

**City of Fairmont
100 Downtown Plaza
Fairmont, MN 56031**

City Council Minutes
Regular Meeting

September 9, 2024
City Hall, 5:30 p.m.

CALL TO ORDER

The Fairmont City Council met in regular session at the City Hall Council Chambers. Mayor Baarts called the meeting to order at 5:30 p.m.

ROLL CALL

Council present: Lee Baarts, Mayor
Wayne Hasek, Councilmember
Britney Kawecki, Councilmember
Randy Lubenow, Councilmember
Jay Maynard, Councilmember
Michele Miller, Councilmember

Absent: None

Staff present: Matt Skaret, City Administrator
Matthew York, Director of Public Works/Utilities
Paul Hoyer, Finance Director
Michael Hunter, Chief of Police
Lee Steinkamp, Airport Manager
Betsy Steuber, City Clerk
Cara Brown, City Attorney, via telephone
(Flaherty & Hood)

**PLEDGE OF
ALLEGIANCE**

The City Council and all present stood for the Pledge of Allegiance.

**APPROVAL OF
AGENDA**

Motion was made by Councilmember Maynard, seconded by Councilmember Hasek to approve the agenda as presented. Prior to voting on said motion, Administrator Skaret requested Agenda Item 9.C.1 be removed and presented for consideration at a later date. Mayor Baarts rescinded the motion on the table and sought a motion to approve the agenda as presented less agenda item 9.C.1. Motion was made by Councilmember Maynard, seconded by Councilmember Hasek to approve the agenda as presented, with the removal of item 9.C.1. All present voted in favor. Motion carried.

ROTATING VOTES

Please note that votes taken by roll call are called by the City Clerk on a rotating basis; however, the written minutes list the Councilmembers in alphabetical order.

**RECOGNITION/
PRESENTATIONS**

Chief of Police introduced Shaylynn Anderson and Derek Hughes, newly hired Fairmont Police Officers, to the Council and the community prior to them being ceremonially sworn in by City Clerk Steuber.

Mayor Baarts recognized the following City Employees for their years of service: Miles Heide, Electric Department, 35 years; Nick Lardy, Public Works Department, 20 years; Scott Becker, Public Works Department-Parks, 15 years; and Tyler Osborn, Public Works Department-Parks, 10 years.

**PUBLIC DISCUSSION/
COMMENT**

No public discussion/comments were heard.

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 Special Meeting on August 26, 2024
- City Council Minutes from the Regular Meeting on August 26, 2024
- City Council Minutes from the Special Meeting on August 30, 2024
- Purchase of a SCBA Compressor Fill Station and Accessories from Alex Air Apparatus

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

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

Director York introduced item 9.A.1: Bike Share Program with the Kids Just Want to Have Fun Group. York stated the group applied for a \$10,000 grant through the Statewide Health Improvement Partnership (SHIP) for the project. The City's involvement with the project would consist of holding liability insurance on the bikes and base station, monitoring the app/website regarding maintenance work orders, installing a base station at the Fairmont Aquatic Park, and storing the equipment during the off-season. Prior to having the Kids Just Want to Have Fun representatives Betsy Tino and Ed Willett present, York confirmed there to be no additional insurance premiums for the additional liability coverage, nor would there be any additional budget impact for the 2025 year. Tino and Willette provided an overview of the bike share program, noting 5 bikes are to be purchased initially. Tino stressed the program aims to encompass the whole family, as the bikes to be purchased are for persons 18 years or older (most parent do not

have bikes, but their children do) and the program would be free of charge.

Motion was made by Councilmember Kawecki, seconded by Councilmember Maynard to approve entering into a bike share program with the Kids Just Want to Have Fun Group. All present voted in favor. Motion carried.

MOTION
Item 9.A.2

Airport Manager Steinkamp stated while Council approved the FAA grant pertaining to Airport Layout Plan/Master Plan Updates for the Municipal Airport at the June 10, 2024 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 (\$22,111) to Fairmont. Motion was made by Councilmember Miller, seconded by Councilmember Maynard to approve the MNDOT Aeronautics Companion Grant Agreement (No. 1057709) and Resolution for the Airport Layout Plan/Master Plan Update Project. All present voted in favor. Motion carried.

MOTION
Item 9.B.1

Administrator Skaret introduced the 2025 Preliminary Budget and Tax Levy agenda item prior to Finance Director Hoye presenting. Skaret stated Council is required to certify the 2025 preliminary budget and tax levy by September 30 of each year; with the ability of Council to lower the levy in December, but not increase it. Skaret reiterated that streets were a top priority amongst Council at the July 23, 2024 Workshop. To meet that need, staff recommends a 9.1% levy increase; of which 5.8% (approximately \$400,000) would be earmarked for street improvements, with an increased from \$1.6 million/year spent on streets to \$2 million/year.

Finance Director Hoye began the proposed 2025 budget presentation noting it to be a side-by-side comparison of what the 2024 budget was compared to what is proposed for 2025.

General Fund (Revenues): Hoye noted the general fund covers the day-to-day operations for the City with the two main sources of revenue being Local Government Aid (LGA) and Property Taxes. For 2025, LGA is to increase roughly \$19,000 and Property Taxes are to increase approximately \$200,000 due to the proposed 9.1% levy increase. Hoye stated the majority of the increase in general fund expenses is related to personnel costs.

General Fund (Expenditures): Overall, the City has a balanced budget in the general fund with revenues and expenses increasing 3.2%. Hoye mentioned additional costs in 2025 is due to the change in the

Liquor Store Funding: Hoye listed the projects to be funded out of the Liquor Store funds for 2025. Hoye made mention that in previous years, SMEC was subsidized roughly \$40,000 to \$60,000, however there is only a slight deficit (\$1,000) as more revenues have been generated thru rental use and the expanded tenant base.

Property Tax Levy: Hoye mentioned that \$625,000 will be raised with the 9.1% tax levy and that as our tax base has grown over the years, citizens should expect the tax impact to be less than the 9.1% levy. Examples of the impact of the levy based on the valuation of a residential property were explained.

A final budget meeting with an opportunity for the public to provide input will be held on December 9, 2024 at 6:00 pm. Hoye reiterated Council could opt to lower the levy at that point but could not increase it.

Hoye opened the floor to questions. Councilmember Kawecky expressed her interest in seeing the budget lower than where it currently stands and offered suggestions and considerations on the Downtown Beatification Project, Emerald Ash Borer, and Street Improvements.

Councilmember Maynard stated while he is sympathetic to having a lower tax levy, there are no items in the proposed budget that are truly optional.

Councilmember Miller concurred with the statements made by Councilmember Maynard prior to voicing support of the levy increase, indicating the need for Council to move forward with street improvements.

Motion was made by Councilmember Miller, seconded by Councilmember Maynard to Approve Resolution 2024-29: Adopting the Proposed Property Tax Levy for 2025 and Ordering Certification to the Martin County Auditor. All present voted in favor. Motion carried.

Motion was made by Councilmember Miller, seconded by Councilmember Hasek to Approve Resolution 2024-30: Adopting the Proposed Budget for 2025. All present voted in favor. Motion carried.

STAFF/LIAISON REPORTS

Director York provided an update on the current street improvement projects and stated the FAA awarded the City with additional supplemental funding for the taxiway project (an additional \$500,000+ was awarded).

Administrator Skaret reminded Council of the special meeting on September 19, 2024 with Brunton Architects and Engineers presenting the Public Safety Facility Study.

Councilmember Hasek updated Council of the September 3, 2024 Board of Zoning Appeals meeting with three variance requests passing.

Councilmember Lubenow shared that Fairmont HRA is moving forward with an agreement with the Southwest MN Housing Partnership for the property by the Lakeview Methodist Home and spoke of sewer line repairs at Friendship Village.

Councilmember Maynard stated FEDA approved a façade program loan, renewed services website monitoring and had great strategic discussions.

Councilmember Miller noted that the building of units at Whitetail Ridge is underway.

Mayor Baarts read note from the Early Childhood Initiative thanking Council for their support of the storybook walk at Cedar Creek Park this summer; he encouraged citizens to check out Freedom Rock at the corner of Margaret Street/Highway 15 and to tune in to the upcoming Candidate Forums, sponsored by the Fairmont Chamber of Commerce.

ADJOURNMENT

Motion was made by Councilmember Miller, seconded by Councilmember Maynard, 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 6:42 p.m.

ATTEST:



Betsy Steuber, City Clerk



Lee C. Baarts, Mayor