



CITY COUNCIL MEETING
Tuesday, December 17, 2024 at 7:00 PM
Council Chambers, City Hall at 540 West Hills Circle
Roll Call: Council Members Raney, Svenby, Voss,
Dotson, Burbank, Boeke & Schultz

PLEASE NOTE: 4:30 – 6:30 p.m. Reception in the Arts Center to celebrate and thank outgoing City Elected Officials, Mayor Thomas A. Kuntz and City Council President Greg Schultz. Everyone is invited.

1. INTRODUCTORY ACTIONS: Call to Order; Roll Call and Pledge of Allegiance

- 1.1. Council Agenda
- 1.2. Mayor Kuntz
 - 1.2.1. Recommendation to Park Board - Nancy Ness

2. CONSENT AGENDA ITEMS

- 2.1. Minutes – Council Meeting – December 3, 2024
- 2.2. Minutes - Truth-in-Taxation Meeting - December 3, 2024
- 2.3. Board/Commission Minutes
 - 2.3.1. Human Rights Commission Meeting - November 12, 2024
- 2.4. Department Reports:
 - 2.4.1. Building Inspection Monthly Reports - November 2024
- 2.5. Licenses/Permits
 - 2.5.1. Annual Renewal - Tobacco Licenses
 - 2.5.2. Annual Renewal - Taxi Licenses
 - 2.5.3. Annual Renewal - Garbage & Refuse Haulers Licenses
 - 2.5.4. Exempt Permit - Raffle - Owatonna Chamber of Commerce - February 16, 2025
 - 2.5.5. Exempt Permit - Raffle - St Mary's Marian Catholic Schools - March 22, 2025
 - 2.5.6. Exempt Permit - Raffle - Healthy Seniors - April 5, 2025
- 2.6. Miscellaneous
 - 2.6.1. Statement of Work - 2024 Audit Services – CliftonLarsonAllen, LLP
 - 2.6.2. Statement of Work - 2024 HRA Audit - Clifton Larson Allen LLP
 - 2.6.3. Licensed Training Provider Agreement - American Red Cross
 - 2.6.4. Independent Contractor Agreement - NXT Point Tennis and Pickleball, LLC
 - 2.6.5. Facility Use Agreement - NXT Point Tennis and Pickleball, LLC
 - 2.6.6. T-Hangar Lease Agreement - Clint Sevcik
 - 2.6.7. T-Hangar Agreement with Owatonna Civil Air Patrol (CAP)

3. ACTION ITEMS

3.1. Finance Report

3.2. Ordinances

3.2.1. First Reading Proposed Ordinance 24-8: RZ-9 Lee Foundation Rezoning Request - 545 Florence Ave NW

3.3. Resolutions:

3.3.1. Resolution 122-24: Order Feasibility Report - 2025 Street & Utility Project

3.3.2. Resolution 123-24: 2025 City Levy and Budget

3.3.3. Resolution 124-24: 2025 Levy and Budget - Housing and Redevelopment Authority

3.3.4. Resolution 125-24: Decertify TIF 3-7- Vision Processing Technologies

3.3.5. Resolution 126-24: Decertify TIF 3-8 - Daikin Applied Americas, Inc.

3.3.6. Resolution 127-24: Decertify TIF 3-9 - LifeFitness/Cybex

3.3.7. Resolution 128-24: 2025 Election Polling Sites

3.3.8. Resolution 129-24: State Appropriation for Acquisition of Flood Prone Property

3.3.9. Resolution 130-24: Labor Agreement - IUOE Local 70

3.3.10. Resolution 131-24: Labor Agreement - International Association of Fire Fighters, Local Union No. 1920

3.3.11. Resolution 132-24: Public Safety Center Phase Two Professional Services - ICS

3.3.12. Resolution 133-24: Appreciation of Distinguished Service - Thomas A. Kuntz

3.3.13. Resolution 134-24 Appreciation of Distinguished Service - Greg Schultz

3.4. Miscellaneous

3.4.1. Burial Request - State School Childrens Cemetery

4. STAFF REPORTS

5. PUBLIC COMMENTS: Please limit comments to 2 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 two 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 Kuntz



DATE: December 17, 2024
TO: City Council
FROM: Mayor Thomas A. Kuntz
SUBJECT: Recommendation to Park Board - Nancy Ness

Purpose:

Council to approve recommendation of Nancy Ness to fulfill the remaining term of a seat currently open on the Park Board.

Background:

On November 6, 2024, City Council accepted a Letter of Resignation received from Park Board Member Jonathan Douglas. Four applications were received to fulfill the remainder of this appointment to end April 30, 2026. Phone interviews were completed with the applicants; P&R Director Dieckmann; Recreation Manager Anderson; City Council Member Boeke; Mayor Elect Jessop and myself. A background verification was completed on Ms. Ness and Captain Mundale has no objections to this appointment.

Budget Impact:

None.

Staff Recommendation:

Recommend approval.

Attachments:

None

Owatonna City Council Minutes
December 3, 2024 – DRAFT COPY

On Tuesday, December 3, 2024, at 7:00 p.m., Council President Schultz called the regular session of the Owatonna City Council to order in the Chambers of the Charles S. Crandall Center. Present were Council Members Dotson, Svenby, Voss, Burbank, Boeke, Raney and Schultz; Mayor Kuntz, Public Works Director Murphy; Finance Director Burns; Assistant City Administrator Tuma, IT Technician Specialist Enz; City Attorney Walbran; City Administrator Busse; and Administrative Coordinator Clawson.

The National Anthem was sung by a quartet of Owatonna High School seniors: Isabella Schultz, Ellery Blacker, Maddy Reese and Izzy Muir. Council President Schultz thanked the girls for singing and then welcomed everyone to the meeting. Council Member Dotson made a motion to approve the agenda as presented, Council Member Raney seconded the motion, all members voted aye in approval.

Consent Agenda Items

Council President Schultz explained council members review the Consent Agenda items prior to the meeting for approval in one motion. Consent Agenda items for this meeting include:

- Minutes – Council Meeting – November 19, 2024

- OPU Commission Meetings - October 22 and November 4, 2024

- Exempt Permit - Bingo - March 29, 2025 - Ducks Unlimited Steele County

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

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

Council Member Boeke made a motion to approve these Consent Agenda items, Council Member Svenby seconded the motion, all members voted aye for approval.

Finance Report

Council Vice President Raney recapped payments made for amounts greater than \$20,000 during this period:

\$ 20,674.89	Hawkins - chemicals
96,025.00	JJD Companies LLC
	- demo 139 Peral St E - \$33,825.00
	- demo 1370 Cherry St - \$29,850.00
	- demo 506 Maple Dr - \$23,700.00
	- demo Dartt's park building - \$8,650.00
28,761.15	Owatonna Area Chamber of Commerce - Sept 2024 Lodging Tax
253,189.31	Owatonna Fire Relief Assn - 2024 fire state aid/supp fire state aid
21,808.30	Owatonna Heating & Cooling Inc - Brooktree registers/duct work/cleanup/replacement
27,048.00	Polydyne Inc - chemicals
140,422.66	Southeast Service Cooperative - Nov 2024 Health Ins Premiums
156,321.22	Truck Center Companies LLC - 2025 Western Star biosolids vehicle - WWTP department
21,104.54	US Bank - Organization monthly credit card -Sept/Oct 2024
95,358.01	Wencl Construction - 24001 Street & Utility pay est #5 - final
<u>263,352.35</u>	Other Expenditures
\$1,124,065.43	Subtotal
<u>109,787.22</u>	HRA Housing Assistance Payments
\$1,233,852.65	Total Expenditures Presented for Approval

Council Member Boeke made a motion to approve payment of all bills presented, Council Member Voss Boeke seconded the motion, all members voted aye for approval.

Second/Final Reading Ordinance 24-7: Chapter 122, Cannabis Regulation

City Attorney Walbran requested approval of Proposed Ordinance 24-7 with a Summary Publication, to add Section 122, Cannabis Regulation to the 2015 City Code of Ordinances. This ordinance will implement the provisions of Minnesota Statutes, Chapter 342, which authorizes the City Council to regulate cannabis businesses within the legal boundaries of the City.

The first reading of this proposed ordinance was approved during the last City Council Meeting on November 19, 2024. Several editing changes have been made to the Proposed Ordinance since the last reading. A summary of these changes includes:

1. Page 3, Subsection 12 "Public Place" has been expanded to include other public properties including Brooktree Golf Course.
2. Page 5, Section 122.03, Subsection 1 restated the delegation by the City to the County to register cannabis businesses and conduct compliance checks of said

businesses. No Substantiative changes.

3. Page 6, Section 122.04 restated the "buffer" requirements and added new subsection "d)" providing that a licensed cannabis business would not be required to move if a facility relocated inside the buffer zone.
4. Page 7, a correction was made to the proper zoning districts to be B-2 and B-3 for retail cannabis businesses. No substantiative change.
5. Page 12, Section 5 (c) requirement of insurance coverage for temporary cannabis event. No substantiative change.

Also, the state cannabis statute includes a provision that makes the seller of cannabis who makes an illegal sale to another person who, in turn, causes injury or death to a third person liable for all damages sustained caused by the intoxicated person. However, the statute did not include any requirement that cannabis business owner carry liability insurance and staff has decided that it was in the public interest to provide that the cannabis business licensee take out liability insurance.

Council Member Dotson requested clarification if the City's Ordinance would be more restrictive than the State Statue. City Attorney Walbran confirmed, yes, the city will require the cannabis business licensee take out liability insurance; Steele County is also in process of adopting cannabis regulation with plans to include requirement of liability insurance. Council Member Voss made a motion to approve Proposed Ordinance 24-7, Council Member Svenby seconded the motion. With a roll call vote, voting aye were Council Members Boeke, Raney, Svenby, Voss, Dotson, Burbank and Schultz, No Nays, the motion carried. This will be known as Ordinance 1666 to become effective upon date of publication, December 7, 2024.

Resolution 121-24: Delegate Cannabis Business Registration & Compliance Checks - Steele County

City Attorney Walbran presented Resolution 121-24 delegating the City's authority to register cannabis and hemp businesses and to conduct compliance checks of the same within the legal boundaries of the City.

In 2023 the Legislature adopted Minn. Stat. Ch. 342 which legalized adult-use recreational cannabis. That Statute included a provision granting a City the authority to delegate its registration authority and compliance check authority to the County. The City and County have agreed that the City will delegate such authority to the County and the County will undertake to register a cannabis retailer and conduct the required compliance checks. Under Minn. Stat. § 342.13 the County has registration authority and may limit the registrations to no more than the minimum required under Minn. Stat. § 342.13. The City and the County agree to limit the licenses to the statutory limit of 1 license per every 12,500 residents which currently would permit 3 such licenses in Steele County.

The applicant would apply for and receive a license from the state which is required to be registered locally. This resolution delegates authorization to Steele County for license granted within the City of Owatonna. Council Member Dotson commented he anticipates there may need to be future discussion to consider increasing the number of cannabis and hemp businesses within Steele County to more than three as allowed per this resolution. Council Member Raney made a motion for approval, Council Member Svenby seconded the motion, all members voted aye to approve.

WWTF Expansion Change Order #17 - Rice Lake Construction Group

Public Works Director Murphy requested approval of Change Order #17 for the Wastewater Treatment Facility Expansion Project received from Rice Lake Construction Group. Work Change Directives (WCDs) are created to address construction issues, design clarifications, and interdisciplinary coordination, or errors and/or omissions. Change Order 17 consists of these nine 9 WCDs:

- 106 - Replace Corroded Piping & Hardware in Digester 2
- 107 - Add Dryer Vent per RFI 190
- 108 - Scanning and Select Demolition
- 109 - Change Admin Curtain Wall System
- 110 - STB Plumbing Modifications
- 111 - DTC Transformer Relocation
- 112 - Admin Building Electrical Changes
- 113 - Air Content Deviation
- 114 - EWR - NPW Check Valve

The total budget impact of Change Order 17 is an increase of \$83,648.58 for a revised total contract cost of \$57,392,249.04. Adjustments to the original contract have increased total cost by only 3%; 2/3 of the changes were for required design changes and opportunities to capitalize on needed renovations. Council Member Svenby made a motion for approval, Council Member Burbank seconded the motion, all members voted aye for approval.

Amendment #3 - Professional Services Agreement Staff Augmentation - WHKS & Co.

Public Works Director Murphy requested approval of Amendment 3 to the WHKS Proposal for Staff Augmentation Services. WHKS has provided staff augmentation services to assist with engineering projects and training since November 15, 2022. Services include design oversight, design direction, establishing design schedules, assessing staff's design skills and needs, and State/Federal Aid Project compliance assistance. Staff and WHKS typically meet via Microsoft Teams for check-ins. Additional services were required for construction administration and inspection services for the Vine Street Parking Lot Project. Billed hourly, this amendment will not exceed \$25,000 without additional authorization. The total contract amount to date, including amendments 1, 2 and 3, is \$110,000.

Council Member Voss asked if the need for these services will decrease with addition of staff and completion of projects. Murphy responded yes, the new Assistant City Engineer beginning within a few weeks will reduce the contract services needed. Council Member Raney made a motion for approval, Council Member Voss seconded the motion, all members voted aye in approval.

Purchase Asphalt Miller - Asphalt Zipper

Public Works Director Murphy requested approval to purchase a 2025 Asphalt Milling Machine from Asphalt Zipper. The city's current 2015 Asphalt Zipper Milling Machine is scheduled to be replaced in 2026. The acquisition of this equipment one year ahead of the planned replacement has been identified as advantageous by the Street Maintenance Manager. The new equipment meets new emission requirements, and the manufacturer is offering a promotion for no payment until 2026. Purchasing the new milling machine now will result in cost savings of \$34,600 by avoiding a 10% cost increase and we will receive an \$8,000 municipality credit. The purchase price of the 2025 Miller is \$266,340 and the trade value of our 2015 equipment is \$45,000; staff intend to place it on an auction site with a reserve of the trade value.

Council Member Raney asked if purchased, would the new machine be available for projects next year? Murphy responded, yes, they could deliver within 2-3 months from the order date. Council Member Boeke made a motion for approval, Council Member Dotson seconded the motion, all members voted aye in approval.

Agreement - Snow and Ice Removal Service at LEC - From the Ground UP

Assistant City Administrator Tuma requested Council approve agreement with From the Ground Up, for above ground winter snow and ice removal at the Law Enforcement Center (LEC). The Owatonna Police Department has shared the LEC with the Steele County Sheriff's Office for several years. The Sheriff's Office is going to move to the county's Detention/Administration facility and the city purchased the county's share of the LEC. As a shared facility, the county managed the grounds and facility for both agencies with costs of services shared. Now the City has full ownership of the site and will be responsible for snow and ice removal for its 7-day/24-hour operation. This agreement includes pushing and stacking the snow, and the City's Streets Department will coordinate the hauling, saving considerable expense. Council Member Raney made a motion for approval, Council Member Voss seconded the motion, and all members voted aye for approval.

Legislative Services - Lockridge, Grindal & Nauen PLLP

Assistant City Administrator Tuma requested approval to enter into an agreement with Lockridge, Grindal, & Nauen PLLP (LGN) for Minnesota Legislative Services as the city develops plans for future city facilities. To explore and maximize all funding options, LGN will provide lobbying services related to tax, capital investment, and state policy issues for

the City of Owatonna. LGN's government relations professionals represent clients of all types and sizes at the Minnesota State Capitol. LGN partners with a wide range of non-profit, government and business clients to elevate their impact in Minnesota by cultivating broader influence and understanding among public officials and decision-makers. LGN has a sizeable team, with broad-based political affiliations, and has developed a vast network of long-term, personal connections with leaders at all levels of government. This is a one-year agreement with an agreement fee of \$40,000. Council Member Dotson made a motion for approval, Council Member Voss seconded the motion, all members voted aye in approval.

STAFF COMMENTS

Finance Director Burns commented she has now been on staff for eight weeks. Finance staff are working to finalize the 2025 Budget and beginning to prepare for the 2024 Audit next spring.

Public Works Director Murphy commented that most construction projects are wrapping up for the season. The WWTF Project is on track with plans to be in the new Administration Building next month. The season's first snowfall was just a few days ago, he asked everyone to please be mindful to stay back from the plows and trucks, they frequently back up when clearing snow as they work to make it safe for everyone.

PUBLIC COMMENTS

Melissa Zimmerman, 2525 Stony Creek Drive thanked the city for the temporary ice rink at Countryview Park at 855 Countryview Lane NE. Kids are already out enjoying it and hopefully, some play equipment will also be added to this park area. The study prepared by WSB for the proposed East-Side Corridor Project has many discrepancies which create misleading information. The document is filled with deception and the city should not be OK with that, she requested the proposed route be moved 800' to the east to avoid any misrepresentation.

Gary Jones, 995 Ridge Road, commented that the number of disc golfers in Mineral Springs Park has decreased and the number of bow hunters has increased. This park should be excluded from the city's Deer Management Program as no deer were taken during the last two seasons. Disc golfers could continue use of the park area, last year, many disc golfers utilized the park into the month of January and this year, many have already stopped coming. Presence by the disc golf players has helped keep this park safe and should be encouraged.

Seth Muir, 2551 Mossy Creek Drive stepped off 18 feet in front of the podium and commented that the distance between the proposed route for the east-side corridor and existing homes will be less than this distance. The anticipated proposed route will come within 17 feet of current homes with an allowable traffic speed up to 55 miles per hour. The route was chosen in 1999 and allowed a 150-foot easement between homes and the

proposed roadway but several homes have since been built in this buffer space. If the road is built as proposed, property values will decrease which doesn't align with Owatonna's goals for growth and sustainability. Project cost will add 2-3 million dollars to construct a sound barrier wall. The city should be wary of the information received from WSB, their reports haven't always been accurate and have waived from state requirements.

COUNCIL COMMENTS:

Council Member Voss commented staff at Community Pathways is always very friendly and helpful. He has been clearing a family member's home and thankful for the option to take items which others will be able to use.

Mayor Kuntz The Lighted Holiday Parade is this Friday beginning at 6:00 pm in the downtown area. There is currently an opening on the Park Board, applications can be submitted on the city's website by this Friday evening, December 6th.

City Administrator Busse commented the city will host a reception celebrating and thanking outgoing City Elected Officials Mayor Thomas A. Kuntz and City Council President Greg Schultz in the Owatonna Arts Center on Tuesday, December 17th beginning at 4:30 pm.

Council President Schultz thanked everyone for attending tonight's meeting.

At 7:40 p.m., Council Member Raney made a motion to adjourn, Council Member Dotson seconded the motion, and the meeting ended.

Respectfully submitted,

Jeanette Clawson, Administrative Coordinator

Owatonna 2024 Truth-in-Taxation Meeting Minutes – DRAFT COPY

Council President Schultz called the annual Truth-in-Taxation Meeting to order on Tuesday, December 3, 2024, at 6:00 p.m. in Chambers at the Charles S. Crandall Center. Present were Council Members Boeke, Raney, Voss, Dotson, Svenby, Burbank, and Schultz; Mayor Kuntz; Finance Director Burns, City Administrator Busse, Assistant City Administrator Tuma; Administrative Coordinator Clawson.

Council President Schultz welcomed everyone and explained this meeting is to hear comments about the Proposed 2025 City Budget and Levies. Questions regarding proposed property tax statements, property valuations, and property tax relief options should be directed to the Steele County Assessor's Office.

City Administrator Busse thanked everyone for attending and commented that staff have worked very hard in preparing the City's 2025 Budget. She made an introduction of Finance Director, Emily Burns with a PowerPoint presentation of the 2025 Budget Process.

Each November, property owners receive a statement showing preliminary taxes for next year from the County Treasurer's Office. Their proposed property taxes are calculated based on the preliminary tax levies adopted by each governing body (County, City, and School District) in September. The final levy may be less than the proposed but cannot be more. Each year, during their Strategic Planning Session, the Council determines the City's priorities and goals. Staff then prepare a budget that aligns with those priorities. The City's four Key Focus Areas are: Economic Vitality, Infrastructure, Quality of Life and Efficient Effective Government.

The City's Proposed 2024 Budget is \$19,625,620, 7.75% (\$1,411,587) more than the current 2024 Budget. When the budget process began, the initial Proposed Budget and Levy amount were higher at 8%. Staff and management worked hard to decrease the requested amount, four main reasons for this increase include:

- Advancing satisfactorily performing employees on their pay scales in order to attract and retain a high performing workforce, personnel cost is 71% of the budget.
- Ensuring staffing levels align with growth – additions in Administration, Police, Recreation, Library and HRA.
- LEC Transition: The county is leaving the Law Enforcement Center, the city must ensure support staff will be present to carry out operations including custodians, facility maintenance and record management which have been shared costs.
- Increased costs for supplies/materials, bituminous, concrete, road oils, chloride, chemicals, fuel, etc.

The main components of the 2025 General Fund Expenditures are:

- Personnel Costs = 71%
- Other Services and Charges = 19%
- Supplies = 10%
- Supplies and Transfers = 1%.

Costs to maintain and enhance City services are:

- \$9.9 million: Public Safety (Police, Fire & Building Inspections)
- \$5.4million: Public Works (Engineering, Streets, Airport)
- \$4.4 million: Parks & Recreation
- \$1.5 million: Library
- \$1.2 million: Facilities
- \$0.5 million: Housing & Economic Development

The 2025 Capital Improvement Projects Fund Levy at \$520,000 includes:

- River Springs Water Park maintenance
- Social Commons rooftop HVAC replacement
- Parks pavement rehabilitation/replacement
- Library Gainey Room audio/video equipment replacement
- Airport bi-fold door replacement
- Annual technology replacements
- Brooktree cart path, pergolas, reel grinder replacement

The 2025 Building Maintenance Fund Levy at \$300,000 includes:

- Roof Projects
- Library Architectural Services to plan replacement of the clay tile roof
- City Hall Tuckpointing
- Multiple garage Door Replacements

The 2025 Vehicle Replacement Fund Levy at \$1.4 Million includes:

- Street Sweeper
- Vehicles for Engineering and IT
- Marked and unmarked patrol cars
- Tree chipper
- Seven pick-up trucks: Facilities, Parks, Streets
- Tractors, mowers, attachment, utility vehicles
- Skid Steer loader

Main components of the 2025 General Fund Revenues include:

- Tax Levy = \$15,986,595 = 55%
- LGA = \$5,738,264 = 20%
- Charges for Services = \$3,399,758 = 12%
- Licenses & Permits, Other Intergovernmental = \$1,600,977 = 6%
- Other taxes, Fines & Forfeits; Interest on Investments and Misc = \$1,513,362 = 5%
- Licenses and Permits = \$458,650 = 2%

Every tax dollar is spent on:

- \$0.815 – General Government
- \$0.042 – Pay-as-you-Go Capital Projects
- \$0.122 - Bonded Debt
- \$0.011 - Economic Development
- \$0.011 - Housing & Redevelopment
- \$1.001

The tax rate is calculated by dividing the tax revenue amount needed by the tax capacity. Tax Capacity increased this year by about 7.2%. Components of tax capacity changes include new construction, existing homes and businesses, and changes in valuations. City taxes paid on residential property will decrease next year based on the lower tax rate due to increased capacity and the Market Value Exclusion Limit provided there was no increase in their property valuation.

Minnesota Statue requires the Council hold a meeting for public comments about the proposed annual budget between November 25th and December 28th. The Council will hear comments tonight on the City's Proposed Budget and Levies and then consider the Final 2024 Budget during their meeting in two weeks on December 17, 2024.

Council President Schultz thanked Finance Director Burns and City Administrator Busse for their presentation and all the information. At 6:10 p.m., he opened the meeting for public comments.

Steve Deetz, 422 S Elm, commented he attended a similar meeting 16 years ago when current Council Member Boeke spoke about how shocked he was with the increase in his property valuation causing an increase in the 2009 taxes. Again, my commercial property has similar increases, 25 to 27%. My tenants will be shocked, I can't be as eloquent as Mr. Boeke was when he spoke in 2008, this is a shock, and I am here asking for a more reasonable rate. We need to review the process of property valuation. There were sales in 2008 which jacked up all property values, when do new properties come online for taxation, is that what is causing our property values to increase this time? Is it at the city, county or school level that needs to review this?

Council President Schultz commented he understood his questions, but these questions should be directed to the County Assessor. The Assessor must classify all real property according to use, Residential, Open Space, Commercial or Industrial. Each year, their office reviews one type, last year they reviewed commercial properties and are recommending these valuation adjustments.

City Administrator Busse commented that when new properties are added to the tax base, there are more property owners to cover public budget requests. As the tax capacity grows, each individuals pie slice will get smaller.

Council Member Dotson added that within residential properties, there is a differentiation between new development and existing homes.

Jane Hogan, 233 E McKinley Street, asked for a follow-up on her previous complaint about a neighboring property which she believes is a hoarding house. The state of the neighboring property is affecting the valuation of her property and her budget. Council Member Schultz commented this meeting is for comments on the City's Proposed Budget and not property valuation or nuisance complaints. Staff confirmed a Nuisance Complaint has been in process for the neighboring property.

With no additional comments heard, Council President Schultz thanked everyone for attending. He commented Council appreciates the comments heard for consideration prior to voting on the proposed budget at the next Council Meeting. At 6:17 p.m., Schultz called for a short recess prior to the Council Meeting to begin at 7:00 pm.

Respectfully Submitted,

Jeanette Clawson, Administrative Coordinator



CITY OF
OWATONNA

Board Commission Minutes

Owatonna Human Rights Commission Minutes

The Owatonna Human Rights Commission (OHRC) met on Tuesday, November 12, 2024, in the Meeting Room of the Charles S. Crandall Center. Chairman Jim Gunderson called the meeting to order at 5:35 p.m. Commissioner Hansen took roll call: Commissioners Jim Gunderson, Julia Seykora, Jessica Bjore, Edgar Esquivel, Jennifer Hansen, Mustafe Ismael, Sherry Hill, and Administrative Coordinator Clawson.

Following the Pledge of Allegiance, Commissioner Gunderson welcomed everyone to the meeting. Commissioner Hansen made a motion to approve the agenda as presented, Commissioner Bjore seconded the motion, all members voted aye in approval.

After review of Minutes of the last meeting, October 8, 2024, Commissioner Hansen made a motion to approve as presented, Commissioner Seykora seconded the motion, all members voted aye in approval.

ITEMS OF DISCUSSION

OHRC E-mail Account

Administrative Coordinator Clawson commented there have been no messages left in the OHRC mailbox to share or needing response.

2025 MLK Jr Day Event Monday, January 20, 2025

There was a brief discussion on plans for the 2025 MLK Jr Day event. The speaker, venue, and cater will be the same as last year. Commissioner Hansen displayed the registration form, a Google form which can be accessed by a link. The link will be shared when promoting the event beginning next month, only 130 entries will be available. Review of all promotion plans, and sponsors will be discussed during the December OHRC Meeting.

Commission Promotion

Blue OHRC polo shirts were given to all OHRC Commissioner members. Commissioner Hansen made a motion to approve the invoice from Oak Glenn Gear for the shirt, \$164.18. Commissioner Esquivel seconded the motion, all members voted aye for approval.

ADJOURNMENT

At 6:14 p.m., Commissioner Seykora made a motion to adjourn, Commissioner Ismael seconded the motion, and the meeting was adjourned. The next OHRC Meeting is planned for Tuesday, December 10th at 5:30 pm.

Respectfully submitted,
Jeanette Clawson, Administrative Coordinator



CITY OF
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Department Reports

COMPARISON REPORT OF BUILDING DONE IN CITY OF OWATONNA IN YEARS 2023 AND 2024															Ken Beck, Building Official		
	DWELLINGS		ACCESSORY		COMMERCIAL		INDUSTRIAL		ADD. & ALT.		DUPLEX/APTS		DEMO	TOTAL			
Month	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	NO.	VALUE		
Jan '23	0	0	5	16,600	8	443,880	7	5,117,850	66	494,614	0	0	0	86	6,072,944		
Jan '24	0	0	2	6,500	33	7,806,205		** see below	95	763,150	0	0	0	130	8,575,855		
Feb '23	0	0	8	24,850	22	1,113,838.30	11	25,861,730.75	136	834,982.70	0	0	0	177	27,835,401.75		
Feb '24	2	700,000	4	7,500	52	8,218,972.00			198	1,725,152.62	0	0	0	256	10,651,624.62		
Mar '23	1	200,000	17	44,100	42	2,497,648	20	26,251,710	243	\$ 7,323,261.26	0	0	0	323	\$ 36,316,719.26		
Mar '24	3	940,000	5	8,250	75	10,847,903			289	\$ 2,612,593.78				372	\$ 14,408,746.78		
Apr '23	4	1,968,586	26	96,900	74	31,047,283		**see below	329	8,699,343.89	0	0	1	434	41,812,112.89		
Apr '24	3	940,000	19	81,750	107	44,321,109			446	\$ 3,981,714.59	0	0	0	575	\$49,324,573.59		
May '23	4	1,968,586	37	132,400	94	36,206,219.51		**see below	463	11,204,959.76			1	599	49,512,165.27		
May '24	3	940,000	38	235,738	125	46,373,553.00			586	5,141,328.01				752	52,690,619.00		
Jun '23	4	1,968,586	52	189,068.67	113	45,164,773.51		**see below	594	12,314,075.39	0	0	8	771	59,636,503.57		
Jun '24	3	940,000	52	338,988.00	141	48,105,001.10			730	6,515,257.09	2	400,000	2	930	56,299,246.19		
Jul '23	5	2,168,586	69	242,168.67	132	46,905,945.51			714	13,185,484.99	2	400,000	8	930	62,902,185.17		
Jul '24	5	2,040,000	67	387,488.00	180	53,277,518.10			888	7,891,334.33	4	980,000	5	1149	64,576,340.43		
Aug '23	6	2,568,586	75	257,168.67	162	51,045,367.26			847	14,208,880.97	4	12,400,000	9	1,103	80,480,004		
Aug '24	6	2,290,000	82	479,826.00	210	57,328,157.10			1058	9,938,435.49	4	980,000	5	1,365	71,016,418.59		
Sep '23	9	3,587,126	83	333,668.67	197	64,081,192.67			990	15,576,116.82	4	12,400,000	9	1,292	95,978,104.16		
Sep '24	8	2,990,000	98	617,836.55	252	66,465,557.10			1187	11,171,273.45	4	980,000	6	1,555	82,224,667.10		
Oct '23	16	6,739,916	94	382,984.89	217	66,611,382.67			1,153	17,005,042.02	4	12,400,000	10	1,494	103,139,325.55		
Oct '24	9	3,325,000	111	734,836.55	275	71,587,459.47			1,344	12,774,301.43	4	980,000	10	1,753	89,401,597.45		
Nov '23	21	8,119,916	101	424,984.89	235	69,172,169.67			1,281	17,958,715.07	4	12,400,000	13	1,655	108,075,785.63		
Nov '24	10	3,675,000	117	763,486.55	297	73,111,653.47			1,441	13,487,903.07	4	980,000	10	1,879	92,018,043.09		
Dec '23	21	8,119,916	106	430,584.89	252	71,144,770.64			1,365	18,435,507.88	4	12,400,000	13	1,761	110,530,779.41		
Dec '24																	

**Starting April 2023, Commerical and Industrial are combined

Owatonna Building Inspection Department Comparison Report- Construction to Date 2023/2024

Construction Report for Permits Issued through November, 2024

TYPE OF WORK	2023 PERMITS ISSUED	PERMITS ISSUED FOR CONSTRUCTION COST	Units	2024 PERMITS ISSUED	PERMITS ISSUED FOR CONSTRUCTION COST	Units
NEW DWELLINGS	21	8,119,916		10	3,675,000	
ACCESSORY BUILDINGS (INCLUDES GARAGES, UTIL. BLDGS, SW. POOLS, ETC.)	101	424,984.89		117	763,486.55	
COMMERCIAL AND INDUSTRIAL PERMITS	235	69,172,169.67		297	73,111,653.47	
RESIDENTIAL ADD. & ALT.	1281	17,958,715.07		1441	13,487,903.07	
DUPLEXES & APTS. (INCLUDES ATTACHED SF)	4	12,400,000	0	4	980,000	0
DEMOLITION PERMITS	13	0		10	0	
TOTAL PERMITS ISSUED	1,655	108,075,786	0	1,879	92,018,043	0



CITY OF
OWATONNA

Licenses Permits



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Jeanette Clawson, Administrative Coordinator
SUBJECT: Annual Renewal - Tobacco Licenses

Purpose:

Council approval to renew annual tobacco licenses which expire December 31st each year.

Background:

The City Code requires that all persons wanting to sell or offer to sell any tobacco, tobacco products, or tobacco-related device must first obtain a license from the City. There are currently thirty-two license holders within the City and all have requested renewal.

<u>NAME OF BUSINESS</u>	<u>LOCAL ADDRESS</u>
CASEY'S GENERAL STORE #2194	475 18th St
CASEY'S GENERAL STORE #2418	590 State Avenue
CASH WISE #3014	495 W North Street
CASH WISE LIQUOR #7037	495 W North Street
CEKOO TOBACCO	1836 S Cedar Avenue
DOLLAR GENERAL 21536	205 N Oak Avenue
FAREWAY STORES INC #139	831 S Oak Avenue
FAREWAY SPIRITS AND MORE #139	831 S Oak Avenue
FIRE HOUSE LIQUOR	120 26th St NW
FLEET FARM FUEL	2121 W Bridge St
HOLIDAY STATIONSTORE #2746373	695 W Bridge Street
HOLIDAY STATIONSTORE #2746519	330 W North St
HY-VEE	1620 S Cedar Avenue
HY-VEE GAS #5511	1720 S Cedar Avenue
HY-VEE WINE & SPIRITS	1620 S Cedar Avenue
J&B LIQUOR INC.	202 S Oak Street

KWIK TRIP #237	135 Landmark Drive
KWIK TRIP #403	2270 46th Street NW
KWIK TRIP #435	1075 West Frontage Rd
KWIK TRIP #641	1220 S Oak Avenue
KWIK TRIP #806	320 Mineral Springs
KWIK TRIP #1088	410 Hoffman Drive
KWIK SPIRITS #1088	410 Hoffman Drive
LION'S DEN ADULT BOUTIQUE	1178 W Frontage Rd
MEDFORD TOBACCO PLUS, INC	2350 43rd St NW #101
OT SMOKE SHOP PLUS	1100 Frontage Rd, Ste 110
OWATONNA FUEL & Food	401 N Cedar Avenue
OWATONNA SMOKE SHOP	641 W Bridge St
REGGIE'S BREWHOUSE	218 N Cedar Avenue
SMOKE N VAPE INC	1407 S Oak Avenue
WALGREENS #9095	125 18th Street SE
WALMART #982	1130 West Frontage Road

Budget Impact:
 \$4,800 - the City’s annual fee for a Tobacco License is \$150.00 (\$150.00 x 32 = \$4,800).

Staff Recommendation:
 Staff recommends renewal of these tobacco licenses.

Attachments:
 None



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Jeanette Clawson, Administrative Coordinator
SUBJECT: Annual Renewal - Taxi Licenses

Purpose:

Council to approve renewal of the annual Taxi Licenses.

Background:

City Code requires persons wanting to carry or transport any person for hire by means of any automobile or taxicab within the corporate limits of this municipality to obtain a license to do so.

Applications received from:

Business Name	Address	City/State	# of Taxi
Access on Time Companies Inc. dba First Choice Shuttle	1333 S Trail Drive, PO Box 6	Faribault	1
Straight River Taxi LLC	770 25th St NE	Owatonna	4

Insurance information, Vehicle Inspection Reports, and a statement of rate fees are received during the licensing process.

Budget Impact:

The city's annual Taxi License Fee is \$75.00 per vehicle; 5 X \$75.00 = \$375.00.

Staff Recommendation:

Staff recommends approval.

Attachments:

None



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Jeanette Clawson, Administrative Coordinator
SUBJECT: Annual Renewal - Garbage & Refuse Haulers Licenses

Purpose:

Council to approve renewal of Annual Garbage and Refuse Hauling Licenses.

Background:

The City Code requires a person wanting to collect or haul garbage or other refuse for hire within this municipality or hold themselves out as engaged in collecting, hauling, or disposing of garbage or other refuse must obtain a license from the Council. This license is an annual license that expires on December 31st of each year and is not transferable.

Eleven vendors have requested renewal of their permits. There is of total of 56 vehicle to permit.

Budget Impact:

\$4,200: The city's annual fee is \$75.00 per vehicle (56 x \$75 - \$4, 200).

Staff Recommendation:

Staff recommends renewal.

Attachments:

1. 2024 Garbage Hauler - Vendor List

Business	CityState	Number of vehicles
GreenRU LLC	Blairsburg IA	1
Thompson Sanitation Inc	Clarks Grove MN	5
LJP Waste Solutions	North Mankato MN	7
Skjeveland Enterprises	Owatonna MN	8
Stewart Companies, Inc. Dbas Stewart Sanitation	Owatonna MN	12
Waste Management of Southern MN	Clarks Grove MN	9
Veit Disposal Systems	Rogers MN	3
Kruckeberg Fleet Services	Blooming Prairie MN	2
West Central Sanitation Inc	Willmar MN	2
Archambault Brothers Disposal	Faribault MN	3
Junk Truck MN	Dundas MN	2
Bin Pro Dumpster Rental	Janesville MN	3
	Total # Vehicle Permits	57

LG220 Application for Exempt Permit

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

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

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

Application Fee (non-refundable)

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

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

ORGANIZATION INFORMATION

Organization Name: Owatonna Area Chamber of Commerce & Tourism Previous Gambling Permit Number: X- 74012-24-022
 Minnesota Tax ID Number, if any: 9124510 Federal Employer ID Number (FEIN), if any: 41-0639369
 Mailing Address: 120 S Oak Avenue
 City: Owatonna State: MN Zip: 55060 County: Steele
 Name of Chief Executive Officer (CEO): Brad Meier
 CEO Daytime Phone: 5074517970 CEO Email: bmeier@owatonna.org
 (permit will be emailed to this email address unless otherwise indicated below)
 Email permit to (if other than the CEO): _____

NONPROFIT STATUS

Type of Nonprofit Organization (check one):

☐ Fraternal ☐ Religious ☐ Veterans ☒ Other Nonprofit Organization

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

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

- ☒ **A current calendar year Certificate of Good Standing**
 Don't have a copy? Obtain this certificate from:
 MN Secretary of State, Business Services Division
 60 Empire Drive, Suite 100
 St. Paul, MN 55103
 Secretary of State website, phone numbers:
www.sos.state.mn.us
 651-296-2803, or toll free 1-877-551-6767
- ☐ **IRS income tax exemption (501(c)) letter in your organization's name**
 Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS toll free at 1-877-829-5500.
- ☐ **IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)**
 If your organization falls under a parent organization, attach copies of both of the following:
 1. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling; and
 2. the charter or letter from your parent organization recognizing your organization as a subordinate.

GAMBLING PREMISES INFORMATION

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

Physical Address (do not use P.O. box): 333 SE 18TH ST, Owatonna, MN 55060

Check one:

☒ City: Owatonna Zip: 55060 County: Steele
☐ Township: _____ Zip: _____ County: _____

Date(s) of activity (for raffles, indicate the date of the drawing): Sunday, February 16, 2025

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**

- ☒ 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:

Janette ClausonTitle: Admin Coordinator Date: 12/10/2024

**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: Brad Meier Date: 12/10/2024
(Signature must be CEO's signature; designee may not sign)

Print Name: Brad Meier**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)).

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the

application. Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to Board members, Board staff whose work requires access to the information; Minnesota's Depart-

ment of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

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.

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

An equal opportunity employer

LG220 Application for Exempt Permit

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

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

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

Application Fee (non-refundable)

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

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

ORGANIZATION INFORMATION

Organization Name: St. Marys Marian Catholic Schools

Previous Gambling Permit Number: X- 74007-24-002

Minnesota Tax ID Number, if any: _____

Federal Employer ID Number (FEIN), if any: 41-0744379

Mailing Address: 730 South Cedar Ave.

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

Name of Chief Executive Officer (CEO): Von Petersen

CEO Daytime Phone: 612-600-3290 CEO Email: vonpetersen@gmail.com

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

Email permit to (if other than the CEO): clembke@stmarys-owatonna.org

NONPROFIT STATUS

Type of Nonprofit Organization (check one):

☐ Fraternal ☒ Religious ☐ Veterans ☐ Other Nonprofit Organization

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

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

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

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

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

Secretary of State website, phone numbers:

www.sos.state.mn.us

651-296-2803, or toll free 1-877-551-6767

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

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

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

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

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

GAMBLING PREMISES INFORMATION

Name of premises where the gambling event will be conducted (for raffles, list the site where the drawing will take place): St. Mary's School - Owatonna

Physical Address (do not use P.O. box): 730 South Cedar Ave.

Check one:

☒ City: Owatonna Zip: 55060 County: Steele

☐ Township: _____ Zip: _____ County: _____

Date(s) of activity (for raffles, indicate the date of the drawing): March 22, 2025

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**

- ☒ 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:

Janette Carlson

Title: City Administrator Date: 12/3/24

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

**COUNTY APPROVAL
for a gambling premises
located in a township**

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

Print County Name: _____

Signature of County Personnel: _____

Title: _____ Date: _____

TOWNSHIP (if required by the county)

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

Print Township Name: _____

Signature of Township Officer: _____

Title: _____ Date: _____

CHIEF EXECUTIVE OFFICER'S SIGNATURE (required)

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

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

Print Name: Von Petersen

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)).

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the

application. Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to Board members, Board staff whose work requires access to the information; Minnesota's Depart-

ment of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

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?

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An equal opportunity employer

LG220 Application for Exempt Permit

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- 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: <u>Owatonna Healthy Seniors Program dba Healthy Seniors</u>	Previous Gambling Permit Number: X- <u>35142-24-012</u>
Minnesota Tax ID Number, if any: <u>3382119</u>	Federal Employer ID Number (FEIN), if any: <u>41-1885511</u>
Mailing Address: <u>P. O. Box 1089</u>	
City: <u>Owatonna</u>	State: <u>MN</u> Zip: <u>55060</u> County: <u>Steele</u>
Name of Chief Executive Officer (CEO): <u>Edna Ringhofer</u>	
CEO Daytime Phone: <u>(507)774-7648</u>	CEO Email: <u>edna@healthyseniorsmn.org</u> (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 High School

Physical Address (do not use P.O. box): 1455 SE 18th St

Check one:

☐ City: Owatonna Zip: 55060 County: Steele
☐ Township: _____ Zip: _____ County: _____

Date(s) of activity (for raffles, indicate the date of the drawing): April 5, 2025

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	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 (60 days for a 1st class city). ☐ The application is denied.	☐ 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 City Name: <u>Owatonna</u> Signature of City Personnel: <u>Leanne Clauson</u> Title: <u>Admin Coordinator</u> Date: <u>12-10-24</u>	Print County Name: _____ Signature of County Personnel: _____ Title: _____ Date: _____
The city or county must sign before submitting application to the Gambling Control Board.	
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: Edna Ringhofer Date: 12/10/2024
 (Signature must be CEO's signature; designee may not sign)

Print Name: Edna Ringhofer

REQUIREMENTS	MAIL APPLICATION AND ATTACHMENTS
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 with: _____ a copy of your proof of nonprofit status; and _____ application fee (non-refundable). If the application is postmarked or received 30 days or more before the event, the application fee is \$100; otherwise the fee is \$150. Make check payable to State of Minnesota. To: Minnesota Gambling Control Board 1711 West County Road B, Suite 300 South Roseville, MN 55113 Questions? Call the Licensing Section of the Gambling Control Board at 651-539-1900.

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

An equal opportunity employer



CITY OF
OWATONNA

Miscellaneous



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Emily Burns, Finance Director
SUBJECT: Statement of Work - 2024 Audit Services – CliftonLarsonAllen, LLP

Purpose:

Approve engagement with CliftonLarsonAllen, LLP for audit services for 2024.

Background:

All Minnesota cities with populations of at least 2,500 must submit to the state auditor's office audited financial statements that have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year. This agreement will allow the City to comply with this requirement.

Budget Impact:

Funds have been included in the 2025 operating budget to pay for the audit of the 2024 financial statements. The base fee for professional services is \$36,000 with an additional \$6,750 for statement and form preparation.

Staff Recommendation:

Staff recommends approval of this agreement.

Attachments:

1. 2024 City of Owatonna Statement of Work - Audit Services



November 8, 2024

Statement of Work - Audit Services

This agreement constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated November 23, 2022, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and City of Owatonna ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended December 31, 2024.

Mary Reedy is responsible for the performance of the audit engagement.

Scope of audit services

We will audit the financial statements of the the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of City of Owatonna, and the related notes to the financial statements as of and for the year ended December 31, 2024.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements.

The RSI will be subjected to certain limited procedures, but will not be audited.

We will also evaluate and report on the presentation of the supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole.

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements and the related notes.
- Preparation of the required supplementary information (RSI).
- Preparation of the supplementary information.
- Preparation of schedule of federal awards.
- Preparation of the data collection form

Audit objectives

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Audit objectives

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions about whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

The objectives of our audit also include:

- Reporting on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions on the financial statements or compliance are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements or material noncompliance caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from

completing the audit or forming an opinion on the financial statements or an opinion on compliance, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue reports, or withdrawing from the engagement.

As part of our audit, we will also perform the procedures and provide the report required by the Minnesota Legal Compliance Audit Guide for Political Subdivisions.

It is our understanding that our auditors' report will be included in your annual report which is comprised of the financial statements and that your annual report will be issued by June 30, 2025. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Auditor responsibilities, procedures, and limitations

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements and material noncompliance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement or a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls
- Improper revenue recognition

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and on compliance relevant information about any identified or suspected instances of fraud and any identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements that may have occurred that are required to be communicated under *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for 12 months beyond the financial statement date.

You are responsible for the design, implementation, and maintenance of effective internal control,

including internal control over compliance, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities and safeguarding assets to help ensure that appropriate goals and objectives are met; and that there is reasonable assurance that government programs are administered in compliance with compliance requirements.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for the preparation and fair presentation of other supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for the preparation of other information included in your annual report. You agree to provide the final version of such information to us in a timely manner, and if possible, prior to the date of our auditors' report. If the other information included in your annual report will not be available until after the date of our auditors' report on the financial statements, you agree to provide written representations indicating that (1) the information is consistent with the financial statements, (2) the other information does not contain material misstatements, and (3) the final version of the documents will be provided to us when available, and prior to issuance of the annual report by the entity, so that we can complete the procedures required by professional standards. Management agrees to correct material inconsistencies that we may identify. You agree to include our auditors' report in any document containing financial statements that indicates that such financial statements have been audited by us.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies to us of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying

to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

Use of financial statements

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic

site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

At the conclusion of the engagement, we will complete the auditor sections of the electronic Data Collection Form SF-SAC and perform the steps to certify the Form SF-SAC and single audit reporting package. It is management's responsibility to complete the auditee sections of the Data Collection Form. We will create the single audit reporting package PDF file for submission; however, it is management's responsibility to review for completeness and accuracy and electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be electronically submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing confidential or sensitive information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the Minnesota Office of the State Auditor. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our audit engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly

available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Fees

Our professional fee is \$36,000.00. We will also bill for expenses (including travel, report production, word processing, postage, internal and administrative charges, etc.) plus a technology and client support fee of five percent (5%) of all professional fees billed. This estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered as work progresses and are payable on presentation.

Audit of financial statements	\$36,000.00
GASB 101 – Compensated Absences	\$1,500.00
Financial statement preparation	\$4,500.00
Preparation of OSA form	\$750.00

Unexpected circumstances

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the SOW increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below to indicate your acknowledgement and understanding of, and agreement with, this SOW.

Sincerely,

CliftonLarsonAllen LLP

Response:

This letter correctly sets forth the understanding of City of Owatonna.

CLA

CLA

SIGN:

Mary Reedy, Principal

DATE:

Client

City of Owatonna

SIGN:

Council Member

DATE:

City of Owatonna

SIGN:

City Administrator

DATE:



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Ghassan Madkour, Housing Manager
SUBJECT: Statement of Work - 2024 HRA Audit - Clifton Larson Allen LLP

Purpose:

Approve engagement with CliftonLarsonAllen, LLP for HRA audit services for 2024.

Background:

We must submit to the state auditor's office audited financial statements that have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year. This agreement will allow the HRA to comply with this requirement.

Budget Impact:

\$21,500 - Funds have been included in the 2025 HRA Budget. The base fee for audit services is \$14,000, \$4,000 for the federal audit and \$3,500 for financial statement preparation.

Staff Recommendation:

Staff recommends approval of this agreement.

Attachments:

1. Statement of Work - Audit Services
2. Statement of Work - Agreed-upon Procedures



August 1, 2024

Statement of Work - Audit Services

This agreement constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated November 26, 2022, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Housing and Redevelopment Authority of Owatonna ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended December 31, 2024.

Mary Reedy is responsible for the performance of the audit engagement.

Scope of audit services

We will audit the financial statements of the governmental activities, the business-type activities, and each major fund, which collectively comprise the basic financial statements of Housing and Redevelopment Authority of Owatonna, and the related notes to the financial statements as of and for the year ended December 31, 2024.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements.

The RSI will be subjected to certain limited procedures, but will not be audited.

We will also evaluate and report on the presentation of the supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole.

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements and the related notes.
- Preparation of the required supplementary information (RSI).
- Preparation of schedule of expenditures of federal awards.
- Preparation of supplementary information required by HUD.
- Preparation of GASB 87/96 tools, if necessary

Audit objectives

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Audit objectives

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions about whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express opinions and render the required reports.

We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

The objectives of our audit also include:

- Reporting on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

- Reporting on internal control over compliance related to major programs and expressing an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We will issue written reports upon completion of our audit of your financial statements and compliance with requirements applicable to major programs.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions on the financial statements or compliance are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements or material noncompliance caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements or an opinion on compliance, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue reports, or withdrawing from the engagement.

As part of our audit, we will also perform the procedures and provide the report required by the Minnesota Legal Compliance Audit Guide for Political Subdivisions.

It is our understanding that our auditors' report will be included in your annual report which is comprised of the financial statements and that your annual report will be issued by 30-Jun-25. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS, the standards for financial audits contained in *Government Auditing Standards*, and the Uniform Guidance.

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements and material noncompliance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement or a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls
- Improper revenue recognition

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements or noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not require

auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a single audit.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and on compliance relevant information about any identified or suspected instances of fraud and any identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements that may have occurred that are required to be communicated under *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of the entity's major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the "OMB

Compliance Supplement" for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of these procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

We will evaluate the presentation of the schedule of expenditures of federal awards accompanying the financial statements in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the schedule to determine whether the information complies with U.S. GAAP and the Uniform Guidance, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the schedule to the underlying accounting records and other records used to prepare the financial statements or to the financial statements themselves.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements, RSI, and the schedule of expenditures of federal awards in accordance with U.S. GAAP. Management is also responsible for identifying all federal awards received, understanding and complying with the compliance requirements, and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of the Uniform Guidance.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for 12 months beyond the financial statement date.

Management is responsible for compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs. Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are responsible for the design, implementation, and maintenance of effective internal control,

including internal control over compliance, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities and safeguarding assets to help ensure that appropriate goals and objectives are met; and that there is reasonable assurance that government programs are administered in compliance with compliance requirements.

You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for taking timely and appropriate steps to remedy any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that we may report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings; and to follow up and take prompt corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers), and for ensuring management information and financial information is reliable and properly reported; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

You agree to include our report on the schedule of expenditures of federal awards in any document that

contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for the preparation and fair presentation of other supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for the preparation of other information included in your annual report. You agree to provide the final version of such information to us in a timely manner, and if possible, prior to the date of our auditors' report. If the other information included in your annual report will not be available until after the date of our auditors' report on the financial statements, you agree to provide written representations indicating that (1) the information is consistent with the financial statements, (2) the other information does not contain material misstatements, and (3) the final version of the documents will be provided to us when available, and prior to issuance of the annual report by the entity, so that we can complete the procedures required by professional standards. Management agrees to correct material inconsistencies that we may identify. You agree to include our auditors' report in any document containing financial statements that indicates that such financial statements have been audited by us.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies to us of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

Use of financial statements

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

At the conclusion of the engagement, we will complete the auditor sections of the electronic Data Collection Form SF-SAC and perform the steps to certify the Form SF-SAC and single audit reporting package. It is management's responsibility to complete the auditee sections of the Data Collection Form. We will create the single audit reporting package PDF file for submission; however, it is management's responsibility to review for completeness and accuracy and electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be electronically submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing confidential or sensitive information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Minnesota Office of the State Auditor, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CLA personnel. Furthermore, upon request, we may provide copies or electronic versions of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the Minnesota Office of the State Auditor. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit

documentation.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our audit engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Fees

Audit of financial statements	\$14,000.00
Federal single audit	\$4,000.00
Financial statement preparation	\$3,500.00

We will also bill for expenses (including travel, report production, word processing, postage, internal and administrative charges, etc.) plus a technology and client support fee of five percent (5%) of all professional fees billed. Our invoices, including applicable state and local taxes, will be rendered each month as work progresses and are payable on presentation.

Unexpected circumstances

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the SOW increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below to indicate your acknowledgement and understanding of, and agreement with, this SOW.

Sincerely,

CliftonLarsonAllen LLP

Response:

This letter correctly sets forth the understanding of Housing and Redevelopment Authority of Owatonna.

CLA

Mary Reedy

SIGN: Mary Reedy

DATE: November 24, 2024

Client

Housing and Redevelopment Authority of
Owatonna

SIGN: _____

Housing and Redevelopment Authority of
Owatonna, City Administrator

DATE: _____

Housing and Redevelopment Authority of
Owatonna

SIGN: Margareta V. Olivo

Housing and Redevelopment Authority of
Owatonna, Board Member

DATE: 12 - 03 - 2024



November 22, 2024

Statement of Work - Agreed-upon Procedures

This agreement constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated November 26, 2022, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Housing and Redevelopment Authority of Owatonna ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended December 31, 2024.

Mary Reedy is responsible for the performance of the agreed-upon procedures engagement.

Scope, objective, and responsibilities

We will apply the agreed-upon procedure which Housing and Redevelopment Authority of Owatonna has specified and agreed to, listed in the attached schedule, to the electronic submission and related hard copy documents listed in the attached schedule and the related hard copy documents included within the OMB Uniform Administrative Requirements reporting package of Housing and Redevelopment Authority of Owatonna as of and for the year ended December 31, 2024. Housing and Redevelopment Authority of Owatonna is responsible for the electronic submission and related hard copy documents listed in the attached schedule and the related hard copy documents included within the OMB Uniform Administrative Requirements reporting package of Housing and Redevelopment Authority of Owatonna.

Our engagement to apply the agreed-upon procedure will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards for attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require us to be independent of the entity or responsible party, as applicable, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our engagement. Housing and Redevelopment Authority of Owatonna agrees to and acknowledges the procedure performed or to be performed is appropriate for the intended purpose of applying the procedure and reporting associated findings related to the electronic submission of the items listed in the "UFRS Rule Information" column. The intended users of the agreed-upon procedure report are Housing and Redevelopment Authority of Owatonna and the U.S. Department of Housing and Urban Development, Office of Public and Indian Housing - Real Estate Assessment Center (PIH-REAC). Intended users in addition to Housing and Redevelopment Authority of Owatonna may be requested to agree to the procedure and acknowledge that the procedure performed is appropriate for the intended purpose. Consequently, we make no representation regarding the appropriateness of the procedure described in the

attached schedule either for the purpose for which this report has been requested or for any other purpose. The intended users assume the risk that such procedure might be inappropriate for the intended purpose and the risk that they might misunderstand or otherwise inappropriately use findings properly reported by CLA.

Our responsibility is to perform the specified procedure and report the findings in accordance with the attestation standards. Because the agreed-upon procedure listed in the attached schedule does not constitute an examination or review, we will not express an opinion or conclusion on whether the electronic submission of the items listed in the "UFRS Rule Information" column agrees with the related hard copy documents within the audit reporting package. In addition, we have no obligation to perform any procedure beyond that listed in the attached schedule.

At the conclusion of the engagement, you agree to provide a written representation letter that includes your agreement and acknowledgement that the procedure performed is appropriate for the intended purpose of the engagement and, if applicable, that you have obtained from necessary other parties their agreement to the procedure and acknowledgement that the procedure performed is appropriate for their purposes.

We will issue a written report upon completion of our engagement that lists the procedure performed and our findings. If, for any reason, we are unable to complete the procedure, we will describe any restrictions on the performance of the procedure in our report, or will not issue a report and withdraw from this engagement. You understand that the purpose of the report on applying the agreed-upon procedure is solely to describe the procedure performed on the electronic submission of the items listed in the "UFRS Rule Information" column and the associated findings, and not to provide an opinion or conclusion. Accordingly, the report is not suitable for any other purpose.

Our report will include a statement indicating that we have not performed any additional auditing procedures after the date of our reports on the audited financial statements and supplemental information. Our report will also include a statement indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC.

You are responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; complying with laws and regulations; and ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements; however, we will communicate to you any known and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements affecting the electronic submission and related hard copy documents listed in the attached schedule that come to our attention, unless they are clearly inconsequential. In addition, if, in connection with this engagement, matters come to our attention that contradict the electronic submission and related hard copy documents listed in the attached schedule,

we will disclose those matters in our report. Such disclosures, if any, may not necessarily include all matters that might have come to our attention had we performed additional procedures or an examination or review.

Management is responsible for providing us with (1) access to all information of which you are aware that is relevant to the performance of the agreed-upon procedure, such as records, documentation, and other matters, and for the accuracy and completeness of that information; (2) additional information that we may request for the purpose of performing the agreed-upon procedure; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence relating to performing the procedure. You agree to inform us of events occurring or facts discovered subsequent to the date of the electronic submission that may affect the electronic submission or related hard copy documents.

You agree to retain a copy of the OMB Uniform Administrative Requirements reporting package in its entirety.

Engagement administration and other matters

A list of information we expect to need for the engagement and the dates required will be provided in a separate communication.

We will provide copies of our report to the entity; however, management is responsible for distribution of the report and the financial statements. Unless restricted by law or regulation, or containing confidential or sensitive information, copies of our report are to be made available for public inspection.

The workpapers supporting the services we perform are the sole and exclusive property of CLA and constitute confidential and proprietary information. We do not provide access to our workpapers to you or anyone else in the normal course of business. Unless required by law or regulation to the contrary, we retain our workpapers in accordance with our record retention policy that typically provides for a retention period of seven years.

Pursuant to authority given by law or regulation, we may be requested to make certain workpapers (hardcopy or electronic) available to the Secretary of Housing and Urban Development or designee, the HUD Inspector General, and the U.S. Government Accountability Office or their representatives for their regulatory oversight purposes. We will notify you of any such request. Access to the requested workpapers will be provided to the regulators under the supervision of CLA personnel and at a location designated by our firm. Furthermore, upon request, we may provide copies of selected workpapers (hardcopy or electronic) to such regulators. The regulators may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

CLA will not disclose any of your confidential, proprietary, or privileged information to any persons without the authorization of your management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Our engagement ends on delivery of our signed report. Any additional services that might be requested will

be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Fees

Our professional fee is \$14,400.00. We will also bill for expenses (including travel, report production, word processing, postage, internal and administrative charges, etc.) plus a technology and client support fee of five percent (5%) of all professional fees billed. This estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered as work progresses and are payable on presentation.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below to indicate your acknowledgement and understanding of, and agreement with, this SOW.

Sincerely,

CliftonLarsonAllen LLP

CLA

Client

CLA

Housing and Redevelopment Authority of
Owatonna

SIGN: Mary Reedy
Mary Reedy, Principal

SIGN: _____
Housing and Redevelopment Authority of
Owatonna, City Administrator

DATE: November 24, 2024

DATE: _____

Housing and Redevelopment Authority of
Owatonna

SIGN: Margarita V. Olivo
Board Member

DATE: 12-03-2024

Agreed ☒ Upon Procedure

Compare the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column as shown in the schedule below.

UFRS RULE INFORMATION	HARD COPY DOCUMENTS
Balance Sheet and Revenue and Expense (data line items 111 to 13901)	Financial Data Schedule, all ALN's, if applicable
Footnotes (data element G5000-010)	Footnotes to audited basic financial statements
Type of opinion on FDS (data element G3100- 040)	Auditor's supplemental report on FDS

Audit findings narrative (data element G5200- 010)	Schedule of Findings and Questioned costs
General information (data element series G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form
Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form
Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form
Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form
Basic financial statements and audit reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Eric Anderson, Recreation Manager
SUBJECT: Licensed Training Provider Agreement - American Red Cross

Purpose:

Request City Council approval to approve the American Red Cross Licensed Training Provider Agreement.

Background:

The City has maintained a Licensed Provider Agreement with the American Red Cross for many years. As a License Training Provider, the City is authorized to offer American Red Cross health and safety programs to develop and train staff, and provide other programs, while utilizing the American Red Cross curriculum and expertise in the aquatics, health and safety field. Annually, the Parks and Recreation Department registers over a 1000 students for swimming lesson classes, certifies up to 100 lifeguards and swimming lesson instructors and offers other American Red Cross based programs that benefit the community. The current agreement is scheduled to expire on January 3, 2025. This renewal extends the agreement through January 3, 2028.

Budget Impact:

Agencies utilizing the American Red Cross programs are subject to fees that are based on the specific programs being offered. All fees associated with this agreement are included in the annual aquatics program budget.

Staff Recommendation:

Staff recommends approval of the Authorized Provider Agreement.

Attachments:

1. 2025-01-04 thru 2028-01-03 American Red Cross LTP Agreement
2. 2025-01-04 thru 2028-01-03 American Red Cross LTP Agreement Appendix B



Licensed Training Provider Agreement

This **Licensed Training Provider Agreement** ("Agreement") is by and between The American National Red Cross ("Red Cross") and **Owatonna Park and Recreation** (the "LTP") (each a "Party" and together the "Parties"), effective as of the last date of signature set forth below ("Effective Date"), for the purpose of licensing Red Cross training materials and curriculum to LTP in order to permit LTP to deliver instruction in the Red Cross training courses that are included within the product package(s) listed in Appendix B ("Courses").

1. LTP Responsibilities. LTP will:

- 1.1. Only permit an individual to teach a Course and submit Course Records (as defined below) under LTP's account in Red Cross's learning management system ("LMS") if that individual (i) has an active certification by Red Cross to teach the Course, and is otherwise in good standing as an instructor with Red Cross, when the Course is delivered, and (ii) has been authorized by LTP to teach Courses on LTP's behalf and enter records for completed Courses ("Course Records") on LTP's behalf in Red Cross's LMS before the Course is delivered. (Individuals who satisfy all of these conditions are hereinafter referred to as "Instructors").
- 1.2. Cause Instructors to teach Courses using only Red Cross-approved instructional materials and such other copyrighted and proprietary educational content as Red Cross may provide from time to time to licensed training providers of Course instruction ("Course Materials"), in compliance with the most current Red Cross Training Provider Resource Guide ("Guide"), curricula, policies, and procedures, as the same may be amended or supplemented from time to time (collectively, the "Policies"), which Policies, as of the Effective Date, are available at <https://www.redcrosslearningcenter.org>.
- 1.3. Only sponsor, promote, and teach Courses and otherwise perform under this Agreement within the United States of America and its territories ("U.S."), as the Red Cross is only permitted to operate within the U.S.
- 1.4. Permit—or, upon Red Cross's request, obtain permission for—Red Cross to enter upon the premises at which Courses are taught so that Red Cross can observe LTP's Courses. Red Cross will cooperate with LTP in the scheduling of any such visit, but LTP may not notify its Instructors in advance of a scheduled visit.
- 1.5. Enter accurate and complete Course Records for each completed Course, along with all other requested information, into the Red Cross's LMS within ten (10) calendar days of the date that any scheduling instance of a Course (each a "Class") has been completed, and comply with all terms and conditions of the LMS during such use.
- 1.6. Only issue Course completion certificates, using Red Cross-approved systems and forms, to students who have successfully completed a Course that has been administered by the required number of Instructors and otherwise in compliance with the Policies and this Agreement (it being understood that Red Cross may, in addition to other remedies, invalidate any Course completion certification not issued in conformity with this section).
- 1.7. Pay all fees payable under this Agreement when due, in accordance with section 5 below.
- 1.8. Be responsible for LTP's acts and omissions, and the acts and omissions of its Instructors, in connection with the delivery of Courses under this Agreement.
- 1.9. Maintain insurance (or, if LTP is a public entity, self-insure through a publicly recognized self-insurance program) to cover its performance under this Agreement, as Red Cross insurance does not extend to LTP or its Instructors. If aquatics courses are included among the Courses that LTP is authorized to



deliver under Appendix B, maintain, at minimum, the types and limits of coverage set forth in Appendix C. Provide proof of insurance coverage to Red Cross upon its request.

2. License to Course Materials; CPS.

- 2.1. Red Cross is the owner of Course Materials. Subject to the terms and conditions of this Agreement, Red Cross hereby grants LTP a limited, non-exclusive, non-transferrable, and non-sublicensable license to publicly display and perform, Course Materials solely for the purpose of conducting Courses authorized under this Agreement. LTP may not revise, edit or create derivative works of Course Materials, in whole or in part.
- 2.2. Course Materials will be made available to LTP by digital download or other means as determined by Red Cross. LTP shall only obtain Course Materials for Courses that LTP is authorized to provide, and only through distribution means authorized by Red Cross.
- 2.3. Any certificates memorializing the successful completion of any Course may be issued only through the LMS. LTP has no right or authorization to design or create its own Course completion certificates.
- 2.4. LTP shall use reasonable efforts to protect the Course Materials from use not permitted under this Agreement. This Agreement does not constitute a transfer of ownership rights in the Course Materials. LTP shall not use facts and information from the Course Materials to create its own courses and course materials.
- 2.5. LTP may, from time to time, at its election, participate in Red Cross's Class Posting Service ("CPS"). Using the CPS, licensed training providers of Red Cross may advertise the availability of Courses to prospective students on Red Cross's on-line store, for additional fees. LTP agrees that its participation in the CPS will be governed by the terms and conditions contained in Red Cross's CPS User Guide, as the same may be amended from time to time. Red Cross may suspend or terminate the CPS with respect to all licensed training providers, including LTP, at any time or from time to time, in its sole discretion.

3. Use of Names and Marks.

- 3.1. Red Cross grants LTP the limited, non-exclusive, non-transferable and non-assignable license in the U.S. to use the name and logo of the Red Cross in the format set forth in the Guide (the "Authorized Mark") solely to promote that LTP is an authorized provider of the Courses, and subject to all restrictions herein this Agreement and the Policies.
- 3.2. Except as expressly provided in this Agreement, neither Party may use the other Party's name(s), logos trademarks or other intellectual property in marketing materials, press releases, presentations other than Courses, or otherwise without the advance written consent of the other Party, which consent may be granted or withheld in the other Party's sole discretion.
- 3.3. LTP shall not state or imply that Red Cross sponsors or endorses LTP's business, products or services generally, or that any other training courses and services other than the Courses, are owned or endorsed by or otherwise associated or affiliated with Red Cross.
- 3.4. LTP shall not (i) create a compound mark with the Authorized Mark or (ii) use the Authorized Mark with any other design, slogan or trademark when such combination would tend to cause confusion as to source or affiliation.
- 3.5. LTP shall not in any instance, use a Greek red cross design in association with its business, goods or services.

4. Term and Termination.



- 4.1 This Agreement will be effective as of the Effective Date listed above and ends on the day before the thirty-six (36) month anniversary thereof, unless earlier terminated as provided below.
- 4.2 Red Cross may immediately terminate this Agreement if LTP breaches this Agreement. Red Cross may also terminate this Agreement if LTP breaches the terms of the CPS.
- 4.3 Either Party may terminate this Agreement with advance written notice to the other Party of at least thirty (30) days.
- 4.4 Notwithstanding expiration or any termination of this Agreement, the provisions of this Agreement will continue to govern with respect to any amounts payable to Red Cross for Courses completed prior to such expiration or termination. The Parties' obligations under sections 5.10 and 7 below will also survive expiration or any termination of this Agreement.

5. Fees and Invoicing.

- 5.1 For each Course enrollee, LTP will be charged the per-student license fee that is applicable to that Course. Courses are included within the product package(s) listed on Appendix B. Fees for Courses are set forth in the price list attached to Appendix B.
- 5.2 Unless LTP has been approved for invoicing, LTP will remit payment by credit card upon entry of Course Records into LMS. All fees for CPS are non-refundable and will be paid by credit card at the time LTP submits the Class for posting.
- 5.3 Red Cross may approve or deny LTP's request to be invoiced at Red Cross's sole discretion. Invoices will be sent via postal mail, may be issued up to four (4) times per month, and will include all transactions submitted in that billing period. Payment in full is due thirty (30) days from the date of each invoice. If LTP does not pay any amount by the payment due date, the Red Cross may, in its sole discretion (a) suspend or terminate the LTP's invoicing privileges and require credit card payment at the time LTP enters Courses into LMS; or (b) suspend or terminate the LTP's right to deliver Red Cross training and enter Course Records into LMS. If the Red Cross pursues collections action to recover past due amounts, the LTP will be responsible for all costs of collection including reasonable attorney's fees and collection agency fees and expenses.
- 5.4 If approved for invoicing, LTP may elect to have invoices delivered electronically to one (1) email address. LTP will provide Red Cross a single valid email address for electronic invoice delivery. LTP will receive a PDF copy of the invoice. LTP understands that LTP will not receive an invoice via postal mail after enrollment in electronic invoice delivery.
- 5.5 If LTP desires that invoices issued by Red Cross reflect LTP-issued purchase order numbers, then any such purchase order must be received by Red Cross at least ten (10) business days prior to the Class date; it being understood that under no circumstance will the absence of an LTP-issued purchase order number on any invoice excuse LTP's timely payment of that invoice.
- 5.6 To pay an invoice by credit card or to establish ACH payments, call 888-284-0607. To pay an invoice by check, include the remittance advice showing the LTP account name, customer number and invoice number, and send to:

American Red Cross - Training Services
25688 Network Place
Chicago, IL 60673-1256

- 5.7 Red Cross is not obligated to use LTP's vendor payment portal. If LTP desires that Red Cross use LTP's vendor payment portal, LTP must make such a request in writing. Red Cross may grant or deny the request in its sole discretion. Acceptance of such a request may only be made in writing by an authorized representative of Red Cross. LTP must continue to pay invoices delivered by mail or email on a timely basis while such a request is pending. If Red Cross elects to use LTP's vendor payment portal,



Red Cross will not be obligated to pay LTP or any third party any fee or expense for such use, regardless of any provision to the contrary in such portal's terms of use. LTP will, on demand, promptly reimburse Red Cross for any such fee or expense.

- 5.8 If LTP has account balance or invoice questions or concerns, immediately upon receipt of invoice, LTP may email billing@redcross.org or call 888-284-0607 to report and resolve the inquiry.
- 5.9 At least annually, Red Cross will review its national Course price list, and may increase its prices for Courses. Red Cross will notify LTP of any such increase. Such notice (which Red Cross may send to LTP's contact for notices or contact for billing in [Appendix A](#)) will specify the date on which the increase will take effect under this Agreement. That date will be at least thirty (30) days after the date of such notice. As of that effective date, prices under this Agreement will automatically be modified to reflect such increase without need for the Parties to take any other action, including (without limitation) the execution of any separate modification of, or amendment to this Agreement. Notwithstanding anything in the foregoing to the contrary, LTP acknowledges that Red Cross will implement a price increase on or about January 1, 2025. LTP hereby waives the above requirement for advance notice with respect to such increase.
- 5.10 If the Red Cross determines that any Course offered by the LTP is not taught in accordance with Red Cross Policies, the LTP will be responsible for any costs associated with re-training Course participants. Red Cross, at its sole discretion, will determine the appropriate party to conduct re-training, which may include the LTP, or any Red Cross employee, volunteer, or third-party licensed training provider. LTP's obligation to pay for retraining under this section will survive the expiration or earlier termination of this Agreement with respect to any such retraining that takes place after the effective date of expiration or termination; and the provisions for invoicing and collection of past-due amounts set forth in this Section 5 will continue to govern with respect to any such obligation.
- 6. Notices.** Each Party's contacts for notices and billing under this Agreement are listed on [Appendix A](#).
- 7. Confidentiality.** Except as required by applicable law or otherwise provided herein, LTP will maintain in confidence the pricing information set forth in [Appendix B](#).
- 8. Intellectual Property.**
- 8.1 Red Cross reserves all rights not expressly granted herein, in its registered and common law trademarks, service marks, names, emblems, logos and designs including without limitation, the Authorized Mark (the "Red Cross Marks"), and in the Course Materials in whole or in part (collectively the "Red Cross IP").
- 8.2 LTP acknowledges and agrees that the Red Cross IP is and shall remain the property of Red Cross, and that the license granted under this Agreement does not constitute a transfer to LTP of any ownership rights in the Red Cross IP. Further, the Parties agree and acknowledge that LTP's use of the Red Cross IP shall inure solely to the benefit of Red Cross.
- 8.3 LTP shall not commit, or cause any third party to commit, any act challenging, contesting or in any way impairing or attempting to impair Red Cross's right, title and interest in and to the Red Cross IP, including seeking registration of the Red Cross IP in whole or in part, or of any confusingly similar trademark or service mark anywhere in the world or incorporating LTP's business under the Red Cross Marks or any aspect of the Red Cross Marks or any name confusingly similar to the Red Cross Marks.
- 8.4 Upon the expiration or termination of this Agreement, all rights in the Red Cross IP herein granted to LTP immediately expire, and LTP will immediately cease all use of the Red Cross IP.



9. Miscellaneous.

- 9.1 Severability. In the event any provision of this Agreement is held invalid, illegal or unenforceable (any such provision, an “Invalid Provision”) in any jurisdiction, the Red Cross and the LTP shall promptly negotiate in good faith a lawful, valid and enforceable provision that is as similar in terms to such Invalid Provision as may be possible while giving effect to the future benefits and burdens accruing to the Parties hereunder. But, in no way will the Invalid Provision affect the validity or enforceability of any other portion or provision of this Agreement, regardless of the ability of the Parties to negotiate a new provision.
- 9.2 Independent Contractors. Each Party is an independent contractor with respect to the other, and nothing herein shall create any partnership, franchise, or joint venture between the Parties or an employer-employee or agency relationship. No agent, employee or servant of any Party shall be, or shall be deemed to be, the employee, agent or servant of the other Party, and each Party shall be solely and entirely responsible for its acts and the acts of its agents, employees and servants.
- 9.3 Assignment. LTP may not assign its rights under this Agreement, or delegate its obligations, in whole or in part, without the prior written consent of Red Cross. Any attempted assignment or delegation in violation of the foregoing will be null and void.
- 9.4 Governing Law. The Agreement is governed by the laws of the District of Columbia, without giving effect to its choice or conflict of law rules.
- 9.5 Inapplicability of Procurement Terms. This Agreement is not a contract for the purchase, sale, or use of personal property or for the rendering of personal or professional services by Red Cross. It is only a limited license in Red Cross IP. It is, therefore, not subject to policies, regulations, terms, conditions, or other requirements of LTP or any third party (including, but not limited to, the Federal Acquisition Regulation and any agency supplement thereto, and the U.S. Office of Management and Budget’s Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) that relate only to suppliers and vendors of goods or services. Under this Agreement, Red Cross will not carry out part of any Federal award received by LTP. Neither Red Cross, the host of its LMS, nor any other vendor to Red Cross in connection with this Agreement, will act as, nor may any of them be deemed, (i) a subcontractor to Red Cross or a first-tier or lower-tier subcontractor or sub-grantee to LTP under any prime contract or grant, or (ii) a first-tier or lower-tier processor of personal or other data for LTP or any third party.
- 9.6 Data Processing. Red Cross operates the LMS as a nationwide system of course certification. It does not operate the LMS as a service to, or as an agent or for the benefit of, LTP. Insofar as Red Cross collects, processes, transmits, stores, or otherwise manages data, including personal data, contained in Course Records, it will not be doing so for, or on behalf of, or as a service to, LTP. Red Cross retains all rights in and to the LMS and any Course Records uploaded by LTP into the LMS.
- 9.7 Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, understandings and representations, both written and oral, between the Parties with respect to the subject matter of this Agreement.
- 9.8 Amendments and Waivers. Amendments, addenda and waivers to this Agreement will be effective only if made, in each case, by a non-preprinted document clearly understood by both Parties to be an amendment, addendum or waiver, as the case may be, and signed by both Parties. Any additional or different terms or conditions contained in any purchase order, confirmation, receipt, invoice, click-through agreement, or similar documents will not be binding on either Party, whether or not such terms and conditions would materially alter this Agreement (and even if the receiving Party has signed or otherwise acknowledged such purchase order, confirmation, receipt, invoice, click-through agreement



or similar document), and each Party hereby rejects all such additional or different terms and conditions.

9.9 Mutual Representations. Each Party is relying upon the truth and accuracy of the following warranties, as made by the other Party, as a material inducement to entering into this Agreement:

- A. LTP warrants that any information it has tendered to Red Cross concerning its legal status, identities of its directors, officers, shareholders, or other principals and affiliates, financial condition, current and historical operations, insurance coverages, and all other information requested by Red Cross in connection with any inquiry into LTP's capabilities and qualifications as a prospective licensed training provider of Red Cross, was, on the date it was provided to Red Cross and on the Effective Date, true and accurate in all respects and free of any misleading omissions. LTP acknowledges that the foregoing warranty is a material inducement for the Red Cross to enter into this Agreement.
- B. Each Party represents to the other that it is duly organized or incorporated and validly existing under the laws of the state where it is organized or incorporated (or, if it is organized under federal law, that it is duly organized and validly existing under the laws of the United States), that it has the power and authority to enter into this Agreement and carry out its provisions, that it has taken all actions required for it to enter into the Agreement prior to the Effective Date, that its representative who has signed this Agreement below is duly authorized to execute and deliver this Agreement, and that this Agreement is legally binding upon and enforceable against it.

The Parties, acting through their duly authorized officers, have executed this Agreement, which shall come into force as of the Effective Date. Execution of this Agreement confirms LTP's receipt of the Training Provider Resource Guide, which may be updated from time to time.

LTP Name: Owatonna Park and Recreation	The American National Red Cross
LTP Signature:	Red Cross Signature:
Name:	Name: Cindy Dassow
Title:	Title: Strategic Account Executive Public Safety & Aquatics
Date:	Date:



Licensed Training Provider Agreement
Appendix A – Contact Information

Licensed Training Provider (LTP) Information

LTP: **Owatonna Park and Recreation**

LTP Address: **540 West Hills Circle**
Owatonna, MN, 55060

LTP Fax:

LTP Account Number: **233042100179**

LTP Contact: **Danielle Licht**

LTP Contact Email: **danielle.licht@ci.owatonna.mn.us**

LTP Contact Phone: **507-475-1538**

Extension:

(NOTE: All Billing Contact information MUST be completed for a specific individual; not a system/generic email)

LTP Billing Contact Name: **Eric Anderson**

LTP Billing Contact Phone: **(507) 774-7102**

Extension:

LTP Billing Contact Email: **eric.anderson@owatonna.gov**

LTP Billing Address: **540 West Hills Circle**

Owatonna, MN, 55060

LTP DUNS Number: **964819908**

Email for Invoice Delivery (if electing electronic invoice delivery): **findept@ci.owatonna.mn.us**

Notices to be delivered to LTP Contact, above.

Red Cross sales representative

Name: **Cindy Dassow**

Phone: **3093573459**

Ext.:

Email: **cindy.dassow@redcross.org**

Legal Notice to be delivered to your Red Cross sales representative with a copy to The American National Red Cross, Office of the General Counsel at 431 18TH Street NW, Washington, DC 20006.



Licensed Training Provider Agreement
Appendix C – Insurance Requirements for Aquatics LTPs

LTPs who have Aquatics Courses included in Appendix B are required to maintain General Liability insurance coverage in an amount not less than \$1,000,000 per occurrence naming the Red Cross as additional insured. The policy shall be written as primary policy coverage and not contributing with, or in excess of, any coverage which the Red Cross may maintain. Coverage limits may be met by a combination of primary and excess or umbrella policies. If LTP is a self-insured public entity, LTP must provide a certificate of self-insurance.

LTP shall provide the Red Cross with certificates of insurance (“COIs”) evidencing the required insurance coverage and limits prior to the commencement of training activities under this Agreement, and renewal certificates, for as long as this Agreement is in effect, to the Red Cross contact referenced in Appendix A. In addition, LTP shall provide Red Cross with COIs that conform to the above requirements for each affiliate, division, operating unit, and branch office of LTP that conducts training activities under this Agreement and maintains insurance coverage separate from LTP.

LTP agrees to notify the Red Cross prior to any cancellation or nonrenewal of the required insurance policies.

The Certificate of Insurance (COI) provided must be completed as follows:

Certificate Holder: **The American National Red Cross**
 431 18th Street, NW
 Washington, D.C. 20006

Description of Operations (shall read as follows):

RE: Licensed Training Provider Agreement.

THE AMERICAN NATIONAL RED CROSS, ITS GOVERNORS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, AND PERMITTED ASSIGNS ARE INCLUDED AS ADDITIONAL INSUREDS WITH REGARDS TO GENERAL LIABILITY. PRIMARY AND NON-CONTRIBUTORY POLICY LANGUAGE IS INCLUDED WITH RESPECT TO GENERAL LIABILITY WHERE REQUIRED BY CONTRACT.

All such insurance carriers shall be authorized to do business in the state in which Courses are being provided.



Appendix B – Product Packages and Price List

Product Package(s)

AP/LTP-Administering Emergency Oxygen

AP/LTP-Aquatics Other

AP/LTP-Babysitters Training

AP/LTP-Basic Life Support

AP/LTP-Bloodborne Pathogens

AP/LTP-CPR/AED for the Prof Rescuer

AP/LTP-FA/CPR/AED

AP/LTP-Learn to Swim

AP/LTP-Learn to Swim-Safety

AP/LTP-Lifeguarding

CPS-Aquatics Other-Fee Exempt

CPS-Learn to Swim-Fee Exempt

CPS-Lifeguarding-Fee Exempt

(Price List Attached)

Additional Product Packages can be added as needed. Please contact your Red Cross representative as listed on [Appendix A](#).

Learn to Swim (LTS) Facility Fee - per pool(s) Location

Annual Volume of Enrollees LTS Facility Fee (required to teach LTS Program)	Facilities that offer Red Cross Lifeguarding	Facilities that do not offer Red Cross Lifeguarding	Completion Cards Included
0-75	\$200	\$240	75
76-500	\$300	\$360	500
501-999	\$650	\$780	1000
1000+	\$975	\$1,170	1500

Customers with Partner Access may register for LTS and pay the LTS facility fee by submitting a request through the American Red Cross Learning Center: <https://www.redcrosslearningcenter.org>

Partner Access can be requested through your Red Cross representative as listed on [Appendix A](#).

Customers without Partner Access can call 1-800-RED-CROSS (800-733-2767) to register and pay via credit card by phone.



Equipment and Materials

Training equipment, materials and other supplies may be purchased through your Red Cross representative as listed on Appendix A, or www.RedCrossStore.org.

Method of Payment

Preferred Payment Type

Invoice



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Eric Anderson, Recreation Manager
SUBJECT: Independent Contractor Agreement - NXT Point Tennis and Pickleball, LLC

Purpose:

Request City Council approval of the Independent Contractor Agreement with NXT Point Tennis and Pickleball, LLC.

Background:

The City currently has an Independent Contractor Agreement with Matt Hokanson, who serves as the Tennis and Pickleball Director at the West Hills Tennis & Pickleball Center. In this role, Matt is responsible for overseeing youth and adult programs for all skill levels, marketing efforts, court cleaning and user recruitment, among other duties. In return for his services, Matt receives a fixed monthly compensation and a commission based on program registrations, season passes, and court usage. This agreement is set to expire on December 31, 2024.

Effective January 1, 2025, the City will discontinue its Independent Contractor Agreement with Matt Hokanson and resume full operational control of the Tennis and Pickleball courts. As part of this transition, the City will focus on offering beginner-level tennis and pickleball lessons and will need to hire instructors to lead these classes. Under a new Independent Contractor Agreement, NXT Point Tennis and Pickleball, LLC will provide the tennis instructors for the City-sponsored programs. NXT Point Tennis and Pickleball, LLC will be responsible only for providing instruction, while the City will retain full responsibility for all other aspects of the programs, including marketing, registration, equipment, and revenue generated from the classes.

Budget Impact:

The City will be responsible for paying NXT Point Tennis and Pickleball, LLC the hourly instructor fees. Those fees are included in the annual budget and are off-set by participant registration fees.

Staff Recommendation:

Staff recommends approval of the Independent Contractor Agreement.

Attachments:

1. Independent Contractor Instructor Agreement

NXT POINT TENNIS & PICKLEBALL, LLC INDEPENDENT CONTRACTOR - INSTRUCTOR AGREEMENT

This agreement (the "Agreement") is made and entered into as of this 17th day of December 2024 by the City of Owatonna, Minnesota ("City"), hereinafter referred to as the City, and NXT Point Tennis & Pickleball, LLC ("Contractor").

WITNESETH

WHEREAS, the City owns and operates public tennis and pickleball courts located at West Hills Tennis and Pickleball Center, 502 Dunnell Drive ("Facility").

WHEREAS, City offers beginner tennis and pickleball lessons and desires the assistance of a tennis and pickleball instructor (Activities).

WHEREAS, Contractor desires to render the assistance and perform the services desired by the City.

WHEREAS, Contractor agrees to perform the services for the City under the terms and conditions set forth in this agreement, the addendum to said specifications, and the form of proposal.

NOW THEREFORE, in consideration of the foregoing and in consideration of the promises hereinafter set forth, City and Contractor mutually agree as follows:

1. **Term.** The term of this Agreement is one (1) year, beginning January 1, 2025 and ending December 31, 2025.
2. **Contact.** The Contractor shall report and communicate directly with the Senior Director of Parks and Recreation or appointed designee for all business associated with the agreement.
3. **Facility Access.** The Contractor will be issued Key Card Access for entrance into the Facility, onto the Tennis and Pickleball Courts and for access through the doors leading to the restrooms. The Contractor shall only use the issued Key Card for

entrance into areas and purposes of instruction of Tennis and Pickleball Activities, on City scheduled Activity dates and times. The Contractor will not provide any unauthorized individuals the key card or allow any unauthorized individuals to enter the Facility. The Contractor will follow all facility use, closing and lock up policies and procedures as instructed by City. All Key Cards must be immediately returned to the City upon termination of this agreement

4. **City Responsibilities.** The City shall:

- a. Provide the courts and surrounding facilities in safe and playable conditions.
- b. Provide the Contractor a list of participants associated with the Activities the Contractor is instructing.
- c. Provide all equipment the City deems is appropriate to conduct the City sponsored Activities.
- d. Provide all marketing associated with the City sponsored Activities.
- e. Take all registrations for the City sponsored Activities.
- f. Provide Activity Curriculum to the Contractor.

5. **Contractor Responsibilities.** The Contractor shall:

- a. Follow all safety protocols related to tennis and pickleball instruction and ensure that all participants are properly supervised, ensuring that no activities disturb or interfere with other users of the Facility.
- b. Ensure the safety, quality and consistency of Activities and instructions.
- c. Maintain a professional and respectful demeanor while interacting with participants, parents, and staff.
- d. Provide qualified instructors and ensure that all instructors and participants are informed of and comply with the Facility's rules and regulations.
- e. Provide quality instruction following curriculum received from the City.
- f. Provide a positive learning experience for youth participants, encouraging sportsmanship and good conduct.
- g. Report any Facility issues or damages to the City Promptly.
- h. Be responsible for and will superintend the execution of all work covered by this agreement, either personally or through a representative. If contractor uses a representative, the Senior Parks and Recreation Director or appointed designate shall give such person prior approval so as to ensure the City is satisfied that the representative is competent and qualified to represent Contractor in all matters pertaining to this agreement.

6. **Confidentiality.** The Contractor agrees to maintain the confidentiality of all City information, records, and data, including any personal information about participants, that may come into the Contractor's possession during the course of providing services under this Agreement. This obligation shall survive the termination of this Agreement.
7. **Compensation.**
 - a. **Payment:** The Contractor shall be paid \$30 per hour for 1 instructor and \$40 per hour for 2 instructors for agreed upon preparation and instruction time. Class sizes shall be limited to a 1:8 instructor to participant ratio.
 - b. **Payment Schedule:** The Contractor shall be paid at the conclusion of each Activity Session, upon submission of an invoice by the Contractor to the City. Payment of the invoice will follow the City's Accounts Payable scheduled.
8. **City Retains Authority.** The City will be responsible for making the decision to cancel the program due to weather or other causes at City's sole discretion.

GENERAL CONDITIONS:

1. **Relationship.** The parties intend that an independent contractor – employer relationship will be created by this contract. The City is interested only in the results to be achieved, and the conduct and control of the work will lie solely with the Contractor.
2. **Revenue.** It is understood and agreed that all fees established by the Owatonna Park and Recreation Board belong to the City. Cash register tapes shall be sole property of the City. Daily receipts shall be deposited at a designated night depository and will be picked up the following morning by Park and Recreation staff member.
3. **Qualifications.** The Contractor shall deposit with the Park and Recreation Department at the time of the execution of the contract, a current certificate or certifications from an accredited provider, evidencing successful completion of training for the services being rendered to the City.
4. **Contractor's Expenses.** The Contractor shall be responsible for all his/her association membership fees and certification costs associated with this position.

4. **Insurance.** Licensee shall take out and maintain during the term of this agreement Commercial General Liability insurance coverage to protect the Licensee, its officers, employees, agents, members and anyone directly or indirectly engaged or employed by Licensee from any and all claims for damage to property or for personal injury, including death, made by anyone, arising under this Agreement with the following limits of coverage:

- Commercial General Liability coverage with limits of not less than \$1 Million per occurrence and \$2 Million annual aggregate.

Said policy to be issued by a company authorized to do business in the State of Minnesota and, if mutual, shall be non-assessable. The Licensee shall provide the City with a Certificate of Insurance naming the City as an additional insured.

Licensee agrees to provide Workers Compensation insurance for all its employees in accordance with the statutory requirements of the State of Minnesota. Prior to providing services to the City pursuant to this Agreement or assigning an official to any City events, Licensee shall deliver to the City evidence that the above coverage is in full force and effect.

5. **Indemnification.** To the fullest extent permitted by law, Licensee agrees to defend and indemnify City, and its officers, employees, and volunteers, from and against all claims, damages, losses, and expenses, including attorney's fees, arising out of or resulting from the performance of its services under this Agreement but only caused in whole or in part by the negligent acts, errors or omissions of Licensee, Licensee's subcontractor(s), or anyone directly or indirectly employed or hired by Licensee, or anyone for whose acts Licensee may be liable. Licensee agrees this indemnity obligation shall survive the completion or termination of this Agreement.
6. **Subrogation.** In accordance with the subrogation provisions of the standard property insurance contract, it is hereby understood and agreed by and between the undersigned parties that they do jointly and separately waive any or all right of recovery against the other insured loss occurring to the real property owned by City and personal property owned by Licensee all while located at the West Hills Tennis and Pickleball Center.

7. **Personal Property.** The City shall not be liable for any damage to persons or properties in the space assigned to the Licensee. The Licensee agrees that all personal property upon such premises shall be kept at the risk of the Licensee only and the City shall not be liable for any damages thereto or loss or theft thereof.
8. **Cancellation.** Each Party has the right to cancel this Agreement without cause upon 30 days' notice. Notwithstanding the previous sentence, City may immediately terminate this Agreement upon the occurrence of any of the following:
- a. If Contractor fails to maintain the insurance required in the Agreement.
 - b. Failure to adhere to safety guidelines.
 - c. Poor performance or conduct detrimental to the youth participants or the Client.
 - d. Violation of confidentiality or other terms outlined in this Agreement.
 - e. Failure of the Contractor to perform, keep, and observe any of the conditions of the contract, and the failure of the Licensee to correct the default or breach within the times specified by the Senior Parks and Recreation Director.
 - a. Mutual consent of the City and the Licensee.
9. **Termination.** Upon termination of this agreement because of expiration of the term or upon termination for any other reason, the Contractor shall remove all personal property, and fixtures belonging to the Contractor and shall leave the premises in the condition in which they were received. In the event said personal property, and fixtures are not removed within thirty (30) days from expiration of this agreement or its termination for any other reason, the Contractor shall be deemed to have had abandoned the same to the City.
10. **Notice.** Any notice pursuant to this Agreement must be in writing and must be personally delivered, sent by email, or sent by certified mail, addressed to the parties at the addresses below or at such other address as they specify in written notice. Notices are deemed given and effective on the date of personal delivery or when sent by e-mail or certified mail.

If to City:

Owatonna Parks and Recreation
Attn: Senior Parks and Recreation Director
540 West Hills Circle

Owatonna, MN 55060

Tel: 507-444-4321

Email: tw.dieckmann@owatonna.gov

If to Licensee:

Matt Hokanson

1111 Range St., Apt #229

North Mankato, MN 56003

Tel: 218-407-0742

Email: matthokansontennis@gmail.com

11. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Minnesota, without reference to conflict of laws principles.
12. **COVID-19 Compliance.** In the event of a recurrence of Covid-19 or other epidemic, the Contractor shall comply with and assist in the implementation of the City's Preparedness Plan including proper disinfection, sanitization and monitoring compliance with the plan guidelines on site.
13. **Miscellaneous.**
 - a. **Force Majeure.** Neither party will be deemed to be in default under this Agreement if it is prevented from performing its obligations hereunder for any reason beyond its control or is materially adversely affected in the performance of its obligations by acts of God, acts of civil or military authority, fires, floods or other natural disasters, strikes, governmental laws and regulations.
 - b. **Emergency Closure.** City may determine, at its sole discretion, that for reasons of health safety and in the best interests of the public it may close the facility as necessary.
 - c. **Discrimination.** The Parties agree to be bound by applicable state and federal laws governing Equal Opportunity Employment and Non-discrimination.

- d. Entire Agreement. This Agreement, together with its exhibits and attachments, constitutes the entire agreement between the parties with respect to the subject matter, and supersedes all prior agreements, understandings, promises, and representations made by either party to the other concerning the subject matter of this Agreement.
- e. Waiver. The failure of any party to insist on the performance of any provision of this Agreement and to exercise any rights hereunder will not be construed as a waiver of future performance of any such provision or the future exercise of such right.
- f. Severability. If a court of competent jurisdiction holds any provision of this Agreement invalid or unenforceable, the remaining provisions will nonetheless be enforceable. If such court determines that any provision of this Agreement is held to be overbroad as written, such provision will be deemed amended to narrow its application to the extent necessary to make the provision enforceable according to applicable law and will be enforced as amended.
- g. Costs, Expenses and Attorney's Fees. If either party incurs costs or expenses, in enforcing any of its rights under this Agreement, whether by litigation, arbitration, or otherwise, each party in such dispute will reimburse the prevailing party for its costs and expenses according to law. Each party will bear the cost of its own attorney fees.
- h. No Third Party Beneficiaries. Nothing in this Agreement will create any obligations by City or Contractor or Licensee to any person or entity not a party to this Agreement, including Contractor's employees, volunteers or participants, or any other individuals employed by or under contract with City or Contractor.

IN WITNESS THEREOF, the parties have executed this agreement the day and year first above written.

CITY OF OWATONNA

By _____

Printed Name Tom Kuntz

Title Mayor

Date _____

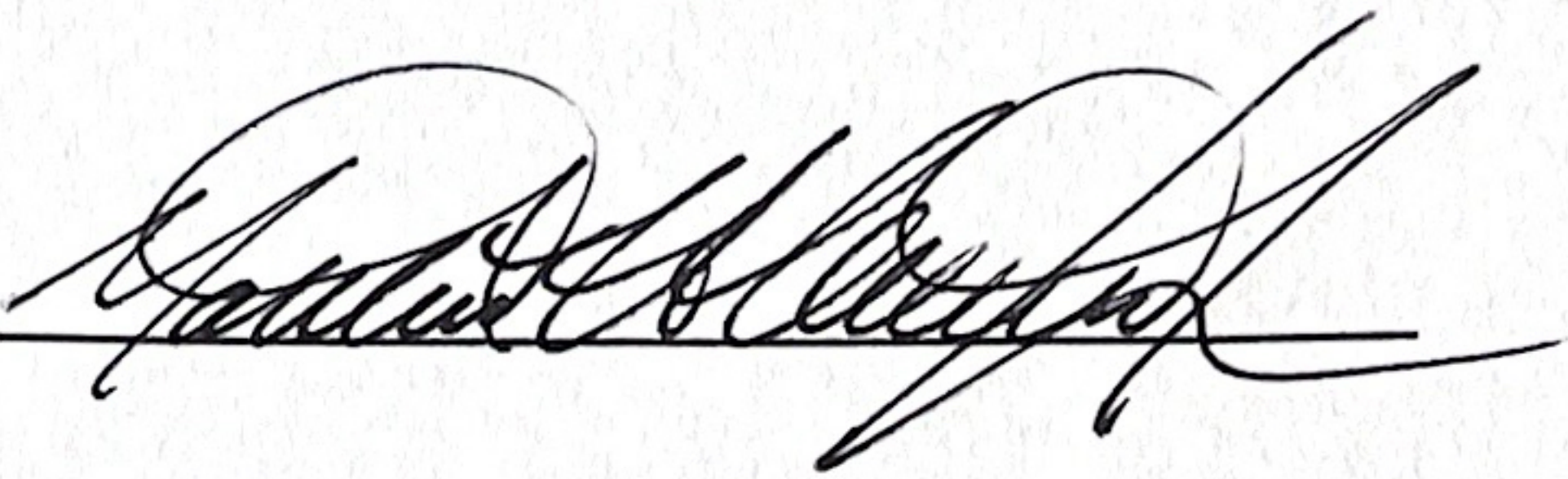
By _____

Printed Name Kris Busse

Title City Administrator

Date _____

NXT POINT TENNIS & PICKLEBALL, LLC

By 

Printed Name Matt Hokanson

Title Owner/Director

Date 12/13/2024



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Eric Anderson, Recreation Manager
SUBJECT: Facility Use Agreement - NXT Point Tennis and Pickleball, LLC

Purpose:

Council to approve the Facility Use Agreement with NXT Point Tennis and Pickleball, LLC.

Background:

The City currently has an Independent Contractor Agreement with Matt Hokanson, who serves as the Tennis and Pickleball Director at the West Hills Tennis & Pickleball Center. In this role, Matt is responsible for overseeing youth and adult programs for all skill levels, marketing efforts, court cleaning and user recruitment, among other duties. In return for his services, Matt receives a fixed monthly compensation and a commission based on program registrations, season passes, and court usage. This agreement is set to expire on December 31, 2024.

Effective January 1, 2025, the City will discontinue the Tennis & Pickleball Director Independent Contractor Agreement with Matt Hokanson and will resume full operational control of the Tennis and Pickleball courts. To better align with the mission of Parks and Recreation, the City will focus on offering tennis and pickleball lessons exclusively for beginner-level participants. To ensure continued access to higher-level lessons and programs, Matt Hokanson will provide intermediate and advanced lessons and programming through NXT Point Tennis and Pickleball, LLC under this new Facility Use Agreement. NXT Point Tennis and Pickleball, LLC will assume full responsibility for these programs, including marketing, registration, staffing, and equipment, and will be required to pay court rental fees for any reserved courts.

Budget Impact:

City receives rental fees on reserved courts used by NXT Point Tennis and Pickleball, LLC.

Staff Recommendation:

Staff recommends approval of the Facility Use Agreement.

Attachments:

1. 2025 NXT Point Tennis and Pickleball, LLC Facility Use Agreement (Matt Signed)

NXT POINT TENNIS & PICKLEBALL, LLC

FACILITY USE AGREEMENT

This agreement (the "Agreement") is made and entered into as of this 17th day of December 2024 by the City of Owatonna, Minnesota ("Licensor"), located at 540 West Hills Circle, Owatonna, MN 55060, hereinafter referred to as the City, and NXT Point Tennis & Pickleball, LLC ("Licensee").

WHEREAS, the City owns and operates public tennis and pickleball courts located at West Hills Tennis and Pickleball Center, 502 Dunnell Drive ("Facility").

WHEREAS, the Licensee desires to rent the Facility for the purpose of conducting tennis and pickleball lessons, clinics, tournament and events ("Activities").

WHEREAS, the City is willing to permit the Licensee to use the Facility under the terms and conditions set forth in this agreement.

NOW THEREFORE, in consideration of the foregoing and in consideration of the promises hereinafter set forth, Licensor and Licensee mutually agree as follows:

1. **Term.** The term of this Agreement is one (1) year, beginning January 1, 2025 and ending December 31, 2025.
2. **Contact.** Licensee shall report and communicate directly with the Senior Director of Parks and Recreation or appointed designee for all business associated with the agreement.
3. **Facility Use.** The Licensee shall occupy assigned Tennis and Pickleball Courts at the agreed rental times made with the City. The Licensee may also use common areas at the Facility such as waiting areas, hallways, and public bathrooms.
 - a. The City may pre-empt the Licensee to use the rented space by notifying the owner 7 calendar days in advance.
 - b. The City shall not provide the Licensee with any storage or office space.
 - c. The Licensee is not allowed to store any personal property or personal fixtures at the Facility.
 - d. The City shall allow the Licensee to use a space on a bulletin board in the lobby to post contact information and general program promotional materials.

4. **Facility Access.** The City shall issue the Licensee Key Card Access for entrance into the Facility, onto the Tennis and Pickleball Courts and for access through the doors leading to the restrooms. The Licensee shall only use the issued Key Card for entrance into areas and purposes of Tennis and Pickleball Activities, on identified rental dates and times. The Licensee will not provide any unauthorized individuals the key card or allow any unauthorized individuals to enter the Facility. The Licensee will follow all facility use, closing and lock up policies and procedures as instructed by City. All Key Cards must be immediately returned to the City upon termination of this agreement
5. **Permitted Activities.** The Licensee is permitted to conduct tennis and pickleball private lessons, group lessons, clinics, tournaments and events.
 - a. The Licensee will not provide any lessons, clinics, tournaments or events deemed in direct competition with the City.
 - b. The Licensee does not have exclusive rights for conducting any lessons, clinics, tournaments or activities.
6. **Damage To Property.** Licensee is responsible for any damage to the Facility or equipment that occurs during their use. The Licensee shall promptly notify the City of any damage and agrees to reimburse the City for the cost of repairs or replacement of any damaged items.
7. **Rental Fees.** The Licensee shall pay the following hourly court rental fees, as set out in Appendix A, for use of the Tennis and Pickleball courts:

Adult Activities: Standard hourly group court rental fee

Private Lesson Activities: Standard hourly group court rental fee

Teen Activities (ages 13-18): 55% of the standard hourly group court rental fee

Youth Activities (ages 0-12): 45% of the standard hourly court rental fee

Licensee will be charged for any court rental time that is not cancelled a minimum of 7 business days in advance. Business days are Monday through Friday, excluding Holidays.

8. **Rental Payment.** The City will provide an invoice to the Licensee on the 1st business day of the month for rental fees from the previous month. The Licensee shall make payment by the 10th of the month that the invoice is received. The Licensee shall pay monthly to the City a late charge of 4% on all Rent required to be paid hereunder which is more than ten (10) days overdue when paid. Licensee shall indemnify City against

all costs and charges (including legal fees) lawfully and reasonably incurred in enforcing payment thereof, and in obtaining possession of the Premises after default of Licensee or upon expiration or earlier termination of the Term of this Facility Use Agreement, or in enforcing any covenant, provision or agreements of Licensee herein contained.

All amounts payable by Licensee to City under this Agreement shall be deemed to be Rent and shall be payable and recoverable as rent in the manner herein provided, and city shall have all rights against Licensee for default in any such payment as in the case of arrears of Rent. Rent shall be paid to the City without deduction or set-off at the address of City as set forth in the beginning of this Agreement, or to such other person or at such other address as City may from time to time designate in writing. The Licensee's obligation to pay Rental shall survive the expiration or earlier termination of this Lease.

9. **City Responsibilities.** The City shall:

- a. Provide the courts and surrounding facilities in safe and playable conditions.
- b. Ensure access to the Facility as specified in Section 4.

10. **Licensee Responsibilities.** The Licensee shall:

- a. Ensure all Activities comply with all applicable laws, ordinances and regulations.
- b. Provide qualified instructors and ensure that all instructors and participants are informed of and comply with the Facility's rules and regulations.
- c. Maintain proper conduct during the Activities, ensuring that no activities disturb or interfere with other users of the Facility.
- d. Report any Facility issues or damages to the City Promptly.

11. **Insurance.** Licensee shall take out and maintain during the term of this agreement Commercial General Liability insurance coverage to protect the Licensee, its officers, employees, agents, members and anyone directly or indirectly engaged or employed by Licensee from any and all claims for damage to property or for personal injury, including death, made by anyone, arising under this Agreement with the following limits of coverage:

- Commercial General Liability coverage with limits of not less than \$1 Million per occurrence and \$2 Million annual aggregate.

Said policy to be issued by a company authorized to do business in the State of Minnesota and, if mutual, shall be non-assessable. The Licensee shall provide the City with a Certificate of Insurance naming the City as an additional insured.

Licensee agrees to provide Workers Compensation insurance for all its employees in accordance with the statutory requirements of the State of Minnesota. Prior to providing services to the City pursuant to this Agreement or assigning an official to any City events, Licensee shall deliver to the City evidence that the above coverage is in full force and effect.

12. **Indemnification.** To the fullest extent permitted by law, Licensee agrees to defend and indemnify City, and its officers, employees, and volunteers, from and against all claims, damages, losses, and expenses, including attorney's fees, arising out of or resulting from the performance of its services under this Agreement but only caused in whole or in part by the negligent acts, errors or omissions of Licensee, Licensee's subcontractor(s), or anyone directly or indirectly employed or hired by Licensee, or anyone for whose acts Licensee may be liable. Licensee agrees this indemnity obligation shall survive the completion or termination of this Agreement.
13. **Subrogation.** In accordance with the subrogation provisions of the standard property insurance contract, it is hereby understood and agreed by and between the undersigned parties that they do jointly and separately waive any or all right of recovery against the other insured loss occurring to the real property owned by City and personal property owned by Licensee all while located at the West Hills Tennis and Pickleball Center.
14. **Personal Property.** The City shall not be liable for any damage to persons or properties in the space assigned to the Licensee. The Licensee agrees that all personal property upon such premises shall be kept at the risk of the Licensee only and the City shall not be liable for any damages thereto or loss or theft thereof.
15. **Cancellation.** Each Party has the right to cancel this Agreement without cause upon 30 days' notice. Notwithstanding the previous sentence, Licensor may immediately terminate this Agreement upon the occurrence of any of the following:

- a. If Licensee defaults in the payment of any sum to be paid hereunder and such default continues for more than 10 days following written notice from Licensor to the Licensee.
- b. If Licensee fails to maintain the insurance required in the Agreement.
- c. In the event the Licensee is adjudicated bankrupt, has made an assignment for the benefit of his creditors, or because of Licensee's financial condition he/she is unable to continue successful operations.
- d. Failure of the Licensee to perform, keep, and observe any of the conditions of the contract, and the failure of the Licensee to correct the default or breach within the times specified by the Recreation Manager.
- e. Mutual consent of the City and the Licensee.

16. **Notice.** Any notice pursuant to this Agreement must be in writing and must be personally delivered, sent by email, or sent by certified mail, addressed to the parties at the addresses below or at such other address as they specify in written notice. Notices are deemed given and effective on the date of personal delivery or when sent by e-mail or certified mail.

If to City:

Owatonna Parks and Recreation
Attn: Senior Parks and Recreation Director
540 West Hills Circle
Owatonna, MN 55060
Tel: 507-444-4321
Email: tw.dieckmann@owatonna.gov

If to Licensee:

Matt Hokanson
1111 Range St., Apt #229
North Mankato, MN 56003
Tel: 218-407-0742
Email: matthokansontennis@gmail.com

17. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Minnesota, without reference to conflict of laws principles.

18. **COVID-19 Compliance.** In the event of a recurrence of Covid-19 or other epidemic, the Licensee shall comply with and assist in the implementation of the City's Preparedness Plan including proper disinfection, sanitization and monitoring compliance with the plan guidelines on site.

19. Miscellaneous.

- a. Force Majeure. Neither party will be deemed to be in default under this Agreement if it is prevented from performing its obligations hereunder for any reason beyond its control or is materially adversely affected in the performance of its obligations by acts of God, acts of civil or military authority, fires, floods or other natural disasters, strikes, governmental laws and regulations.
- b. Emergency Closure. The City may determine, at its sole discretion, that for reasons of health safety and in the best interests of the public it may close the facility as necessary.
- c. Discrimination. The Parties agree to be bound by applicable state and federal laws governing Equal Opportunity Employment and Non-discrimination.
- d. Entire Agreement. This Agreement, together with its exhibits and attachments, constitutes the entire agreement between the parties with respect to the subject matter, and supersedes all prior agreements, understandings, promises, and representations made by either party to the other concerning the subject matter of this Agreement.
- e. Waiver. The failure of any party to insist on the performance of any provision of this Agreement and to exercise any rights hereunder will not be construed as a waiver of future performance of any such provision or the future exercise of such right.
- f. Severability. If a court of competent jurisdiction holds any provision of this Agreement invalid or unenforceable, the remaining provisions will nonetheless be enforceable. If such court determines that any provision of this Agreement is held to be overbroad as written, such provision will be deemed amended to narrow its application to the extent necessary to make the provision enforceable according to applicable law and will be enforced as amended.
- g. Costs, Expenses and Attorney's Fees. If either party incurs costs or expenses, in enforcing any of its rights under this Agreement, whether by litigation,

arbitration, or otherwise, each party in such dispute will reimburse the prevailing party for its costs and expenses according to law. Each party will bear the cost of its own attorney fees.

- h. No Third Party Beneficiaries. Nothing in this Agreement will create any obligations by City or Contractor or Licensee to any person or entity not a party to this Agreement, including Contractor's employees, volunteers or participants, or any other individuals employed by or under contract with City or Contractor.

IN WITNESS THEREOF, the parties have executed this agreement the day and year first above written.

CITY OF OWATONNA

By _____

Printed Name Tom Kuntz

Title Mayor

Date _____

By _____

Printed Name Kris Busse

Title City Administrator

Date _____

NXT POINT TENNIS & PICKLEBALL, LLC

By 

Printed Name Matt Hokanson

Title Owner/Director

Date 12/11/2024

APPENDIX A

Owatonna Parks and Recreation Fees Manual - v6 (City Council Approve 11/19/24 - published date 11/20/24)

Rentals	Current Approved Fee	Updated Fee	Effective Date	Cost Recovery Model
Shelters				
Daily Rental-Small Pavilion	\$80.00			4
Daily Rental- Large Pavilion	\$100.00			4
Morehouse Chalet	\$175.00			4
Central Park Stage	\$250.00			4
Tennis & Fitness Center				
Fitness Center Activity Room	\$45 per hour			4
Basketball Court per hour	\$45 per hour			4
Tennis/Pickleball Court – Group Rental (2 weeks or more in advance)	\$22.00			4
Tennis/Pickleball Court – Group Rental (less than 2 weeks in advance)	\$24.00			4
Tennis/Pickleball Court - Group Rental Facility Hold Rate (available May-October only)	NA	\$25/hour	1/1/2025	4
Swimming Pool	\$70 per hour			4



DATE: December 17, 2024
TO: Mayor and City Council
FROM: David Beaver, Airport Manager
SUBJECT: T-Hangar Lease Agreement - Clint Sevcik

Purpose:

To approve the agreement for the rental of a T-hangar unit located at the Owatonna Degner Regional Airport to Clint Sevcik.

Background:

The agreement provides for the rental of the large end T-hangar unit at the airport for a one-year term. The lease agreement is a standard T-hangar lease form used for this purpose and has been reviewed by the City Attorney. The T-hangar units are used for the non-commercial storage of aircraft.

Budget Impact:

The rental fee provided for in the agreement is Four Hundred thirty dollars (\$430.00) per month. The total annual airport revenue of \$5,160.00.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. 2024 Hangar Lease Unit 1A - Sevcik

OWATONNA DEGNER REGIONAL AIRPORT
T-HANGAR LEASE AGREEMENT

The City of Owatonna, a municipal corporation of the State of Minnesota, hereinafter referred to as "Lessor", hereby leases to Clint Sevcik, a resident of the City of Faribault County of Rice, State of Minnesota, hereinafter referred to as "Lessee", that T-Hangar unit situated in an aircraft hangar located at the Owatonna Degner Regional Airport which is more particularly described as follows, to-wit:

HANGAR #1, UNIT "A"
(See attached Exhibit "A")

1. **TERM OF LEASE.** The initial term of this lease shall be for a period commencing December 17, 2024 and ending November 30, 2025. Upon the mutual agreement of the parties hereto, the lease may be renewed for up to two (2) additional periods of one (1) year each. The agreement to renew shall be entered into by the parties prior to the expiration of each term and will be subject to the T-Hangar Rental Policy in effect or applicable at time of renewal. The agreement to renew shall be in writing and signed by the parties hereto specifying the rental fee and the date of expiration.

2. **RENTAL FEE.** During the term of this lease, Lessee shall pay to Lessor a monthly rental fee of Four Hundred Thirty dollars (\$430.00). All rental payments shall be made at Owatonna Degner Regional Airport, 3400 West Frontage Road, Owatonna, Minnesota, or such other place as Lessor may designate. All rental payments shall be due by the 10th day of the month for which they are made. Upon expiration of this lease the rental fee may be adjusted by the City Council of the City of Owatonna.

3. **TAXES.** Any and all taxes assessed by any governmental unit shall be the responsibility of the Lessee.

4. **PROHIBITIONS.** Lessee shall be subject to all airport rules and regulations, including but not limited to, the following:

(A) No private locks of any type will be allowed on individual pedestrian doors. If private locks are installed, they will be removed at the discretion of the City of Owatonna.

(B) All items detrimental to the environment shall be disposed of properly. The Lessee of each T-Hangar unit shall be responsible for the proper disposal of all materials generated from or within that unit. The cost of cleaning up any materials improperly disposed of on airport properties shall be charged to the Lessee of the unit which generated or was the source of the material.

(C) Lessee's private vehicle shall be allowed to be placed in a T-Hangar when the aircraft is removed for a trip. Parking on the apron or grass will not be permitted.

(D) Lessee shall be responsible for cleanliness of the T-Hangar unit. When, in the opinion of the City of Owatonna, a safety hazard is found to exist within a T-Hangar unit, Lessee will be provided with notice providing for cleanup within seven (7) days, or by such date as the City of Owatonna shall demand. If the cleanup is not completed within the designated time, the City of Owatonna will perform all cleanup, which, in its discretion, it deems necessary, and the cost of which shall be charged to the Lessee.

(E) Lessee at own expense, must maintain hangar in a safe, non-hazardous, and sanitary condition. No explosive, flammable or hazardous materials shall be stored in the leased hangar, provided, however, that materials incidental to the use and maintenance of the aircraft stored in hangar may be kept in the hangar in such amounts as are reasonable for the above described purposes. Storage and use of such materials shall, at all times, comply with all federal, state, and local laws, ordinances and regulations. Improper handling or disposal of hazardous materials shall be grounds for termination of this agreement.

(F) The Lessor, or its agent, will provide snow removal services to the area of the leased hangar and taxi-lanes as close to the leased hangar entrance as possible, the Lessee will be primarily responsible for removal of snow and ice immediately in front of the leased premises.

(G) The Lessee is responsible for ensuring the hangar door is closed at all times, except when entering or exiting the hangar.

(H) Engine run-up and taxiing out of the T-Hangars is not allowed.

(I) This lease shall not be sold, assigned, or in any manner transferred or encumbered by Lessee, nor shall the leased premises or any part thereof be sublet without the prior consent of Lessor in writing. Lessee shall keep and use the T-Hangar primarily for aircraft storage purposes and for no unlawful purpose whatsoever.

(J) T-Hangar units shall be used primarily for the storage of active and operational aircraft. Active and operational aircraft shall be defined to mean all aircraft currently licensed and flyable which are flown to and from the Owatonna Degner Regional Airport periodically during the year.

(K) Lessee shall possess proof of ownership of the aircraft being stored in leased hangar and aircraft must be properly registered and certified for flight. If Lessee sells the aircraft, the Lessor must be notified in writing within ten (10) days of the sale, and Lessee has ninety (90) days in which to replace said aircraft. One ninety (90) day extension may be allowed, if requested in writing from Lessor. If an aircraft is not owned at the time the hangar lease is consummated, Lessee has ninety (90) days to obtain an aircraft. Prior to placing any aircraft in a T-Hangar

unit, Lessee shall provide Lessor in writing the following information: (See attached Exhibit "B")

1. Aircraft Type
2. Serial Number
3. Registration Number
4. Present Condition of Aircraft (Is the aircraft presently airworthy?)
5. Present Market Value of Aircraft
6. Insurance Carrier (Including type of coverage, limits, and policy number.)

(L) Lessee shall comply with the Owatonna Degner Regional Airport Minimum Standards now existing or as hereafter amended or adopted by the City of Owatonna.

(M) Hangar Door to be Closed. The Lessee is responsible for ensuring that the bi-fold hangar door is closed and latched at all times, except when entering or exiting the hangar. The Lessee agrees not to operate the bi-fold door in wind conditions gusting in excess of 30mph (26 knots). The Lessee is responsible for, and holds the City harmless from, any damage or destruction to the door or to the hangar attributable to or caused wholly or partly by the Lessee's failure to comply with this provision.

5. **ELECTRIC SERVICE.** Electricity is available in each unit. The City of Owatonna reserves the right to install individual meters to each unit and the cost of electricity for each unit may then be billed to Lessee by the City on a periodic basis. Engine heaters shall be of such size as to not overload the electric system. Fuel-fired, hot-air type heaters are permitted if attended on a continuous basis while in use. Electric space heaters are prohibited.

6. **RIGHT OF ENTRY.** Lessor reserves the right for itself or agents to go on, into, and have access at all times during the existence of this lease, to said premises for the purpose, including, but not limited to, inspection and showing of the building.

7. **INSURANCE.** Lessee shall maintain the following insurance coverages:

A. Lessee shall carry aircraft liability insurance with limits of coverage not less than as required pursuant to the Minnesota Statue Section 360.59 Subdivision 10, and may be amended.

B. Lessee shall carry hull insurance on each aircraft stored on the leased premises. The limits of the insurance shall be in an amount equal to or greater than the current value of the aircraft, instruments, and accessories. On or before the date of this lease, Lessee shall provide a Certificate of Insurance to the City of Owatonna indicating the

required coverage for the entire term of the lease and providing for a minimum of thirty (30) days notice to a change or cancellation of that coverage.

C. In lieu of carrying hull insurance, Lessee covenants and agrees that he will not hold the City of Owatonna or any of its agents, employees, or Airport Commission members responsible for any loss occasioned by fire, theft, rain, windstorm, hail, or from any other cause whatsoever, whether said cause be the direct, indirect, or merely a contributing factor in producing the loss to any airplane, automobile, personal property, parts, or surplus that may be located or stored in the T-hangars, aprons, field, or any other location at the airport; and Lessee agrees the plane and the contents are to be stored, whether on the field or in the hangars, at Lessee's risk.

D. Comprehensive general liability insurance insuring Lessee against any liability arising out of this lease agreement, or the use, occupancy, or maintenance of the demised premises and all areas appurtenant to the demised premises. Such insurance shall be in the amount of not less than One Million (1,000,000.00) per occurrence for property damage, bodily injuries, or deaths of persons occurring in and about the premises, not necessarily caused by aircraft, or in or about the Airport if caused by the act or omission of Tenant or those for whom Tenant is responsible. Such insurance may provide for a sub limit of not less than One Hundred Thousand (\$100,000) per person. The insurance policy shall insure the hazards of the demised premises and operations conducted in and on the demised premises, independent contractors, contractual liability (covering the indemnity included in this lease agreement), and shall name Lessor as an additionally insured party. Lessor shall be furnished with a copy of the certificate of insurance. The liability insurance policy also showing endorsements requiring thirty (30) days' written notice to Lessor prior to any cancellation or any reduction in the amount of coverage.

E. In accordance with the subrogation provisions of the standard property insurance contract, it is hereby understood and agreed by and between the undersigned parties that they do jointly and separately waive any or all right of recovery against the other for insured loss occurring to the real property owned by City of Owatonna and personal property owned by the Lessee all while located at the leased premises.

Any policy issued to the City of Owatonna providing duplicate or similar coverage shall be deemed excess over Tenant's policies. Tenant waives any subrogation rights against the City of Owatonna on all claims and insurance policies.

Tenant shall not use or permit the Premises to be used in any manner that would void Tenant's or the City of Owatonna's insurance or increase the insurance risk. Tenant shall comply with all requirements imposed by the insurers for the City of Owatonna and Tenant.

8. **INDEMNIFICATION.** To the fullest extent permitted by law, Lessee agrees to indemnify, defend, save and hold completely harmless the City of Owatonna or any of its agents, employees, or Airport Commission members responsible for any and all

liabilities, losses, damages, suits, actions, claims, judgments, settlements, fines or demands of any person arising by reason of injury or death of any person, or damage to any property occasioned by fire, theft, rain, windstorm, hail, or from any other cause whatsoever, whether said cause be the direct, indirect, or merely a contributing factor in producing the loss to any airplane, automobile, personal property, parts, or surplus that may be located or stored in the T-Hangars, aprons, field, or any other location at the airport; and Lessee agrees that the planes and the contents are to be stored, whether on the field or in the hangars, at Lessee's risk.

The provisions of this section shall survive expiration or earlier termination of this lease. The furnishing of the required insurance shall not be deemed to limit Tenant's obligations under this Section.

The Tenant shall defend, indemnify and hold the City of Owatonna harmless from any claims or liabilities as a result of Tenant's failure to procure and to keep in force the insurance required in the Lease.

9. **ATTORNEY FEES.** Lessee shall pay and discharge all costs, attorney fees, and expenses arising from enforcing any covenants or forfeiture hereof.

10. **TERMINATION.** In case Lessee shall fail to make any of the above-mentioned payments as specified or fail to keep and perform any of the covenants and agreements herein contained, Lessor may immediately and without notice terminate this lease and re-enter and repossess said premises, without prejudice, to its claims for earned cash rent. The following by way of illustration but not by limitation shall constitute a default under this lease:

- (1) Tenant fails to pay money owed to the City of Owatonna under this Lease when due, and such failure continues for ten (10) days after written notice from the City of Owatonna.
- (2) Tenant uses the Premises for any purpose not expressly authorized by this Lease and such default continues for ten (10) days following written notice from the City of Owatonna.
- (3) Tenant assigns, subleases or transfers this Lease except as otherwise permitted, and such default continues for ten (10) days following written notice from the City of Owatonna.
- (4) Tenant fails to carry the insurance required under this Lease; any insurance required under this Lease is cancelled, terminated, expires, or is reduced or materially changed so as not to comply with this Lease; or the City of Owatonna receives such notice of any such conditions pursuant to Section 7., and such failure continues for a period of ten (10) days following written notice from the City of Owatonna to Tenant.

(5) Tenant vacates or abandons the Premises, and such default continues for ten (10) days following written notice from the City of Owatonna to Tenant.

(6) Tenant fails to abide by any applicable federal, state, or municipal statutes, regulation, ordinance, rule, or airport policy

(7) Any other action or inaction on the tenant's part which the City determines is in breach of the lease.

IN WITNESS HEREOF, the parties hereto have executed this lease this _____ day of _____, 20____.



Lessee

CITY OF OWATONNA, MINNESOTA

By: _____
Its Mayor

By: _____
Its City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing was acknowledged before me this _____ day of _____, 20____,
by _____ and _____,
the Mayor and City Administrator of the City of Owatonna, a municipal corporation
under the laws of the State of Minnesota, on behalf of the City of Owatonna,
Minnesota.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing was acknowledged before me this _____ day of _____, 20____,
by _____.

Notary Public

EXHIBIT "B"

- _____ 1. Aircraft Type Fixed wing Single-Engine
- _____ 2. Serial Number 21058486
- _____ 3. Registration Number N13BJ
- _____ 4. Present Condition of Aircraft Airworthy
- _____ 5. Present Market Value 125,000
- _____ 6. Insurance Carrier Beacon MS Traverse

Attach Copy of Insurance Certificate

EXHIBIT "B"

- _____ 1. Aircraft Type Fixed wing Single-Engine
 - _____ 2. Serial Number 25-2844
 - _____ 3. Registration Number N70642
 - _____ 4. Present Condition of Aircraft Airworthy
 - _____ 5. Present Market Value 100,000
 - _____ 6. Insurance Carrier D.S. Specialty Insurance Company
- Attach Copy of Insurance Certificate



DATE: December 17, 2024
TO: Mayor and City Council
FROM: David Beaver, Airport Manager
SUBJECT: T-Hangar Agreement with Owatonna Civil Air Patrol (CAP)

Purpose:

Council to approve agreement for rental of a T-hangar unit located at the Owatonna Degner Regional Airport to the Owatonna Composite Squadron, Civil Air Patrol (CAP).

Background:

The CAP is an aeronautical nonprofit organization with the local squadron having a presence at the airport for many years. The CAP meets weekly at the airport utilizing common areas of the terminal and storing supplies in space provided by the flight school. There is a history of working with the CAP at discounted rates to support the organization and the benefits that they provide to youth in the community. The group provides opportunities for cadets through aerospace education, leadership training, and community service.

CAP is seeking additional space at the airport to accommodate their storage needs and is requesting to rent an available half-unit T-hangar garage at a discounted rate. The storage units located at the end of the T-Hangar buildings are half the size of a typical unit and are not conducive to aircraft storage. The CAP has requested a rate reduction from \$230.00/month to \$100.00/month for this space.

The Airport Commission approved a motion in support of the request to rent the space to the CAP at a reduced rate of \$100.00/month to be reassessed annually.

Budget Impact:

The Rental Fee per agreement is one-hundred dollars (\$100/month, \$1,200.00/year).

Staff Recommendation:

Staff recommends approval.

Attachments:

1. 2024 Unit Lease - Owatonna CAP

OWATONNA DEGNER REGIONAL AIRPORT
T-HANGAR = (Half-T-Hanger) LEASE AGREEMENT

The City of Owatonna, a municipal corporation of the State of Minnesota, hereinafter referred to as "Lessor", hereby leases to Owatonna Composite Squadron, Civil Air Patrol (CAP), a federally chartered non-profit organization of the City of Owatonna County of Steele, State of Minnesota, hereinafter referred to as "Lessee", that T-Hangar unit situated in an aircraft hangar located at the Owatonna Degner Regional Airport which is more particularly described as follows, to-wit:

HANGAR # 1, UNIT "G"
(See attached Exhibit "A")

1. **TERM OF LEASE.** The initial term of this lease shall be for a period commencing December 1, 2024 and ending November 30, 2025. Upon the mutual agreement of the parties hereto, the lease may be renewed for up to two (2) additional periods of one (1) year each. The agreement to renew shall be entered into by the parties prior to the expiration of each term and will be subject to the T-Hangar Rental Policy in effect or applicable at time of renewal. The agreement to renew shall be in writing and signed by the parties hereto specifying the rental fee and the date of expiration.

2. **RENTAL FEE.** During the term of this lease, Lessee shall pay to Lessor a monthly rental fee of One Hundred dollars (\$100.00). All rental payments shall be made at Owatonna Degner Regional Airport, 3400 West Frontage Road, Owatonna, Minnesota, or such other place as Lessor may designate. All rental payments shall be due by the 10th day of the month for which they are made. Upon expiration of this lease the rental fee may be adjusted by the City Council of the City of Owatonna.

3. **PROHIBITIONS.** Lessee shall be subject to all airport rules and regulations, including but not limited to, the following:

(A) No private locks of any type will be allowed on individual pedestrian doors. If private locks are installed, they will be removed at the discretion of the City of Owatonna.

(B) All items detrimental to the environment shall be disposed of properly. The Lessee of each T-Hangar unit shall be responsible for the proper disposal of all materials generated from or within that unit. The cost of cleaning up any materials improperly disposed of on airport properties shall be charged to the Lessee of the unit which generated or was the source of the material.

(C) Automobile parking on the apron or grass will not be permitted. This Hangar is intended for storage. All storage will be in accordance with any applicable local, state, and federal laws or codes.

(D) Lessee shall be responsible for cleanliness of the T-Hangar unit. When, in the opinion of the City of Owatonna, a safety hazard is found to exist within a T-Hangar unit, Lessee will be provided with notice providing for cleanup within seven (7) days, or by such date as the City of Owatonna shall demand. If the cleanup is not completed within the designated time, the City of Owatonna will perform all cleanup, which, in its discretion, it deems necessary, and the cost of which shall be charged to the Lessee.

(E) This lease shall not be sold, assigned, or in any manner transferred or encumbered by Lessee, nor shall the leased premises or any part thereof be sublet without the prior consent of Lessor in writing. Lessee shall keep and use the T-Hangar primarily for storage purposes and for no unlawful purpose whatsoever.

(F) The Lessor, or its agent, will provide snow removal services to the area of the leased hangar and taxi-lanes as close to the leased hangar entrance as possible, the Lessee will be primarily responsible for removal of snow and ice immediately in front of the leased premises.

(G) Lessee shall comply with the Owatonna Degner Regional Airport Minimum Standards now existing or as hereafter amended or adopted by the City of Owatonna as well as any local, federal, or state law.

(H) Lessee shall not access portions of the airport, such as runways, taxiways, or aprons reserved for aircraft operations for purposes other than needed for the operation of aircraft. Use of the airport is subject to rules and conditions as now exist or may be enacted in the future by City, State of Minnesota, or the United States.

5. **HAZARDOUS MATERIALS.** Lessee shall not store hazardous materials on the leased premises except such materials as are normal and reasonably necessary for aircraft operation and maintenance. All hazardous materials shall be stored, handled, and disposed of properly in accordance with all federal, state, county, and municipal rules and regulations. Any spill or discharge shall be immediately reported to City or other appropriate agency. Improper storage, use, handling, or disposal of hazardous materials shall be grounds for termination of this Lease agreement.

6. **ELECTRIC SERVICE.** Electricity is available in each unit. The City of Owatonna reserves the right to install individual meters to each unit and the cost of electricity for each unit may then be billed to Lessee by the City on a periodic basis. Engine heaters shall be of such size as to not overload the electric system. Fuel-fired, hot-air type heaters are permitted if attended on a continuous basis while in use. Electric space heaters are prohibited.

7. **RIGHT OF ENTRY.** Lessor reserves the right for itself or agents to go

on, into, and have access at all times during the existence of this lease, to said premises for the purpose, including, but not limited to, inspection and showing of the building.

8. **GROUND CONTROL, AIR TRAFFIC.** Lessee shall comply with all rules, minimum standards, and field regulations with respect to control of ground and air traffic and use of the airport as established by City from time to time and Lessee shall abide by all rules, regulations, and orders of the Minnesota Department of Transportation and the Federal Aviation Administration and other lawful authorities with respect to aircraft operations and use of the leased premises.

9. **INSURANCE.** Lessee shall maintain the following insurance coverages:

A. Lessee shall carry liability insurance with limits of coverage not less than as required pursuant to the Minnesota Statute Section 360.59 Subdivision 10, and may be amended.

B. On or before the date of this lease, Lessee shall provide a Certificate of Insurance to the City of Owatonna indicating the required coverage for the entire term of the lease and providing for a minimum of thirty (30) days notice to a change or cancellation of that coverage.

C. Comprehensive general liability insurance insuring Lessee against any liability arising out of this lease agreement, or the use, occupancy, or maintenance of the demised premises and all areas appurtenant to the demised premises. Such insurance shall be in the amount of not less than One Million (1,000,000.00) per occurrence for property damage, bodily injuries, or deaths of persons occurring in and about the premises, not necessarily caused by aircraft, or in or about the Airport if caused by the act or omission of Tenant or those for whom Tenant is responsible. Such insurance may provide for a sub limit of not less than One Hundred Thousand (\$100,000) per person. The insurance policy shall insure the hazards of the demised premises and operations conducted in and on the demised premises, independent contractors, contractual liability (covering the indemnity included in this lease agreement), and shall name Lessor as an additionally insured party. Lessor shall be furnished with a copy of the certificate of insurance. The liability insurance policy also showing endorsements requiring thirty (30) days' written notice to Lessor prior to any cancellation or any reduction in the amount of coverage.

D. In accordance with the subrogation provisions of the standard property insurance contract, it is hereby understood and agreed by and between the undersigned parties that they do jointly and separately waive any or all right of recovery against the other for insured loss occurring to the real property owned by City of Owatonna and personal property owned by the Lessee all while located at the leased premises.

Any policy issued to the City of Owatonna providing duplicate or similar coverage shall be deemed excess over Tenant's policies. Tenant waives any subrogation rights against the City of Owatonna on all claims and insurance policies.

Tenant shall not use or permit the Premises to be used in any manner that would void Tenant's or the City of Owatonna's insurance or increase the insurance risk. Tenant shall comply with all requirements imposed by the insurers for the City of Owatonna and Tenant.

10. **INDEMNIFICATION.** To the fullest extent permitted by law, Lessee agrees to indemnify, defend, save and hold completely harmless the City of Owatonna or any of its agents, employees, or Airport Commission members responsible for any and all liabilities, losses, damages, suits, actions, claims, judgments, settlements, fines or demands of any person arising by reason of injury or death of any person, or damage to any property occasioned by fire, theft, rain, windstorm, hail, or from any other cause whatsoever, whether said cause be the direct, indirect, or merely a contributing factor in producing the loss to any airplane, automobile, personal property, parts, or surplus that may be located or stored in the T-Hangars, aprons, field, or any other location at the airport; and Lessee agrees that the planes and the contents are to be stored, whether on the field or in the hangars, at Lessee's risk.

The provisions of this section shall survive expiration or earlier termination of this lease. The furnishing of the required insurance shall not be deemed to limit Tenant's obligations under this Section.

The Tenant shall defend, indemnify and hold the City of Owatonna harmless from any claims or liabilities as a result of Tenant's failure to procure and to keep in force the insurance required in the Lease.

11. **ATTORNEY FEES.** Lessee shall pay and discharge all costs, attorney fees, and expenses arising from enforcing any covenants or forfeiture hereof.

12. **TERMINATION.** In case Lessee shall fail to make any of the above-mentioned payments as specified or fail to keep and perform any of the covenants and agreements herein contained, Lessor may immediately and without notice terminate this lease and re-enter and repossess said premises, without prejudice, to its claims for earned cash rent. The following by way of illustration but not by limitation shall constitute a default under this lease:

- (1) Tenant fails to pay money owed to the City of Owatonna under this Lease when due, and such failure continues for ten (10) days after written notice from the City of Owatonna.
- (2) Tenant uses the Premises for any purpose not expressly authorized by this Lease and such default continues for ten (10) days following written notice from the City of Owatonna.

- (3) Tenant assigns, subleases or transfers this Lease except as otherwise permitted, and such default continues for ten (10) days following written notice from the City of Owatonna.
- (4) Tenant fails to carry the insurance required under this Lease; any insurance required under this Lease is cancelled, terminated, expires, or is reduced or materially changed so as not to comply with this Lease; or the City of Owatonna receives such notice of any such conditions pursuant to Section 7., and such failure continues for a period of ten (10) days following written notice from the City of Owatonna to Tenant.
- (5) Tenant vacates or abandons the Premises, and such default continues for ten (10) days following written notice from the City of Owatonna to Tenant.
- (6) Tenant fails to abide by any applicable federal, state, or municipal statutes, regulation, ordinance, rule, or airport policy
- (7) Any other action or inaction on the tenant's part which the City determines is in breach of the lease.

IN WITNESS HEREOF, the parties hereto have executed this lease this _____ day of _____, 20____.



Lessee
John W. Desmarais, Sr.
Chief Operating Officer
Civil Air Patrol

CITY OF OWATONNA, MINNESOTA

By: _____
Its Mayor

By: _____
Its City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing was acknowledged before me this _____ day of _____, 20____,
by _____ and _____,
the Mayor and City Administrator of the City of Owatonna, a municipal corporation
under the laws of the State of Minnesota, on behalf of the City of Owatonna,
Minnesota.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF STEELE)

The foregoing was acknowledged before me this _____ day of _____, 20____,
by _____.

Notary Public

STATE OF ALABAMA)
) ss.
COUNTY OF MONTGOMERY)

The foregoing was acknowledged before me this 23 day of Sept, 2024,
by Rosalind King.



Notary Public
My commission expires: 16 August 2028



RECAP:

\$	48,931.39	Ebert Inc - Council Chambers Renovation pay est #12 - retainage
	114,531.00	League of MN Cities Ins Trust - Quarterly Workers Comp premium - July - Sept 2024
	94,294.38	Nero Engineering - WWTF upgrade & expansion project - October 2024
	20,399.00	Owatonna Floor Covering
		- Carpet replacement - Airport - \$16,292.00
		- Carpet - Social Commons - \$4,107.00
	935,237.63	Rice Lake Construction Group - WWTP Expansion pay est #30
	36,825.97	Steve James Excavating Inc
		- Catch basin replacements - \$32,100.97
		- Curb replacements - \$4,725.00
	26,835.00	Versaterm Public Safety US Inc - 2024 body cams
\$	<u>203,257.88</u>	OTHER EXPENDITURES
	<u><u>1,480,312.25</u></u>	TOTAL EXPENDITURES PRESENTED FOR APPROVAL

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
Cash Account: 999-19100-000-000-000000					
381042	12/17/24	ALEXANDER LUMBER COMPANY	835.95	0	Regular
381043	12/17/24	AMERICAN ENGINEERING TESTING	4,629.98	R	ACH
381044	12/17/24	AMERICAN WATERWORKS	19.69	0	Regular
381045	12/17/24	ANN WEMPNER DESIGN INC	180.00	0	Regular
381046	12/17/24	APG MEDIA OF SO MINNESOTA LLC	470.56	0	Regular
381047	12/17/24	APG MEDIA OF SO MINNESOTA LLC	96.25	0	Regular
381048	12/17/24	ARNOLD'S OF MANKATO INC	223.78	0	Regular
381049	12/17/24	AWARDS DIRECT INC	44.00	0	Regular
381050	12/17/24	BAKER & TAYLOR BOOKS	7,323.29	R	ACH
381051	12/17/24	BERG-JOHNSON ASSOCIATES INC	165.12	0	Regular
381052	12/17/24	CAVALIER COACHES INC	725.00	0	Regular
381053	12/17/24	CENTRAL FARM SERVICE	8.86	0	Regular
381054	12/17/24	CLUB CADDIE	500.00	0	Regular
381055	12/17/24	COURT SPORTS AND MORE	50.00	R	ACH
381056	12/17/24	COVERALL OF THE TWIN CITIES	2,455.00	R	ACH
381057	12/17/24	CRYSTEEL TRUCK EQUIP	637.00	R	ACH
381058	12/17/24	CULLIGAN OF OWATONNA	31.08	R	ACH
381059	12/17/24	CUMMINS INC	3,423.00	R	ACH
381060	12/17/24	CURT'S TRUCK & DIESEL SERVICE	1,280.50	R	ACH
381061	12/17/24	DAMARCO SOLUTIONS LLC	1,707.00	R	ACH
381062	12/17/24	DAVID BARTHOLOMAY	722.99	R	ACH
381063	12/17/24	DAVIS MECHANICAL SYSTEMS INC	8,255.00	R	ACH
381064	12/17/24	DISH	276.19	0	Regular
381065	12/17/24	DRENTH ANDREW J	553.07	0	Regular
381066	12/17/24	EBERT INC	48,931.39	R	ACH
381067	12/17/24	EBSCO INFORMATION SERVICES	6,303.00	R	ACH
381068	12/17/24	FARMERS FEED AND PET SUPPLY	93.97	0	Regular
381069	12/17/24	Fifth Asset Inc	11,000.00	R	ACH
381070	12/17/24	FIRST SUPPLY OWATONNA	3,849.99	R	ACH
381071	12/17/24	FLAHERTY & HOOD PA	1,092.50	R	ACH
381072	12/17/24	FOUR SEASONS ELECTRIC	3,115.98	R	ACH
381073	12/17/24	FRESH CAFE	158.88	0	Regular
381074	12/17/24	GAMEHAVEN COUNCIL-BS OF AMER	360.00	0	Regular
381075	12/17/24	GRAINGER	310.44	R	ACH
381076	12/17/24	GREENBERG TRAUIG LLP	4,000.00	R	ACH
381077	12/17/24	HEIMAN INC	507.64	R	ACH
381078	12/17/24	HERITAGE CRYSTAL CLEAN LLC	858.58	0	Regular
381079	12/17/24	HILLYARD INC	309.65	0	Regular
381080	12/17/24	HORIZON COMMERCIAL POOL SUPPLY	563.27	R	ACH
381081	12/17/24	HUBER SUPPLY CO INC	19.50	0	Regular
381082	12/17/24	I+S GROUP INC	5,890.00	0	Regular
381083	12/17/24	IFACS	954.75	R	ACH
381084	12/17/24	INNOVATIVE OFFICE SOLUTIONS	138.05	0	Regular
381085	12/17/24	JONES HAUGH & SMITH INC	12,016.28	0	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
381086	12/17/24	KAPPYS COLLISION CENTER LLC	6,474.06	0	Regular
381087	12/17/24	KATHRYN MOUW MSW LICSW LADC	1,200.00	0	Regular
381088	12/17/24	KENDELL DOORS & HARDWARE INC	76.75	R	ACH
381089	12/17/24	KOWZ-FM	500.00	R	ACH
381090	12/17/24	LARRY THORNHILL	224.00	0	Regular
381091	12/17/24	LAWSON AUTOMOTIVE LLC	726.73	R	ACH
381092	12/17/24	LAWSON PRODUCTS	140.05	0	Regular
381093	12/17/24	LEAGUE OF MN CITIES INS TRUST	114,531.00	0	Regular
381094	12/17/24	LEGACY SIGNS INC	200.00	R	ACH
381095	12/17/24	LEGENCE SUBSIDIARY HOLDINGS LL	6,415.56	R	ACH
381096	12/17/24	LEXIPOL LLC	2,698.26	R	ACH
381097	12/17/24	LIBRARY IDEAS LLC	10,973.00	0	Regular
381098	12/17/24	LINDER DIGITAL	1,180.00	R	ACH
381099	12/17/24	MACQUEEN EQUIPMENT CO	383.20	R	ACH
381100	12/17/24	MARCO TECHNOLOGIES LLC	25.50	R	ACH
381101	12/17/24	MARTIN-MCALLISTER	9,000.00	R	ACH
381102	12/17/24	MATTHEW R HOKANSON	850.10	R	ACH
381103	12/17/24	METRO SALES INC	350.76	0	Regular
381104	12/17/24	MICHAEL A. OLDENBURG	170.00	0	Regular
381105	12/17/24	MIDWEST TAPE LLC	2,267.63	R	ACH
381106	12/17/24	MOHS CONTRACTING INC	700.00	0	Regular
381107	12/17/24	MRI SOFTWARE LLC	200.00	R	ACH
381108	12/17/24	NAPA AUTO PARTS	637.03	R	ACH
381109	12/17/24	NEAR NORTH TITLE GROUP	100.00	0	Regular
381110	12/17/24	NERO ENGINEERING	94,294.38	R	ACH
381111	12/17/24	OWATONNA FLOOR COVERING	20,399.00	0	Regular
381112	12/17/24	OWATONNA GLASS LLC	120.24	0	Regular
381113	12/17/24	OWATONNA HEATING & COOLING INC	1,398.27	R	ACH
381114	12/17/24	OWATONNA MOTOR COMPANY	820.65	0	Regular
381115	12/17/24	OWATONNA PUBLIC UTILITIES	2,714.85	R	ACH
381116	12/17/24	OWT HARDWARE	415.46	0	Regular
381117	12/17/24	PAAPE COMPANIES INC	420.06	R	ACH
381118	12/17/24	PDI	91.96	0	Regular
381119	12/17/24	PLUNKETT'S PEST CONTROL INC	641.48	R	ACH
381120	12/17/24	PRESENCE TELEHEALTH PLLC	424.00	R	ACH
381121	12/17/24	PRIME GARAGE DOOR & MORE LLC	3,710.00	R	ACH
381122	12/17/24	RCM SPECIALTIES	1,059.18	0	Regular
381123	12/17/24	RENT N SAVE PORTABLE SERVICES	2,610.85	R	ACH
381124	12/17/24	RICE LAKE CONSTRUCTION GROUP	935,237.63	R	ACH
381125	12/17/24	SANCO EQUIPMENT	325.78	R	ACH
381126	12/17/24	SASCS	1,500.00	0	Regular
381127	12/17/24	SCOTT F LIMBERG	750.00	R	ACH
381128	12/17/24	SELCO	2,371.46	R	ACH
381129	12/17/24	SHERWIN WILLIAMS COMPANY	174.90	0	Regular
381130	12/17/24	SHI INTERNATIONAL CORP	23.36	0	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
381131	12/17/24	SHRED RIGHT	42.53	R	ACH
381132	12/17/24	SIGN PRO OF OWATONNA	654.99	R	ACH
381133	12/17/24	SPLIT ROCK MANAGEMENT INC	3,860.00	R	ACH
381134	12/17/24	STAR TRIBUNE	59.83	R	ACH
381135	12/17/24	STATE INDUSTRIAL PRODUCTS	948.53	R	ACH
381136	12/17/24	STEELE COUNTY TREASURER	12,185.70	0	Regular
381137	12/17/24	STEVE JAMES EXCAVATING INC	36,825.97	R	ACH
381138	12/17/24	STEWART COMPANIES INC	108.30	0	Regular
381139	12/17/24	STEWART SANITATION	1,005.98	0	Regular
381140	12/17/24	STREICHER'S INC	1,289.53	0	Regular
381141	12/17/24	TAFT STETTINIUS & HOLLISTER LL	5,400.00	R	ACH
381142	12/17/24	TERMINIX	68.00	0	Regular
381143	12/17/24	THOMPSON SANITATION INC	236.40	R	ACH
381144	12/17/24	TOR SPERLING	503.03	R	ACH
381145	12/17/24	TOWMASTER	5,786.00	R	ACH
381146	12/17/24	TRI M GRAPHICS	264.41	R	ACH
381147	12/17/24	ULINE	3,005.96	0	Regular
381148	12/17/24	UNITED WAY	100.00	0	Regular
381149	12/17/24	UTILITY CONSULTANTS INC	1,406.49	R	ACH
381150	12/17/24	VAN METER INC	666.73	0	Regular
381151	12/17/24	VERIZON WIRELESS	444.86	0	Regular
381152	12/17/24	VERIZON WIRELESS-VSAT	50.00	0	Regular
381153	12/17/24	VERSATERM PUBLIC SAFETY US INC	26,835.00	0	Regular
381154	12/17/24	VESTIS FIRST AID	196.75	0	Regular
381155	12/17/24	VESTIS GROUP INC	261.37	0	Regular
381156	12/17/24	WALBRAN & FURNESS CHARTERED	10,252.20	R	ACH
381157	12/17/24	WEN-COL INC	64.99	0	Regular
381158	12/17/24	WEST PUBLISHING CORPORATION	610.50	R	ACH
381159	12/17/24	WOLFF AND SONS INC	931.68	R	ACH
381160	12/17/24	ZARNOTH BRUSH WORKS	1,144.00	R	ACH
381161	12/17/24	ZEP MANUFACTURING CO	488.20	R	ACH

55	Checks total:	229,694.17
65	ACH total:	1,250,618.08
0	EFTPS total:	
0	Wire transfer total:	
0	Payment Manager total:	
120	GRAND TOTALS	1,480,312.25



CITY OF
OWATONNA

Ordinances



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Greg Kruschke, Community Development Manager
SUBJECT: First Reading Proposed Ordinance 24-8: RZ-9 Lee Foundation Rezoning Request - 545 Florence Ave NW

Purpose:

Council to approve the first reading Proposed Ordinance 24-8 for Application No. RZ-9. This is a request by Anna Lee on behalf of the Lee Foundation to rezone property at 545 Florence NW from R-1, Single Family Residential, to R-6, High Density Residential District. Rezoning is needed for the purpose of providing group housing at this property.

Background:

See Attached Staff Report.

Budget Impact:

None.

Staff Recommendation:

Staff recommends approval of this first reading of this proposed ordinance for the zoning change as recommended by the Planning Commission. The second final reading will be held at the next City Council Meeting on January 7, 2025.

Attachments:

1. Ordinance 24-8 - RZ-9 Lee Foundation - 545 Florence Ave SW
2. RZ-9 Lee Foundation - 545 Florence Ave NW

Proposed Ordinance No. 24-8

ORDINANCE NO. ____

AN ORDINANCE AMENDING ORDINANCE NO. 157,
OWATONNA ZONING ORDINANCE

WHEREAS, the owner of the hereinafter described lands has made application for a change in zone classification for said lands and public hearing has been held according to the provisions of Section 157.098, of Ordinance No. 157, and the Planning Commission of the City of Owatonna has recommended the change in zone classification as requested.

THE CITY COUNCIL OF THE CITY OF OWATONNA DO ORDAIN:

SECTION 1. Ordinance No. 157, Zoning Ordinance, is hereby amended so that the zoning map that is thereby incorporated by reference shall be changed as follows:

1. Pursuant to Application No. RZ-9 filed with the City of Owatonna, Minnesota, to change the zone classification, and after public hearing, held December 10, 2024, said application is hereby approved and the zone classification is hereby changed from R-1 Single Family Residential to R-6 High Density Residential for the following described property:

Lot 5, Block 2, West Hills No.2, Owatonna, Steele County, Minnesota.

SECTION 2. Effective Date. This ordinance shall be in full force and effect from and after its passage and publication.

Passed and adopted this 7th day of January, 2025, with the following vote:

Aye _____; No _____; Absent _____.

Approved and signed this _____ day of _____, 2025.

ATTEST:

Matt Jessop, Mayor

Kris M. Busse, City Administrator/City Clerk

December 6, 2024

To: Planning Commission

From: Community Development Department

RE: Application No. RZ-9 by Anna Lee, on behalf of the Lee Foundation, a request to rezone property from R-1, Single Family Residential to R-6, High Density Residential District for the purposes of providing group housing for the property located at 545 Florence Avenue NW.

Application Review:

Applicant/Owner: Anna Lee, on behalf of the Lee Foundation

Legal Description: Lot 5, Block 2, West Hills No. 2

Existing Zoning: R-1, Single Family Residential District

Existing Land Use: Vacant

Adjacent Zoning & Land Uses: North: Commercial Use zoned B-2 & B-2

South: Residential uses zoned R-1 & R-2

East: Offices zoned R-1

West: Government buildings zoned R-1

Report Attachments: 1. Application Materials
2. Location Maps

Proposed Development:

- ◆ Application No. RZ-9 by Anna Lee, on behalf of the Lee Foundation, a request to rezone property from R-1, Single Family Residential to R-6, High Density Residential District for the purposes of providing group housing for the property located at 545 Florence Avenue NW.
- ◆ This building has been vacant for a number of years. Since the hospital was located in this building, it has been historically used with board and lodge type uses since.
- ◆ The entire West Hills Campus is zoned R-1, Single Family Residential.
- ◆ The applicant is exploring uses that would include board and lodge uses, dormitories, and other high density residential uses.
- ◆ A use that is defined as a Residential Facility will need to have a conditional use permit in the proposed zoning district if they plan to locate in this facility.
- ◆ The dormitory use would be permitted in this district. Currently 29 occupants would be permitted on the first and second floors.
- ◆ The third floor of the building would not be used at this time. This space would be permitted to be used when all building codes and architectural requirements are met.

- ◆ This building was historically the hospital for the West Hills Campus.
- ◆ No major changes are proposed for the exterior of the property.
- ◆ Ample parking is available on site. The lot will need to be striped and restored in conjunction with a project occurring.

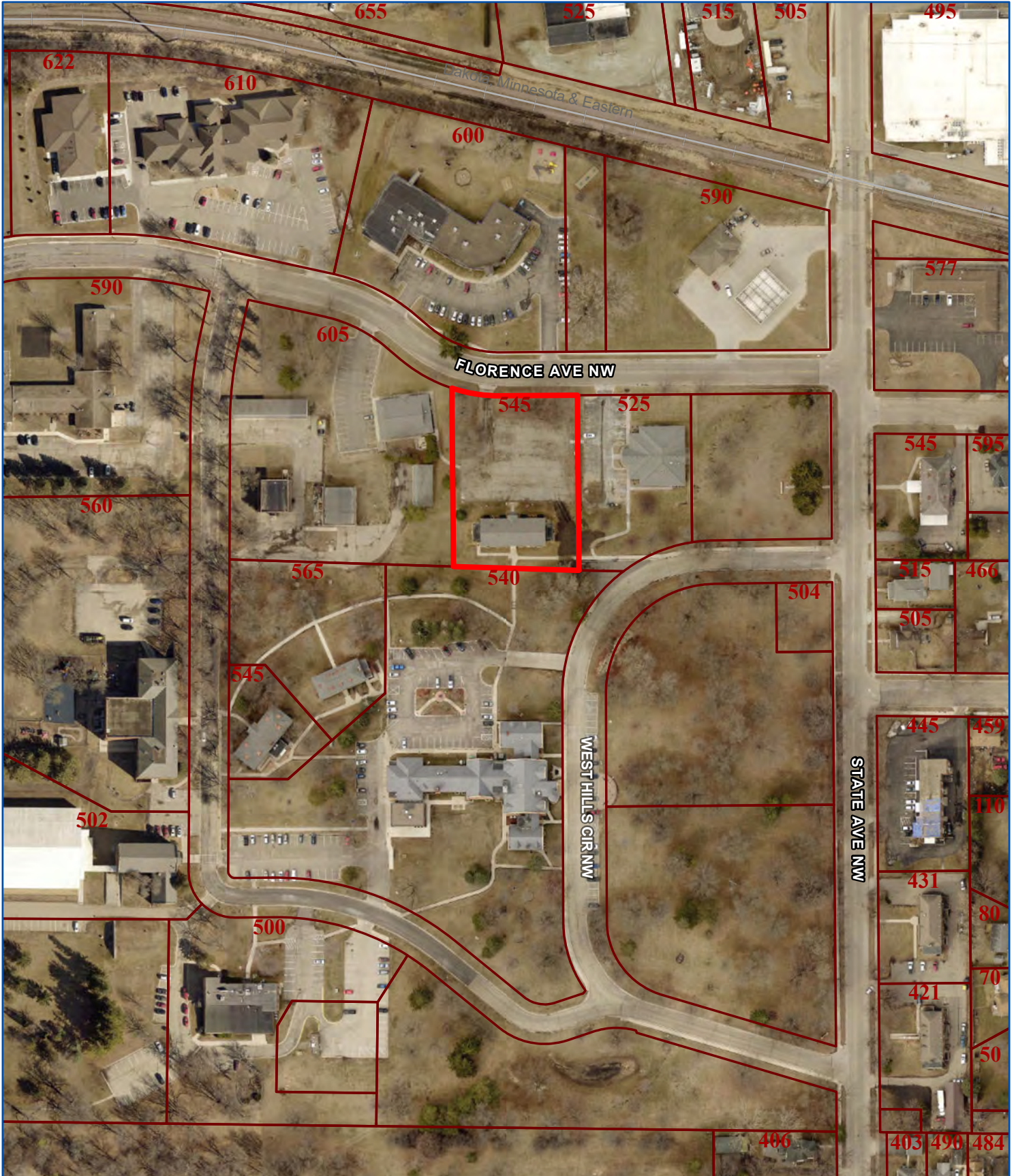
Staff Review:

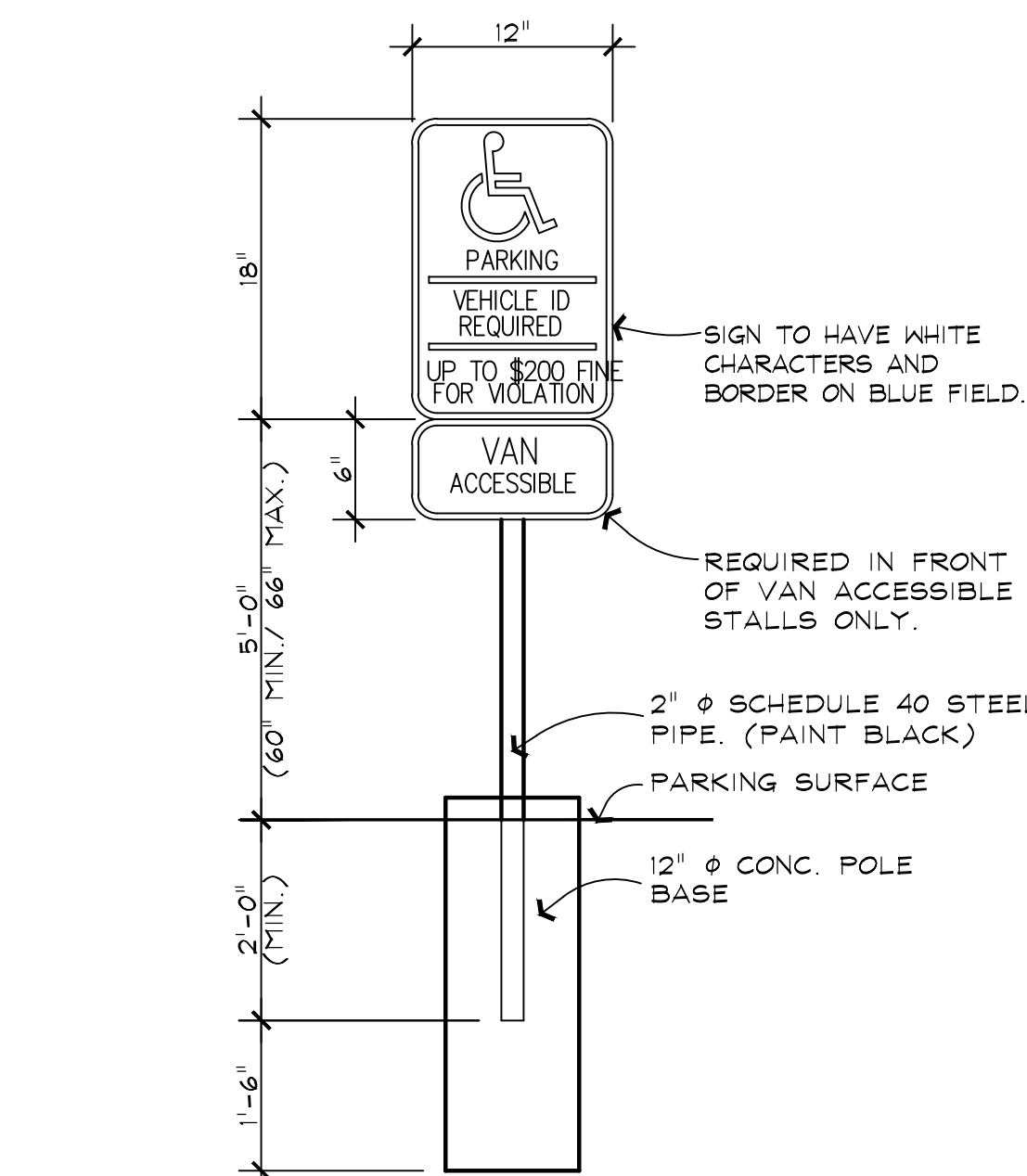
Staff feels that the proposed rezoning would fit in with the surroundings and the desired use of this property as designated within the Comprehensive Plan. Staff is recommending approval of the rezoning property from R-1, Single Family Residential District to R-6, High Density Residential District for the property located at 545 Florence Avenue NW.

Planning Commission:

Application No. RZ-9, which is a request by Anna Lee on behalf of the Lee Foundation to rezone property from R-1, Single Family Residential, to R-6, High Density Residential District, for the purposes of providing group housing for the property located at 545 Florence Avenue NW, was presented by Community Development Manager Greg Kruschke. (Refer to report on file.) Public hearing opened at 5:34 pm. Anna Lee thanked the Commissioners for taking time to hear her request and appreciates their consideration. The Lee Foundation has been in existence since 2014 and Dr. Lee has been in manufacturing in Owatonna for the last 27 years and wanted to pay Owatonna back. His idea is to have the foundation focus on enriching the culture and education of students. She said they are immigrants and have benefited from all of the education they've got from the state. They want to get young people educated and trained. Owatonna is a great city, but affordable housing has been lagging. She said the workers have to have a good living standard and affordable housing is precious and a challenge. When this West Hills building was available, the Lee Foundation put forth the initiative to use the building for workforce housing. The building has 20 rooms, a commercial kitchen, and up-to-code bathrooms. The goal is for low-income housing or working with a staffing agency who provides manufacturing jobs. Dr. Lee said they've lived in Owatonna since 1996 and brought their family here. He said the Foundation has a scholarship for students. They purchased this building in Covid time. They've talked with some of the people who lived there when it was a treatment center. He said they have put in a lot of effort to fix up the building to get it ready. A motion was made by Effertz and seconded by Wilson to recommend City Council approval of the rezoning property from R-1, Single Family Residential, to R-6, High Density Residential District, for the property located at 545 Florence Avenue NW. All Commissioners voting Aye, the motion carried.

545 Florence Avenue NW
City of Owatonna



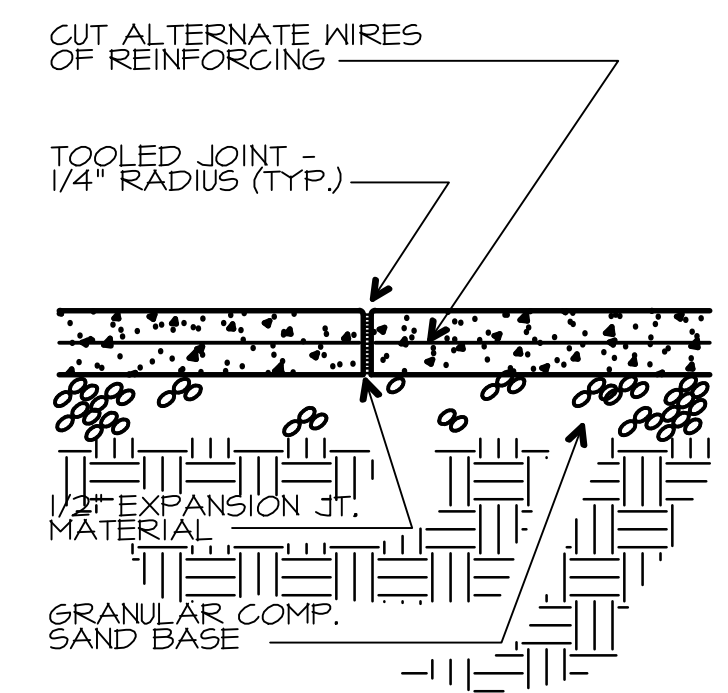


B.F. PARKING SIGN

SCALE: NONE

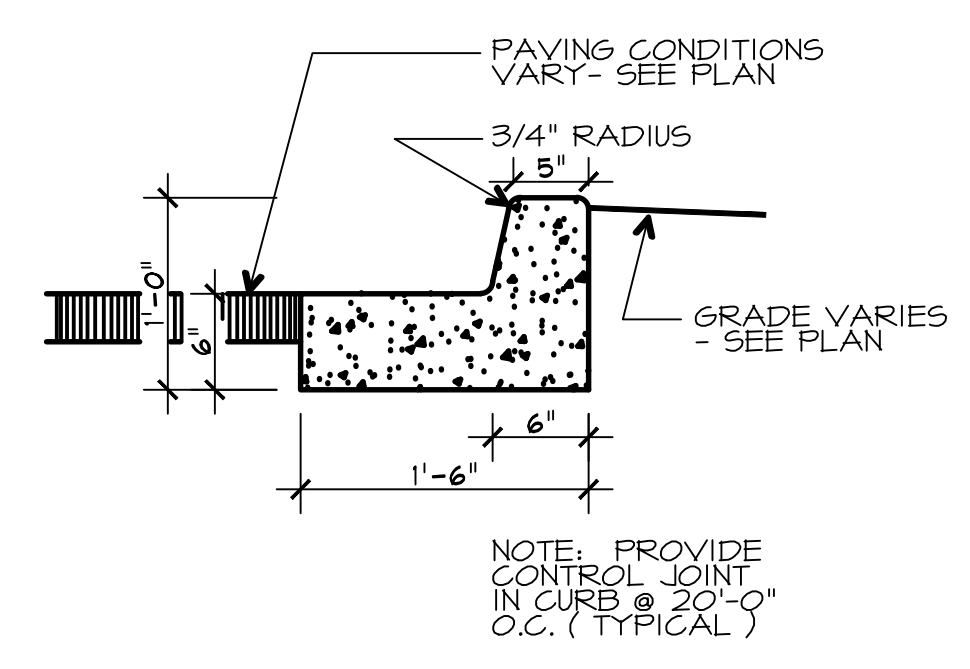
- * SIGN TO MEET MINNESOTA STATE BUILDING CODE AND ADA STANDARDS
- * SIGN TO BE LOCATED A MAXIMUM OF EIGHT FEET FROM HEAD OF PARKING STALL

- WATER MAIN SPECIFICATIONS:**
1. GENERAL CONDITIONS - THE GENERAL CONDITIONS OF THE CONTRACT AND GENERAL REQUIREMENTS SHALL APPLY TO ALL WORK OF THIS DIVISION AND SHALL BE REFERRED AS PART OF THE CONTRACT DOCUMENTS.
 2. SCOPE OF WORK - THE SCOPE OF THIS PROJECT INCLUDES, BUT IS NOT LIMITED TO, THE COMPLETE FURNISHING AND INSTALL OF ALL EQUIPMENT, MATERIALS, ITEMS AND LABOR AS REQUIRED FOR NEW WATER MAIN SERVICE FOR THE FIRE PROTECTION SYSTEM.
 3. QUALITY - THE WORK FURNISHED SHALL BE IN A NEAT, WORKMAN-LIKE MANNER BY EXPERIENCED AND SKILLED PERSONS. ALL MATERIALS AND EQUIPMENT SHALL BE NEW. ALL INSTALLATIONS SHALL BE SQUARE AND TRUE TO BUILDING LINES.
 4. DRAWINGS - THE MECHANICAL LAYOUT SHOWN IS ONLY DIAGRAMMATIC. THE CONTRACTOR SHALL BE RESPONSIBLE FOR EXACT LOCATIONS, VERIFYING OF EXISTING CONDITIONS, CO-ORDINATION OF DRAWINGS AND CO-ORDINATION WITH OTHERS TRADE.
 5. THE WATER SERVICE SHALL BE INSTALLED IN ACCORDANCE WITH THE 2015 MINNESOTA STATE PLUMBING CODE CHAPTER 4714 AS AMENDED AND THESE PLANS.
 6. PROPER SEPARATION OF SEWER AND WATER SHALL BE MAINTAINED TO COMPLY WITH SECTION 4714.609.
 7. THE PLUMBING SYSTEM SHALL BE TESTED IN ACCORDANCE WITH SECTION 4714.609.4 AND 4714.712.
 8. THE WATER PIPING SYSTEM SHALL BE DISINFECTED IN ACCORDANCE WITH SECTION 4714.609.9.
 9. DO NECESSARY EXCAVATION TO COMPLETE THE WORK SHOWN. THE EXCAVATION SHALL BE PRINCIPALLY OF THE OPEN TRENCH METHOD MEETING SAFETY REQUIREMENTS. WORK TO CONFORM TO 4714.718 AND 4714.720.
 10. BACKFILL TRENCHES WITH ACCEPTABLE FILL MATERIAL AND COMPACT TO A DENSITY EQUAL TO ADJACENT SOILS. WORK TO CONFORM WITH 4714.718 AND 4714.720.
 11. WATER SERVICE - PIPING TO CONFORM WITH 4714.604 AND TABLE 604.1 DUCTILE IRON PIPE WITH CURB BOX AND VALVE AND FLANGE FOR SPRINKLER. PROVIDE MECHANICAL JOINTS, THRUST BLOCKS AND CONDUCTIVITY STRAPS. DUCTILE IRON PIPE SHALL COMPLY WITH AWWA C115 AND AWWA C153.



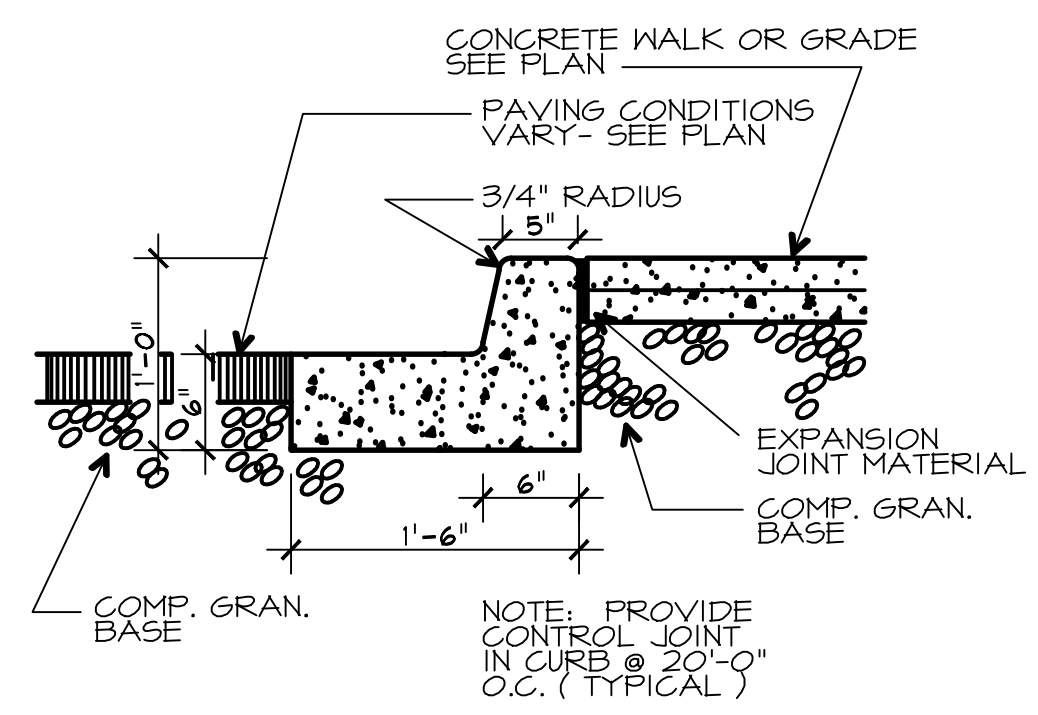
CONC. WALK. JT.

NO SCALE



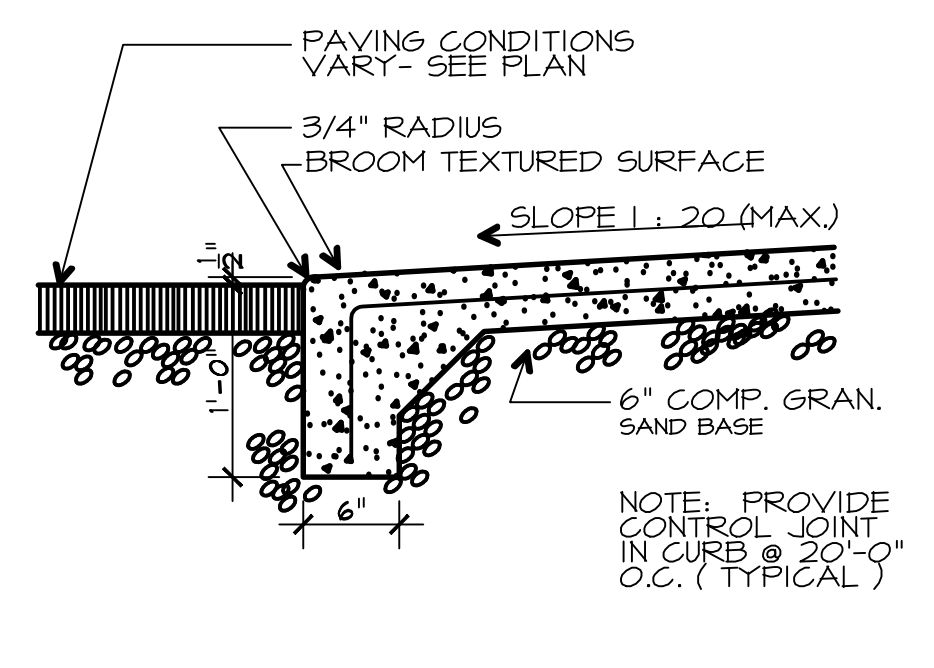
CURB & GRADE

NO SCALE



CURB & WALK

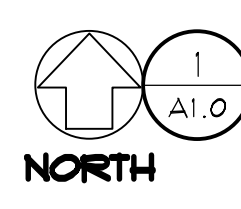
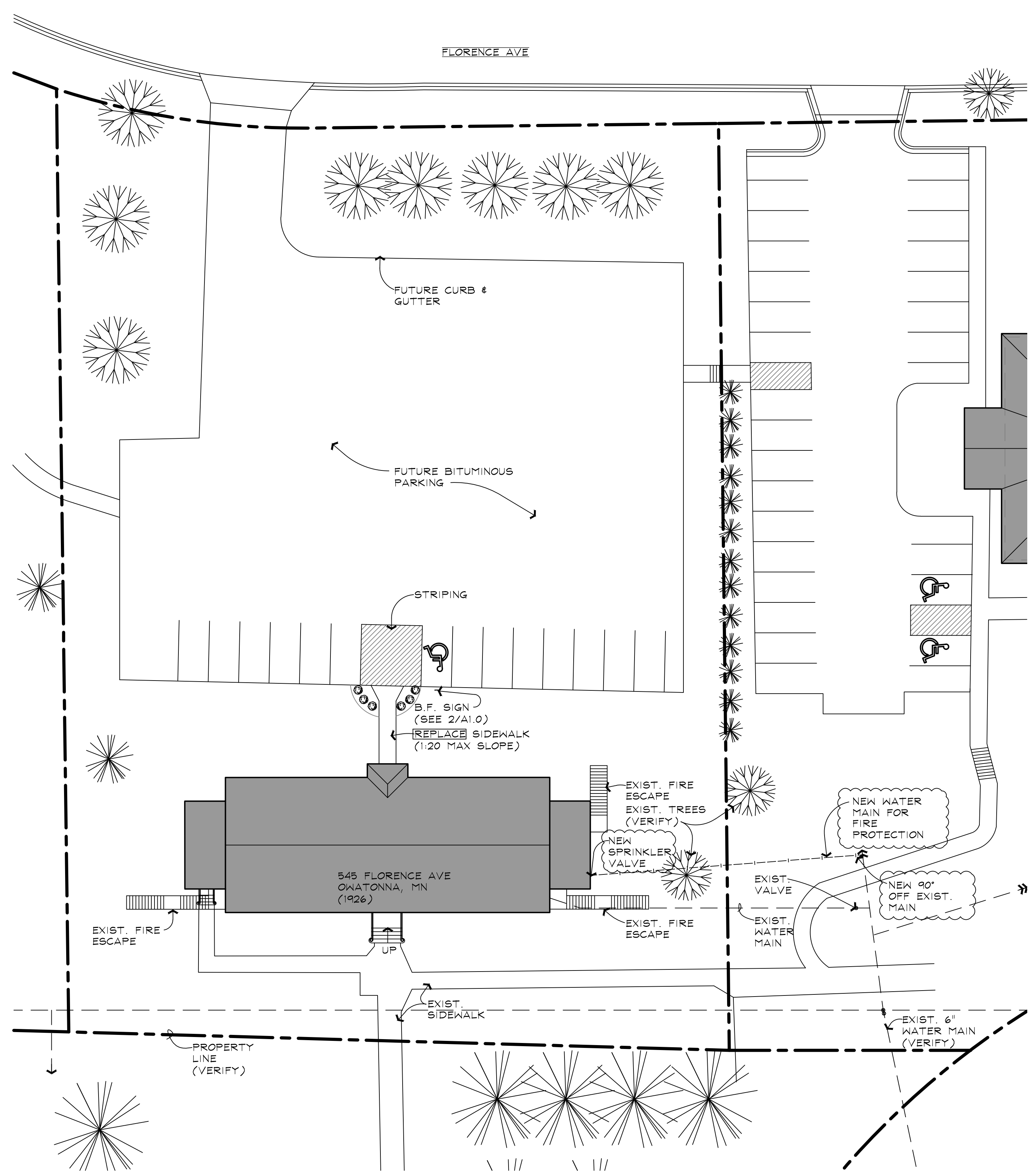
NO SCALE



WALK & ASPHALT

NO SCALE

PROPERTY HAS NOT BEEN SURVEYED. SITE PLAN APPROXIMATED BASED ON AERIAL PHOTOS.



SITE PLAN

SCALE: 1" = 20'-0"

- R-4 ZONING

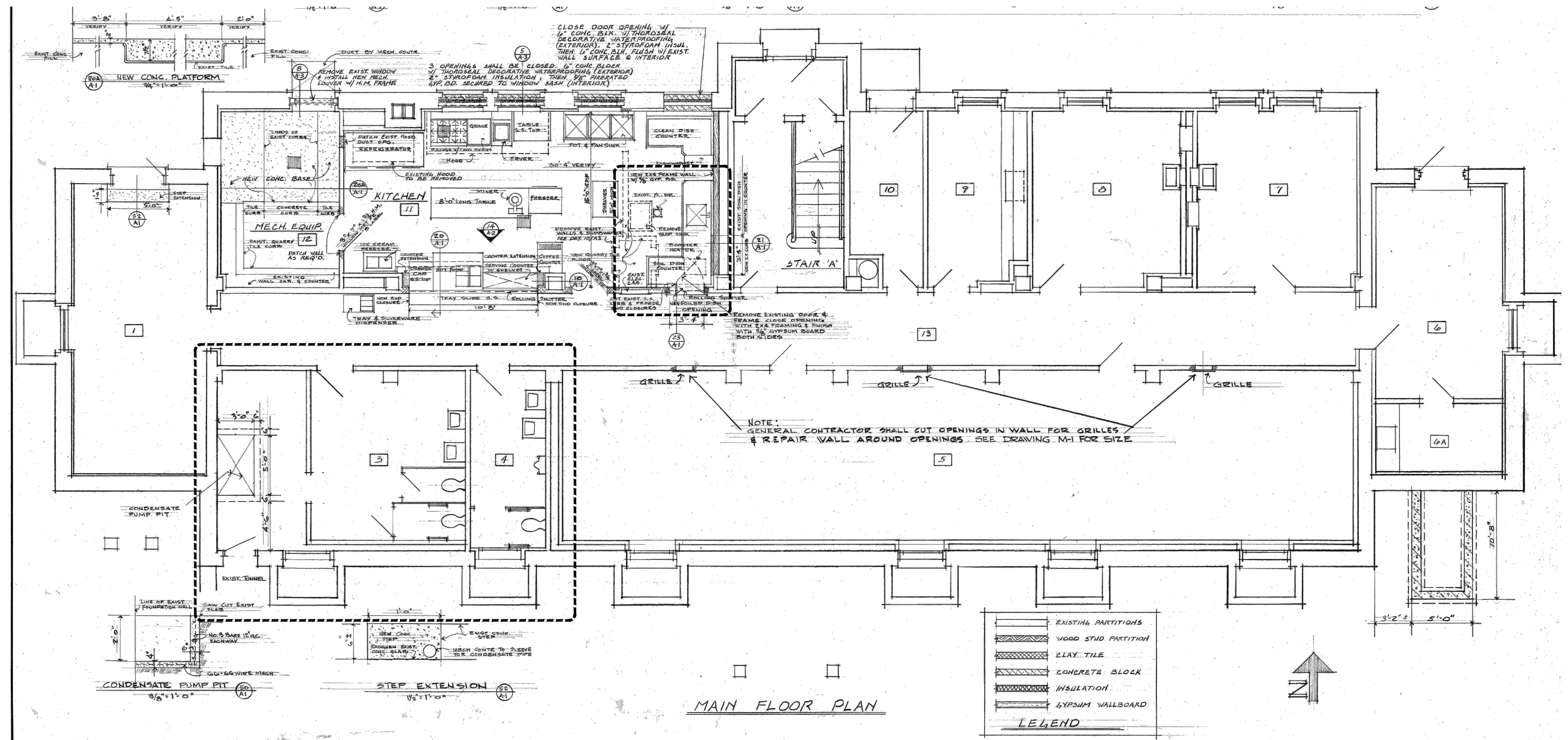
DESIGNED	DJM
DRAWN	LM
CHECKED	DJM
PROJECT	21-008
REVISIONS	

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly licensed architect under the laws of the state of Minnesota.
(architectural only)
David J. Medin
DAVID J. MEDIN
License No. 9895
Date Oct 26, 2021

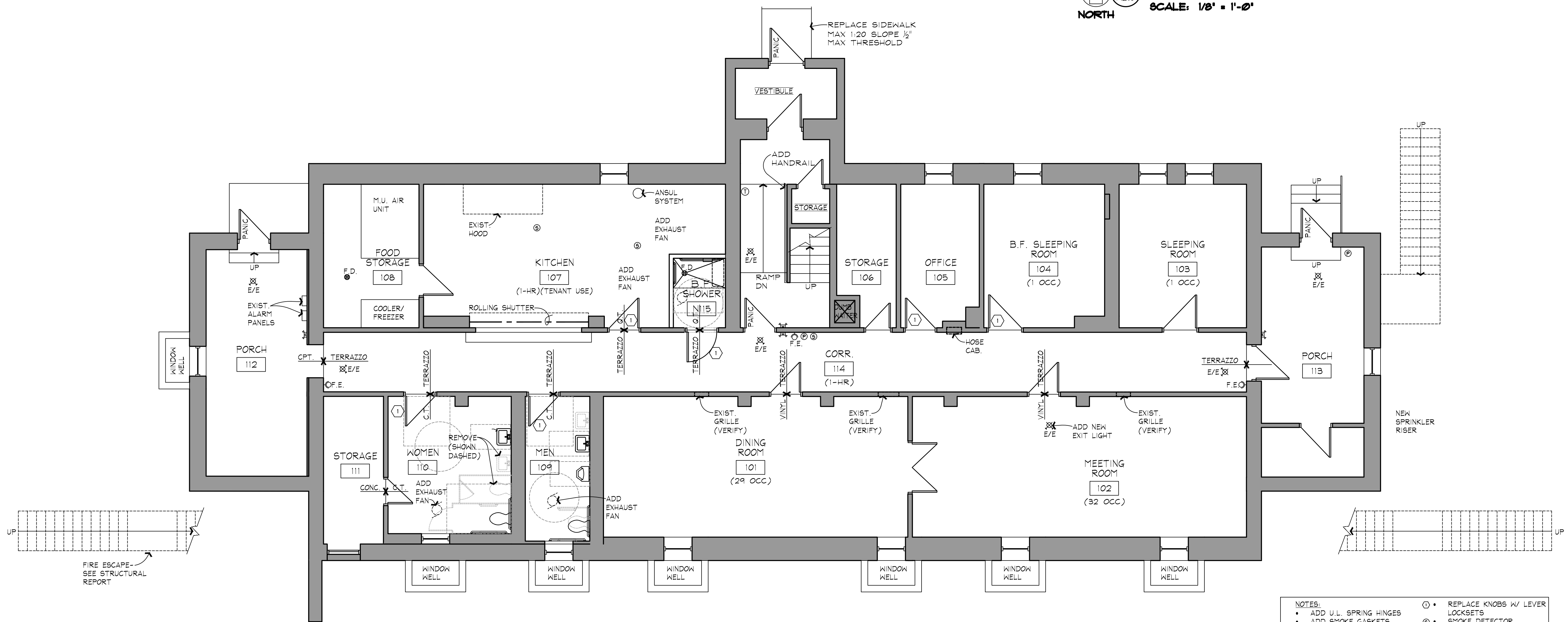
LZL CORP.
FLORENCE GROUP HOME
OWATONNA, MINNESOTA.

DJ MEDIN
architects, inc.
203 n.w. First Ave.
Faribault, MN 55021
507/334-2252

SITE PLAN
A1.0



FLOOR PLAN (1976)
NORTH
SCALE: 1/8" = 1'-0"



MAIN FLOOR PLAN
NORTH
SCALE: 3/16" = 1'-0"

- NOTES:
- ADD U.L. SPRING HINGES
 - ADD SMOKE GASKETS
 - EXIST. WALLS ARE 4" CLAY TILE W/ PLASTER BOTH SIDES
 - REPLACE KNOBS W/ LEVER LOCKSETS
 - SMOKE DETECTOR
 - PULL STATION
 - THERMOSTAT
 - EXIT / EMERGENCY REMOTE HEADS
 - CLG. FAN

DESIGNED	DJM
DRAWN	LMM
CHECKED	DJM
PROJECT	21-008
REVISIONS	

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly licensed architect under the laws of the state of Minnesota.

DAVID J. MEDIN
DAVID J. MEDIN

License No. 0808
Date Nov 02, 2021

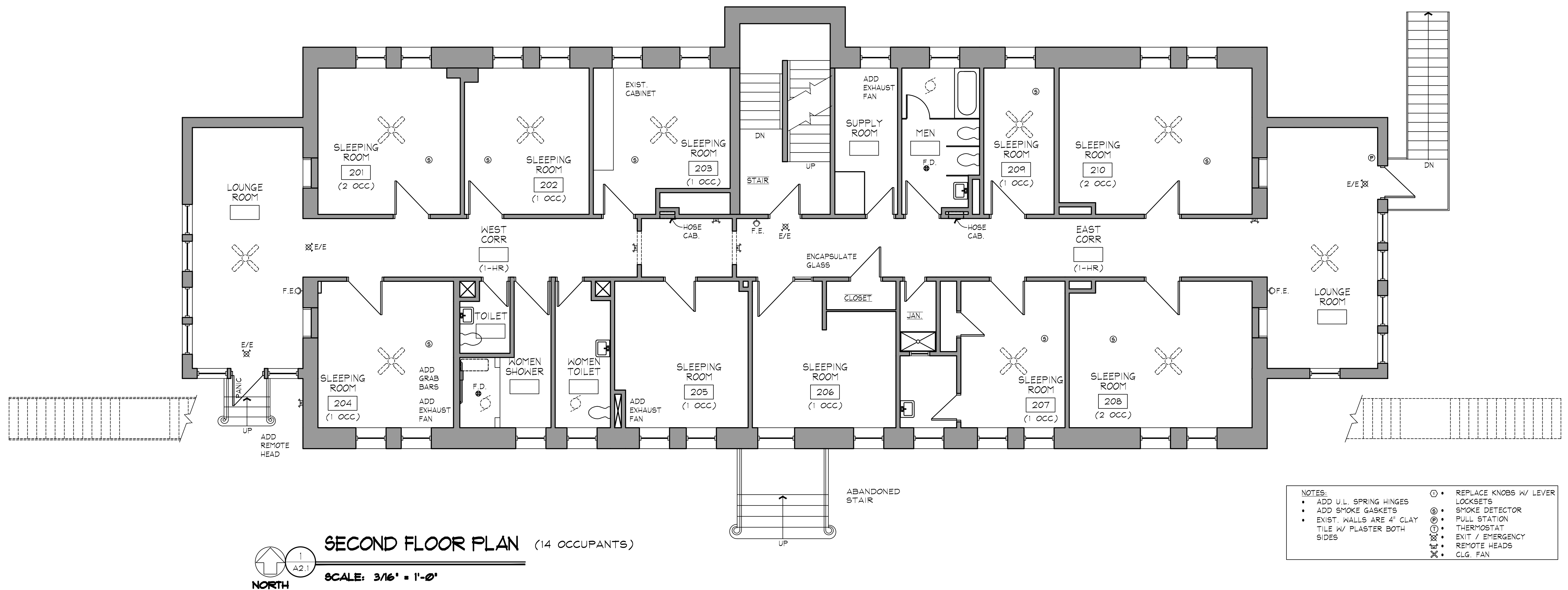
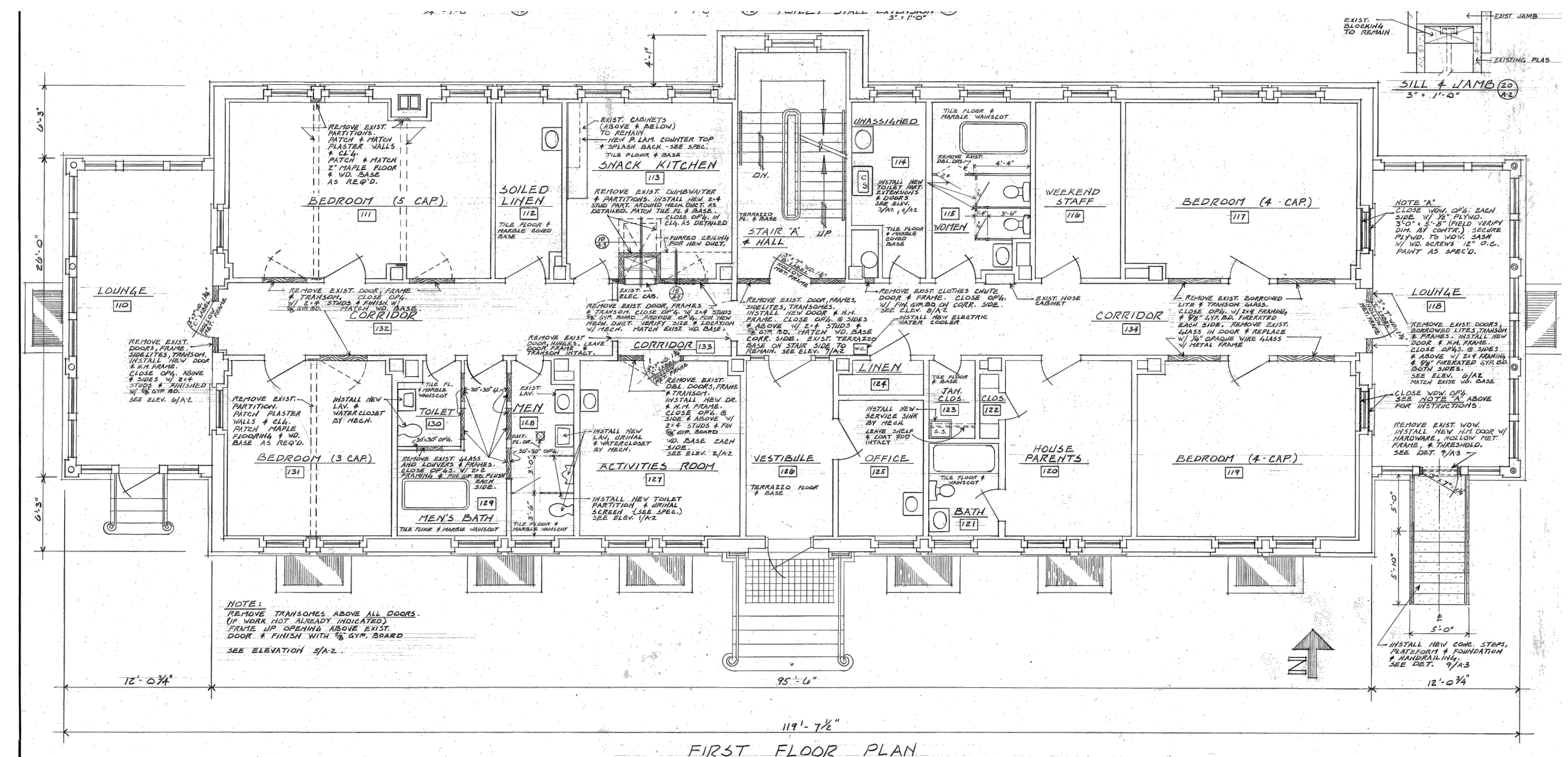
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FLORENCE GROUP HOME
QUATONNA, MINNESOTA

DJ MEDIN
architects, inc.
203 n.w. First Ave.
Faribault, MN 55021

507/334-2252

MAIN
FLOOR PLAN

A2.0



DESIGNED	DJM
DRAWN	LMM
CHECKED	DJM
PROJECT	21-008
REVISIONS	

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly licensed architect under the laws of the state of Minnesota.
 (architectural only)

DAVID J. MEDIN
 DAVID J. MEDIN

License No. 0808
 Date Nov 02, 2021

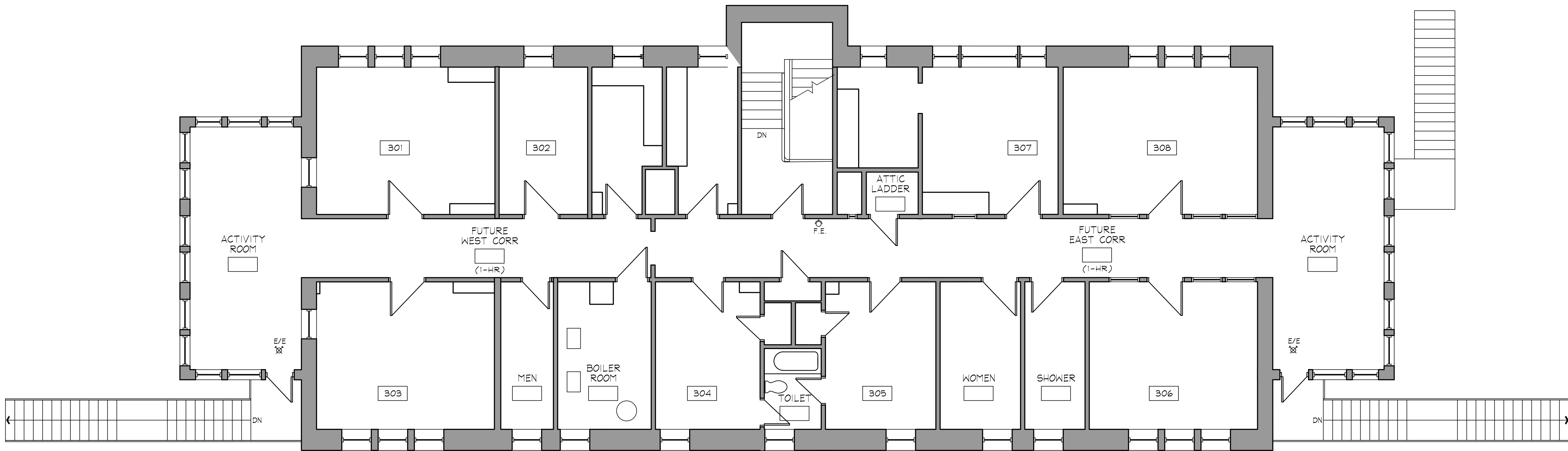
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 QUATONNA, MINNESOTA

DJ MEDIN
 architects, inc.
 203 n.w. First Ave.
 Faribault, MN 55021

507/334-2252

SECOND
 FLOOR PLAN

A2.1



 **THIRD FLOOR PLAN** (NO WORK THIS FLOOR)
SCALE: 3/16" = 1'-0"

- NOTES:
- ADD U.L. SPRING HINGES
 - ADD SMOKE GASKETS
 - EXIST. WALLS ARE 4" CLAY TILE W/ PLASTER BOTH SIDES
 - REPLACE KNOBS W/ LEVER LOCKSETS
 - SMOKE DETECTOR
 - PULL STATION
 - THERMOSTAT
 - EXIT / EMERGENCY REMOTE HEADS
 - CLG. FAN

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DESIGNED	DJM
DRAWN	LMM
CHECKED	DJM
PROJECT	21-008
REVISIONS	

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly licensed architect under the laws of the state of Minnesota.
(architectural only)


DAVID J. MEDIN

License No. 0808
Date Nov 02, 2021

LZL CORP.
FLORENCE GROUP HOME
QUATONNA, MINNESOTA


architects, inc.
203 n.w. First Ave.
Faribault, MN 55021

507/334-2252

THIRD
FLOOR PLAN

A2.2

WEST HILLS LODGE

545 FLORENCE AVE., OWATONNA, MINNESOTA

ABBREVIATIONS:				SYMBOLS:				SHEET INDEX:	
A. A.B. ANCHOR BOLT ACT ACOUSTICAL CEILING TILE ADA AMERICANS DISABILITIES ACT ADD ADDENDUM ADDL. ADDITIONAL ADJ. ADJACENT ADMIN. ADMINISTRATION A.F.F. ABOVE FINISHED FLOOR AHU AIR HANDLING UNIT ALT. ALTERNATE ALUM. ALUMINUM AP ACCESS PANEL APPROX. APPROXIMATE ARCH. ARCHITECTURAL ATC ACOUSTIC TILE CEILING AUTO. AUTOMATIC B. BD. BOARD BIT BITUMINOUS BLDG. BUILDING BLKG. BLOCKING BM. BEAM BOT. BOTTOM BRG. BEARING BSMT. BASEMENT C. CAB. CABINET C.J. CONSTRUCTION JOINT CLG. CEILING CLR. CLEAR CMU. CONCRETE MASONRY UNITS COL. COLUMN COMB. COMBINATION CONC. CONCRETE CONF. CONFERENCE CONN. CONNECTION CONST. CONSTRUCTION CONT. CONTINUOUS CONTR. CONTRACTOR COORD. COORDINATE CORR. CORRIDOR CPT. CARPET CTR. CERAMIC TILE CENTER D. DEMO. DEMOLITION DEPT. DEPARTMENT DF. DRINKING FOUNTAIN DIA. DIAMETER DIA. DIAGONAL DIM. DIMENSION DIP. DIPENSER DIST. DISTRIBUTION DIV. DIVISION DN. DOWN DP. DEEP E. EA. EACH EF. EXHAUST FAN EIFS. EXTERIOR INSULATION FINISH EL. ELEVATION ELEC. ELECTRICAL ELEV. ELEVATOR EMERG. EMERGENCY ENCL. ENCLOSURE ENTR. ENTRANCE EQ. EQUAL EQUIP. EQUIPMENT EX. EXISTING EXIST. EXISTING EXP. EXPANSION EXT. EXTERIOR F. FD. FLOOR DRAIN FOUNDATION FIN. FIRE EXTINGUISHER FINISH FLR. FLOOR FRP. FIBERGLASS REINFORCED PANEL FT. FOOT/FEET FTN. FOUNTAIN FUT. FUTURE G. GA. GAUGE GALV. GALVANIZED GB. GRAB BAR GEN. GENERAL GYP. GYPSUM H. HB. HIGH HD. HOSE BIBB HDGP. HAND DRYER HDR. HEADER HGT. HEIGHT HM. HOLLOW METAL HORIZ. HORIZONTAL HR. HOUR HTR. HEATER HVAC. HEATING VENTILATING AIR-CONDITIONING I. IN. INCH INSUL. INSULATION INT. INTERIOR J. JAN. JANITOR JST. JOIST JT. JOINT K. KO. KNOCK OUT L. LAM. LAMINATE LAV. LAVATORY LB. POUND LIN. LINEAR LVR. LOUVER M. MATL. MATERIAL MAX. MAXIMUM MECH. MECHANICAL MEMB. MEMBRANE MTL. METAL MEZZ. MEZZANINE MFG. MANUFACTURING MFR. MANUFACTURER MIN. MINIMUM MIR. MIRROR MISC. MISCELLANEOUS M.O. MASONRY OPENING MTD. MOUNTED N. N/A. NOT APPLICABLE NIC. NOT IN CONTRACT NO. NUMBER NOM. NOMINAL NTS. NOT TO SCALE O. OC. ON CENTER OPP. OPPOSITE P. PL. PLATE PLAM. PLASTIC LAMINATE PLMB. PLUMBING PLWD. PLYWOOD PNL. PANEL PR. PAIR PRELIM. PRELIMINARY Q. QT. QUARRY TILE R. RD. RADIUS RO. ROOF DRAIN REBAR. REINFORCING ROD REC. RECESSED REF. REFERENCE REFRIG. REFRIGERATOR REINF. REINFORCING REQD. REQUIRED REV. REVISION RM. ROOM RO. ROUGH OPENING S. SCHED. SCHEDULE SD. SMOKE DAMPER SECT. SECTION SH. SHELF SHR. SHOWER SHT. SHEET SHTG. SHEATHING SIM. SIMILAR SPEC. SPECIFICATION ST. STREET SQ. SQUARE STD. STANDARD STL. STEEL STOR. STORAGE STRUCT. STRUCTURAL SUPV. SUPERVISOR SUSP. SUSPENDED T. TEMP. TEMPERED T. TEMPERED TERR. TERRAZZO T&G. TONGUE AND GROOVE T-HOLD. THRESHOLD TS. TUBE STEEL TV. TELEVISION TYP. TYPICAL U. UNFIN. UNFINISHED UNO. UNLESS NOTED OTHERWISE UR. URINAL UTIL. UTILITY V. VCT. VINYL COMPOSITION TILE VENT. VENTILATION VERT. VERTICAL VEST. VESTIBULE W. WIDE W/ WITH W/O. WITHOUT WD. WOOD WDW. WINDOW WGT. WEIGHT W-STRIP. WEATHERSTRIP W.W.F. WELDED WIRE MESH WP. WATERPROOF Y. YD. YARD L. ANGLE E. AND C. CENTER LINE S. STRUCTURAL LINE Ø. DIAMETER				VESTIBULE ROOM NAME ROOM NUMBER DOOR NUMBER WINDOW IDENTIFICATION ELEVATION DATUM REVISION MARKER WALL SECTION MARKER ELEVATION MARKER ENLARGED DETAIL INDICATOR EXIT SIGN/ EMERGENCY LIGHT NEW DOOR EXISTING DOOR EXISTING WALL CONSTRUCTION NEW WALL CONSTRUCTION CONCRETE CONCRETE BLOCK OUTSET GIRT W/ METAL WALL PANEL BREAK LINE		ARCHITECTURAL A0.0 TITLE SHEET A1.0 SITE PLAN A2.0 MAIN FLOOR PLAN A2.1 SECOND FLOOR PLAN A2.2 THIRD FLOOR PLAN A3.0 ENLARGED MAIN FLOOR PLAN A5.0 EXTERIOR ELEVATIONS CIVIL (N/C) ELECTRICAL (BY OTHERS) PLUMBING (BY OTHERS) MECHANICAL (BY OTHERS) DESIGN PROFESSIONAL IN RESPONSIBLE CHARGE DJ MEDIN architects, inc. I, DAVID MEDIN, AM THE DESIGN PROFESSIONAL IN RESPONSIBLE CHARGE FOR THE FLORENCE GROUP HOME PROJECT.			
GENERAL NOTES:				CODE REVIEW:				PROJECT DIRECTORY:	
1. ALL CONSTRUCTION ON THIS PROJECT SHALL CONFORM TO CITY, STATE, AND FEDERAL CODES GOVERNING NEW CONSTRUCTION IN THIS COMMUNITY. 2. THE DESIGNS AND DRAWINGS ARE THE PROPERTY OF THE ARCHITECT AND CAN BE REPRODUCED ONLY WITH THE ARCHITECT'S PERMISSION. 3. ALL MECHANICAL, ELECTRICAL, AND PLUMBING DRAWINGS TO BE SUBMITTED BY RESPECTIVE SUB-CONTRACTORS. 4. MECHANICAL SUPPLIER TO COORDINATE W/ROOF INSTALLER FOR PROPER INSTALLATION FOR ROOF PENETRATIONS, (STACKS/VENTS/ETC.) 5. CONTRACTOR TO COORDINATE W/LOCAL INSPECTOR/FIRE MARSHALL AS TO TYPES/QUANTITY/LOCATIONS OF SMOKE DETECTORS/FIRE ALARMS/ AND FIRE EXTINGUISHERS. 6. ELECTRICAL CONTRACTOR TO VERIFY W/OWNER AS TO LOCATION OF ADDITIONAL ELECTRICAL PANELS IF REQUIRED. 7. SEE ROOM FINISH SCHEDULE SHEET A4.0 FOR INTERIOR FINISH REQUIREMENTS. 8. WHEEL CHAIR TURNING SPACE-THE SPACE REQUIRED FOR A WHEELCHAIR TO MAKE A 180 DEGREE TURN IS A CLEAR SPACE OF 60 INCHES IN DIAMETER. (SECT. 4.2.3, ADA). 9. CLEAR FLOOR OR GROUND SPACE FOR WHEELCHAIRS, (DUE TO INSET DOOR SWING CLEARANCE), MINIMUM SPACE REQUIRED TO ACCOMMODATE A SINGLE STATIONARY WHEELCHAIR AND OCCUPANT IS 30 INCHES BY 48 INCHES. THIS SPACE MAY BE POSITIONED FOR FORWARD OR PARALLEL APPROACH TO AN OBJECT AND MAY BE PART OF THE KNEE SPACE REQUIRED UNDER SOME OBJECTS. (SECT. 4.2.4, ADA). 10. ELECTRICAL CONTRACTOR TO PROVIDE CONDUITS FOR SITE LIGHTING AND SIGNAGE AND PROVIDE STUB-OUTS FOR FUTURE IF NEEDED. 11. ALL EXTERIOR LIGHTING, INCLUDING THOSE ON POLES AND ATTACHED ON BUILDING, SHOULD BE DESIGNED AS 'CUTOFF' STYLE.				BUILDING CODE: 2020 MINNESOTA STATE BUILDING CODE -2020 MINNESOTA CONSERVATION CODE FOR EXISTING BUILDINGS (CHAP. 131) - WORK AREA COMPLIANCE METHOD (ALTERATION - LEVEL 2) -2020 MINNESOTA ACCESSIBILITY CODE (CHAP. 134) CITY OF OWATONNA ZONING ORDINANCES 545 FLORENCE AVE. OWATONNA, MN 55060 PROPERTY ADDRESS: OCCUPANCY: R-2 (BOARDING HOUSE) CONSTRUCTION TYPE: V-B AUTOMATIC SPRINKLER SYSTEM: NFPA 13R SPRINKLER ALLOWABLE AREA: UNLIMITED (R-3, WITH NFPA 13R SPRINKLER, TYPE V-B) (TABLE 506.2) ALLOWABLE HEIGHTS AND STORIES: (TABLES 504.3 & 504.4) 60 FEET, 4 STORIES FOR R-3 OCCUPANCY WITH NFPA 13R SPRINKLER (TYPE V-B) BUILDING AREA: 4,391 SQ.FT. (FOOTPRINT) ACTUAL HEIGHT: 3 STORY, 51'-0"± CODE CALCULATED OCCUPANT LOAD: (TABLE 1004.5) MAIN LEVEL: OFFICES: 503/150 = 3 DINING/MEETING: 906/15 = 60 (c.) RES. SLEEPING: SEE a = 4 KITCHEN: 440/200 = 2 STORAGE: 332/300 = 1 TOTAL = 73 OCCUPANTS SECOND LEVEL: RESIDENTIAL: SEE b = 32 STORAGE: 91/300 = 1 TOTAL = 33 OCCUPANTS THIRD LEVEL: THIS LEVEL IS NOT BEING OCCUPIED TOTAL BUILDING = 106 OCCUPANTS a. OCCUPANTS BASED ON AREA AFTER TURNING RADIUS AND ACCESS ISLES WERE SUBTRACTED. b. OCCUPANT LOAD BASED ON INDIVIDUAL ROOM SQ. FT. WITH OCC. LOAD FACTOR OF 50 SQ. FT. PER OCCUPANT - SEE FLOOR PLAN c. DINING ROOM AND MEETING ROOM OCC. NOT INCLUDED FOR REQUIRED PLUMBING SHOWER FIXTURES. SHOWER OCCUPANTS BASED ON RESIDENTS SLEEPING OCC.				PLUMBING FIXTURES (TABLE 2902.1): (BASED ON RES. SLEEPING OCCUPANT LOAD) RESIDENTIAL CONGREGATE LIVING OCCUPANTS = 46 (23 MEN, 23 WOMEN) W.C. = 1/10 LAV = 1/10 TUB/SHWR = 1/8 D.F. = 1/100 = 2.3 WC EACH; 2.3 LAV EACH; 2.9 BATHTUB OR SHOWER EACH; 46 D.F. PLUMBING FIXTURES REQUIRED: MEN: 3 WC, 3 LAV, 3 BATHTUB/SHOWER WOMEN: 3 WC, 3 LAV, 3 BATHTUB/SHOWER 1 DRINKING FOUNTAIN 1 SERVICE SINK PLUMBING FIXTURES PROVIDED: MEN: 4 WC, 3 LAV, 1 URINAL 4 SHWR. WOMEN: 3 WC, 3 LAV, 2 SHWR UNISEX: 1 SHWR (MAIN LEVEL) 1 DRINKING FOUNTAINS 1 SERVICE SINK ADA ACCESSIBLE UNIT: TWO (MAIN LEVEL) CORRIDORS (1020): 1 HOUR RATING REQUIRED FOR OCCUPANCY TYPE R (NFPA 13R) 44" MINIMUM WIDTH DEAD-END CORRIDORS SHALL NOT EXCEED 20 FEET 1-HR CORRIDOR DOORS TO BE RATED 20 MIN WITH SELF CLOSING HINGES AND GASKETS. TYPICAL EXISTING CORRIDOR WALL: 4" CLAY TILE WITH PLASTER ON BOTH SIDES.	

DESIGNED	DJM
DRAWN	DSC
CHECKED	DJM
PROJECT	23040
REVISIONS	

ISSUED FOR PERMIT 12-22-23

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly licensed architect under the laws of the state of Minnesota. (architectural only)

DAVID J. MEDIN

License No. 9898

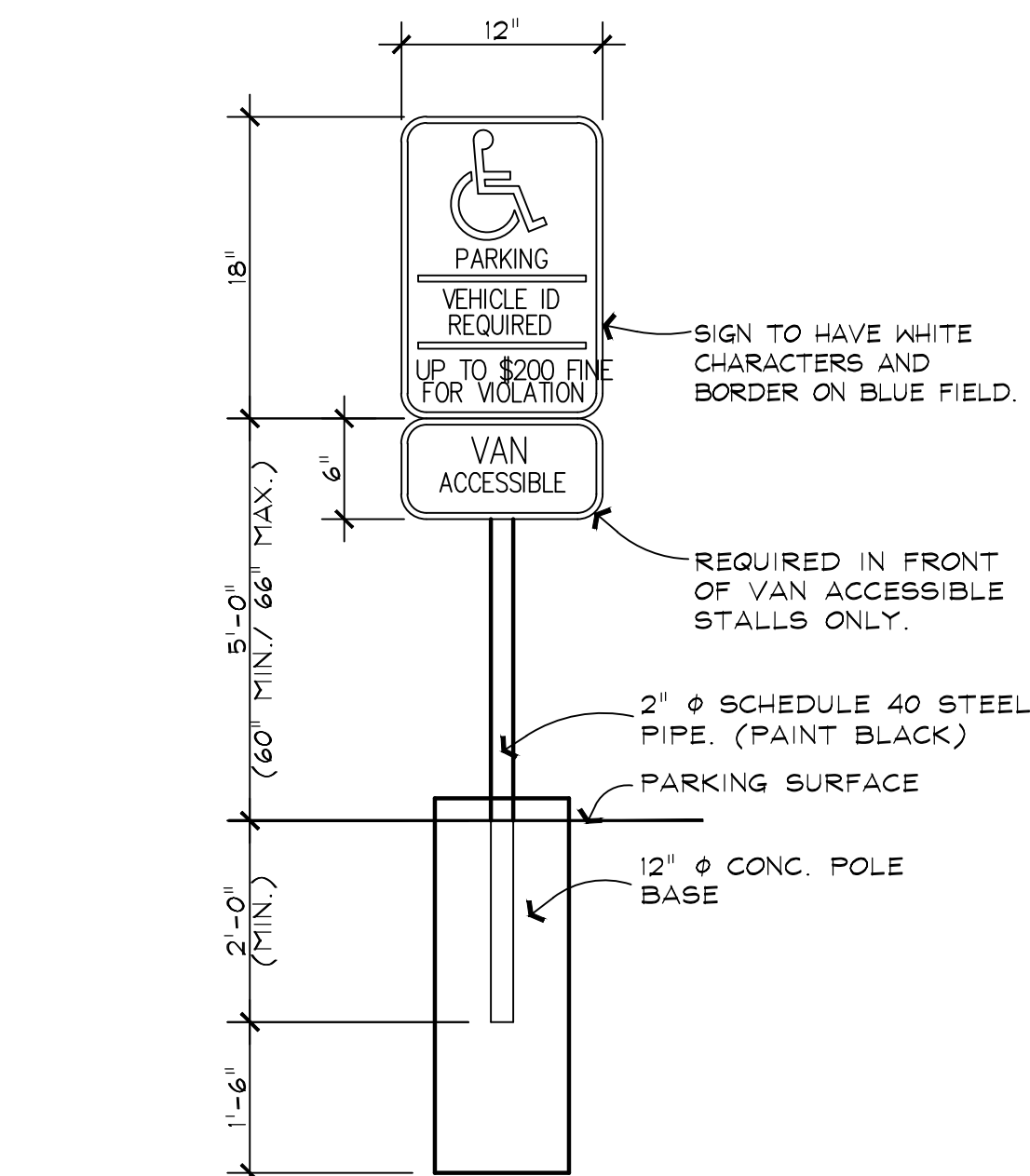
Date Nov 22, 2024

WEST HILL LODGE
545 FLORENCE AVE
MINNESOTA
OWATONNA

DJ MEDIN architects, inc.
203 n.w. First Ave.
Faribault, MN 55021
507/334-2252

TITLE SHEET

A0.0

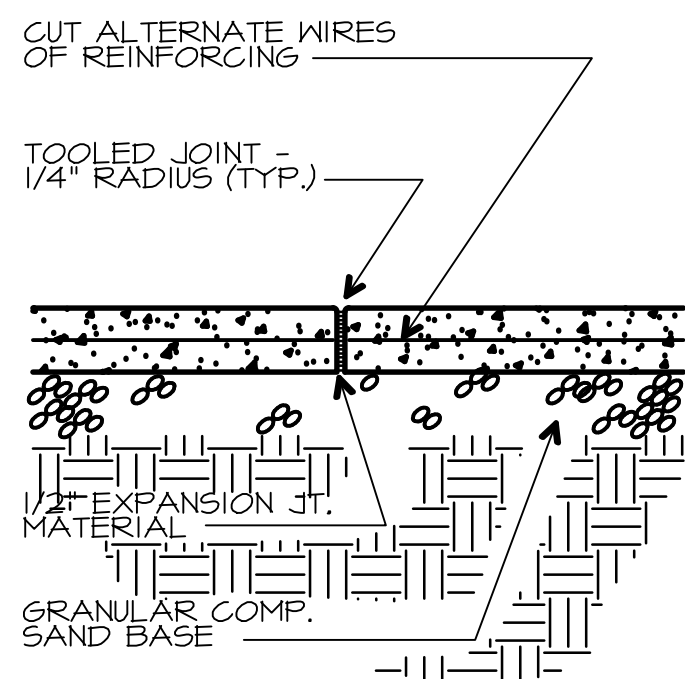


B.F. PARKING SIGN

SCALE: NONE

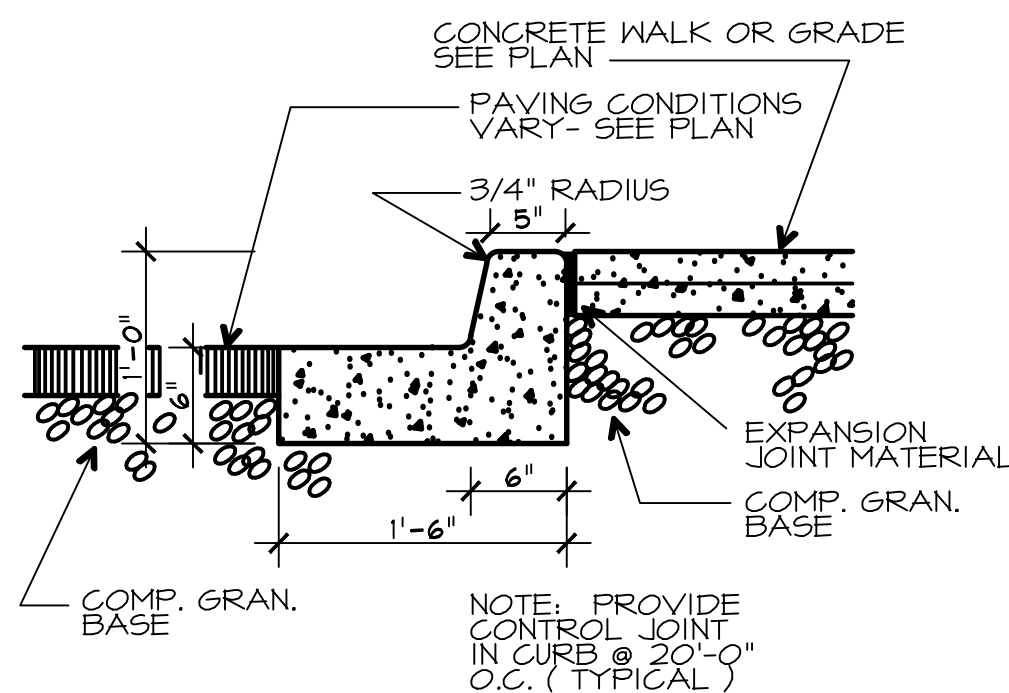
- * SIGN TO MEET MINNESOTA STATE BUILDING CODE AND ADA STANDARDS
- * SIGN TO BE LOCATED A MAXIMUM OF EIGHT FEET FROM HEAD OF PARKING STALL

- WATER MAIN SPECIFICATIONS:
1. GENERAL CONDITIONS - THE GENERAL CONDITIONS OF THE CONTRACT AND GENERAL REQUIREMENTS SHALL APPLY TO ALL WORK OF THIS DIVISION AND SHALL BE REFERRED AS PART OF THE CONTRACT DOCUMENTS.
 2. SCOPE OF WORK - THE SCOPE OF THIS PROJECT INCLUDES, BUT IS NOT LIMITED TO, THE COMPLETE FURNISHING AND INSTALL OF ALL EQUIPMENT, MATERIALS, ITEMS AND LABOR AS REQUIRED FOR NEW WATER MAIN SERVICE FOR THE FIRE PROTECTION SYSTEM.
 3. QUALITY - THE WORK FURNISHED SHALL BE IN A NEAT, WORKMAN-LIKE MANNER BY EXPERIENCED AND SKILLED PERSONS. ALL MATERIALS AND EQUIPMENT SHALL BE NEW. ALL INSTALLATIONS SHALL BE SQUARE AND TRUE TO BUILDING LINES.
 4. DRAWINGS - THE MECHANICAL LAYOUT SHOWN IS ONLY DIAGRAMMATIC. THE CONTRACTOR SHALL BE RESPONSIBLE FOR EXACT LOCATIONS, VERIFYING OF EXISTING CONDITIONS, CO-ORDINATION OF DRAWINGS AND CO-ORDINATION WITH OTHERS TRADE.
 5. THE WATER SERVICE SHALL BE INSTALLED IN ACCORDANCE WITH THE 2015 MINNESOTA STATE PLUMBING CODE CHAPTER 4714 AS AMENDED AND THESE PLANS.
 6. PROPER SEPARATION OF SEWER AND WATER SHALL BE MAINTAINED TO COMPLY WITH SECTION 4714.609.
 7. THE PLUMBING SYSTEM SHALL BE TESTED IN ACCORDANCE WITH SECTION 4714.609.4 AND 4714.712.
 8. THE WATER PIPING SYSTEM SHALL BE DISINFECTED IN ACCORDANCE WITH SECTION 4714.609.9.
 9. DO NECESSARY EXCAVATION TO COMPLETE THE WORK SHOWN. THE EXCAVATION SHALL BE PRINCIPALLY OF THE OPEN TRENCH METHOD MEETING SAFETY REQUIREMENTS. WORK TO CONFORM TO 4714.718 AND 4714.720.
 10. BACKFILL TRENCHES WITH ACCEPTABLE FILL MATERIAL AND COMPACT TO A DENSITY EQUAL TO ADJACENT SOILS. WORK TO CONFORM WITH 4714.718 AND 4714.720.
 11. WATER SERVICE - PIPING TO CONFORM WITH 4714.604 AND TABLE 604.1 DUCTILE IRON PIPE WITH CURB BOX AND VALVE AND FLANGE FOR SPRINKLER. PROVIDE MECHANICAL JOINTS, THRUST BLOCKS AND CONDUCTIVITY STRAPS. DUCTILE IRON PIPE SHALL COMPLY WITH AWWA C115 AND AWWA C153.



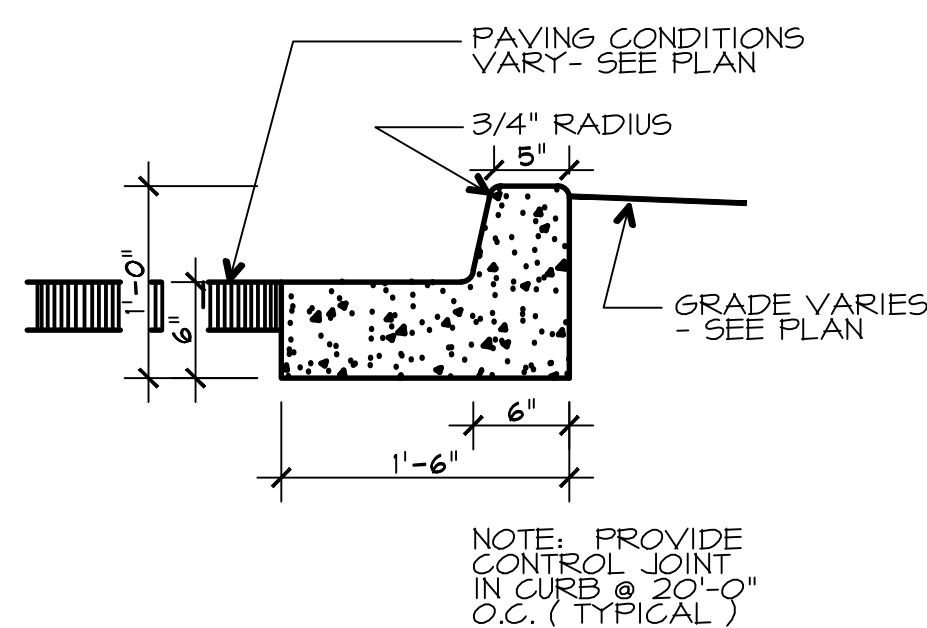
CONC. WALK. JT.

NO SCALE



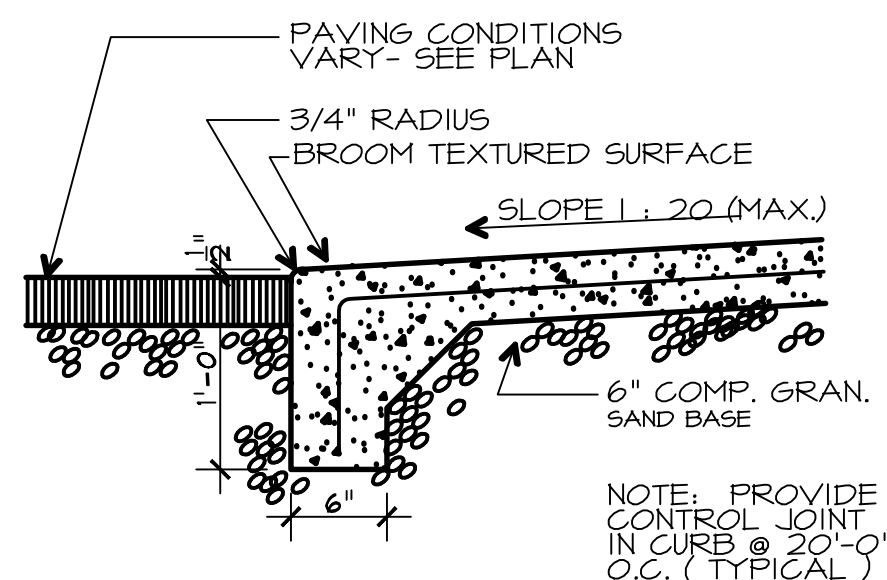
CURB & WALK

NO SCALE



CURB & GRADE

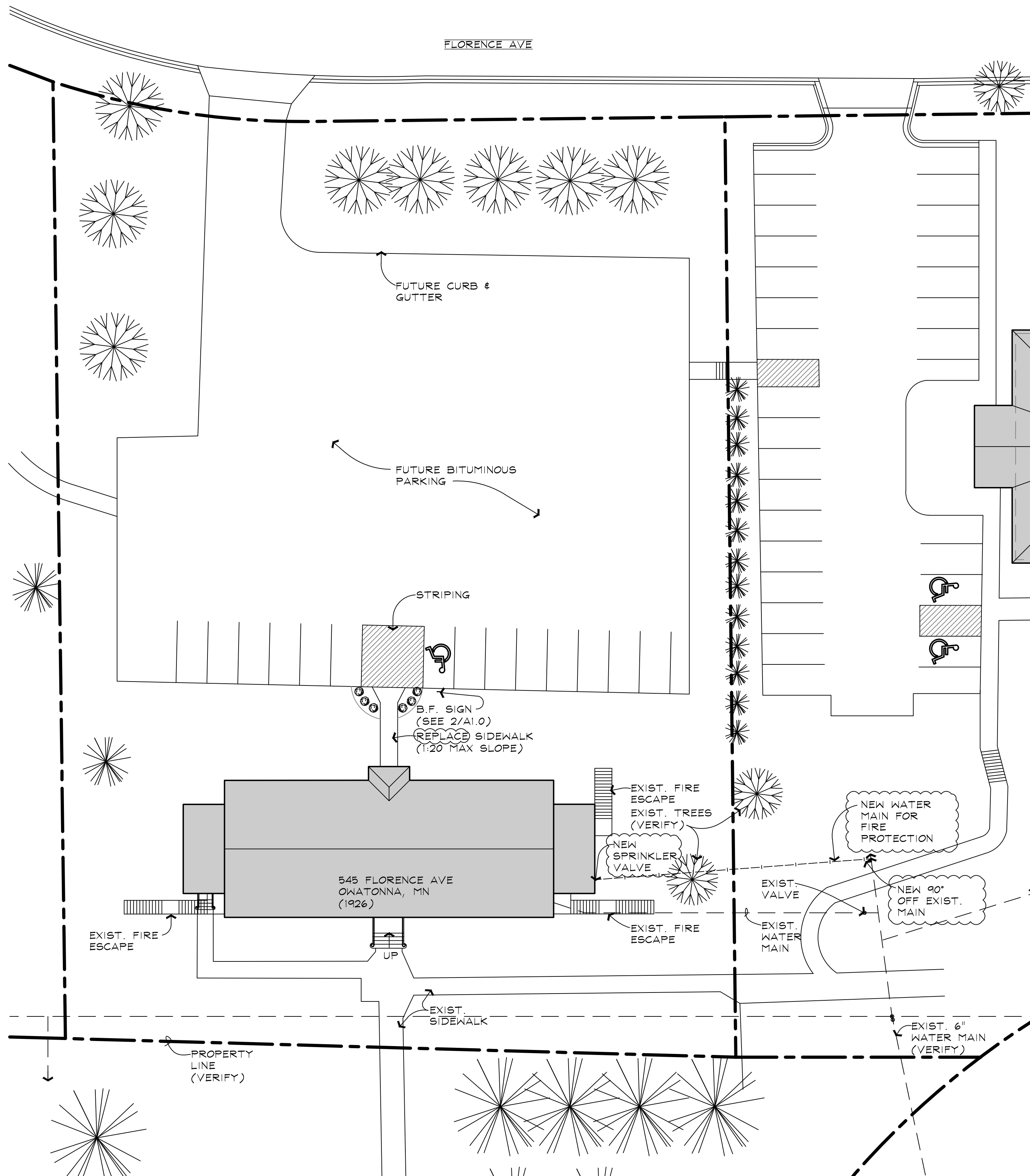
NO SCALE



WALK & ASPHALT

NO SCALE

PROPERTY HAS NOT BEEN SURVEYED. SITE PLAN APPROXIMATED BASED ON AERIAL PHOTOS.



SITE PLAN

SCALE: 1" = 20'-0"

- R-4 ZONING

DESIGNED	DJM
DRAWN	LMM
CHECKED	DJM
PROJECT	23040
REVISIONS	

ISSUED FOR PERMIT 12-22-23

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly licensed architect under the laws of the state of Minnesota. (architectural only)

DAVID J. MEDIN

License No. 9898

Date Nov 22, 2024

WEST HILL LODGE
545 FLORENCE AVE
OWATONNA
MINNESOTA

DJ MEDIN
architects, inc.
203 N.W. First Ave.
Faribault, MN 55021
507/334-2252

SITE PLAN

A1.0

DESIGNED	DJM
DRAWN	DSC
CHECKED	DJM
PROJECT	23040
REVISIONS	

ISSUED FOR PERMIT 12-22-23

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DAVID J. MEDIN

License No. 0808

Date Nov 22, 2024

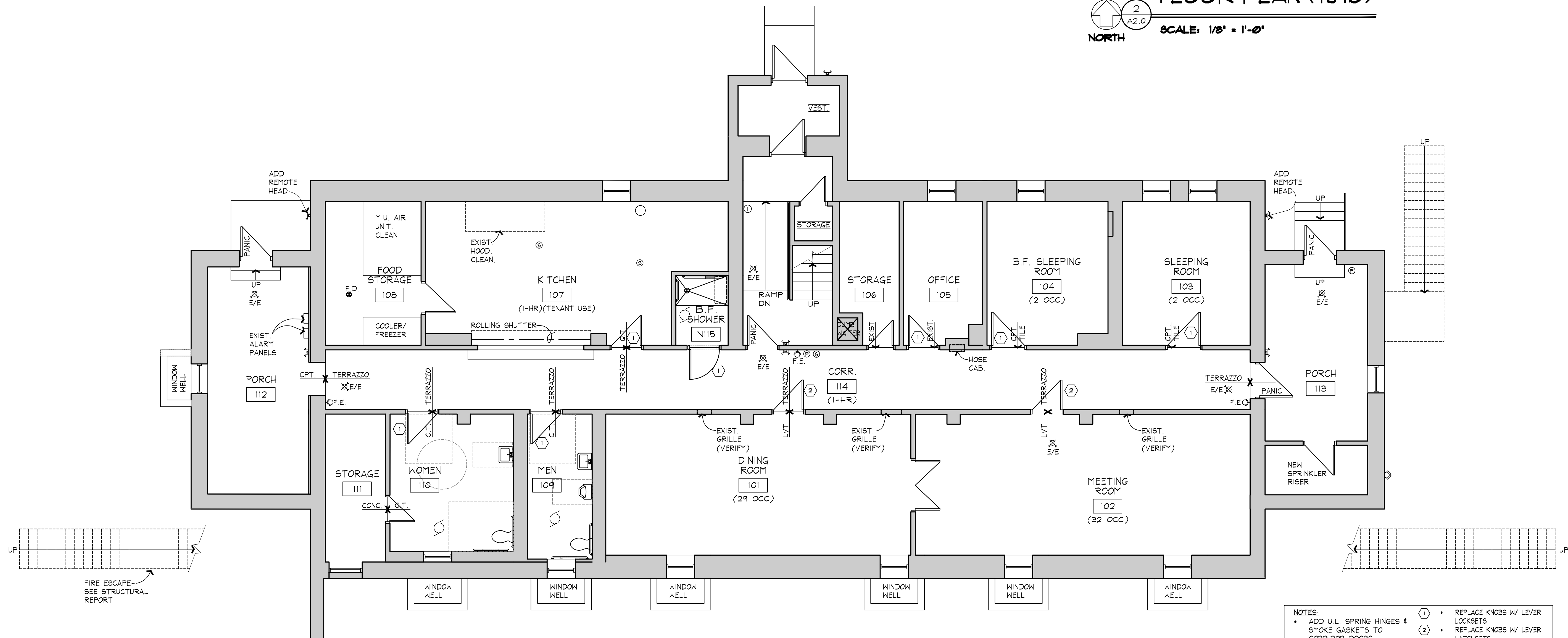
WEST HILL LODGE
545 FLORENCE AVE
QUATONNA MINNESOTA

DJ MEDIN
architects, inc.
203 N.W. First Ave.
Faribault, MN 55021
507/334-2252

MAIN
FLOOR PLAN

A2.0

FLOOR PLAN (1976)
SCALE: 1/8" = 1'-0"
NORTH



MAIN FLOOR PLAN
SCALE: 3/16" = 1'-0"
NORTH

- NOTES:
- ADD U.L. SPRING HINGES & SMOKE GASKETS TO CORRIDOR DOORS
 - EXIST. WALLS ARE 4" CLAY TILE W/ PLASTER BOTH SIDES. FIRE CAULK ALL PENETRATIONS.
 - ① • REPLACE KNOBS W/ LEVER LOCKSETS
 - ② • REPLACE KNOBS W/ LEVER LATCHSETS
 - ③ • SMOKE DETECTOR
 - ④ • PULL STATION
 - ⑤ • THERMOSTAT
 - ⑥ • EXIT / EMERGENCY REMOTE HEADS
 - ⑦ • CLG. FAN

DESIGNED	DJM
DRAWN	DSC
CHECKED	DJM
PROJECT	23040
REVISIONS	

ISSUED FOR PERMIT 12-22-23

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DAVID J. MEDIN

License No. 0808

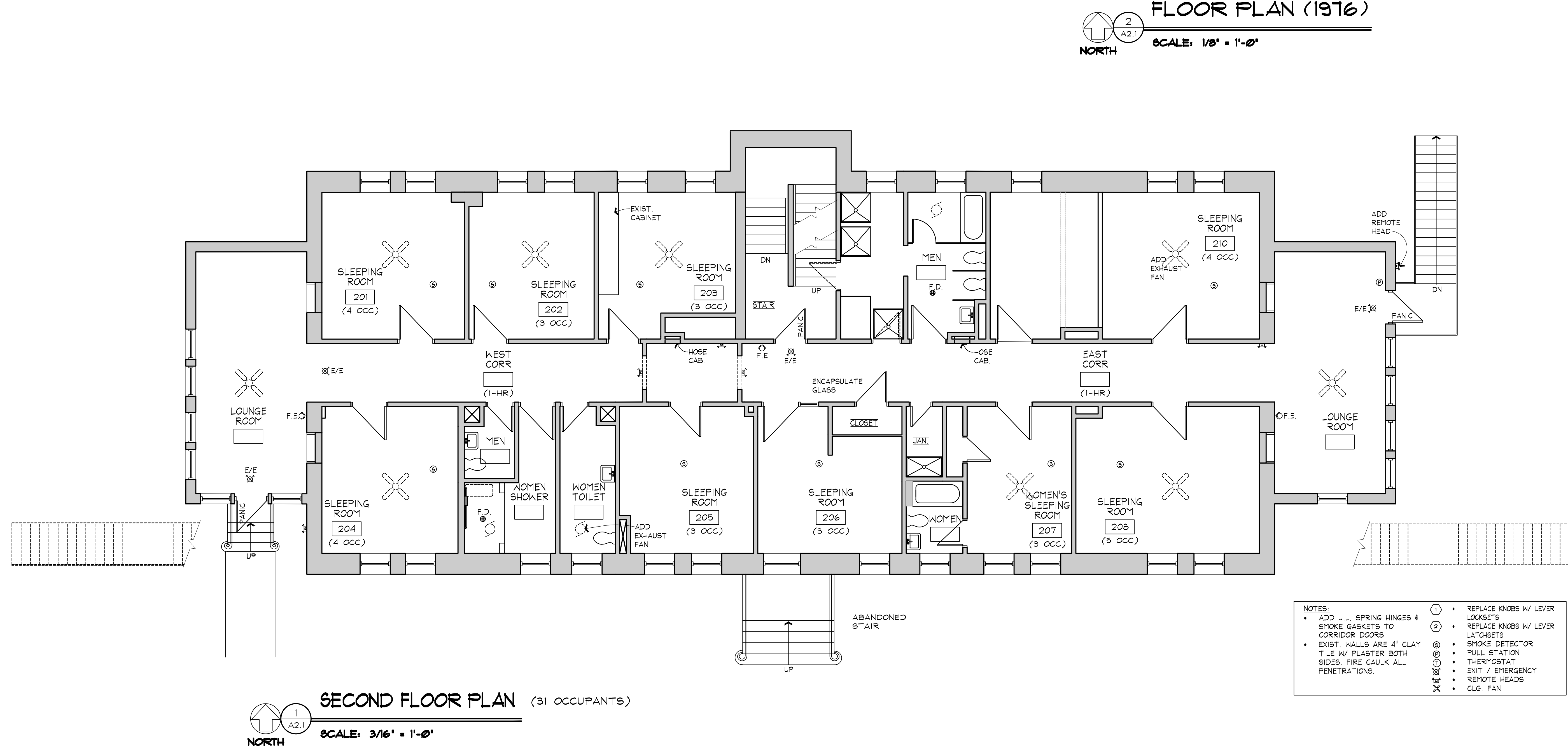
Date Nov 22, 2024

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QUATONNA MINNESOTA

DJ MEDIN
architects, inc.
203 N.W. First Ave.
Faribault, MN 55021
507/334-2252

SECOND FLOOR PLAN

A2.1



ISSUED FOR PERMIT 12-22-23

DAVID J. MEDIN

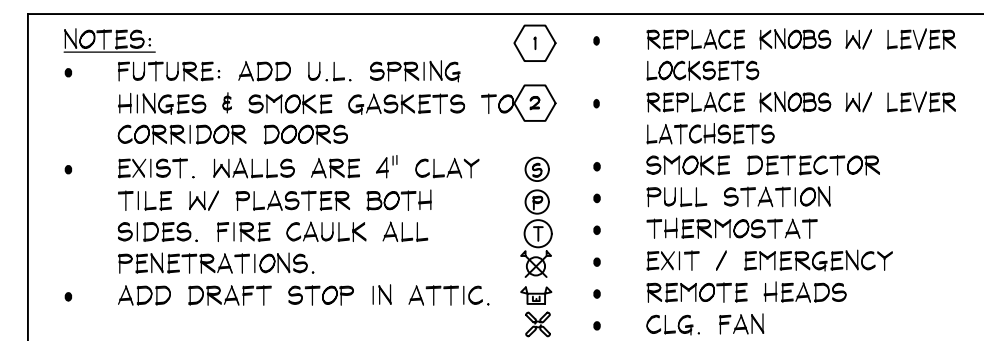
License No. 9898

Date Nov 22, 2024

DJ MEDIN
architects, inc.
203 n.w. First Ave.
Fairbault, MN 55021
507/334-2252

THIRD
FLOOR PLAN

A2.2



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KFI Staffing – West Lodge Narrative

KFI Staffing specifically helps manufacturers across the country fill entry-level general labor roles. KFI Staffing has a unique model that aims to level set employment needs through filling large volumes of open roles while providing housing and transportation to our temporary workforce. KFI Staffing sources talent from around the country to bring new talent pools to areas that are struggling to find quality candidates.

KFI Staffing believes that the traditional staffing model is broken. Too many HR and Plant leaders are banging their heads against the wall trying to figure out how to staff their operations. Give employees more pay, 3-4 chances, unlimited vacation, etc and it just doesn't move the needle. Long term employees that have been loyal to the organization are frustrated because the newer employee's aren't as passionate about the work as they are which leads to low moral on the floor.

When KFI Staffing partners with a manufacturing organization, we take care of finding and managing the housing, buying vans, recruiting, and getting talent to your worksite. As soon as KFI Employees are trained, our clients see an immediate impact to their production output and culture. Full-Time employees that aren't committed will either step up or step out of your organization because you found a solution that works.

KFI Staffing looks to partner with manufacturers that are committed to long-term partnerships. Our first year agreement is a minimum of 12 months before employees are eligible to be hired on at no additional cost. We also look for a minimum pay rate of \$17/hour to be able to attract the right caliber candidate and lastly at least 45 hours of work per week.

KFI Staffing employees are all eligible to live and work in the United States and able to pass E-Verify, background check, and drug screen before employment. KFI Staffing employees have the goal of being a long-term member of your team not just the average temporary solution.

KFI Staffing has been a partner to local manufacturing companies in Owatonna and surrounding area since June 2022. We currently have a little for 50 employees that live and work in the community and we hope to double that number in the next 12 months through continued existing and new client partnerships.

KFI Staffing is looking to partner with the West Lodge for long-term, employment based housing the support our staffing model. At this site, KFI Staffing will have only working employees living there, no family's or children. We also will have an onsite housing coordinating team that will be present at least 18 hours per day to help tenants with questions or housing related needs.

KFI Staffing employees are on assignments for at least 12 months before being eligible to be hired on by the client. The ultimate goal is that KFI Staffing associates eventually become full-time employees at Owatonna manufacturing sites and long-term members of the community.



CITY OF
OWATONNA

Resolutions



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Sean Murphy, Public Works Director
SUBJECT: Resolution 122-24: Order Feasibility Report - 2025 Street & Utility Project

Purpose:

Requesting City Council approval of Resolution 122-24: Ordering the preparation of the 2025 Street & Utility Project Feasibility Report.

Background:

The 2025 Street & Utility Project involves work on the following streets:

- Linn Drive SW
- Oakdale Street SW - From Linn Drive to 2nd Avenue SW

The project involves various levels of reconstruction as needed.

Budget Impact:

The project will be paid for by a combination of assessments, sanitary sewer funds, stormwater funds, OPU funds and the general fund.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Resolution 122-24 Order Feasibility Report 2025 Street & Utility

RESOLUTION NO. 122-24

RESOLUTION ORDERING PREPARATION OF REPORT ON
IMPROVEMENT ON 2025 Street & Utility Project.

WHEREAS, it is proposed to improve the following streets as part of the 2025 Street & Utility Project.

The 2025 Street and Utility Project includes:

- Linn Drive SW
- Oakdale Street SW - From Linn Drive to 2nd Avenue SW

and to assess the benefited property for all or a portion of the cost of the improvements, pursuant to Minnesota Statutes, Chapter 429,

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

That the proposed improvement, called the 2025 Street & Utility Project, be referred to Sean Murphy, City Engineer for the City of Owatonna, Minnesota, for study and that that person is instructed to report to the council will all convenient speed advising the council in a preliminary way as to whether the proposed improvement is necessary, cost-effective, and feasible; whether it should best be made as proposed or in connection with some other improvement; the estimated cost of the improvement as recommended; and a description of the methodology used to calculate individual assessments for affected parcels.

Passed and adopted this ____ day of _____ 2024, with the following vote:

Aye ____; No ____; Absent ____.

Approved and signed this ____ day of _____, 2024.

Thomas A. Kuntz, Mayor

ATTEST:

Kris M. Busse, City Administrator/City Clerk



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Emily Burns, Finance Director
SUBJECT: Resolution 123-24: 2025 City Levy and Budget

Purpose:

City Council to approve the 2025 Levy and adopt the 2025 Budget.

Background:

The Minnesota State Legislature approved a law in 1988 called Truth-in-Taxation which aims to improve transparency and accountability in the property tax system. The processes the City follows are spelled out by this law. A summary of events is as follows:

- Adopt and certify a proposed levy and budget on or before September 30 - **Sept 17th.**
- The county delivers a parcel-specific notice of proposed property taxes to each taxpayer between **Nov 11 and Nov 24.**
- Hold a public meeting to discuss the budget between Nov 25 and Dec 28 - **Dec 3rd.**
- Adopt and certify a final levy and budget on or before Dec 28 - **Dec 17th..**

The City utilizes an online interactive budget, increasing the City's transparency and accountability. The proposed 2025 budget is consistent with the City's Strategic Plan. The 2025 Levy includes 7.75% increase, a decrease from the Proposed Levy Increase of 8.00%. The City strives to have its levy increase follow growth; the current year's estimated growth rate is 7.20%. The city has made significant investments in its infrastructure spending planned for 2025. The operating levy required an increase as the City is not immune to inflation.

Budget Impact:

This will set the 2025 Levy and Budget.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Res 123-24 Final 2025 City Levy and Budget

RESOLUTION NO. 123-24

A RESOLUTION MAKING LEVY OF TAXES AND ADOPTING BUDGET FOR 2025

BE IT RESOLVED by the City Council of the City of Owatonna, County of Steele, Minnesota:

1. That there is hereby proposed to be levied upon all the taxable property in the City of Owatonna a direct ad valorem tax in the amount of \$16,777,480 for general government, \$ 229,115 PERA rate change, and \$ 2,404,025 for debt retirement, which shall be spread upon the tax rolls and collected in the year 2025.

2. That a budget of \$ 45,824,551 in expenditures for fiscal year commencing January 1, 2025, is being presented. This budget has been reviewed and potential funding sources identified as well as priorities and programs for 2025.

3. That the City Clerk is hereby instructed to transmit a certified copy of this resolution to the County Auditor of Steele County, Minnesota.

Passed and adopted this _____ day of _____, 2024, with
the following vote: Aye ____; No ____; Absent _____.

Approved and signed this _____ day of _____, 2024.

Thomas A. Kuntz, Mayor

ATTEST:

Kris M. Busse, City Administrator/City Clerk



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Emily Burns, Finance Director
SUBJECT: Resolution 124-24: 2025 Levy and Budget - Housing and Redevelopment Authority

Purpose:

City Council to approve the final 2025 HRA Levy and Budget.

Background:

The HRA is considered a special taxing district and its levy is adopted separately from the City levy. The amount of the levy shall be an amount approved by the governing body of the city, but not to exceed 0.0185 percent of estimated market value.

Per the County Auditor & Assessor, the 2024 estimated market value was \$3,000,241,800.

The allowable levy would be \$555,044 compared to the requested levy of \$215,000. A levy of \$215,000 represents a \$15,000 increase from 2024.

Budget Impact:

This will set the HRA 2025 Levy and Budget.

Staff Recommendation:

Staff recommends approval of Resolution 124-24.

Attachments:

1. Res 124-24 Final 2024 HRA Levy and Budget

RESOLUTION NO. 124-24

A RESOLUTION AUTHORIZING THE LEVY AND APPROVING THE
BUDGET FOR THE HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF OWATONNA

BE IT RESOLVED by the City Council of the City of Owatonna, County of Steele, Minnesota:

1. That the Housing and Redevelopment Authority (HRA) of the City of Owatonna is hereby empowered to levy for collection in the year 2025 a tax on the properties of the City in an amount of \$ 215,000 for purposes authorized in Minnesota Statutes 469.001 to 469.047, as authorized in Minnesota Statutes 469.033, Subd. 6.
2. That a budget of \$ 1,787,654 for fiscal year commencing January 1, 2025, is being presented.
3. That the City Clerk is hereby instructed to transmit a certified copy of this resolution to the County Auditor of Steele County, Minnesota.

Passed and adopted this _____ day of _____, 2024, with
the following vote: Aye ____; No ____; Absent ____.

Approved and signed this _____ day of _____, 2024.

Thomas A. Kuntz, Mayor

ATTEST:

Kris M. Busse, City Administrator/City Clerk



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Emily Burns, Finance Director
SUBJECT: Resolution 125-24: Decertify TIF 3-7- Vision Processing Technologies

Purpose:

Council to decertify TIF District 3-7 Vision Processing Technologies.

Background:

This TIF district was formed as an economic development district in 2013. The developer invested over \$1.5 million in their facilities increasing their square footage by 15,000 square feet to accommodate an increasing need for space for food processing. They received tax increment assistance on a “pay-as-you-go” (PAYG) basis. The PAYG payments reimbursed the developer for the project. This district is required to be decertified by 12/31/2024 per state statute.

The total market value of this property is estimated at \$3,917,100 for 2024. This includes \$540,600 for the land and \$3,376,500 for the building. In 2024, the City received \$43,230 in tax increment. Beginning in 2025, this amount will be added to the tax capacity.

Budget Impact:

There is no impact on the current operating budget. The decertification does impact the City's tax capacity going forward.

Staff Recommendation:

Staff recommends approval for decertification of this TIF District.

Attachments:

1. Resolution 125-24 TIF 3-7 Decertification
2. Confirmation of Decertified TIF District 3-7 Vision (1)

RESOLUTION NO. 125-24

RESOLUTION APPROVING THE DECERTIFICATION OF
TAX INCREMENT FINANCING DISTRICT 3-7
OF THE CITY OF OWATONNA

WHEREAS, on December 17, 2013, the City of Owatonna (the "City") created its Tax Increment Financing District No. 3-7 (the "District") within its Owatonna Development District No. 3 (the "Project"); and

WHEREAS, as of the date hereof all obligations to which tax increment from the district have been pledged have been paid in full defeased and all other costs of the District have been paid; and

WHEREAS, the City wishes to decertify the District pursuant to Minnesota Statutes, section 469.177, subdivision 12 effective on December 31, 2024; and

WHEREAS, the City desires by this resolution to cause the decertification of the District after which all property taxes generated within the District will be distributed in the same manner as all other property taxes.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Owatonna, Minnesota, that the City's staff shall take such action as is necessary to cause the County Auditor of Steele County to decertify the District as a tax increment district and to no longer remit tax increment from the District to the City.

Passed and adopted this _____ day of _____, 2024, with the following vote:

Aye _____; No _____; Absent _____.

Approved and signed this _____ day of _____, 2024.

Thomas A. Kuntz, Mayor

ATTEST:

Kris M. Busse, City Administrator/City Clerk

CONFIRMATION OF DECERTIFIED TIF DISTRICT

Please complete the information requested below in Part A and then forward the form to the County Auditor to be certified in Part B. Once the information has been completed by both the authorized TIF representative and the County Auditor, please return the form to the Office of the State Auditor at the address listed below:

Office of the State Auditor - TIF Division
525 Park Street, Suite 500 St. Paul, MN 55103

PART A. To be completed by the TIF authorized representative:

County Auditor/Treasurer's Name: _____ Date: 12/17/2024
County Name: Steele County County Address: PO Box 890, Owatonna, MN 55060
TIF Authority Name: Owatonna
TIF District # and Name: TIF 3-7 Vision Processing Technologies
TIF District Type: Economic Development TIF Plan Approval Date: 12/17/2013
Certification Request Date: 5/12/2014 Certification Date: 5/13/2014
Required Decertification Date: 12/31/2024 Based on: TIF Plan

(Information to be confirmed by the County Auditor:)

1. Actual decertification date: 12/31/2024
2. Date of first tax increment received: _____
3. Final tax increment distribution date _____ and amount \$ _____
4. Amount of excess tax increment returned to the county, if any \$ _____ and date _____

Please note: If the district is decertifying early, please forward a copy of the resolution with this form to the County Auditor and the TIF Division.

Signature: _____ Date: _____
Name and title of TIF authorized representative: _____

PART B: To be completed by the County Auditor or representative:

On behalf of the County Auditor/Treasurer, I certify that the above information, specifically information provided in questions 1-4, is correct with the following exceptions, if any:

Signature: _____ Date: _____
Name and title of the county representative: _____

Phone: _____ Exceptions? ☐ No ☐ Yes If yes, please describe below:



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Emily Burns, Finance Director
SUBJECT: Resolution 126-24: Decertify TIF 3-8 - Daikin Applied Americas, Inc.

Purpose:

Council to decertify Tax Increment Financing (TIF) District 3-8 Daikin Applied Americas, Inc.

Background:

This TIF district was formed as an economic development district in 2014. The developer invested over \$8.4 million in their facilities, increasing their square footage by 122,616 square feet. They received tax increment assistance on a “pay-as-you-go” (PAYG) basis. The PAYG payments reimbursed the developer for the project. This district is required to be decertified by 12/31/2024 per state statute.

The total market value of this property is estimated at \$8,517,000 for 2024. This includes \$755,000 for the land and \$7,762,000 for the building. In 2024, the City received \$173,388 in tax increment. Beginning in 2025, this amount will be added to the tax capacity.

Budget Impact:

There is no impact on the current operating budget. The desertification does impact the City's tax capacity going forward.

Staff Recommendation:

Staff recommends approval for decertification of this TIF District.

Attachments:

1. Resolution 126-24 TIF 3-8 Decertification
2. Confirmation of Decertified TIF District 3-8 Daikin

RESOLUTION NO. 126-24

RESOLUTION APPROVING THE DECERTIFICATION OF
TAX INCREMENT FINANCING DISTRICT 3-8
OF THE CITY OF OWATONNA

WHEREAS, on April 15, 2014, the City of Owatonna (the "City") created its Tax Increment Financing District No. 3-8 (the "District") within its Owatonna Development District No. 3 (the "Project"); and

WHEREAS, as of the date hereof all obligations to which tax increment from the district have been pledged have been paid in full defeased and all other costs of the District have been paid; and

WHEREAS, the City wishes to decertify the District pursuant to Minnesota Statutes, section 469.177, subdivision 12 effective on December 31, 2024; and

WHEREAS, the City desires by this resolution to cause the decertification of the District after which all property taxes generated within the District will be distributed in the same manner as all other property taxes.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Owatonna, Minnesota, that the City's staff shall take such action as is necessary to cause the County Auditor of Steele County to decertify the District as a tax increment district and to no longer remit tax increment from the District to the City.

Passed and adopted this _____ day of _____, 2024, with the following vote:

Aye _____; No _____; Absent _____.

Approved and signed this _____ day of _____, 2024.

Thomas A. Kuntz, Mayor

ATTEST:

Kris M. Busse, City Administrator/City Clerk

CONFIRMATION OF DECERTIFIED TIF DISTRICT

Please complete the information requested below in Part A and then forward the form to the County Auditor to be certified in Part B. Once the information has been completed by both the authorized TIF representative and the County Auditor, please return the form to the Office of the State Auditor at the address listed below:

Office of the State Auditor - TIF Division
525 Park Street, Suite 500 St. Paul, MN 55103

PART A. To be completed by the TIF authorized representative:

County Auditor/Treasurer's Name: _____ Date: 12/17/2024
County Name: Steele County County Address: PO Box 890, Owatonna, MN 55060
TIF Authority Name: Owatonna
TIF District # and Name: TIF 3-8 Daikin Applied Americas, Inc
TIF District Type: Economic Development TIF Plan Approval Date: 4/15/2024
Certification Request Date: 1/13/2015 Certification Date: 1/15/2015
Required Decertification Date: 12/31/2024 Based on: TIF Plan

(Information to be confirmed by the County Auditor:)

- Actual decertification date: 12/31/2024
- Date of first tax increment received: _____
- Final tax increment distribution date _____ and amount \$ _____
- Amount of excess tax increment returned to the county, if any \$ _____ and date _____

Please note: If the district is decertifying early, please forward a copy of the resolution with this form to the County Auditor and the TIF Division.

Signature: _____ Date: _____
Name and title of TIF authorized representative: _____

PART B: To be completed by the County Auditor or representative:

On behalf of the County Auditor/Treasurer, I certify that the above information, specifically information provided in questions 1-4, is correct with the following exceptions, if any:

Signature: _____ Date: _____
Name and title of the county representative: _____

Phone: _____ Exceptions? ☐ No ☐ Yes If yes, please describe below:



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Emily Burns, Finance Director
SUBJECT: Resolution 127-24: Decertify TIF 3-9 - LifeFitness/Cybex

Purpose:

Council to decertify Tax Increment Financing (TIF) District 3-9 LifeFitness/Cybex.

Background:

This TIF district was formed as an economic development district in 2016. The developer invested over \$10 million in their facilities increasing their square footage by 150,000 square feet to accommodate an increasing need for space for manufacturing purposes. They received tax increment assistance on a “pay-as-you-go” (PAYG) basis. The PAYG payments reimbursed the developer for the project. This district is required to be decertified by 12/31/2024 per state statute.

The total market value of this property is estimated at \$16,009,300 for 2024. This includes \$1,622,400 for the land and \$14,386,900 for the building. In 2024, the City received \$212,762 in tax increment. Beginning in 2025, this amount will be added to the tax capacity..

Budget Impact:

There is no impact on the current operating budget. The desertification does impact the City's tax capacity going forward.

Staff Recommendation:

Staff recommends approval for decertification of this TIF District.

Attachments:

1. Resolution 127-24 TIF 3-9 Decertification
2. Confirmation of Decertified TIF District 3-9 Cybex

RESOLUTION NO. 127-24

RESOLUTION APPROVING THE DECERTIFICATION OF
TAX INCREMENT FINANCING DISTRICT 3-9
OF THE CITY OF OWATONNA

WHEREAS, on May 17, 2016, the City of Owatonna (the "City") created its Tax Increment Financing District No. 3-9 (the "District") within its Owatonna Development District No. 3 (the "Project"); and

WHEREAS, as of the date hereof all obligations to which tax increment from the district have been pledged have been paid in full defeased and all other costs of the District have been paid; and

WHEREAS, the City wishes to decertify the District pursuant to Minnesota Statutes, section 469.177, subdivision 12 effective on December 31, 2024; and

WHEREAS, the City desires by this resolution to cause the decertification of the District after which all property taxes generated within the District will be distributed in the same manner as all other property taxes.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Owatonna, Minnesota, that the City's staff shall take such action as is necessary to cause the County Auditor of Steele County to decertify the District as a tax increment district and to no longer remit tax increment from the District to the City.

Passed and adopted this _____ day of _____, 2024, with the following vote:

Aye _____; No _____; Absent _____.

Approved and signed this _____ day of _____, 2024.

Thomas A. Kuntz, Mayor

ATTEST:

Kris M. Busse, City Administrator/City Clerk

CONFIRMATION OF DECERTIFIED TIF DISTRICT

Please complete the information requested below in Part A and then forward the form to the County Auditor to be certified in Part B. Once the information has been completed by both the authorized TIF representative and the County Auditor, please return the form to the Office of the State Auditor at the address listed below:

Office of the State Auditor - TIF Division
525 Park Street, Suite 500 St. Paul, MN 55103

PART A. To be completed by the TIF authorized representative:

County Auditor/Treasurer's Name: _____ Date: 12/17/2024
County Name: Steele County County Address: PO Box 890, Owatonna, MN 55060
TIF Authority Name: Owatonna
TIF District # and Name: TIF 3-9 Cybex (Life Fitness/Cybex Expansion)
TIF District Type: Economic Development TIF Plan Approval Date: 5/17/2016
Certification Request Date: 8/15/2016 Certification Date: 8/15/2016
Required Decertification Date: _____ Based on: TIF Plan

(Information to be confirmed by the County Auditor:)

1. Actual decertification date: _____
2. Date of first tax increment received: _____
3. Final tax increment distribution date _____ and amount \$ _____
4. Amount of excess tax increment returned to the county, if any \$ _____ and date _____

Please note: If the district is decertifying early, please forward a copy of the resolution with this form to the County Auditor and the TIF Division.

Signature: _____ Date: _____
Name and title of TIF authorized representative: _____

PART B: To be completed by the County Auditor or representative:

On behalf of the County Auditor/Treasurer, I certify that the above information, specifically information provided in questions 1-4, is correct with the following exceptions, if any:

Signature: _____ Date: _____
Name and title of the county representative: _____

Phone: _____ Exceptions? ☐ No ☐ Yes If yes, please describe below:



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Jeanette Clawson, Administrative Coordinator
SUBJECT: Resolution 128-24: 2025 Election Polling Sites

Purpose:

Council approval of Resolution 128-24 designating polling sites for public elections within the City during 2025.

Background:

Minnesota Statute section 204B.16, requires municipalities designate precinct polling places for all elections by December 31 for the upcoming year and 90 days prior to a planned election. **Currently, no elections are planned during 2025**, but sites must be named in the event a special election is called for. The city does have the ability to change a polling location mid-year for an emergency or if the polling place becomes unavailable. Sites proposed as 2025 Polling Site locations were used during the 2024 elections:

Ward1/Precinct 1	Trinity Lutheran Church	609 Lincoln Avenue
Ward 1/Precinct 2	Associated Church	800 Havana Road
Ward 2/Precinct 1	Owatonna Public Library	105 N Elm Avenue
Ward 2/Precinct 2	Bethel Church	1611 Hemlock Ave
Ward 3/Precinct 1	Chambers, Charles S. Crandall Center	540 West Hills Circle
Ward 3/Precinct 2	Emmanuel Lutheran Church	750 Jeffrey Street
Ward 4 /Precinct 1	Sacred Heart Parish Center	739 S Cedar Avenue
Ward 4/Precinct 2	Christ Community Covenant Church	540 SE 18th Street
Ward 5/Precinct 1	Grace Baptist Church	265 26th St NE
Ward 5 /Precinct 2	Our Savior's Lutheran Church	1909 St Paul Road

Budget Impact:

None, these polling sites are donated spaces and no rents paid.

Staff Recommendation:

Staff recommends approval of Resolution 128-24.

Attachments:

1. Res 128-24 Set 2025 Polling Sites

RESOLUTION NO. 128-24
A RESOLUTION DESIGNATING POLLING PLACES
FOR ELECTIONS HELD DURING 2025

BE IT RESOLVED by the City Council of the City of Owatonna, Minnesota, that the following places shall serve as the regular polling places for public elections held during 2025. Currently there are no elections planned next year but sites must be named in the event a special election is called for.

Statue requires sites be designated by December 31st the prior year and 90 days prior to an election. The polling places and location wherein shall serve are as follows for the following wards/precincts:

1-1	First Ward/First Precinct - Trinity Lutheran Church, 609 Lincoln Avenue
1-2	First Ward/Second Precinct - Associated Church, 800 Havana Road
2-1	Second Ward/First Precinct - Owatonna Public Library, 105 N Elm Avenue
2-2	Second Ward/Second Precinct – Bethel Church, 1611 Hemlock Avenue
3-1	Third Ward/First Precinct – Chambers, Charles S. Crandall Center, 540 West Hills Circle
3-2	Third Ward/Second Precinct - Emmanuel Lutheran Church, 750 Jeffrey Street
4-1	Fourth Ward/First Precinct - Sacred Heart Parish Center, 810 South Cedar Avenue
4-2	Fourth Ward/Second Precinct – Christ Community Covenant Church, 540 SE 18 th Street
5-1	Fifth Ward/First Precinct - Grace Baptist Church, 265 26th Street NE
5-2	Fifth Ward/Second Precinct - Our Savior's Lutheran Church, 1909 St. Paul Road

On Election Days, City Staff will post 30-minute parking signs on the north side of Broadway Street E between Elm Avenue and Grove Avenue per Resolution 59-12 approved by Council on November 5, 2012.

Passed and adopted this ____ day of ____, 2024, with the following vote:

Aye ____; No ____; Absent ____.

Approved and signed this ____ day of ____, 2024.

ATTEST:

Thomas A. Kuntz, Mayor

Kris M. Busse, City Administrator/City Clerk



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Troy Klecker, Community Development Director
SUBJECT: Resolution 129-24: State Appropriation for Acquisition of Flood Prone Property

Purpose:

Request Council approval of Resolution 129-24.

Background:

Over the last two decades, the City has applied for, been awarded and administered numerous flood grants to remove structures in the floodplain. To date, 30 homes and a business have been removed from the floodplain utilizing FEMA Flood Hazard Mitigation Grants and DNR Flood Damage Reduction Grants. Removing structures from the floodplain is one of the most effective flood mitigation efforts the City has undertaken. Even with the number of structures that have been removed from the floodplain, there are still a number of structures that need to be removed.

The Department of Natural Resources has hazard mitigation funds that can be used to remove structures within the floodplain. These funds cover 50% of the costs of projects. Staff would like to submit an application for \$120,000 to acquire another property in the floodplain.

As part of the application, the City must approve a resolution authorizing the submission of the grant.

Budget Impact:

This is a matching grant so up to \$120,000 would come from the City's Matching Grant Fund.

Staff Recommendation:

Staff recommends approval of Resolution 129-24.

Attachments:

1. Resolution 129-24 - State Appropriation - Acquire Flood Prone Properties

RESOLUTION NO. 129-24
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 December 10, 2024 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 \$120,000 held in the City's DNR Grant Fund account 401-45616-800-800-000000, 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 ____, 2024, with the following vote:

Aye ____; No ____; Absent ____.

Approved and signed this ____ day of ____, 2024.

ATTEST:

Thomas A. Kuntz, Mayor

Kris M. Busse, City Administrator/City Clerk



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Emily Thamert, Human Resources Director
SUBJECT: Resolution 130-24: Labor Agreement - IUOE Local 70

Purpose:

Council approval of Resolution 130-24 to approve the 2025-2027 labor agreement with the International Union of Operating Engineers (IUOE), Local 70.

Background:

Staff have been in negotiations with Local 70. A tentative agreement has been reached. A summary of the changes are as follows:

- **Wages** - General wage increase on the approved wage scale 5% effective January 1, 2025; 4% effective January 1, 2026; 4% effective January 1, 2027. Add a step to the top of the scale and remove the bottom effective January 1, 2026. Employees that have remaining steps on the wage scale will receive a step effective January 1 each year 2025-2027.
- **Insurance** - Monthly employer contribution towards premiums increased by \$18 (single) and \$50 (family) effective 2025; \$36 (single) and \$102 (family) effective 2026; \$26 (single) and \$72 (family) effective 2027. Annual employer contribution towards Health Savings Account increased \$200 (single) and \$400 (family) 2026 and 2027.
- **Shift Differential** - Increase from \$0.95 to \$1.25 per hour for scheduled work between 7:00 pm and 6:00 am and hours worked 3:00 pm and 11:00 pm.
- **On-Call** - Increase from \$2.50 to \$2.75 in 2026, and \$3.00 in 2027.
- **Holiday** - Add Juneteenth holiday currently in MOU to body of contract.

Budget Impact:

The budget impact to implement the 2025-2027 Local 70 contract is \$994,004.

Staff Recommendation:

Staff recommends approval of Resolution 130-24.

Attachments:

1. Resolution 130-24 - Local 70 Contract 2025-2027

RESOLUTION NO. 130-24

A RESOLUTION APPROVING LABOR AGREEMENT
BETWEEN THE CITY OF OWATONNA AND
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL NO. 70, AFL-CIO

WHEREAS, International Union of Operating Engineers, Local NO. 70, AFL-CIO is the exclusive representative for certain City of Owatonna employees; and

WHEREAS, the current labor agreement between the City of Owatonna and International Union of Operating Engineers, Local NO. 70, AFL-CIO expires on December 31, 2024; and

WHEREAS, the City of Owatonna and International Union of Operating Engineers, Local NO. 70, AFL-CIO met and negotiated over the terms of the new labor agreement between the parties; and

WHEREAS, the parties reached a tentative agreement of the terms of the new labor agreement; and

WHEREAS, the Public Employment Relations Act requires that the City of Owatonna execute a labor agreement and implement it in the form of a resolution.

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

1. The Labor Agreement between the City of Owatonna and International Union of Operating Engineers, Local NO. 70, AFL-CIO for January 1, 2025 through December 31, 2027 is approved.
2. The Mayor and the City Administrator shall execute the agreement.
3. The City of Owatonna shall implement the agreement.

Passed and adopted this ____ day of _____, 2024, with the following vote:

Aye ____; No ____; Absent ____.

Approved and signed this ____ day of _____, 2024.

Thomas A. Kuntz, Mayor

ATTEST:

Kris M. Busse, City Administrator/City Clerk



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Emily Thamert, Human Resources Director
SUBJECT: Resolution 131-24: Labor Agreement - International Association of Fire Fighters, Local Union No. 1920

Purpose:

Council approval of Resolution 131-24 to approve the 2025-2027 labor agreement with the International Association of Fire Fighters, Local Union No. 1920.

Background:

Staff have been in negotiations with Fire Local 1920. A tentative agreement has been reached. A summary of changes are as follows:

- **Wages** - General wage increase on the approved wage scale 5% effective January 1, 2025; 4% effective January 1, 2026; 4% effective January 1, 2027. Add a step to the top of the scale and remove the bottom effective January 1, 2026. Employees that have remaining steps on the wage scale will receive a step effective January 1 each year 2025-2027.
- **Insurance** - Monthly employer contribution towards premiums increased by \$18 (single) and \$50 (family) effective 2025; \$36 (single) and \$102 (family) effective 2026; \$26 (single) and \$72 (family) effective 2027. Annual employer contribution towards Health Savings Account increased \$200 (single) and \$400 (family) 2026 and 2027.
- **Holiday** - Add Juneteenth holiday currently in MOU to body of contract and pay time and one half for hours worked on holiday.

Budget Impact:

The budget impact to implement the 2025-2027 Fire Local 1920 is \$298,768.

Staff Recommendation:

Staff recommends approval of Resolution 131-24.

Attachments:

1. Resolution 131-24 Fire Local 1920 Contract 2025-2027

RESOLUTION NO. 131-24

A RESOLUTION APPROVING LABOR AGREEMENT
BETWEEN THE CITY OF OWATONNA AND
THE INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS, LOCAL UNION NO. 1920

WHEREAS, International Association of Fire Fighters, Local Union No. 1920 is the exclusive representative for certain City of Owatonna employees; and

WHEREAS, the current labor agreement between the City of Owatonna and International Association of Fire Fighters, Local Union No. 1920 expires on December 31, 2024; and

WHEREAS, the City of Owatonna and International Association of Fire Fighters, Local Union No. 1920 met and negotiated over the terms of the new labor agreement between the parties; and

WHEREAS, the parties reached a tentative agreement of the terms of the new labor agreement; and

WHEREAS, the Public Employment Relations Act requires that the City of Owatonna execute a labor agreement and implement it in the form of a resolution.

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

1. The Labor Agreement between the City of Owatonna and International Association of Fire Fighters, Local Union No. 1920 for January 1, 2025 through December 31, 2027 is approved.
2. The Mayor and the City Administrator shall execute the agreement.
3. The City of Owatonna shall implement the agreement.

Passed and adopted this ____ day of _____, 2024, with the following vote:

Aye ____; No ____; Absent ____.

Approved and signed this ____ day of _____, 2024.

Thomas A. Kuntz, Mayor

ATTEST:

Kris M. Busse, City Administrator/City Clerk



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Jenna Tuma, Assistant City Administrator
SUBJECT: Resolution 132-24: Public Safety Center Phase Two Professional Services - ICS

Purpose:

To approve Phase Two of the Public Safety Facilities Planning project, which will take place in 2025. This phase will focus on on-site investigation and facility design of the preferred public safety facility option, as well as further refining the cost and scope of the project.

Background:

Owatonna is growing, and the demands on public safety are increasing. As our community changes, our dedication to keeping it safe remains strong. Owatonna's police and fire department facilities have served our community well but are aging and no longer meet the needs of our first responders and the essential services they provide.

Over the past three years, the City has been reviewing and planning for its public safety facilities. This process included conducting detailed assessments of existing facilities, touring public safety establishments in other cities, and evaluating various options regarding project scope and projected costs for investments in public safety. The staff gave the Council updates over five study sessions during the process.

In March and April of 2024, the Facilities Steering Committee and City Council reviewed initial information on city-owned facilities' conditions (including Public Safety facilities). It was recommended that a Public Safety Center Task Force be assembled at that time to perform the following tasks:

- Further identify facility and programmatic deficiencies at the existing Fire and Police facilities
- Identify the scope of improvements (renovation or new) required to provide facilities that serve Owatonna's citizens now and in the future.

The City is evaluating several options to address the needs of our public safety facilities. This includes renovating existing facilities, building new facilities for each department or creating a new shared facility for the police and fire departments.

Budget Impact:

The financial impact of phase two is estimated to be \$2,946,315.

Staff Recommendation:

Following a thorough assessment of the data gathered in 2024, staff recommend that the City Council approve Resolution 132-24 authorizing ICS to begin phase two of the Public Safety Facilities Planning Process. This phase includes site investigation and selection, facility design, and budget verification for a combined fire and police facility.

Attachments:

1. Resolution 132-24 Phase 2 Professional Services - Public Safety Center - ICS
2. Owatonna Public Safety Center Process
3. ICS Public Safety Center Program Management Proposal-Draft

RESOLUTION NO. 132-24
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OWATONNA
APPROVE AGREEMENT FOR PHASE TWO FOR
PROFESSIONAL SERVICES WITH ICS CONSULTING, LLC.

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

The City has implemented a Public Safety Facility Task Force Three-Phase Approach regarding a Public Safety Center; and

The Task Force has completed Phase One by identifying facility and programmatic deficiencies at the existing Fire and Police facilities and identifying the scope of improvements (renovation or new) required to provide facilities that serve Owatonna's citizens now and in the future; and

The City will enter into an agreement with ICS Consulting, LLC for professional services to begin Phase Two. This agreement authorized the Mayor and City Administrator to execute the Agreement on behalf of the City.

The City Council declares its official intent to reimburse itself for the cost of these improvements from the proceeds of future tax-exempt bonds.

Passed and adopted this ____ day of _____, 2024, with the following vote:

Aye____; No __; Absent __.

Approved and signed this ____ day of _____, 2024.

Thomas A. Kuntz, Mayor

ATTEST:

Kris M. Busse, City Administrator/City Clerk

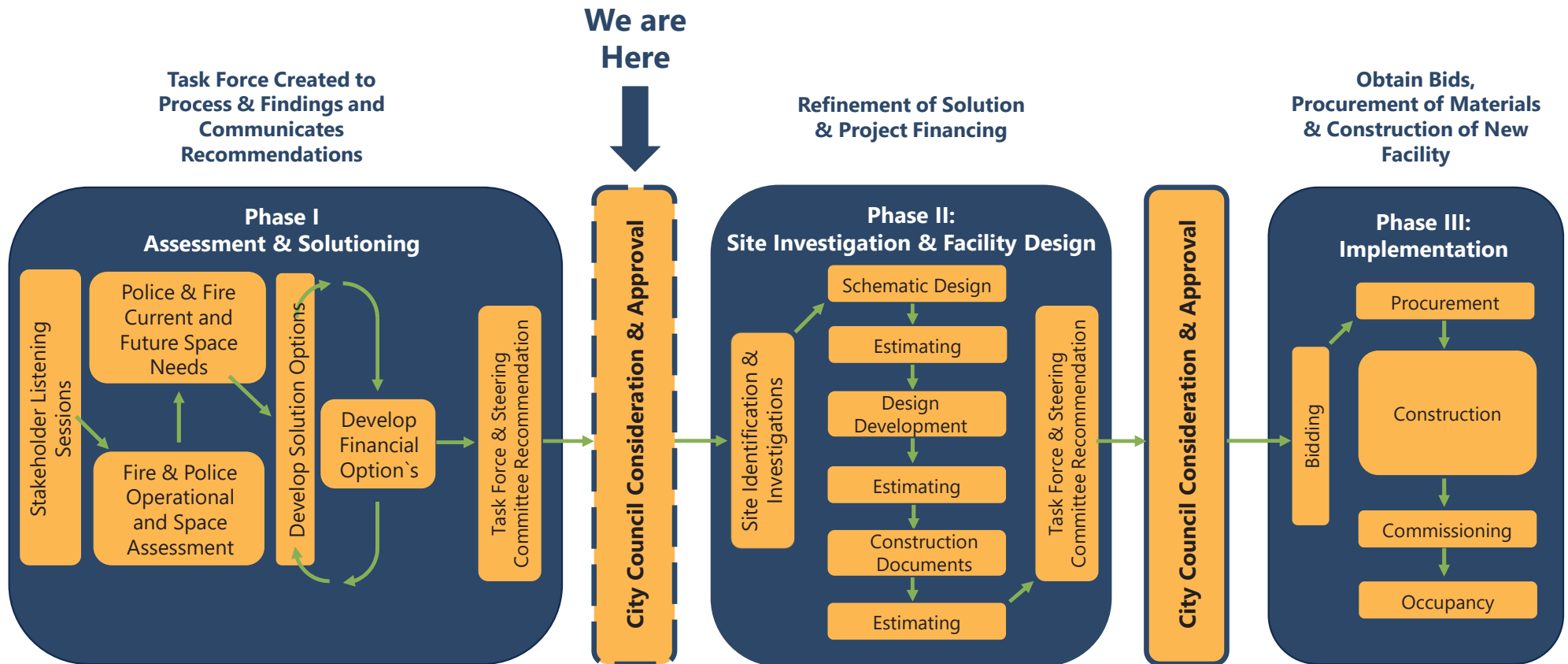
Public Safety Facility Task Force 3-Phase Approach

Task Force Created to
Process & Findings and
Communicates
Recommendations

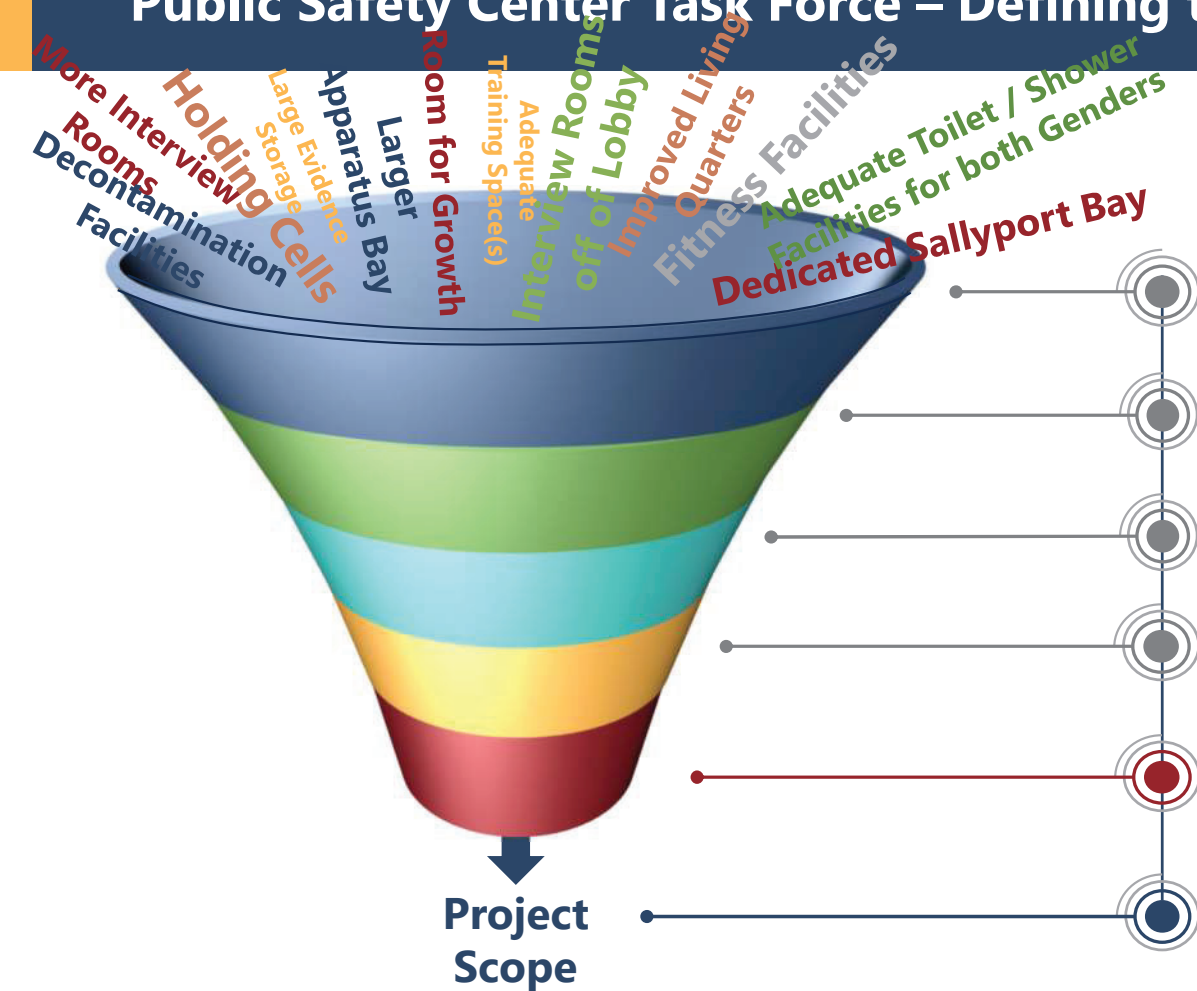
We are
Here

Refinement of Solution
& Project Financing

Obtain Bids,
Procurement of Materials
& Construction of New
Facility



Public Safety Center Task Force – Defining the Scope



General Scoping Discussion

- Revisit the initial Facility Assessment and Space Utilization Study performed on the Existing Facilities
- Review / develop draft Programming for identified Improvements

Program & Scenario Creation

- Creation of Scenarios w/ Cost Estimates
- Work w/ Finance and City's Financial Advisor to identify Tax Impact

Targeted Survey of Departments

- Survey looking to gather Information on via User Groups w/ Corresponding Scope of Project Scenarios

Scenario Revision

- Revise Scenarios / Create/Modify Scenarios w/ Cost Estimates based on Survey Results
- Work w/ Finance and City's Financial Advisor to identify Tax Impact

Refinement

- Council Work Sessions to review final Option(s) for Consideration
- Make necessary modifications to Final Scenario for Council Acceptance

Defined Project Scope for Council Consideration

- Defined Scope that has Stakeholder Buy-In w/ Corresponding Budget, Tax Impact and Schedule

Take Aways from Existing Facilities and Tours of Modern Facilities

Addressing Outdated, Cramped Facilities

The City's current police and fire buildings are outdated and are facing increasing deferred maintenance issues. This includes essential systems, such as mechanical, electrical, plumbing and technology. The existing physical constraints and space inside each building are not functional, which hinders effective workflow and cannot adapt to modern-day operational standards.

Creating Modern, Functional Spaces

The City is exploring options to create modern, functional facilities to support first responders and their ability to provide efficient and effective service for the community, with space to grow and adapt for years to come.

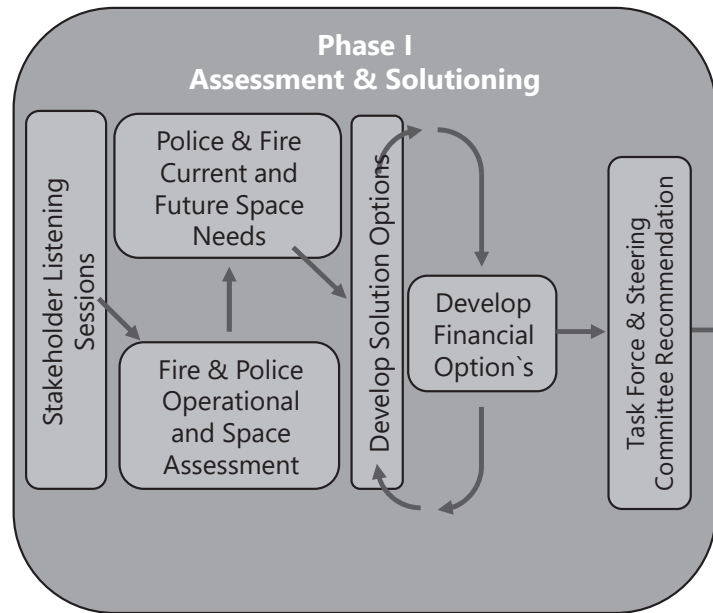
Building a Stronger Community

Ensuring the City's police and fire departments are well-equipped to provide effective and efficient public safety services is an investment in our community's quality of life for decades.

Recommendation

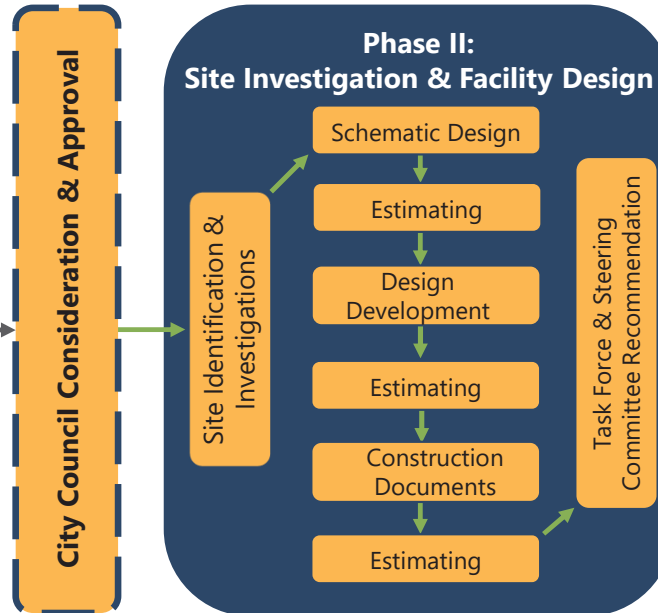
Phase I

Task Force Created to Process & Findings and Communicates Recommendations



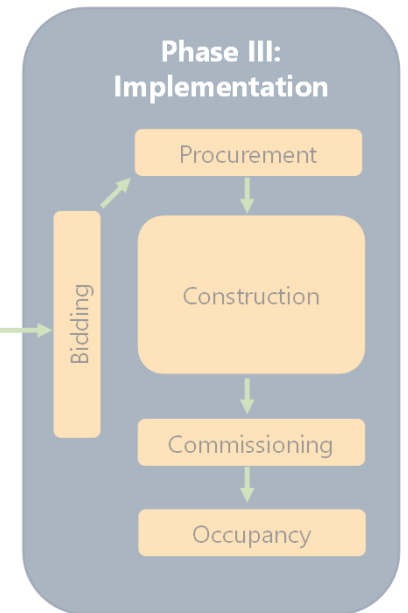
Phase II \$3 Million

Refinement of Solution & Project Financing

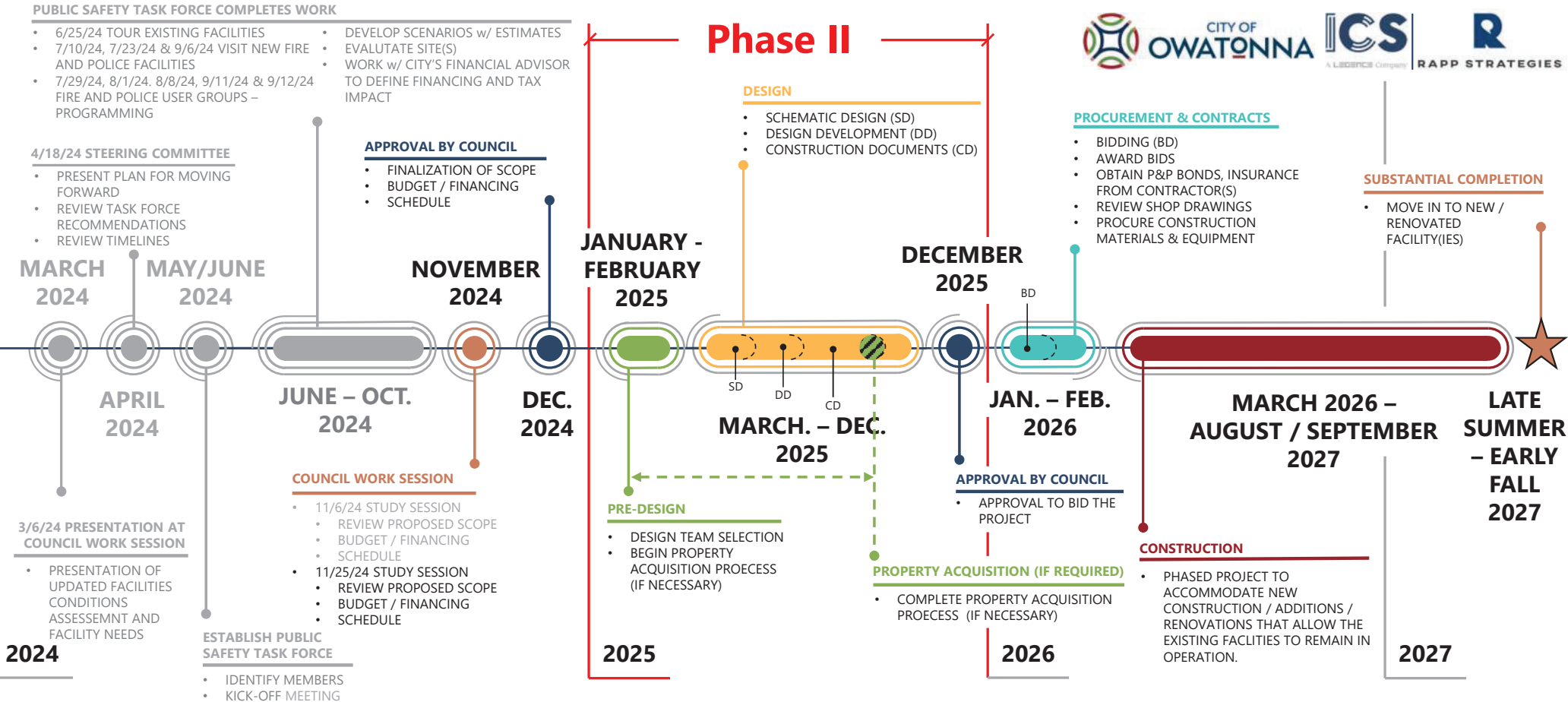


Phase III

Obtain Bids, Procurement of Materials & Construction of New Facility



Proposed Public Safety Center Timeline





A LEGENCE Company

City of Owatonna

540 West Hills Circle, Owatonna, MN 55060



Owatonna Public Safety Center Phase II Services - Site Investigation, Facility Design & Budget Verification

December 17, 2024



1331 Tyler Street NE, Minneapolis, Minnesota 55413
Ph: (763) 354-2670 / Fax: (763) 780-2866 / ics-builds.com

12/17/24

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



1331 Tyler Street NE, Suite 101
Minneapolis, MN 55413
ics-builds.com
(763) 354-2670

Re: City of Owatonna
Public Safety Center
Phase II – Site Investigation/Selection, Facility Design and Budget Verification

Dear Jenna

As previously discussed, ICS is pleased to provide you with this letter of understanding and proposal to provide Program Management services for Phase II – Site Investigation/Selection, Facility Design and Budget Verification for the proposed City of Owatonna Public Safety Center.

The following pages outline the scope, approach and fees associated with the identified project as presented at the November 19th, council study session. This effort will identify and select the site for the public safety facility as well as complete the facility design to identify a budget number to implement a solution. Upon completion, an update will be provided to the council to approve the project and proceed with publicly bidding and building (identified as Phase III) the project. As with previous efforts we will continue work collaboratively with City administration and leadership throughout this phase.

We would be happy to discuss this proposal with you and city leadership for clarity and understanding when you see it appropriate. Thank you for your consideration and we look forward to continuing our working relationship with the City of Owatonna in completing the next phase of this project.

Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chris Ziemer', is written over a horizontal line.

Christopher B. Ziemer, LEED AP
Project Development Director
ICS

CC: Michael Piper, ICS
Jason Splett, ICS
File

**BUILDING STRONG
CONNECTIONS**



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Appendix B – Signature Page

Appendix C – Preliminary Project Timeline

Appendix D – Communications Hierarchy &
Task Force Organizational Structure

Appendix E – Communications Roles & Responsibility Matrix

Appendix F – Overall Budget Estimated

Appendix G – Hourly Billing Rates

Appendix H – Notification of Equal Employment Opportunity/Affirmative
Action Compliance

Project Implementation Services

City of Owatonna

I. Introduction	ICS Consulting, LLC (dba ICS) is pleased to present this proposal for Phase II – Site Investigation/Selection, Facility Design and Budget Verification of the Public Safety Center. Our services include the following:
II. Project Scoping Phase - Completed	Efforts to identify the existing facility and programmatic deficiencies of the Fire Hall and LEC site were undertaken in Phase I (as identified in PSA #2) May – November 2024. This effort culminated with identification of the required program to meet both the current and future needs of the fire and police departments as well as presenting a number of options for the City Council to consider ranging from doing nothing, remodel of existing facilities, and construction of individual or joint facilities.
III. Pre-Construction Phase – Phase II	Construction projects are won and lost in the Pre-Construction Phase. To build well, we must plan well. While planning is a team effort, ICS understands that it is our responsibility to develop the framework for the entire project. Our Phase II Program Management efforts will dedicate considerable time managing the following: General: • Ongoing interaction and coordination with City staff. • Development of a project communications plan for all phases of effort. • Development of a documentation flow plan for all phases of the effort Site Investigation/Selection: • Identification and evaluation of potential sites for the Public Safety Center Design & Budget Verification: • Civil, Structural, Architectural, Structural, Mechanical and Electrical design associated with the improvements outlined in this proposal. • Development of the overall project schedule and phasing. • Ongoing interface and coordination of project-related consultants. • Cost estimating and overall budget development, including updates during the design process. • Development and review of comprehensive Division 00 and Division 01 Front-End Specifications • Review of design documents for coordination and scope issues. • Facilitation of design documents for coordination and scope issues. • Present a project package and associated budget for City Council consideration and approval to move into Phase III – Bidding and Implementation

IV. Construction and Post-Construction Phase - (**NOT included in this Scope – part of future Phase III**)

While not included in this proposal, ICS will continue to provide Program Management services and facilitate bidding and implementation of this project upon City Council approval of Phase II scope. Based on the complexity of the proposed project scope, our team will manage the following processes:

Bidding:

- Facilitation of pre-bid walkthrough.
- Coordination of public bid and award process including post-bid analysis and contract award process.
- Develop and administer construction contract(s) for the project.

CM Services (Implementation):

- Provide full-time site supervision of the project.
- Daily project site walks by the site superintendent to track project issues and identify any potential issues that may affect overall project schedule.
- Safety orientations of the project site for all on-site trade contractors.
- Monitor safety of the project site and identify, address and resolve safety issues with trade contractors in a prompt manner.
- Coordination of on-site trade contractor work and project-related activities.
- Review of shop drawings and confirmation of project equipment/materials align with the project specifications.
- Processing and tracking of project-related communications including SI's, PR's, RFI's, CO's, etc.
- Interface with on-site trade contractors for resolution of on-going construction related issues.
- Overall project budget accounting and tracking on behalf of the City.
- Coordinate and facilitate all required material testing and inspections; and work with the appropriate trade contractor to resolve identified issues.
- Coordination of final punch list and final closeout completion by trade contractors for the project.
- Complete commissioning efforts on all HVAC systems.
- Coordination of close-out documentation including As-Builts, warranties and O&M Manuals.
- Facilitation of the 11-month warranty walkthrough.
- Management of trade contractors' completion of identified warranty items.

V. Implementation Schedule

ICS will work with City staff to commence work upon acceptance of this proposal and will complete the steps described in a timely fashion over the proposed project timelines (see Appendix C). This phase will culminate in a selected site, facility design and updated budget numbers providing the City Council with the necessary information to move forward with bidding and building a new public safety center (fire and police) for the City of Owatonna. ICS has the bandwidth to begin completing this work upon approval.

VI. Basis of Compensation

Compensation for the completion of all Phase II work as described above is proposed as a lump sum amount not to exceed **\$2,946,315**. Upon approval by City Council to proceed into bidding and implementing the project scope, ICS will provide a fee proposal for the activities identified in Phase III – Bidding & Implementation. A breakdown of our fees is listed below:

Phase I – Scope Development

These services are covered under PSA #2 executed on 5/21/2024

Phase II - Site Investigation, Facility Design and Budget Verification

Program Management Fee:			Site/Management/Design
• Project Management, Oversight & Document QC	\$	418,225	ICS
• Site Investigation	\$	Incl. in above	ICS / Design Tree
• Design Fees			
▪ Civil Engineer	\$	145,680	Design Tree
• Survey Allowance	\$	27,500	Design Tree
• Struct. Engineer	\$	243,500	TBD – ICS to select
• Architect	\$	1,096,000	TBD by RFP Process
• Mech. Engineer	\$	609,245	CMTA
• Elect. Engineer	\$	406,165	CMTA

Phase III - Bidding & Implementation (pending City Council approval in '25)

Program Management Fee:			Bidding/Constr./Cx
• Bidding		TBD	NOT Included in Phase II
• Construction Administration by Consultants		TBD	NOT Included in Phase II
• CM Fee		TBD	NOT Included in Phase II
• Construction Site Services:		TBD	NOT Included in Phase II
• Construction Reimbursables:		TBD	NOT Included in Phase II
• HVAC Commissioning		TBD	NOT Included in Phase II

Total Project Costs: \$ 2,946,315

The actual amount billed for ICS's services monthly will be based on ICS's estimate of the proportion of total services completed during the billing period. Reimbursable expenses (i.e., mileage, reproduction, printing, postage, etc.) will be billed in addition to the fee noted above at 1.25 (125%) x actual cost.

For project work beyond the services outlined in the proposal and/or any changes to the agreed upon scope of services or project duration, services will be billed on a time and materials basis in addition to the above noted fees, per the hourly rate schedule in Appendix G of this agreement. However, additional work will not be conducted without approval by the City of Owatonna.

Implementation (Construction Management) Phase:

While not included in this proposal, it is the City's intent to utilize ICS for implementation services as described below:

Professional Services (Construction Management):

Upon development of the final project scope and schedule, ICS proposes to provide Construction Management services under the Program Management model with compensation to be structured as a lump sum fixed fee. Our role during this phase of the process would be to serve as the City's program manager to bid the project scope, provide construction management services and project commissioning.

Professional services do not include competitively public bid construction contracts. Construction contracts with each work scope's responsible low bidder will be entered into by ICS directly with contractors utilizing Minnesota state statutes for competitive bidding requirements.

Compensation:

It is the intent of both parties that fees for services for the plan implementation, if the City proceeds forward with projects as a result of the process, will be negotiated by both parties. ICS and the City will utilize the standard AIA contract documents (See VII. Acceptance) as the basis of the contracts, and both parties agree to negotiate in good faith for final fee percentages and terms and conditions based on the final scope of work established under this Professional Services Agreement. Refer to Appendix C for industry standard fee ranges.

VII. Acceptance

If this proposal is acceptable, please authorize us to proceed by signing a copy of this document (Appendix B) and returning it to ICS. We will proceed with our scope of work upon receipt of your signed proposal.

We will issue AIA Documents B133-209 – Standard Form of Agreement between the Owner and Architect, Construction Manager as Constructor Edition (CM at Risk); and A134-2019 – Standard Form of Agreement Between the Owner and Construction Manager as Constructor (CM at Risk) for signature. These agreements will align with the terms of previous contracts and will be specific to this project scope.

Thank you for your consideration of this proposal; and we look forward to our continued work with the City of Owatonna on this project.

Appendix A

General Conditions

General Conditions

1. Agreement:

This is an agreement ("Agreement") between City of Owatonna ("Client"), and ICS, LLC (ICS), collectively, the "Parties." This Agreement includes (1) the Project Proposal ("Proposal") attached; (2) these General Terms and Conditions, Exhibit A; (3) Signature Page, Exhibit B; (4) Preliminary Project Timelines, Exhibit C; and (5) Communications Hierarchy & Task Force Organizational Structure, Exhibit D; and (6) Communications Roles & Responsibilities Matrix, Exhibit E; and (7) Billing Rates, Exhibit F; and (8) Notification of Equal Employment / Affirmative Action Compliance, Exhibit G. This Agreement represents the entire and integrated agreement between the Parties and is exclusive of and supersedes all other agreements between the Parties, either oral or in writing. If any term or provision of this Agreement is found to be invalid under applicable law, that provision shall be deemed omitted from the Agreement and the remainder of the Agreement shall remain in full force and effect.

2. Professional Services:

The Client engages ICS to provide professional project services ("Professional Services") in connection with the project at the Client's location ("Project") described in the Proposal's Scope of Services. Other services mutually agreed upon by the Parties ("Other Services") not specifically described in the Proposal shall be (1) governed by this Agreement, (2) identified in an amended Scope of Services, and (3) the Client agrees to pay ICS for such Other Services as additional compensation in accordance with ICS 's Fee Schedule attached as Exhibit C.

3. Work Product:

Professional Services under this Agreement, including, but not limited to, all drawings, reports, information, recommendations, opinions or other work product prepared or issued by ICS, are for the exclusive use and benefit of the Client in connection with the Project. The work product is not intended to inform, guide, or otherwise influence any other entities or persons, and should not be relied upon by any entities or persons other than the Client and its agents for any purpose other than for the Project. The Client will not distribute, convey or disclose ICS's work product to any other persons or entities without ICS's prior written consent. Written consent shall include an express release of ICS from all liability to the third party receiving the work product from Client, and the Client's indemnification of ICS for any claims or demands asserted against ICS by such third party. All documents produced by ICS under this Agreement shall remain the property of ICS and may not be used by the Client for any other project or purpose without the prior written consent of ICS.

4. Payment:

The Client shall pay ICS's invoices within thirty (30) days of the date of the invoice. Invoices shall be considered past due if not paid within 30 days after the invoice date. If the Client does not tender payment within 30 days of the invoice date, ICS may, without waiving any claim or right against the Client, and without liability to the Client, terminate this Agreement in accordance with Section 11(a) of this Agreement. Retainers shall be credited on the final invoice. ICS, at its sole discretion, may charge interest at 1.5% (or the applicable legal rate) per month on the unpaid balance. In the event any portion of an account remains unpaid 90 days after billing, the Client shall pay all costs of collection, including reasonable attorney's fees.

5. Standard of Care:

ICS will strive to perform the Professional Services in a manner consistent with that level of care and skill ordinarily exercised by members of ICS's profession practicing in the same locality under similar circumstances at the time the Professional Services are performed. This Agreement creates no other representation, warranty, or guarantee, expressed or implied. ICS hereby excludes and disclaims any and all implied warranties including, but not limited to, any implied warranty of fitness for a particular purpose and any implied warranty of merchantability.

6. Limitation of Liability:

Limitation on Liability. Except as otherwise provided in this Contract, in no event shall the Parties be liable to one another for any indirect, consequential, incidental, lost profits or like expectancy damages.

7. Insurance:

Insurance Provided by Consultant. Before the start of its work, the Consultant shall procure and maintain in force coverage and limits of insurance for its own negligence as follows:

- | | |
|---------------------------------|---------------------------------|
| (a) Workers' Compensation: | Statutory |
| including Employers' Liability: | |
| (b) General Liability: | \$2,000,000.00 Occurrence; |
| | \$4,000,000.00 Aggregate |
| (c) Automobile Insurance: | \$1,000,000.00 Liability. |
| (e) Umbrella Liability: | \$1,000,000.00 Occurrence; |
| | \$1,000,000.00 Aggregate |
| (f) Professional Liability: | \$5,000,000.00 Each Claim; |
| | \$5,000,000.00 Annual Aggregate |

8. Client Responsibilities:

The Client shall bear sole responsibility for (a) notifying third parties, including any governmental agency or prospective purchaser, of the existence of any hazardous materials located in or around the Project site; and (b) cooperation with all requests by ICS, including obtaining permission for access to the Project site. The Client releases and discharges ICS from all liability for any incorrect advice, judgment, or decision based on inaccurate information furnished by the Client or others. If reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including hazardous materials, encountered on the Project site, ICS shall immediately stop work in the affected area and promptly report the condition to the Client.

9. Hazardous Materials:

It is acknowledged by both parties that ICS scope of services does not include any services related to asbestos, hazardous, or toxic materials that may be encountered or found to be present at or in areas adjacent to the site. Any such materials that are encountered shall be immediately brought to the attention of the owner, who will be solely responsible for any required abatement and/or removal of the materials in full compliance with applicable laws and regulations.

10. Dispute Resolution:

Any claim or dispute between the Parties arising out of or related to this Agreement shall first be informally negotiated in good faith between the Parties. If the claim or dispute cannot be amicably resolved within thirty (30) days by good faith negotiation, the Parties shall jointly submit the claim or dispute to mediation. Mediation shall be through a mediator agreed upon by the Parties, or if the mediator cannot be agreed upon within 15 days after the party seeking mediation provides written notice upon the other party to the Agreement demanding mediation, a mediator shall be appointed by the district court in the jurisdiction in which the Project is located. Demand for mediation shall be provided in writing to the other party to the Agreement within a reasonable time after the claim or dispute has arisen. In no event shall the demand for mediation be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statutes of limitation or repose. If the claim or dispute cannot be amicably resolved by good faith negotiation or mediation, then either party may exercise its rights under law. In no event shall a claim or dispute be made or sustained if it would be barred by the applicable statute of limitations or repose.

11. Termination:

- a. This Agreement may be terminated upon than seven (7) business days' prior written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination. Upon termination, ICS will deliver to the Client or its designee all records, documents or materials in its possession or control of ICS which relate to the Project and for which payment has been received. If ICS has prepared for or performed Professional Services for which payment has not been received as of the date of termination, the Client shall be entitled to purchase the products of those Professional Services, such as records, materials, and documents, from ICS provided the Client and ICS agree to a purchase price and terms of sale. If the Client does not purchase the products of these Professional Services, the Client remains liable to ICS for any amounts incurred by unpaid charges for Professional Services performed. If this Agreement is terminated through no fault of ICS, the Client shall compensate ICS for all Professional Services performed prior to termination, all expenses incurred, all costs attributable to termination, including the costs attributable to ICS 's termination of consultant agreements, plus termination expenses of 25% of all unbilled fees.
- b. If after project scoping is accepted by the Client, redesign or analysis of alternates is required to accommodate value engineering items due to lack of funding, or if there are contractor requests requiring a re-negotiated engineering services contract, this Agreement shall be deemed terminated, and within 14 days of the date of termination, Client shall pay ICS for all Professional Services completed through the date of termination.
- c. If the Project is suspended, placed on hold or temporarily terminated for more than 15 calendar days, this Agreement will be deemed to be terminated on the 16th calendar day and the Parties shall negotiate a new agreement prior to restart of the Project to re-establish a new schedule and adjusted compensation and any other necessary revisions. Within 14 days of the date of termination, the Client agrees to pay ICS for all Professional Services completed through the date of termination plus all expenses incurred, all costs attributable to the termination, including the costs attributable to ICS 's termination of consultant agreements.

12. Other Provisions:

- a. The Parties each acknowledge that they will act in good faith in carrying out their duties and obligations under this Agreement.
- b. The Parties each acknowledge that they have reviewed and familiarized themselves with this Agreement, including its attachments, and agree to be bound by the terms and conditions contained therein.
- c. The Client shall designate a responsible employee as its contact for administration and coordination of the Work. The Client's contact shall have the authority to approve changes in the scope of the Project and shall be available during working hours as necessary to examine information submitted by ICS, to render or convey decisions, and to furnish information in a timely manner.
- d. It is specifically always understood and agreed that pertinent to this Agreement that ICS shall be an independent contractor and shall not be considered an employee of the Client.
- e. The Client shall provide prompt written notice to ICS if the Client becomes aware of any errors, omissions or inconsistencies in ICS 's Professional Services or information furnished by Client or Client's agents.
- f. The Client shall ensure that Project team leaders directly contracted to the Client have budgeted and thoroughly discussed and accepted all Project costs and values with the Client.
- g. The Parties understand and agree this Agreement may be changed or modified only through written agreement signed and dated by the Client and ICS. No act, omission or course of dealing by the Parties shall alter the requirement that modifications or changes to this Agreement can be accomplished only by mutual written agreement signed and dated by the Parties.
- h. This Agreement shall not be assigned by the Client or ICS without prior written consent of the other party to this Agreement.

- i. This Agreement shall be governed by and construed under the laws of the state where the Project is located.
- j. Unless otherwise provided, all notices and notifications shall be in writing and considered duly given if sent by U.S. Mail, postage prepaid, or by facsimiles to the business address of the parties set forth in this Agreement. Such notice(s) shall be deemed given as of the second business day following the date of posting by U.S. Mail or the next business day following the date of sending in the case of a facsimile or telecopy.

End of General Conditions

Appendix B

Signature Page

Signature Page

City of Owatonna

Public Safety Center

Phase II – Site Investigation & Facility Design

12/17/2024

Proposal Terms

Terms on payment of services are delineated in the proposal dated 12/17/2024.

Signature includes acceptance of the attached proposal, fee schedule, and general conditions.

Authorization to Proceed

We appreciate the opportunity to present this proposal for Program Management Services. Please sign and return both copies of this document to our office. Upon receipt of both signed copies, a fully executed original copy will be forwarded back to you for your records. We will begin the project at the time of signature acceptance of this proposal.

Please proceed according to the above stated terms, the general conditions attached and the proposal.

City of Owatonna

Date

Date

Printed Name

Printed Name

Authorized Signature

Authorized Signature

ICS

Date

Printed Name

Authorized Signature

Appendix C

*Preliminary
Project Timeline*

Preliminary Project Timeline

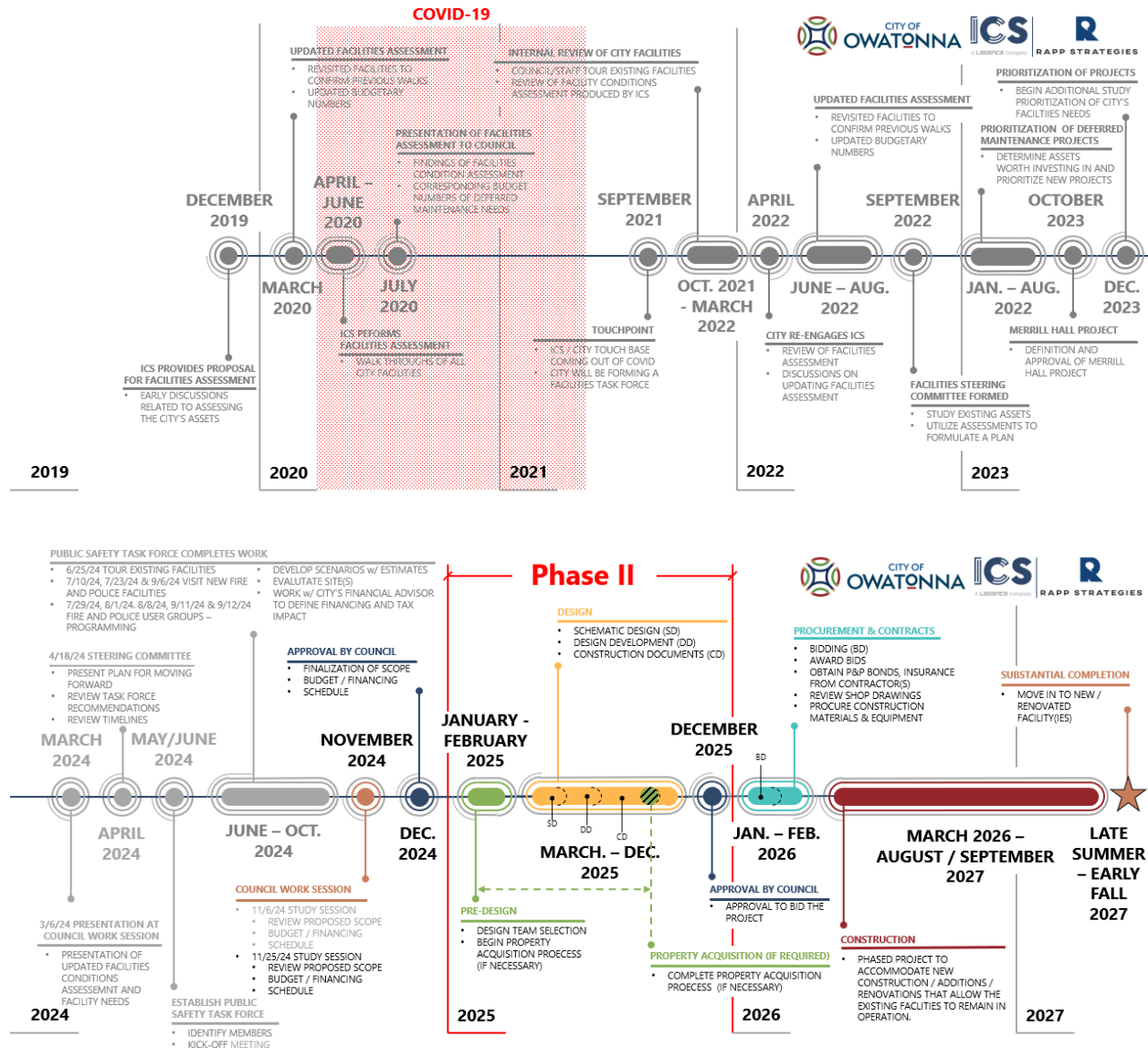
City of Owatonna

Public Safety Center

Phase II – Site Investigation, Facility Design and Budget Verification

12/17/2024

PUBLIC SAFETY CENTER PROJECT TIMELINE:



Preliminary Project Timeline

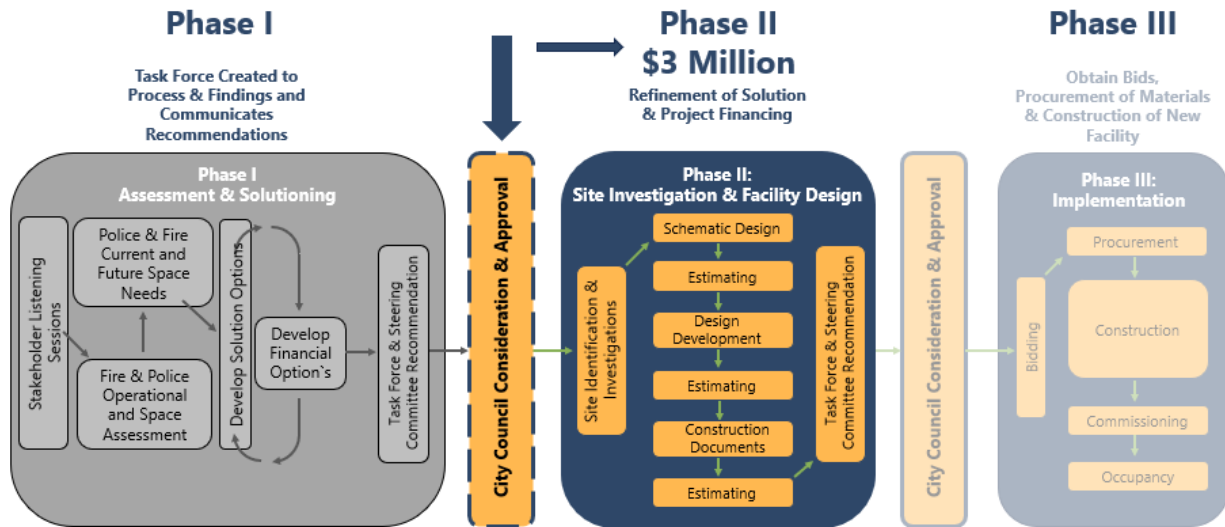
City of Owatonna

Public Safety Center

Phase II – Site Investigation, Facility Design and Budget Verification

12/17/2024

PUBLIC SAFETY CENTER PROJECT TIMELINE:



Appendix D

*Communications Hierarchy
& Task Force
Organizational Structure*

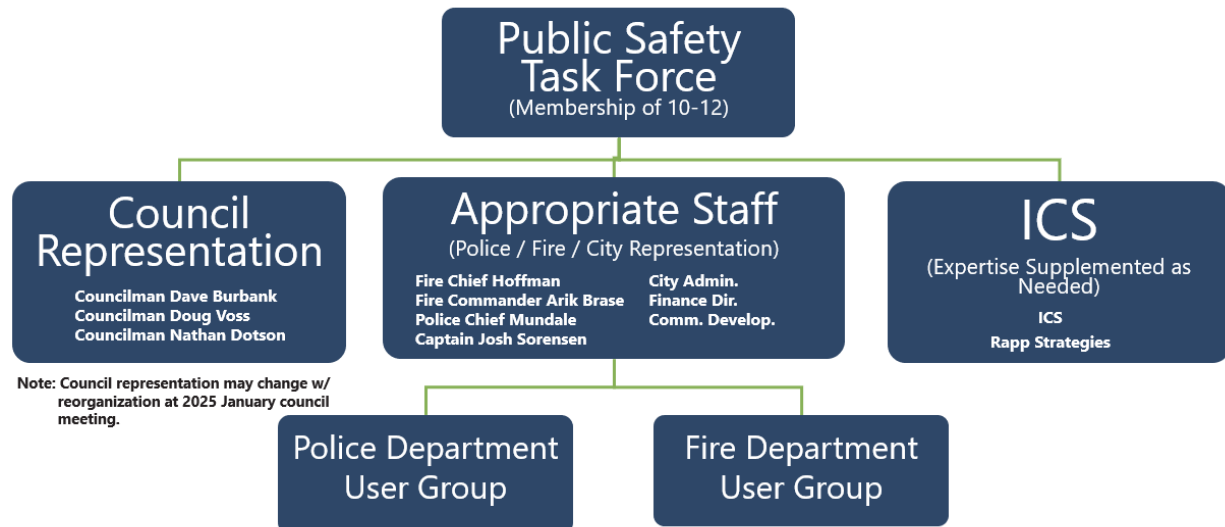
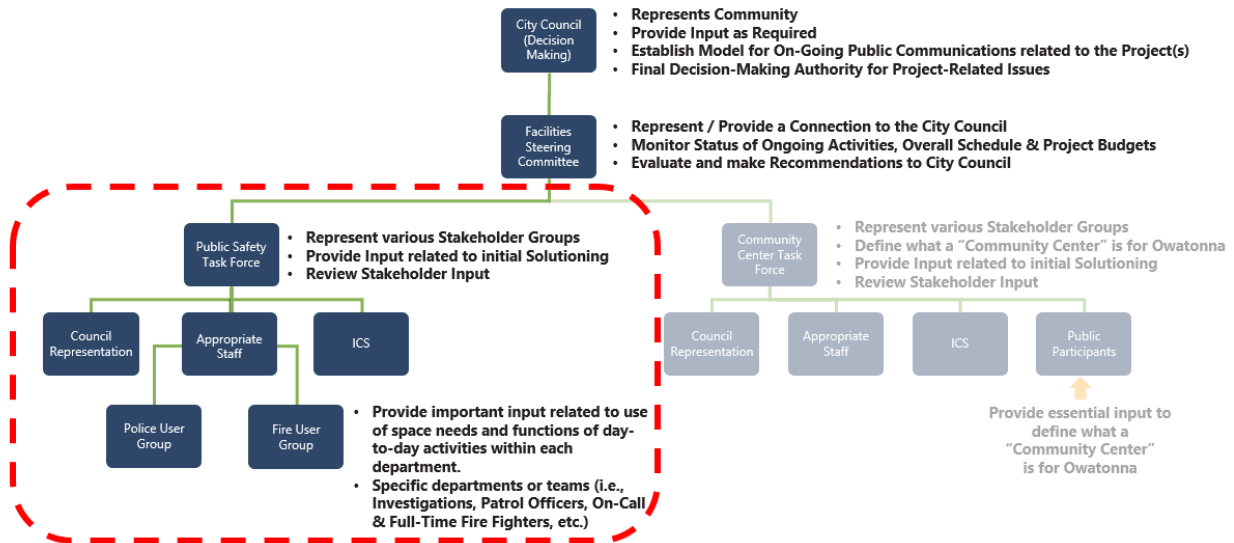
Communications Hierarchy & Task Force Organizational Structure

City of Owatonna

Public Safety Center

Phase II – Site Investigation, Facility Design and Budget Verification

12/17/2024



Appendix E

Communications Roles & Responsibilities Matrix

Communications Roles & Responsibilities Matrix

City of Owatonna

Public Safety Center

Phase II – Site Investigation, Facility Design and Budget Verification

12/17/2024

Responsibility Matrix	ICS Team	City
Comprehensive Communication Plan and Support	X	X
City Microsite Restructure for Optimum Community Engagement	X	X
City Voter Analysis	X	
Public Survey and Polling	X	
Online Survey Development and Implementation	X	
Engage Local Business to Identify Potential Public / Private Partnerships	X	X
Create and Implement Strategy, Plan and Timeline for Successful Referendum	X	X
Community Engagement Content Development and Production	X	
City Community Leadership Outreach	X	X
Traveling, Creating, Filming, and Editing Videos		X
Prepare and Implement Strategic Community Information Sessions	X	
Other Assessment and Surveys as Needed (TBD)		X
Project Design Meetings	X	
Architectural Renderings for Public		X
Misc. Coordination / Support / Strategy / Presentations, etc that are outside the scope of this proposal	X	X

Appendix F

*Overall Budget
Estimate*

Overall Budget Estimate

City of Owatonna

Public Safety Center

Phase II – Site Investigation, Facility Design and Budget Verification

12/17/2024

OWNER: CITY OF OWATONNA
PROJECT: COMMUNITY & SAFETY CENTER
LOCATION: OWATONNA, MN
PREP BY: ICS
DATE: 8/13/2024; 8/19/2024; 8/27/2024; 9/18/24; 10/25/24; Updated 11/9/24





CITY OF

OWATONNA

ITEM / ITEM DESCRIPTION	Scenario #3	Scenario #5	Quantity /		Unit Cost / SF		Notes:
	Safety Center Initial Budgeting (New Facilities)	Renovations to Existing LEC, Police Addition & Fire Station Addition	Program SF	Unit	Cost		
SAFETY CENTER							
BUILDING IMPROVEMENTS							
FIRE STATION - NEW FACILITY							
Fire Station (Building)	\$16,150,000	\$16,150,000	40,375	SF	\$400		
Training Facilities / Features	\$250,000	\$250,000	1	ALLOW	\$250,000		Placeholder for Training Equipment
FF&E	\$650,000	\$650,000	1	ALLOW	\$650,000		Furnishings
Technology	\$150,000	\$150,000	1	ALLOW	\$150,000		Screens, Wake-Up Alert System, PA System, etc.
Security	\$120,000	\$120,000	1	ALLOW	\$120,000		Front End, Cameras & Card Readers
Site	\$1,750,000	\$1,750,000	1	ALLOW	\$1,750,000		Assumed Site Costs
POLICE STATION - SELECTIVE DEMOLITION / DEMOLITION							
Selective Demolition for Additions	\$0	\$75,000	1	ALLOW	\$75,000		
Demolition of Garage Structures	\$0	\$225,000	1	ALLOW	\$225,000		
POLICE STATION - RENOVATIONS							
Hardening Measures	\$0	\$250,000	1	ALLOW	\$250,000		
Renovate Interior Space to Maximize Efficiency for Building Program	\$0	\$5,355,000	25,500	SF	\$210		
POLICE STATION - CIP PROJECTS							
Tuckpointing of Existing Masonry & Building Sealants	\$0	\$20,000	1	From CIP	\$20,000		
Encapsulate Existing EPS w/ Metal Panel	\$0	\$725,000	1	From CIP	\$725,000		
Replace Windows and Flashings	\$0	\$275,000	1	From CIP	\$275,000		
Replace Roofing	\$0	\$305,000	1	From CIP	\$305,000		
Replace Existing HVAC Equipment	\$0	\$375,000	1	From CIP	\$375,000		
Replace & Re-Locate Sewage Ejector outside of Building	\$0	\$150,000	1	From CIP	\$150,000		
Upgrade Elevator(s) to Meet Code	\$0	\$350,000	2	New CIP	\$175,000		
POLICE STATION - ADDITION(S)							
Building Addition to Address Deficient Building Program	\$0	\$8,940,000	22,350	SF	\$400		
Extend Second Floor	\$0	\$1,687,500	3,375	SF	\$500		
POLICE STATION - NEW FACILITY							
Police Station (Building)	\$22,400,000	\$0	56,000	SF	\$400		
Rice/Steele County 911	\$0	\$0	3,500	SF	\$350		Recent talk is to move
Hardening Measures	\$250,000	\$0	1	ALLOW	\$250,000		Additional Hardening Measures to Exterior
FF&E	\$1,175,000	\$1,175,000	1	ALLOW	\$1,175,000		Furnishings
Technology	\$120,000	\$120,000	1	ALLOW	\$120,000		Screens, Wake-Up Alert System, PA System, etc.
Security	\$150,000	\$150,000	1	ALLOW	\$150,000		Front End, Cameras & Card Readers
Site	\$2,225,000	\$1,250,000	1	ALLOW	\$120,000		Assumed Site Costs
JOINT FACILITY EFFICIENCY							
Square Footage Efficiency	(\$2,548,000)	\$0	6,370	SF	\$400		Efficiencies of Combined Facility
Site Efficiency	(\$1,250,000)	\$0	1	ALLOW	\$1,250,000		Efficiencies of Combined Facility
CONSTRUCTION SUBTOTAL	\$41,592,000	\$40,497,500					
SOFT COSTS							
Professional Fees (ICS Oversight, Design Fees, CM Fee, Site Services, Comm)	\$6,617,568	\$6,361,900					21% of Construction Cost
Permitting/Testing	\$808,880	\$892,463					
Property Acquisition	?	?					Cost of Property needed for Project
Bond Costs	\$831,840	\$826,840					Placeholder - BakerTilly to provide
SUBTOTAL	\$8,258,288	\$8,081,203					
CONTINGENCY							
	\$3,327,360	\$3,239,800					8% 3% Design + 5% Construction
SUBTOTAL	\$3,327,360	\$3,239,800					
TOTAL	\$53,177,648	\$51,818,503					

Appendix G

Hourly Billing Rates

Billing Rates

City of Owatonna

Public Safety Center

Phase II – Site Investigation, Facility Design and Budget Verification

12/17/2024

2025 Hourly Rate Schedule			
Personnel Description:		Rate/Hour:	
Construction Executive		\$	185
Project Director		\$	155
Safety Director		\$	140
Senior Project Manager		\$	145
Project Manager		\$	135
General Superintendent		\$	145
Site Superintendent		\$	130
Project Engineer		\$	95
Clerical / Accounting		\$	70
Industry Standard Fee Range:		Typical Design Fee:	
Heavy Renovation / Remodeling		7.50% - 8.50%	2.50% - 3.80%
Light Renovation / Remodeling		7.00% - 8.00%	2.50% - 3.50%
Additions		6.50% - 7.50%	2.50% - 3.50%
New Construction		5.50% - 7.00%	2.00% - 3.00%
Flat Rates for Reimbursable Items:		Rate Monthly / Weekly:	
Site Trailer		\$	1,600 per month
Office Supplies / Equipment		\$	300 per month
Phones / Internet / Technology		\$	550 per month
Superintendent Truck		\$	1,400 per month
Project Construction Mileage		\$	1,000 per month
Safety Supplies and Signage		\$	350 per month
Pre-Construction Mileage		\$	250 per month
Superintendent Lodging / Meals		\$	1,000 per week

Note: ICS reserves the right to conduct internal review and make adjustments of Hourly Rate Schedule. In the event that future reviews of this schedule are needed, the Hourly Rate Schedule will be updated via amendment to this agreement.

Appendix H

Notification of Equal Employment Opportunity / Affirmative Action Compliance

Notification of Equal Employment Opportunity/Affirmative Action Compliance

City of Owatonna

Public Safety Center

Phase II – Site Investigation, Facility Design and Budget Verification

12/17/2024

4/21/2023



1331 Tyler Street NE, Suite 101
Minneapolis, MN 55413
ics-builds.com
(763) 354-2670

Re: Notification of Equal Employment Opportunity/Affirmative Action Compliance

To Whom It May Concern:

As part of ICS's compliance with the federal Equal Employment Opportunity and the State of Minnesota's Affirmative Action Plan (AAP), we hereby notify you that ICS Consulting, LLC is an equal opportunity employer that makes employment decisions without regard to race, national origin, religion, age, color, sex, sexual orientation, gender identity, disability, protected veteran status, or any other characteristic protected by local, state, or federal laws, rules, or regulations.

ICS takes affirmative steps to employ and advance employment-qualified individuals without regard to race, national origin, religion, age, color, sex, sexual orientation, gender identity, disability, protected veteran status, or any other characteristic protected by local, state, or federal laws, rules, or regulations. ICS further notifies you that as an entity supplying goods or services to ICS, your organization may be subject and required to take action pursuant to the following laws and accompanying regulations:

- Executive Order 11246 (and its implementing regulations at 41 C.F.R. part 60); and
- The Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended (and its implementing regulations at 41 C.F.R. 60-300); and
- Section 503 of the Rehabilitation Act of 1973, as amended (and its implementing regulations at 41 C.F.R. 60-741); and
- Executive Order 13496 (and its implementing regulations at 29 C.F.R. part 471, Appendix A to Subpart A).

The equal opportunity clauses within each of the above regulations, as applicable, are included by reference in all contracts between ICS and your company.

Sincerely,

A handwritten signature in black ink, appearing to read 'AF', is positioned above the printed name of the signatory.

Andy Faulkner
President
ICS

RESOLUTION NO. 133-24
A RESOLUTION OF APPRECIATION TO
THOMAS A. KUNTZ FOR DISTINGUISHED SERVICE
AS THE MAYOR OF OWATONNA MINNESOTA

Thomas A. Kuntz served this community with distinction during the past twenty-one years as the Mayor of the City of Owatonna, Minnesota.

His years of service have been marked by exemplary dedication to the community. Students have been introduced to local government by conducting mock City Council Meetings and DECA students encouraged to engage with city leadership. Tom led a successful campaign to allow prayer by a local clergyman prior to City Council Meetings.

Tom's work on economic development was impactful as he reached out to state leaders and corporate presidents to help advance a number of commercial and industrial projects forward. Construction of the new hospital and clinic, completion of four-lane Highway 14 between Owatonna and Rochester, Daikin's expansion, continued investments by Federated Insurance, construction of the new high school and interactions with many other companies.

As the Mayor, Tom has traveled to St. Paul to meet with lawmakers to make sure Owatonna's story is heard in state decision-making meetings resulting in receipt of funding for projects within our community.

The City Council of the City of Owatonna does hereby express its sincere appreciation and thanks to Thomas A. Kuntz for his distinguished service to the community and does also highly commend him for the manner in which he has carried out his duties and responsibilities. The City Council extends to him their best wishes for continued success in his future endeavors.

Passed and adopted this ____ day of _____, 2024, with the following vote:

Aye _____; No _____; Absent _____.

Approved and signed this _____ day of _____, 2024.

Greg Schultz, City Council President

ATTEST:

Kris M. Busse, City Administrator/City Clerk

RESOLUTION NO. 134-24
A RESOLUTION OF APPRECIATION TO
GREG SCHULTZ FOR DISTINGUISHED SERVICE
AS A CITY COUNCIL MEMBER OF OWATONNA MINNESOTA

WHEREAS, Greg Schultz has served this community with distinction for more than thirteen years as a City Council Member of the City of Owatonna, Minnesota; and

WHEREAS, Greg joined the Council in October 2011; was selected to serve as Council Vice-President in January 2015 and as the Council President in January 2017. He has earned admiration and high regards from those with whom he has worked; and

WHEREAS, the performance of his duties and responsibilities as a Council Member, Council Vice-President and Council President have been characterized as excellent and constructive contributions to the community including development of the City's Comprehensive Plan, creation of the City's Facility Plan and Airport Master Plan; and

WHEREAS, his years of service have been marked by exemplary dedication to the best interests of the community with improvements to the downtown area and city facilities including the Charles S. Crandall Center with Council Chambers, Merrill Hall, North Cedar Streetscape and the Vine Street Parking Lot.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Owatonna does hereby express its sincere appreciation and thanks to Greg Schultz for his distinguished service to the community and does also highly commend him for the manner in which he has carried out his duties and responsibilities.

BE IT FURTHER RESOLVED, that the City Council and Administration extends to him their best wishes for continued success in his future endeavors.

Passed and adopted this ____ day of _____, 2024, with the following vote:

Aye _____; No _____; Absent _____.

Approved and signed this _____ day of _____, 2024.

Thomas A. Kuntz, Mayor

ATTEST:

Kris M. Busse, City Administrator/City Clerk



CITY OF
OWATONNA

Miscellaneous



DATE: December 17, 2024
TO: Mayor and City Council
FROM: Jeff Louks, Facilities Manager
SUBJECT: Burial Request - State School Childrens Cemetery

Purpose:

Request Council approval of a request received from a previous student at the State School to be buried at the State School Childrens Cemetery.

Background:

The City was contacted by Michaelson Funeral Home to approve a preplanned burial request for Dwight Solie. Staff verified the property is a registered cemetery and subject to current State Statues for burial.

On November 21, 1995, City Council approved a State School Cemetery Burial Policy, copy attached. Conditions of the policy were. The West Hills Commission met in a Special Meeting on December 12th to consider Mr. Solie's request. Excerpt of the Minutes from the West Hills Commission Meeting:

"The burial policy (approved 11/21/1995) was reviewed. Proof of residency was in the form of a newsletter article dated October 11, 1963, with Dwight's name listed as a member of the football team. Mr. Solie has a state-appointed guardian working with pre-planning arrangements. He currently lives in a care facility in Prior Lake. A motion made and approved to recommend approval by the City Council of this request for burial and inform the guardian and funeral home of policy requirements. Commissioner Vaillancourt will be the liaison. A motion was made and approved to use the plot along the north fence of the cemetery, just north of Clarence Rogers."

Budget Impact:

None. Items #4 & Item #6 of the Burial Policy require no expense incurred by the City.

#4: Only cremation remains will be considered for burial. The City will NOT be responsible for any cremation cost.

#6: The City will NOT be responsible for any cost in bringing the cremation remains to Owatonna.

Staff Recommendation:

Staff recommends approval of this burial request.

Attachments:

1. Burial Policy - State School Cemetery
2. Minutes - West Hills Special Meeting - Dec 12, 2024
3. State List: Cemeteries in Owatonna

CITY OF OWATONNA
POLICY FOR BURIAL REQUESTS ON STATE SCHOOL CEMETERY

1. All requests will first be screened by the West Hills Commission. This Commission will obtain all the pertinent facts and then make a recommendation to the City Council.
2. The request must be of an extreme, rare situation to be considered.
3. The request must include proof that the person to be buried was a resident of the State Public School for Dependent and Neglected Children during the years 1886 to 1945, or the State School from 1945 to 1970.
4. Only cremation remains will be considered for burial. The City will NOT be responsible for any cremation cost.
5. The location of the burial will be determined by the West Hills Commission and be a part of their recommendation to the City Council.
6. The City will NOT be responsible for any cost in bringing the cremation remains to Owatonna.
7. If the City Council approves a burial request, a ~~cross~~ ^{marker} will be erected exactly like those presently in place. If no monies are available from the deceased to build and erect a ~~cross~~ ^{marker}, the West Hills Commission will seek volunteer help and contributions to accomplish this.
8. The West Hills Commission will supervise the digging of the gravesite, the funeral service, the burial, closing the gravesite, and erecting the cross.

November 21, 1995 City Council Minutes- page 523

The West Hills Commission presented a State School Cemetery Burial Policy for consideration. After discussion on changing Item #7 wording from cross to marker. Council Member Clementson moved approval, Council Member Wittrock seconded the motion. All Council members voting Aye, the motion passed

Special Meeting Minutes: West Hills Commission

Date: December 10, 2024

Location: West Hills Social Commons

Board Members	Present	Absent	Other Attendees	Present	Absent	Others Present
Jan Tippet, Chair	X		Staff: Mary Jo Knudson	X		
Nancy Vaillancourt, VC	X					
Sara McKay	X					
Dan Gorman	X		Anne Peterson	X		
Arlan Burmeister	X					

Topic/Item	Summary of Discussion	Action
Call to Order	Called to order at: 2 p.m.	Tippet
Request from Dwight Solie to be buried in the State School Cemetery	The burial policy (approved 11/21/1995) was reviewed. Discussion was held regarding the requirements. Proof of residency was in the form of a newsletter article dated October 11, 1963; with Dwight's name listed as a member of the football team. Mr. Solie has a state-appointed guardian working with pre-planning arrangements. He currently lives in a care facility in Prior Lake. Motion to recommend to accept the request for burial and inform the guardian and funeral home of policy requirements. Commissioner Vaillancourt will be the liaison.	Motion: Burmeister Second: Gorman Ayes all
	Motion for plot to be used is along north fence of cemetery, the plot just north of Clarence Rogers.	Motion: Vaillancourt Second: Burmeister Ayes all
Adjournment	2:21 p.m.	Motion: Gorman Second: Vaillancourt

Cemeteries in Owatonna, Minnesota

8 cemeteries in **Owatonna, Minnesota**.

[Bohemian National Cemetery](#)

[Dane Cemetery](#)

[Forest Hill Cemetery](#)

[Meriden Township Cemetery](#)

[Owatonna Memorial Gardens](#)

[Sacred Heart Cemetery](#)

[Saint John Lutheran Cemetery](#)

[State School Childrens Cemetery](#)

Florence Avenue

Owatonna, Minnesota 55060 United States