

Councilmember Lubenow concurred with Councilmember Kawecki regarding Council expressing no further action was directed regarding beekeeping, or agenda item 8.2.

Attorney Brown stated to limit risk, it would be in the City's best interest to have minimum regulations in place (i.e. beekeeping setbacks, quantity) and update the code to clarify that beekeeping is allowed, as the current City Code language is ambiguous.

(The removal of agenda items 8.2 and 9.C.2 was re-broken down into two motions, as listed below)

Motion was made by Councilmember Kawecki, seconded by Councilmember Lubenow to remove agenda item 8.2: Amending Fairmont City Code – Chapter 4 on Animals. Councilmembers Kawecki and Lubenow voted in favor of said motion; Councilmembers Hasek and Maynard voted against. Mayor Baarts broke the tie vote by voting against. Motion failed.

Motion was made by Councilmember Kawecki, with no second, to remove agenda item 9.C.2: Consideration of the City of Fairmont's Personnel Policy on Employee Development: Tuition Reimbursement. Motion failed.

Motion was made by Councilmember Maynard, seconded by Councilmember Hasek to approve the agenda as presented, with the removal of item 10.1. 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

John Kasper with the Fairmont Area Community Center (FACC) Foundation provided an update on the Community Center Project. Kasper provided a brief review on the formation of the FACC, noting several key accomplishments and works-in-progress.

Accomplishments:

- raising \$8.3 million in pledges
- identifying the YMCA for operations
- entering into a consulting agreement with the Y
- drafting an operating agreement, awaiting execution
- programming for senior population to launch in 2025
- building design completion

Works-in-Progress

- land donation (documents are drafted and donation should be completed within the next couple of weeks)
- grant and operational agreements are in the works and

Kasper provided an overview of the projected revenues and expenses, noting a revenue shortfall of approximately \$3.3 million, with a total project cost of \$27.8 million.

While Kasper noted the various challenges impacted by the Fairmont Taxpayer Coalition lawsuit, the Foundation is committed to the project and are exploring other options on managing costs and raising revenues.

In discussion, Kasper noted no donors have pulled out. Administrator Skaret stated the League of Minnesota Cities is covering all expenses related to the lawsuit, less the City's \$10,000 deductible (note: following the meeting the League confirmed that there is a 15% co-payment on the first \$250,000 in litigation expense in addition to the City's deductible)Kasper stated the Community Center Project is not being funded with debt/loans/property taxes, but with sales tax monies, donor pledges and new market tax credits.

Attorney Michael Edman took the podium to discuss the land transfer, with Mayo deeding title to the Foundation and the Foundation entering into a complex lease-user agreement with the City. Attorney Brandon Edmundson is drafting the lease-user agreement; while the City is being represented by Taft Law, the City's Bond Counsel.

PUBLIC DISCUSSION/ COMMENT

Darlene Lutz, Fairmont resident and member of the "Grassroots Organization", shared on the recent closure of two YMCA facilities in Minneapolis. Ms. Lutz stated the Grassroots Organization is not against the Community Center but believes there are other ways for the money (\$12 million) to be better utilized without building a Community Center and conveyed the need for more conversations about the project as the details are not well known.

Bill Cieslinski, Fairmont resident, posed two questions to Council, one, regarding new market tax credits and the organizations they are available to and two, if the City had the first right of refusal to purchase the Community Center if it failed.

Michael Edman, Fairmont resident, attorney, and member of the Fairmont Area Community Center Foundation, reiterated the land is currently owned by Mayo and deeding it to the Foundation is the first step. Edman indicated the first right of refusal, landlord and severance

agreements have all been discussed with Taft Law, the City's Bond Counsel. In closing remarks, Edman noted that not knowing all of the details of a very complex project, doesn't mean the details are not well known and that if anyone wishes to know more about this "open process" project to contact the Foundation.

Terry Riggs, Fairmont resident, indicated while sitting in on the design of the community center two critical components of the community were not represented: agriculture and childcare.

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 September 9, 2024
- September 2024 Accounts Payable List
- Event Permit for a Food Truck Event, sponsored by Fairmont Brewing Company on October 26, 2024

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

PUBLIC HEARING

Prior to opening the public hearing on the street reconstruction plan, Administrator Skaret introduced Jessica Green, Northland Securities Financial Advisor for the City of Fairmont. Green shared the City typically issues street improvement bonds (429) versus street reconstruction bonds (475), citing assessments as the main difference between the two. Under street improvement bonds, a minimum threshold of 20% of the project cost is assessed to benefiting property owners. Due to the uncertainty of meeting the minimum 20% threshold requirement for street improvement bonds in 2025 and 2026, street reconstruction bonds will be issued.

In 2024, the City plans to issue \$9 million in bonds, with roughly 1/3 covered under street improvement bonds and the other 2/3 under street reconstruction bonds. Under street reconstruction bonds, certain requirements must be met, such as:

- publishing a hearing notice at least 10 days but no more than 28 days prior to the hearing
- conducting a public hearing
- considering projects for the next 5 years
- publishing a "not to exceed" bond amount

Green worked with staff on the necessary requirements and noted an upward “not to exceed” amount of \$20 million. Green explained, assuming the City is in support of the plan, over the next 5 years, Council has the authority to issue up to \$20 million for improvements of the sections of streets identified in the plan. Green stated street reconstruction bonds come with a 30-day reverse referendum, noting a full explanation in the plan within the agenda packet. Should Council not receive a petition nor change the plan, a hearing would not need to be held over the course of the next 5 years (as a side note: should council amend the plan by adding additional street improvements or increase the bond amount, a hearing would need to be held).

Mayor Baarts opened the public hearing. Terry Riggs, Fairmont citizen, inquired if spending on street improvements would be further increased through this agenda item. Administrator Skaret indicated this is not for an additional increase.

Motion was made by Councilmember Maynard, seconded by Councilmember Lubenow to close the public hearing. All present voted in favor. Motion carried.

Councilmember Kawecky inquired why the City of Fairmont may not meet the 20% threshold, thinking it to be a result of rural/urban development or underground infrastructure (water, sewer, etc.) being developed on property. Administrator Skaret stated there are some questions on assessments with regards to ag land assessments and that assessments are for street or surface improvements not for underground infrastructure.

Councilmember Maynard made example of the upcoming (2025) improvement to Lake Avenue from Bixby Road to Fairlakes. The improvement is set to cost approximately \$6 million, of which approximately \$1.2 million would be assessed to the adjacent ag land property owners. Councilmember Maynard questioned if it is fair to ask those abutting ag landowners to pay to remake a road used by the entire city.

Councilmember Kawecky provided comments on factoring road importance, traffic counts and/or street patterns in our road plan; being able to amend the road plan at any time; securing an owner’s rep to ensure cost effective design and engineering services; and putting out RFP’s for engineering design.

Councilmember Lubenow discussed assessment deferral on ag land until the property is developed, and voiced support of acquiring bids for engineering services to ensure the City gets the best possible price.

Councilmember Maynard felt such discussion on RFP's and engineering is premature as the current subject matter is to adopt an overall plan for street improvements, allocate money for each one, and get the authority to issue bonds.

Councilmember Hasek expressed concern that hiring an owners rep would add to the overall project cost.

Ms. Green noted that while stipulations can be added at the present time, Council could always amend the street projects listing or bond amount at a later date. Ms. Green confirmed that Councilor Kawecki could make a motion as previously stated.

Councilor Hasek asked Director York if hiring an owner's rep was common for such projects. Director York stated he never heard of using an owner's rep for road projects in terms of his experience. York noted that Bolton & Menk have already done due diligence in the Lake Avenue and Blue Earth Avenue Projects and aided in securing over \$3 million in federal and state funding for said projects. Director York stated all City projects (such as road projects) are bid and project design is RFP'ed or RFQ'ed.

Motion was made by Councilmember Kawecki, with no second, to approve the 5-year Street Reconstruction plan with 3 additional amendments: 1) hiring an owner's representative (to save money) 2) going out for a RFP for an engineer for design and 3) amending the street plan at any time by the engineer and/or owner's representative. Motion failed.

Motion was made by Councilmember Maynard, seconded by Councilmember Hasek to approve the 5-year street reconstruction plan as presented. Councilmembers Hasek, Lubenow, and Maynard voted in favor thereof; and Councilmember Kawecki voted against. Motion passed.

**OLD BUSINESS
MOTION
RESOLUTION
Item 8.1**

Administrator Skaret stated this item of business is routine practice, as every time there is a bond issuance, the City must enter into an agreement with Northland Securities to be our consultant for the process.

Motion was made by Councilmember Maynard, seconded by Councilmember Lubenow to approve the municipal advisory service

agreement with Northland Securities. All present voted in favor. Motion carried.

Motion was made by Councilmember Maynard, seconded by Councilmember Lubenow to adopt Resolution 2024-33: Resolution providing for the competitive negotiated sale of general obligation bonds, series 2024A with Northland Securities. All present voted in favor. Motion carried.

**MOTION
Item 8.2**

Administrator Skaret provided background information on this agenda item. Upon further review, the City attorney recommended Chapter 4 – Animals, be amended to clearly indicate beekeeping is permissible within City limits and offer minimal standards to limit risk (i.e. two hives per parcel, ten-foot property setbacks). Additionally, some ambiguous definitions on the prohibition of “wild animals” was recommended to be updated at the same time.

In discussion, Lubenow questioned why this information was not communicated during prior discussions on beekeeping. Councilmember Kawecky agreed with Councilmember Lubenow and noted the proposed amended ordinance is requiring items the Council did not ask for (i.e. permits for chicken coops, hives, etc.). Councilmember Maynard stated that initially Council didn't need to do anything, however after further consideration and discussion, there was a change in circumstance with the City Attorney and staff believing this warranted reconsideration. Councilmember Maynard voiced appreciation of staff taking initiative to figure out the best course of action and bringing it back to Council for consideration.

Councilmember Lubenow expressed concern with enforcement of the ordinance when currently the rental ordinance isn't addressed/enforced.

Motion made by Councilmember Maynard, seconded by Councilmember Hasek, to approve the first consideration of proposed ordinance 2024-03: an ordinance amending Fairmont City Code, Chapter 4 – Animals. Councilmembers Maynard and Hasek voted in favor thereof, and Councilmembers Kawecky and Lubenow voted against. Mayor Baarts broke the tie vote, voting in favor thereof. Motion carried.

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

Director York shared that MnDOT and the FAA are increasing their portion of funding for the hangar taxi-lanes and aprons project grant, with no addition cost due from the City of Fairmont.

Motion was made by Councilmember Maynard, seconded by Councilmember Lubenow, to approve amendment #A01 to MnDOT Grant

Agreement #1044729 regarding the hangar taxi-lanes and aprons project. All present voted in favor. Motion carried.

**RESOLUTION 2024-27
ITEM 9.A.2**

Director York provided background on this agenda item. Motion was made by Councilmember Maynard, seconded by Councilmember Lubenow adopt Resolution 2024-27: Resolution declaring costs for the 2024 improvement program and ordering the assessment roll to be prepared. All present voted in favor. Motion carried.

**RESOLUTION 2024-31
ITEM 9.A.3**

Director York briefed Council on agenda item 9.A.3, bringing forth the assessment roll and calling for a hearing to be held October 28, 2024 at 5:30 pm. Motion was made by Councilmember Maynard, seconded by Councilmember Lubenow, to adopt Resolution 2024-31: Resolution calling for a hearing on the proposed assessments of the 2024 improvement program. All present voted in favor. Motion carried.

**MOTION
ITEM 9.A.4**

Director York's final item of new business was the consideration of a streetlight policy. York provided background on this item, conveying conversations regarding requests for streetlight installation within City limits. York determined the City of Fairmont had no policy on such matter and moved forward with creating a policy for the installation or removal of a streetlight. York briefed Council on the tired process, consisting of an initial petition to start the process followed by a questionnaire for the affected residents, and with the final step being proposed to Council.

York stated he used a similar policy in prior communities he has worked in. He stated the policy to outline a fair process with an estimated turnaround time being approximately 6-8 weeks. Administrator Skaret restated the policy that could be used for the installation or removal of streetlights.

Motion was made by Councilmember Maynard, seconded by Councilmember Hasek, to approve a policy for the installation of new streetlights (a streetlight policy). All present voted in favor. Motion carried.

**MOTION
9.C.1**

Administrator Skaret introduced agenda item 9.C.1. Skaret indicated he is seeking council direction on the prior requirement for cover crops to be planted on all city owned ag land; noting concern, with receiving no bids or low bids, with the blanket cover crop requirement.

Councilmember Kawecky noted prior discussions held regarding producers implementing cover crops and no-till farming practices on city leased ag land and incorporating such practices into City owned ag-land lease agreements, especially since we are known as the "City of Lakes".

After much discussion, motion was made by Councilmember Maynard, seconded by Councilmember Hasek to approve allowing cover crops and/or no-till after harvest to be negotiated on a base by case basis at the discretion of the City Administrator. Councilmembers Hasek and Maynard voted in favor of said motion; Councilmembers Kawecki and Lubenow voted against. Mayor Baarts broke the tie vote by voting against. Motion failed.

**MOTION
9.C.2**

Human Resources Manager Viesselman provided background on this agenda item. In review of the Personnel Policy, Viesselman identified “employee development - tuition reimbursement” to be updated as a means to recruit new employees and build organizational culture and motivation with existing staff. Currently, the City of Fairmont offers up to \$1,500 for tuition reimbursement to enhance the skillset and knowledge of current full-time employees. Under the proposed update, reimbursement for educational assistance would increase up to \$5,000 and be reimbursable back to the City if employment was terminated (voluntary or involuntary) within 12 months of receiving reimbursement.

In comparison with eleven other municipalities (that voluntarily provided information through the League of Minnesota Cities List Serve) Viesselman noted educational assistance reimbursements ranged from \$2,000 to \$5,250 per full-time employee per year.

Councilmember Maynard expressed support of this agenda item, while Councilmember Kawecki voiced scrutiny, citing the amount to be excessive (a large increase of \$3,500) and that said item has not been included in the budget.

Director York noted that tuition reimbursement is for enrollment in college level courses and continuation educational offerings, training and development programs, and required licensure renewals is a budgeted line item through “training and development”.

Motion by Councilmember Lubenow, seconded by Councilmember Kawecki to approve an update to the City of Fairmont Personnel Policy on Employee Development Tuition Reimbursement, Increasing Educational Assistance from \$1,500 to \$2,500. Councilmembers Hasek, Kawecki, and Lubenow voted in favor thereof with Councilmember Maynard voting against. Motion carried.

**STAFF/LIAISON
REPORTS**

Director York provided an update on the current street improvement projects. On July 10, 2024, an EPA inspection of the City’s Water System occurred; on September 18, 2024 the City received the report listing 27

action items in need of modification. Since then, 24 of the action items have been corrected and the remaining three are currently in the correction process. York said that even though 27 items needed action, there were no major violations, and the inspectors were pleased with the city's operations. York updated Council on the Yard Waste Site saying that two RFPs were received and will be presented to Council in October.

Administrator Skaret has been working with the Community Development Director and City Attorney regarding several blighted properties. Each property has its own unique concerns, which are largely legal related. Skaret was pleased to announce the hiring of Jacob Vicario from New Ulm, MN to serve as the City's rental housing inspector, as the City has been without an inspector since Mark Determan resigned.

Administrator Skaret discussed staff safety and has consulted with legal on that matter. Lastly, Skaret stated a draft manuscript from American Legal on the Codification has been received, however the editorial and legal report explaining their recommendations was not provided. As a result, American Legal suggests postponing an in-depth review until they provide that report, slated to arrive within 60 days.

Councilmember Hasek stated he has received numerous complaints from City staff regarding safety and updated Council on the recent PUC meeting.

Councilmember Kawecky stated OneWaterOnePlan is working to narrow down project goals.

Councilmember Lubenow shared that the Park Board is discussing possible pickleball sites.

Councilmember Maynard reported the airport received a supplemental grant, in the amount of \$500,000, from the FAA for the taxiway lighting and signage project. Maynard said the federal share of projects has been increased from 90% to 95%, with MnDOT likely to decrease their share from 5% to 2.5% due to the increase.

Mayor Baarts encouraged everyone to read the recent article in the Fairmont Sentinel highlighting the upcoming "Cardinal Give Back Day".


ADJOURNMENT

Motion was made by Councilmember Maynard, seconded by Councilmember Hasek, 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 7:55 p.m.

ATTEST:



Lee C. Baarts, Mayor



Betsy Steuber, City Clerk