



Blake Pothoff, Executive Director of the Fairmont Opera House, presented to Council on the current repair and rehabilitation project occurring at the site.

Finance Director Hoye provided an overview of the general fund for the 2<sup>nd</sup> Quarter of 2024. Hoye stated while revenues appear short, the City is right where it should be; the general fund will balance out in the 3<sup>rd</sup> quarter, as the City will have received the first half of the property tax payment and a local government aid payment. Hoye noted revenues are projected to be over budget due to significant interest earnings on investment portfolios and due to a recent \$100,000 donation from the Fairmont Fire Relief Association's gambling fund, which will be used towards future capital equipment for the department. Expenditures are under budget primarily due to not filling various city positions and reallocating job duties/responsibilities.

City Clerk Steuber updated Council on voter returns from the August 13, 2024 Primary Election (Martin County voter statistics: 12,022 registered voters, casting 1,646 votes; City of Fairmont voter statistics: 5,780 registered voters, casting 523 votes).

**PUBLIC DISCUSSION/  
COMMENT**

Jodi and Jeffrey Schultz, residents of East Amber Lake Drive, identified noise, speed, and safety concerns of truck traffic on Lake Aires Road.

**CONSENT AGENDA**

Mayor Baarts introduced the consent agenda items as listed for consideration to be enacted by one motion unless requested that an item be removed and included under new business. Mayor Baarts reviewed the consent items, as follows:

- City Council Minutes from the Regular Meeting on August 12, 2024
- Accounts Payable for August 2024
- An event permit for a Homecoming Parade sponsored by Fairmont Jr.-Sr. High School on September 20, 2024
- An Event Permit for a LIVE Stormwater Art Installation Sponsored by the City of Fairmont and Imagine Martin on September 12, 2024
- An Event Permit for Harvest Hustle 5K Sponsored by Fairmont Christian School on September 15, 2024
- An Event Permit for King Korn Days Sponsored by Shenanigans/Silo '67 on September 28, 2024
- An Event Permit for a Custom Car Show Sponsored by Shenanigans/Silo '67 on September 14, 2024

Motion was made by Councilmember Hasek, seconded by Councilmember Miller to approve the consent agenda. All present voted in favor. Motion carried.

**NEW BUSINESS  
MOTION  
Item 9.A.1**

Airport Manager Steinkamp stated while Council approved the FAA grant pertaining to the reconstruction of Taxiway A Lighting at the Municipal Airport at the August 12 meeting, approval of the State companion grant is necessary to allow FAA funds to channel from the State to the City and to allow for the State to issue their 5% portion (\$4,222) to Fairmont. Motion was made by Councilmember Maynard, seconded by Councilmember Miller to approve the MNDOT Aeronautics Companion Grant to Reconstruct Taxiway A Lighting (Contract No. 1057793). All present voted in favor. Motion carried.

**MOTION  
Item 9.A.2**

Public Works/Utilities Director York introduced item 9.A.2: Change Order #1 with Kraus-Anderson Construction Company for the Refrigeration System at the Martin County Arena. Director York stated the change order consists of two parts:

- 1) A 60-day time extension of the project, setting the completion date for 10/27/2024, and
- 2) A \$54,500 increase to the electrical portion of the contact, which would not change the approved project amount of \$1.577 million, but would rather come out of the project's contingency fund. Director York explained engineers designed the project with a second transformer with two different electrical feeds to the building, as done prior for similar arenas. Upon review by the State inspector, it was determined the electrical design didn't meet the necessary State standards nor is it allowed as part of our electrical system. Therefore, \$54,500 will allow for the necessary electrical changes to be made by Dewar Electric (wiring, equipment, labor, etc.) to comply.

Councilmember Kaweckı voiced her opinion that the City of Fairmont should not be responsible for the contingency based on the engineer's electrical mis-design, believing the issue should be addressed by Kraus-Anderson and JLG. Attorney Brown recommended to follow the recommendations of the project manager to fulfill the contract and that is what the contingency is built in for.

Motion was made by Councilmember Lubenow, seconded by Councilmember Maynard to Approve Change Order #1 with Kraus-Anderson Construction Company for the Refrigeration System at the Martin County Arena. Councilmembers Hasek, Maynard, Miller and Lubenow voted in favor. Councilmember Kaweckı voted against. Motion carried.

**NO ACTION**  
**Item 9.B.1**

Administrator Skaret introduced the 2025 Budget Discussion to Council prior to Finance Director Hoye presenting. Skaret reiterated that streets are a top priority amongst Council and citizens, with the need for additional street repairs and reconstructions. To meet that need, staff is recommending a 9.1% levy increase; 5.8% of which would be used for street improvements, going from an average of \$1.6 million/year spent on streets to \$2.0 million/year. The remaining 3.2% of the levy would be allocated to general operations, primarily for staff wages and benefits. Skaret noted that while a 9.1% increase is proposed, that translates into a 5.7% city property tax increase.

Administrator Skaret turned the presentation over to Finance Director Hoye. Director Hoye stated the general fund revenues and expenses are proposed at \$10.93 million for 2025; an increase of 3.2% which is reflective in the proposed levy to cover the increase in labor costs and health care benefits. While a Human Resources Manager and Community Development Director have been added to the budget, minimal to no additional budget allocations have been made. Hoye stated this was due to having budgeted for a community development position for the past several years and while Betsy Steuber was promoted to City Clerk, her prior position was not filled (job duties and responsibilities were reallocated) and no additional budget allocations were made, they were shifted to the Human Resources Manager.

Hoye noted changes to the 5-year capital improvement plan (CIP), primarily those focused on City Hall and SMEC building improvements. Director Hoye stated the reason for pushing those items back another year is to ensure discussions and planning with council and engineering staff to develop a plan for building improvements. Another change to the 5-year CIP encompasses the Downtown beautification project (sidewalk improvements, paver repairs and lighting updates); with the City reallocating some of the \$2.0 million set aside for that project to use towards street improvements.

Director Hoye reviewed the preliminary 9.1% property tax levy increase and its impact on several property valuation scenarios.

Councilmember Kawecki posed numerous questions/suggestions on "front loading the budget", substations, slip lining and manhole projects, the Downtown Beautification Project, George Lake Dam Inspection/Repair, and Emerald Ash Borer (EAB).

Director York addressed Councilmember Kawecki's questions/suggestions and spoke of SMMPA's involvement with the line department projects, and of additional tree plantings well over the grant received for 55 trees

based on the impacts of EAB. York stated while some budgetary items can be split up and pushed back, input from Council has been to move forward; while the City has numerous projects and expenditures, though they may not transpire, the City needs to be moving forward and planning for the future. Councilmember Maynard concurred with Director York's explanation.

**STAFF/LIAISON  
REPORTS**

Director York shared that the Park Street project is well underway with upcoming closures of Albion Avenue and Woodland Avenue occurring soon due to street improvements. As Council approved converting Maple Street to a one-way, York is working on that transition.

Administrator Skaret proposed Council meeting on Friday at 12:30 pm to discuss a written agreement with the Fair Board on the ice compressors. Skaret also discussed setting a date for Brunton Architects and Engineers to present their Facility Study Presentation to Council. Administrator Skaret reported on a recent meeting with Mayo Clinic – Fairmont and reiterated their commitment and service to the Fairmont Community

Councilmember Lubenow stated the Park Board continues to discuss pickleball court locations and top priorities continue to be Veteran's Park, the Sylvania Park bandshell, and installing air conditioning in the Lincoln Park rentable shelter house.

**ADJOURNMENT**

Motion was made by Councilmember Maynard, seconded by Councilmember Miller, to adjourn the meeting, as there was no further business to come before the Council. All present voted in favor. Motion carried. The Fairmont City Council adjourned at 7:05 p.m.

ATTEST:

  
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Betsy Steuber, City Clerk

  
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Lee C. Baarts, Mayor