING DEVELOPMENT PROGRAM LOAN AGREEMENT

A. WHEREAS, the City and Stadheim Properties of Owatonna, LLC, a Minnesota limited liability company (the "Developer"), have entered into a Development Agreement dated as of October 15, 2024 (the "Development Agreement"), in connection with redevelopment of certain property within Tax Increment Financing (Redevelopment) District 20-1 by the Developer and the construction of an approximately seventy three (73) unit apartment building to be owned and operated by the Developer as multifamily housing (the "Project"); and

B. WHEREAS, at the request of the Developer, the City and Minnesota Housing Finance Agency ("MHFA") entered into a Deferred Loan Agreement on or about January 31, 2025, pursuant to which MHFA agreed to make a loan (the "MHFA Loan") to the City, to assist in the financing of the Project; and

C. WHEREAS, the Developer and the City desire to document their agreement that the City lend the proceeds of the MHFA Loan, as and when received by the City, to the Developer to pay certain costs of the Project, in a Loan Agreement between the Developer and the City (the "Loan Agreement"); and

D. WHEREAS, a draft of the Loan Agreement has been submitted to the City Council for approval;

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

1. The City Council hereby approves the Loan Agreement, in substantially the form submitted, and the Mayor and the City Administrator are hereby authorized and directed to execute the Loan Agreement 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 Loan Agreement 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 Loan Agreement. The execution of the Loan Agreement by the appropriate officer or officers of the City shall be conclusive evidence of the approval of the Loan Agreement in accordance with the terms hereof.

The motion for the adoption of the foregoing resolution was duly seconded by member __________________, and after full discussion thereof and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Adopted this __ day of ________, 2026.

____
Matt Jessop
Mayor

Attest:

____
Jenna Tuma
City Administrator

LOAN AGREEMENT

THIS LOAN AGREEMENT (the "Loan Agreement"), is made and entered into as of August [__], 2026, by and between the **CITY OF OWATONNA**, a municipal corporation existing under the laws of the State of Minnesota (the "Lender") and **STADHEIM PROPERTIES OF OWATONNA, LLC**, a Minnesota limited liability company (the "Borrower" and together with the Lender, the "Parties").

RECITALS

A. The Borrower is the owner of certain real property, upon which the Borrower is constructing a seventy-three (73) unit apartment building, located at [ADDRESS] in the City of Owatonna, Minnesota, which the Borrower will develop and operate as multifamily housing (the "Project").

B. To assist the Borrower with the financing of the Project, the Lender established Development District No. 20 (the "Development District") and, within the Development District, Tax Increment Financing (Redevelopment) District No. 20-1 (Hillcrest) the ("Tax Increment District"), adopted a tax increment financing plan therefor (the "Tax Increment Plan"), and, as set forth in the Development Agreement between the Lender and the Borrower, made as of October 15, 2024 (the "Development Agreement"), agreed to apply Tax Increments (as defined in the Development Agreement) to reimburse the Borrower for a portion of the costs of the Site Improvements (as defined in the Development Agreement).

C. On or about January 31, 2025, at the request of the Borrower, the Lender and Minnesota Housing Finance Agency ("MHFA"), entered into that certain Deferred Loan Agreement, attached hereto as Exhibit A (the "MHFA Agreement"), pursuant to which MHFA agreed to make a loan (the "MHFA Loan") to the Lender in the maximum principal amount of Four Hundred Ninety Five Thousand and 00/100 Dollars ($495,000), to assist in the financing of the Project, under the Workforce Housing Development Program (as further defined below, the "Program").

D. As set forth more fully herein, the Lender and the Borrower have agreed that the Lender will loan the proceeds of the MHFA Loan to the Borrower, which the Borrower has and will use to pay certain Qualified Expenditures (defined below) of the Project, under the terms and conditions stated herein.

E. The Parties wish to commit their agreement to writing.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter stated, the parties hereto agree as follows:

1. **<u>Defined Terms</u>**. All capitalized terms not otherwise defined in this Section 1 or elsewhere in this Loan Agreement shall have the meanings assigned to such terms in the MHFA

Agreement. In addition, when used in this Loan Agreement, the following terms have the meanings assigned to them in this Section:

"**Authorizing Statute**" means Minnesota Statutes, Section 462A.39.

"**Close Out**" means the construction of the Project is complete and all reporting and monitoring requirements set forth in the MHFA Agreement and Program Guide have been completed.

"**Event of Default**" means any of the events specified in Section 7 hereof.

"**Program**" means the Workforce Housing Development Program administered by MHFA pursuant to the Program Guide and the Authorizing Statute.

"**Program Funds**" means funds made available by MHFA to Lender pursuant to the Program and the MHFA Agreement.

"**Program Guide**" means the Program Guide adopted by MHFA for the Program, as amended from time to time, as incorporated into the MHFA Agreement.

"**Qualified Expenditures**" means expenses of the Project which are eligible to be paid with Program Funds, pursuant to the MHFA Agreement, the Program Guide, and the Authorizing Statute.

2. **The Loan**. Subject to the terms and conditions of this Loan Agreement, the Lender hereby agrees to lend, and the Borrower agrees to borrow, $495,000.00, or such lesser amount of Program Funds as is actually advanced by MHFA to the Lender under the MHFA Agreement (the "Loan"). The Loan has been or will be disbursed to the Borrower on the conditions set forth below; provided, however, that Lender shall have no obligation to disburse any amount of the Loan, if at the time of disbursement, an Event of Default under the terms of this Loan Agreement exists and remains uncured.

3. **Loan Disbursement**. The Loan has been and shall be disbursed, subject to the terms and conditions of this Loan Agreement, in a manner consistent with Section 4.3 of the MHFA Agreement.

(a) To request a disbursement under this Loan Agreement, Borrower shall complete and submit to Lender a Workforce Housing Development Program Disbursement Request Form, in substantially the form attached as Exhibit A to the MHFA Agreement (a "Disbursement Request"). Following receipt of a Disbursement Request satisfactory to Lender, Lender shall submit the Disbursement Request to MHFA, requesting that MHFA disburse to Lender a corresponding amount of the proceeds of the MHFA Loan.

(b) The Parties acknowledge that Borrower has requested and received, prior to the date of this agreement, the following disbursements:

i. $165,000, which amount represents 1/3 of the maximum principal amount of the Loan, on or about the effective date of the MHFA Agreement; and

ii. $165,000, which amount represents 1/3 of the maximum principal amount of the Loan, on or about the commencement of Project construction.

(c) Subject to the terms and conditions of this Loan Agreement, upon Close Out, Borrower may request a final disbursement, in an amount not to exceed $165,000, which represents 1/3 of the maximum principal amount of the Loan.

(d) Notwithstanding the foregoing, Lender shall have no obligation to disburse any amounts under this Loan Agreement:

i. unless and until Lender receives a corresponding disbursement of Program Funds under the MHFA Agreement; or

ii. if an Event of Default has occurred, and remains uncured, hereunder or under the MHFA Agreement; or

iii. after the Construction Period has terminated.

4. **Interest Rate**. Interest shall accrue on such amounts of Loan principal as may be advanced to the Borrower from time to time, at an interest rate equal to the interest rate set forth in the MHFA Agreement.

5. **Loan Repayment**.

(a) The Borrower shall repay to Lender all Loan proceeds disbursed, including any amount disbursed prior to the execution of this Loan Agreement, and any accrued interest thereon, less any amounts previously paid or forgiven, in full on the earlier to occur of (i) an Event of Default; or (ii) January [24], 2028.

(b) Borrower agrees to repay to Lender any amounts which MHFA requires to be repaid to MHFA under the MHFA Agreement, including without limitation Sections 4.4 and 5 thereof.

(c) If a failure to pay any amounts due under this Loan Agreement or MHFA Agreement occurs, Borrower shall pay all costs of enforcement and collection, including reasonable attorney's fees.

(d) The Parties hereby waive presentment for payment, demand, protest, and notice of dishonor.

6. **Borrower Covenants**.

(a) Borrower agrees to develop, construct and operate the Project as contemplated by and in compliance with all of the terms, conditions and provisions of the MHFA Agreement, the Program Guide, any other applicable MHFA policies, the Authorizing Statute, and all other applicable local, state, and federal laws, rules, regulations, and ordinances. Without limiting the generality of the foregoing, Borrower agrees to comply with the contracting and bidding requirements set forth in Section 4.5 of the MHFA Agreement and the responsible contractor requirement set forth in Section 15 of the MHFA Agreement.

(b) Borrower agrees that it has and will use the Loan proceeds (which are Program Funds), including those amounts disbursed prior to the execution of this Loan Agreement, solely for the purposes authorized in the MHFA Agreement and the Program Guide.

(c) Borrower agrees to cooperate with Lender to facilitate Lender's compliance with record keeping and reporting requirements described in the MHFA Agreement.

7. **Events of Default**. The following shall constitute an Event of Default under the terms of this Loan Agreement:

(a) If the Borrower fails to duly and punctually perform its obligations under this Loan Agreement, or it violates the covenants contained in this Loan Agreement in any material respect, and such failure remains uncured within thirty (30) days of Borrower's receipt of written notice of such failure from Lender.

(b) If Borrower fails to pay any amount of principal or interest on the Loan when due.

(c) If MHFA terminates the MHFA Agreement pursuant to Section 13 of the MHFA Agreement.

(d) If Borrower makes a general assignment for the benefit of creditors, admits in writing its inability to pay its debts generally as they mature, files or has filed against it a petition in bankruptcy or a petition or answer seeking a reorganization, arrangement with creditors or other similar relief under the Federal bankruptcy laws or under any other applicable law of the United States of America or any state thereof, consents to the appointment of a trustee or receiver for Borrower or for its property; or takes any action for the purpose of effecting or consenting to any of the foregoing.

(e) If an order, judgment or decree shall be entered appointing, without Borrower's consent, a trustee or receiver for Borrower or a substantial part of its property, or approving a petition filed against Borrower seeking a reorganization, arrangement with creditors or other similar relief under the federal bankruptcy laws or under any other applicable law of the United States of America or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof.

8. **Cross Default**. The Parties hereby agree that the occurrence, and continuation beyond any applicable cure period, of an Event of Default hereunder shall constitute an event of default under the Development Agreement, in connection with which the Lender shall have all remedies available under the Development Agreement, including but not limited to suspension of the Lender's performance under the Development Agreement and TIF Note (as defined in the Development Agreement).

9. **Indemnification**. The Borrower shall indemnify, save, and hold harmless Lender, its agents, and employees from any claims or causes of action, including attorney's fees incurred by Lender or by MHFA, arising from the performance of this Loan Agreement or the MHFA Agreement. This clause will not be construed to bar any legal remedies the Borrower may have for Lender's failure to fulfill its obligations under this Loan Agreement.

10. **State Audits**. The Borrower acknowledges that its books, records, documents, and accounting procedures and practices are subject to examination by MHFA and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the termination of the MHFA Agreement, receipt and approval of all final reports, or the required period of time to satisfy all MHFA program retention requirements, whichever is later.

11. **Publicity and Endorsement**. The Borrower agrees that any publicity regarding the Project must identify MHFA as the sponsoring agency and must not be released without prior written approval from MHFA's Authorized Representative, identified in the MHFA Agreement. For purposes of this provision, publicity has the meaning described in Section 11.1 of the MHFA Agreement.

12. **Miscellaneous**.

(a) This Loan Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties.

(b) No amendment, change, waiver or modification of this Loan Agreement shall be valid unless it is in a written document which Borrower and Lender sign, and Lender's waiver of any breach or default of any of Borrower's obligations, agreements or covenants under this Loan Agreement shall not be deemed to be a waiver of any subsequent breach or default, or any other obligation, agreement or covenant. Lender's forbearance in pursuing or enforcing a remedy for Borrower's breach of any of the obligations set forth in this Loan Agreement shall not be deemed a waiver of Lender's rights and remedies with respect to such breach.

(c) This Loan Agreement may be executed simultaneously in two or more counterparts, each of which shall be an original, but all of which shall constitute one agreement.

(d) This Loan Agreement shall be governed by, interpreted, and construed in accordance with the laws of the State of Minnesota. Venue for all legal proceedings arising out of this Loan Agreement, or its breach, must be venued in either the district court of Steele County, Minnesota or in the United States District Court, District of Minnesota, unless otherwise required pursuant to the MHFA Agreement.

(e) This Loan Agreement shall remain effective so long as the MHFA Agreement remains effective, unless otherwise expressly agreed, in writing, by the Parties. The provisions of Section 5, 8, 9, and 10 shall survive any termination or expiration of this Loan Agreement.

(f) By making the Loan contemplated herein, Lender does not become a member or joint venturer with Borrower in connection with the Project.

(g) Any notices required or contemplated hereunder shall be effective upon the placing thereof in the United States mail, certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to the Borrower:

Stadheim Properties of Owatonna, LLC
11401 SW 72nd Ave.
Ellendale, MN 56026
Attention: [*Borrower to provide*]

If to the Lender:

City of Owatonna, Minnesota
540 West Hills Circle
Owatonna, MN 55060
Attention: Community Development Director

With a copy to:

Taft Stettinius & Hollister LLP
Attention: Mary Ippel
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402

[SIGNATURE PAGES FOLLOW]

IN TESTIMONY WHEREOF, the Borrower has hereunto set its hand the day and year first above written.

BORROWER:

STADHEIM PROPERTIES OF OWATONNA, LLC

By: ______________________________________
Name:
Its:

STATE OF MINNESOTA)
) ss.
COUNTY OF __________________)

The foregoing instrument was acknowledged before me this ___ day of __________, 2026, by__________ as ___________ of Stadheim Properties of Owatonna, LLC, a Colorado limited liability company, on behalf of the company.

WITNESS my hand and official seal.

____
Notary Public
My commission expires ________________

IN TESTIMONY WHEREOF, the Lender has hereunto set its hand the day and year first above written.

CITY OF OWATONNA, MINNESOTA

By_________________________________
Its Mayor

By_________________________________
Its City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing instrument was acknowledged before me this ____ day of __________, 2026, by ________, the Mayor of the City of Owatonna, Minnesota, on behalf of the City.

WITNESS my hand and official seal.

____
Notary Public
My commission expires _________________

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing instrument was acknowledged before me this ____ day of __________, 2026, by ________, the City Administrator of the City of Owatonna, Minnesota, on behalf of the City.

WITNESS my hand and official seal.

____
Notary Public

My commission expires _____

EXHIBIT A

[MHFA Agreement to be attached]

DATE: August 18, 2026
TO: Mayor and City Council
FROM: Troy Klecker, Community Development Director
SUBJECT: Resolution 78-26 State Appropriations to Acquire Flood Prone Property - 614 N Oak Avenue

Purpose:
Approve resolution for grant funds to acquire flood-prone property.

Background:
The City has purchased and removed over 30 homes within the floodplain utilizing grants from the State and Federal Government as part of our ongoing flood mitigation efforts. The City removed 2 homes in the floodplain last year along Lemond Road and Maple Drive. Staff was contacted by a property owner along North Oak Avenue about selling their home in the floodplain to the City.

This property is a high priority for flood mitigation, so staff applied for and received a grant award to pay for 1/2 of the costs to remove the home. The grant award is for $110,000 and must be matched by an equal amount of funds to remove the home. The proposed resolution needs to be adopted to be awarded the grant funds.

Budget Impact:
The proposed project costs are $220,000. The grant is for $110,000 with the City covering the other half through the City's dilapidated building fund.

Staff Recommendation:
Staff recommends approval of the proposed grant resolution.

Attachments:
1. Resolution 78-26 State Grant to Purchase Flood Prone Properties
2. Map - 614 North Oak Avenue

Resolution No. 78-26

RESOLUTION FOR STATE APPROPRIATIONS FOR THE CITY OF OWATONNA ACQUISITION OF FLOOD PRONE PROPERTY

BE IT FURTHER RESOLVED that the City of Owatonna, hereinafter referred to as the "Applicant" act as legal sponsor for the flood risk reduction project or phase described in the Flood Hazard Mitigation Grant Assistance Program Application submitted on May 22, 2026 and that Troy Klecker, Community Development Director, is hereby authorized to apply to the Department of Natural Resources for funding of this project on behalf of the Applicant.

BE IT FURTHER RESOLVED that the Applicant has the legal authority to apply for financial assistance, and the institutional, administrative, and managerial capability to ensure adequate acquisition, maintenance and protection of the proposed project.

BE IT FURTHER RESOLVED that the Applicant has the financial capability to provide any required matching funds necessary to complete the project or phase, and that the source of the Applicant's funds shall be $110,000 held in the City's DNR Grant Fund account 402-45200-800-800-000000, and will not include other State funding sources.

BE IT FURTHER RESOLVED that the Applicant hereby pledges to complete the project or phase if it exceeds the total funding provided by the Department of Natural Resources and the required local match.

BE IT FURTHER RESOLVED that the Applicant has not incurred any reimbursable expenses prior to the effective date of the appropriation.

BE IT FURTHER RESOLVED that the Applicant has not violated any Federal, State, or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the Applicant may enter into an agreement with the State of Minnesota for the above-referenced project, and the Applicant certifies that it will comply with all applicable laws and regulations as stated in the contract agreement.

NOW THEREFORE BE IT RESOLVED that the Community Development Director is hereby authorized to execute such agreements as are necessary to implement the project on behalf of the Applicant.

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

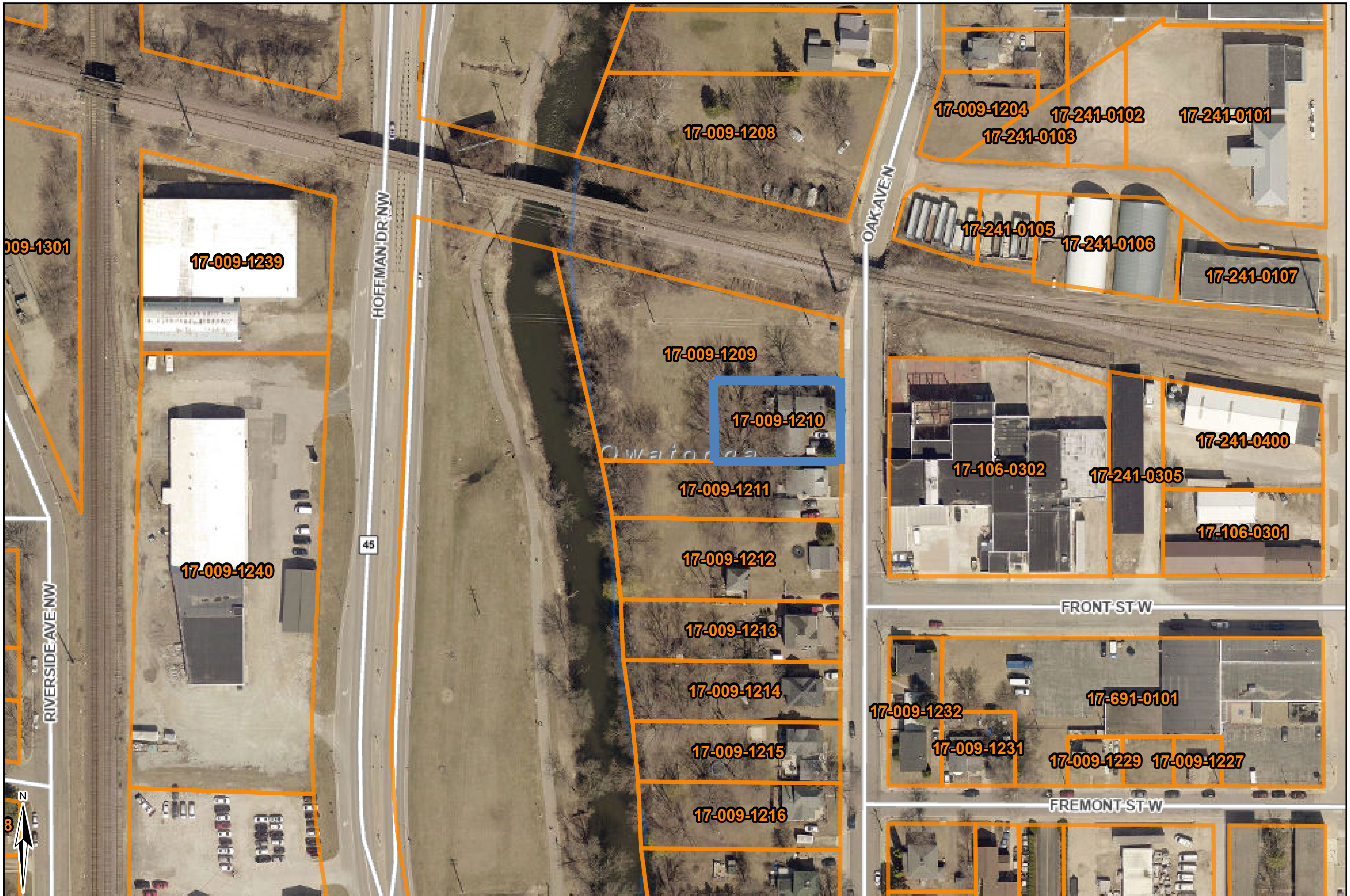
Aye ____; No _____; Absent _________

Approved and signed this ____ day of _______________________, 2026.

Matt Jessop, Mayor

ATTEST:

Jenna Tuma, City Administrator



614 North Oak Avenue

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August 12, 2026

Steele County GIS

DATE: August 18, 2026
TO: Mayor and City Council
FROM: Troy Klecker, Community Development Director
SUBJECT: Resolution 79-26 Purchase Property - 614 North Oak Avenue

Purpose:

Approve resolution approving the purchase of the property at 614 North Oak Avenue.

Background:

The property at 614 North Oak sits the lowest and is the highest priority along this street for flood mitigation. This house will be the first to flood and receive the most flood water during a flood event in this area. Staff has a signed purchase agreement for this property as well as a grant from the State to cover half of the estimated costs for purchase and removal of the structure and utilities. The purchase price is $170,600 which is the assessed value of the property. We are estimating up to $50,000 for asbestos removal and demolition of the house.

Budget Impact:

The estimated project costs are $220,000. The grant will cover one half of the costs with the City covering the other half. The City's portion will be paid from the dilapidated building fund which is there for these situations. If project costs are less than $220,000, unused grant funds will be returned to the State.

Staff Recommendation:

Staff recommends approval of Resolution 79-26 approving the purchase of property at 614 North Oak Avenue.

Attachments:

1. Resolution 79-26
2. Map - 614 North Oak Avenue

RESOLUTION NO. 79-26

A RESOLUTION AUTHORIZING PURCHASE OF THE PROPERTY LOCATED ON 614 NORTH OAK AVENUE

WHEREAS, Charles Hoover is the owner of a certain parcel of real estate located at 614 North Oak Avenue; and

WHEREAS, Charles Hoover wishes to sell the property; and

WHEREAS, the City finds and determines that it would be desirable and in the public interest to enter into an agreement to purchase the aforesaid property,

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

1. The City of Owatonna is authorized to enter into a Purchase Agreement for the purchase of the property described herein.
2. Troy Klecker, Community Development Director, is authorized to execute the Purchase Agreement and to do all other acts and things necessary and expedient to the purchase of the foregoing described property.
3. This Agreement is subject to and conditioned upon the City's determination, in its sole discretion, that the condition of the property, including the environmental condition of the property, is acceptable to the City for its intended use.

Passed and adopted this 18th day of August, 2026 with the following vote:

Aye _________; No ________; Absent ___________.

Approved and signed this 18th day of August, 2026.

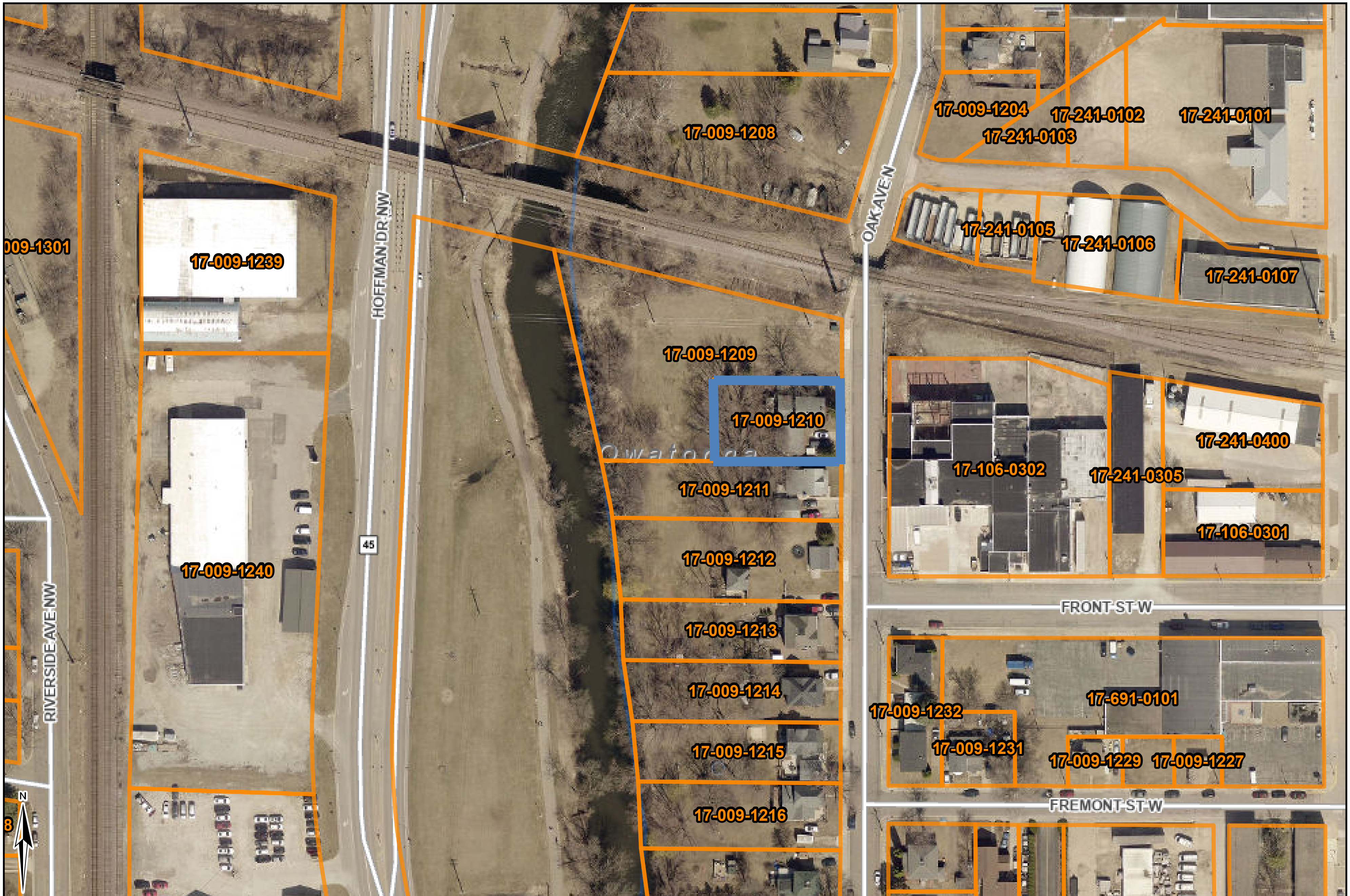
____

Matt Jessop, Mayor

ATTEST:

____

Jenna Tuma, City Administrator/City Clerk



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614 North Oak Avenue

August 12, 2026

Steele County GIS

CITY OF OWATONNA

Miscellaneous

CITY OF OWATONNA

DATE: August 18, 2026
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: Cooperative Agreement for Pavement Striping and Markings - Steele County

Purpose:

Requesting City Council approval of the 2026 Pavement Striping and Markings Project cooperative agreement with Steele County.

Background:

The City of Owatonna and Steele County have a framework for developing cooperative agreements for construction on joint projects. Both the city and county have requirements to stripe and mark our pavement. This agreement creates operational and cost efficiencies by adding the city's street striping and marking needs into the County's project and contract.

Budget Impact:

The City's cost share of the project is estimated to be $13,196.50 with project development costs estimated at $1,055.72. Total project costs are estimated to be $14,252.22. Project costs will be paid for with the operating budget.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Steele County Cooperative Agreement - 2026 Pavement Markings

COOPERATIVE AGREEMENT
BETWEEN
STEELE COUNTY AND THE CITY OF OWATONNA
FOR
2026 Pavement Markings

THIS AGREEMENT, made and entered into by, and between, and among the City of Owatonna, a municipal corporation, organized under the laws of the State of Minnesota (City), hereinafter referred to as "City", and the County of Steele, Minnesota, a political subdivision under the laws of the State of Minnesota (County), hereinafter referred to as "County", collectively referred to herein as "party" or "parties":

WITNESSETH:

WHEREAS, Minnesota Statutes 471.59 allows two local governments, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise any power common to the contracting parties or any similar powers, and

WHEREAS, both the County and the City have requirements to stripe and mark their pavements, and

WHEREAS, and the County is willing to contract this work for both the County and the City, and

WHEREAS, the County has prepared plans and specifications for bidding, and

WHEREAS, the total cost of the work is estimated at $262,308.15 as detailed in Exhibit A attached to this agreement and herein made a part of it, and

WHEREAS, it is the desire of both parties to enter into a written agreement regarding the pavement markings throughout the County and City.

NOW THEREFORE, pursuant to Minnesota Statutes 471.59 and in consideration of the mutual covenants and promises hereinafter contained, it is agreed by and between the City and the County as follows:

A. That this agreement shall apply to the pavement markings on City streets within the City of Owatonna.

B. Prosecution of work will be performed on the following basis. The County will:

    1) Prepare plans and specifications and solicit sealed bids for completion of the work.

    2) Act as the contracting agency for the project in accordance with the competitive bidding requirements of Minnesota Statutes 471.345 and 375.21.

3) Provide the necessary construction inspection engineering services for the County highways in the project.

4) Obtain all permits and approvals required from other governmental agencies.

5) Supervise the construction of all aspects of the project on County highways. Said supervision shall include keeping adequate records to document the quality of work and the substantiation of all pay quantities.

6) Maintain the project open to inspection by the City or their duly authorized representatives.

7) Address public concerns with the project.

8) Be responsible for and liable for costs it incurs in performing its obligations under this Agreement.

C. The City will:

1) Provide the necessary construction inspection engineering services for the City streets in the project.

2) Obtain all permits and approvals required from other governmental agencies.

3) Supervise the construction of all aspects of the project on City streets. Said supervision shall include keeping adequate records to document the quality of work and the substantiation of all pay quantities.

4) Maintain the project open to inspection by the City or their duly authorized representatives.

5) Address public concerns with the project.

6) The City shall be responsible for and liable for all costs it incurs in performing its obligations under this Agreement.

D. The County agrees to do all things necessary for the work of said project except as set forth in this agreement. Said project is to be performed, consistent with current City and County State Aid Highway Standards.

E. The method of financing the project shall be the prerogative of Steele County and the City of Owatonna. Funding of the project is subject to the following provisions:

1) PROJECT CONSTRUCTION COSTS:

As detailed in Exhibit A, the County's estimated share is $249,111.65, and the City's estimated share is $13,196.50

2) PROJECT DEVELOPMENT, CONSTRUCTION OBSERVATION, INSPECTION, AND ADMINISTRATION COSTS:

Project development, construction, observation, inspection, and administration costs are State Aid eligible. To simplify the calculation of these costs, the City will reimburse the County 8% of construction costs for project development, construction observation, inspection, and administration.

3) REIMBURSEMENTS:

Upon completion and final acceptance of the project, and receipt of a detailed listing of the final actual project costs, the City of Owatonna will reimburse Steele County.

F. To the fullest extent permitted by law, City shall defend, indemnify, and hold harmless County, their officers, employees, and agents from and against any and all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professions, and all court or arbitration or other dispute resolutions costs) caused solely by the negligent acts or omissions of City or its officers, employees, or agents in the performance of this Agreement.

To the fullest extent permitted by law, County shall defend, indemnify, and hold harmless City, their officers, employees, and agents from and against any and all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professions, and all court or arbitration or other dispute resolutions costs) caused solely by the negligent acts or omissions of County or its employees or agents in the performance of this Agreement.

To the fullest extent permitted by law, each party's total liability to the other parties or any non-parties caused by the negligence of a party and in part by another party or parties or any other negligent non-party, shall not exceed the percentage share of a party's negligence bears to the total negligence of all parties or other non-party.

It is hereby understood and agreed that for the purpose of the Parties' performance hereunder, neither Party's employees shall be deemed employees of the other Party for any purpose and any and all claims made by third parties as a consequence of any act or omission on the part of a Party's employee(s) while engaged in the performance of any of the provisions of services hereunder shall in no way be the obligation or responsibility of the other Party.

G. Each party shall be responsible for damages to or loss of its own equipment. Each party waives the right to sue any other party for any damages to or loss of its equipment, even if the damages or losses were caused wholly or partially by the negligence of any other party or its officers, employees, or volunteers.

H. Pursuant to Minnesota Statute 16C.05, Subd. 5, each party agrees that the other parties and the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of such party and involve transactions relating to this Agreement.

Each party agrees to maintain these records for a period of six years from the date of termination of this Agreement.

J. During the performance of this Agreement, each party agrees to the following:

No person shall, on the grounds of race, color, religion, age, sex, disability, marital status, public assistance status, criminal record, creed or national origin be excluded from full employment right in, participation in, be denied the benefits of or be otherwise subjected to discrimination under any and all applicable Federal and State laws against discrimination.

K. Each party to this agreement reserves the right to withdraw from and cancel this agreement within 30 days from the opening of bids for the project in the event either or both parties consider any or all bids unsatisfactory; the withdrawal from or cancellation of the agreement to be accomplished by either or both parties within 30 days of opening of bids by serving a written notice thereof upon the other, unless this right is waived by both parties in writing.

L. Each party agrees that any modification of this agreement will be in writing and will be signed by the parties hereto.

IN TESTIMONY WHEREOF, The parties hereto have caused these presents to be executed.

City of Owatonna, Minnesota

____
Mayor, City of Owatonna

Date: ____________________

Steele County, Minnesota

____
John Glynn, Steele County Board Chair

Date: ____________________

Attest:

____
City Administrator

Date: ____________________

____
Renae Fry, County Administrator

Date: ____________________