



CITY COUNCIL AGENDA
Monday, December 9, 2024, 6:00 p.m.

- 1. Roll Call/Determination of Quorum**
- 2. Pledge of Allegiance**
- 3. Approval of Agenda**
- 4. Recognition/Presentations**
 - 4.1** Proclamation – Human Rights Day (3)
 - 4.2** Presentation of Certificates of Election (5)
- 5. Public Discussion/Comment** (Individual comments are limited to 3 minutes) (10)
- 6. Consent Agenda** (Items removed from consent will be placed at the end of the items under new business)
 - A. Minutes**
 - 6.A.1** Consideration of the City Council Minutes from the Regular Meeting on November 18, 2024 (11)
 - 6.A.2** Consideration of the City Council Minutes from the Regular Meeting on November 25, 2024 (19)
 - B. Check Registers**
 - C. Other**
 - 6.C.1** Consideration of Kareem, Inc. Alcoholic Beverage License Renewal (27)
- 7. Public Hearings**
 - 7.1** Consideration of Proposed Ordinance 2024-05: Amending Fairmont City Code, Chapter 26-Zoning (28)
- 8. Old Business**
 - 8.1** Consideration of Amending Fairmont City Code, Chapter 4 - Animals and Second/Final Consideration of Ordinance 2024-06 (44)
- 9. New Business**
 - A. Other**
 - 9.A.1** Consideration to Amend Fairmont City Code, Chapter 14- Licenses, Permits and Business Regulations and First Consideration of Ordinance 2024-07 (51)

- 9.A.2 Consideration of a Family and Medical Leave Act (FMLA) Policy (59)
 - 9.A.3 Consideration of Update to the Leave of Absence Without Pay Policy (68)
 - 9.A.4 Discussion of City Owned Ag Land Lease Agreements and Consideration to Approve the Updated City Owned Ag Land Lease Agreements (70)
 - B. Public Works/Utilities
 - C. Finance
 - 9.C.1 Consideration of the Payable 2025 Tax Levy and Budget (98)
 - 9.C.2 Consideration of the Payable 2025 Property Tax Levy, 2025 Budget and Utility Rate Increases (118)
 - 9.C.3 Consideration to Accept Donations Made to the City of Fairmont (143)
- 10. Council Discussion
 - 10.1 Customer Service Training: Councilor Lubenow (146)
 - 10.2 City Hall Safety: Councilor Kawecki (147)
- 11. Staff/Liaison Reports
 - A. Public Works
 - B. Finance
 - C. City Administrator
 - D. Mayor/Council
 - Hasek
 - Kawecki
 - Lubenow – HRA
 - Maynard – FEDA
 - Miller – FEDA
 - Baarts

12. Adjournment

Dates to Note			
Council Meeting	Truth in Taxation	December 9, 2024	6:00 pm
HAPPY HOLIDAYS: CITY OFFICES CLOSED		December 24 -25, 2024	all day
HAPPY NEW YEAR: CITY OFFICES CLOSED		January 1, 2025	all day
Council Meeting		January 13, 2024	5:30 pm
Council Workshop	Tree Dump	January 27, 2025	4:00 pm
Council Meeting		January 27, 2025	5:30 pm
League of MN Cities Training		February 3, 2025	5:00 pm
CC/PC/BZA Joint Session	Review Zoning Update	February 10, 2025	TBA



STAFF MEMO

Prepared by: Betsy Steuber, City Clerk	Meeting Date: 12/09/2024	<input type="checkbox"/> Consent Agenda Item <input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 4.1
Reviewed by: Jeff O'Neill, Interim City Administrator	Item: Proclamation - Human Rights Day		
Presented by: Mayor Baarts	Action Requested:		
Vote Required: <input type="checkbox"/> Simple Majority <input type="checkbox"/> Two Thirds Vote <input type="checkbox"/> Roll Call	Staff Recommended Action: Board/Commission/Committee Recommendation:		

REFERENCE AND BACKGROUND

Mayor Baarts will proclaim Tuesday, December 10, 2024 as Human Rights Day in the City of Fairmont.

BUDGET IMPACT

SUPPORTING DATA/ATTACHMENTS

Proclamation



PROCLAMATION

Whereas, Tuesday, December 10th, 2024 marks the 76th anniversary of the Universal Declaration of Human Rights; and,

Whereas, The Declaration was proclaimed by the United Nations General Assembly in Paris on the 10th of December 1948 and sets out, for the first time, fundamental human rights to be universally protected; and,

Whereas, Article One of the Declaration states: All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood; and,

Whereas, the Minnesota Human Rights Act was passed into law in Minnesota in 1967 and is one of the strongest civil rights laws in the country; and,

Now, therefore, be it resolved that I, Mayor Lee C. Baarts, do hereby proclaim Tuesday, December 10, 2024, in the City of Fairmont as

Human Rights Day

Lee C. Baarts, Mayor



STAFF MEMO

Prepared by: Betsy Steuber, City Clerk	Meeting Date: 12/09/2024	<input type="checkbox"/> Consent Agenda Item <input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 4.2
Reviewed by: Jeff O'Neill, Interim City Administrator	Item: Presentation of Certificates of Election		
Presented by: Betsy Steuber, City Clerk	Action Requested:		
Vote Required: <input type="checkbox"/> Simple Majority <input type="checkbox"/> Two Thirds Vote <input type="checkbox"/> Roll Call	Staff Recommended Action: Board/Commission/Committee Recommendation:		

REFERENCE AND BACKGROUND

As the time for requesting an election vote recount has lapsed, the City Clerk will present the following Certificates of Election:

Britney Kawecki – At-Large City Council Member

James Kotewa – Ward 2 City Council Member

Randy Lubenow – Ward 3 City Council Member

Wayne Hasek – Ward 4 City Council Member

BUDGET IMPACT

SUPPORTING DATA/ATTACHMENTS

Certificates of Election

Certificate of Election

This is to certify that:

Britney Kawecki

of the City of Fairmont, County of Martin, State of Minnesota, has been elected to the office of:

At-Large City Council Member

for the term of January 1, 2025 – December 31, 2028, at the Election held November 5, 2024, in the City of Fairmont, County of Martin, State of Minnesota, as appears from the official election returns and canvass, is hereby declared duly elected to said office.

You will take office on Monday, January 13, 2025, upon taking an oath of office and filing the oath with the City Clerk.

Witness by my hand at the City of Fairmont, Minnesota
December 9, 2024



Betsy Steuber

Betsy Steuber, City Clerk

Certificate of Election

This is to certify that:

James Kotewa

of the City of Fairmont, County of Martin, State of Minnesota, has been elected to the office of:

Ward 2 City Council Member

for the term of January 1, 2025 – December 31, 2028, at the Election held November 5, 2024, in the City of Fairmont, County of Martin, State of Minnesota, as appears from the official election returns and canvass, is hereby declared duly elected to said office.

You will take office on Monday, January 13, 2025, upon taking an oath of office and filing the oath with the City Clerk.

Witness by my hand at the City of Fairmont, Minnesota
December 9, 2024



Betsy Steuber

Betsy Steuber, City Clerk

Certificate of Election

This is to certify that:

Randy Lubenow

of the City of Fairmont, County of Martin, State of Minnesota, has been elected to the office of:

Ward 3 City Council Member

for the term of January 1, 2025 – December 31, 2026, at the Election held November 5, 2024, in the City of Fairmont, County of Martin, State of Minnesota, as appears from the official election returns and canvass, is hereby declared duly elected to said office.

You will take office on Monday, January 13, 2025, upon taking an oath of office and filing the oath with the City Clerk.

Witness by my hand at the City of Fairmont, Minnesota
December 9, 2024



Betsy Steuber

Betsy Steuber, City Clerk

Certificate of Election

This is to certify that:

Wayne Hasek

of the City of Fairmont, County of Martin, State of Minnesota, has been elected to the office of:

Ward 4 City Council Member

for the term of January 1, 2025 – December 31, 2028, at the Election held November 5, 2024, in the City of Fairmont, County of Martin, State of Minnesota, as appears from the official election returns and canvass, is hereby declared duly elected to said office.

You will take office on Monday, January 13, 2025, upon taking an oath of office and filing the oath with the City Clerk.

Witness by my hand at the City of Fairmont, Minnesota
December 9, 2024



Betsy Steuber

Betsy Steuber, City Clerk



STAFF MEMO

Prepared by: Betsy Steuber, City Clerk	Meeting Date: 12/09/2024	<input type="checkbox"/> Consent Agenda Item <input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 5
Reviewed by: Jeff O'Neill, Interim City Administrator	Item: Public Discussion/Comment		
Presented by: Betsy Steuber, City Clerk	Action Requested:		
Vote Required: <input type="checkbox"/> Simple Majority <input type="checkbox"/> Two Thirds Vote <input type="checkbox"/> Roll Call	Staff Recommended Action: Board/Commission/Committee Recommendation:		

REFERENCE AND BACKGROUND

Prior to regular business, is there any public discussion/comment?

BUDGET IMPACT

SUPPORTING DATA/ATTACHMENTS



STAFF MEMO

Prepared by: Betsy Steuber, City Clerk	Meeting Date: 12/09/2024	<input checked="" type="checkbox"/> Consent Agenda Item <input type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 6.A.1
Reviewed by: Jeff O'Neill, Interim City Administrator	Item: Consideration of the City Council Minutes from the Regular Meeting held November 18, 2024		
Presented by: Betsy Steuber, City Clerk	Action Requested: Motion to Approve the City Council Meeting Minutes from the Regular Meeting held November 18, 2024		
Vote Required: <input checked="" type="checkbox"/> Simple Majority <input type="checkbox"/> Two Thirds Vote <input type="checkbox"/> Roll Call	Staff Recommended Action: Approval Board/Commission/Committee Recommendation:		

REFERENCE AND BACKGROUND

BUDGET IMPACT

SUPPORTING DATA/ATTACHMENTS

City Council Meeting Minutes: Regular Meeting, November 18, 2024

**RECOGNITION/
PRESENTATIONS**

Mayor Baarts proclaimed the week of November 18, 2024 – November 22, 2024 as American Education Week in the City of Fairmont. Andy Traetow, Superintendent of Fairmont Area Schools, accepted the proclamation after thanking Council for their acknowledgment of American Education Week and supporting Fairmont Area Schools.

**PUBLIC DISCUSSION/
COMMENT**

Tim Maschoff, a 19-year tenant of City-owned agricultural land around the Municipal Airport, voiced challenges (farming practice on the irregular shaped parcel, access issues, etc.) with a non-abutting property farmer renting the City owned airport farmland .

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 held November 8, 2024
- City Council Minutes from the Special Meeting held November 7, 2024
- City Council Minutes from the Special Meeting held October 28, 2024
- An Updated Joint Powers Agreement with South Central MN Computer Consortium

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 the first order of business, item 9.A.1: Consideration to Reject Quotes Received for Sylvania Park Bandshell Improvements and Authorize Advertizing for Bids. York explained that Wold Engineering and Architects solicited quotes for bandshell repairs to be completed this fall. The City received one quote, in excess of \$175,000, from Brennan Construction. Since the quote received was outside of the State Law standards and Fairmont purchasing policy, York recommended Council reject all quotes and authorize staff to advertise for bids for repairs to begin Spring 2025. York noted staff would advertise for two bids; a formal bid for the bandshell repairs and a separate bid for hazardous material removal of asbestos.

Councilmember Lubenow expressed support of moving this project forward to ensure completion prior to the bandshell Anniversary Year.

Motion was made by Councilmember Hasek, seconded by Councilmember Miller to Reject Quotes Received for the Sylvania Park Bandshell Improvement Project. All present voted in favor. Motion carried.

A second motion was made by Councilmember Maynard, seconded by Councilmember Miller to Authorize Staff to Advertise for Bids for the Sylvania Park Bandshell Improvement Project, including Separate Bids for Hazardous Material Removal. All present voted in favor. Motion carried.

MOTION
Item 9.A.2

The next item of new business was the Consideration of Adverting for Bids for the Gomsrud Park – North Parking Lot. Director York reviewed previous Council actions that led to this agenda item, with Council most recently rejecting all bids on July 22, 2024 and directing staff to rebid for the project this fall. Director York requested Council authorize staff to release bid documents on/around December 9, 2024 with bid opening set for January 21, 2025.

Motion was made by Councilmember Hasek, seconded by Councilmember Maynard to Authorize Staff to Advertise for Bids for the Gomsrud Park – North Parking Lot Project on or around December 9, 2024. Prior to a final vote, Councilmember Kawecki voiced her opposition based on citizen feedback, further expressing that the project design does not fit what the citizens want. Councilmembers Hasek, Lubenow, Maynard, and Miller voted in favor thereof; Councilmember Kawecki voted against. Motion carried.

MOTION

Director York introduced agenda item 9.A.3: Consideration of a Street Light Request – Cadillac Avenue. As Council approved a Street Light Policy (September 23, 2024) and a request for a street light was received that did not conform to policy standards, staff sought Council’s direction. Director York reviewed the policy guidelines and noted non-compliance of the policy criteria based on “the streetlight should be no less than 200 feet and no more than 300 feet from a current pole”. With Cadillac Avenue only 322’ in length, any location proposed would not meet policy standards. Given the circumstances, York asked if Council wanted to deviate from the street light policy and place the light in a location outside of the policy, and if so, if Council would accommodate Mr. Robert Millette’s verbal request for two street lights.

Robert Millette, resident of Cadillac Avenue and Street Light Requestor, addressed Council citing pedestrian, vehicle, and property safety as concerns on Cadillac due to limited lighting and voiced his opinion on the placement of a street light. Extensive discussion was held regarding light placement to ensure the most benefit for all properties along Cadillac

Avenue. Councilmember Maynard and Councilmember Kawecki agreed with the need of additional light on Cadillac Avenue.

Motion was made by Councilmember Maynard, seconded by Councilmember Miller to Install a New Street Light on Cadillac Avenue at the “pink or purple diamond location”*** Even though placement does not fall within the guidelines of the City of Fairmont Street Light Policy. Prior to a final vote: Councilmember Lubenow inquired on the cost of installation and operation of a streetlight. York stated the cost of installation is approximately \$1,000 plus 5 hours of labor for 2 staff and the cost of annual operation of the LED light is quite inexpensive. Further discussion centered around potential placement on the current service pole prior to Council circling back to the motion on the table, as that provided the most benefit for the entire area. Councilmembers Hasek, Kawecki, Maynard and Miller voted in favor thereof; Councilmember Lubenow voted against. Motion carried.

*** See agenda packet materials for visual depiction of pole placement; southeast corner of parcel number 23.131.0080 (1616 Cadillac Avenue)

MOTION
Item 9.C.1

Fire Chief Kastning presented on agenda item 9.C.1 stating the mutual aid agreement the Fire Department currently operates under with 13 other local fire departments is outdated; dating back to 2011 or 2012; and does not provide guidelines for billing nor list a fee schedule to use when billing a requesting agency. Kastning stated the proposed updated agreement addresses those items, with a fee schedule based off current DNR rates.

Motion was made by Councilmember Miller, seconded by Councilmember Lubenow to Approve the Updated Minnesota Middle 9 Mutual Aid Agreement for Fire and Emergency Services. All present voted in favor. Motion carried.

MOTION
Item 9.C.2

As the State of Minnesota legalized cannabis cultivation, manufacture, retail sale, and consumption; municipalities could choose to regulate the time, place and manner of said activities. Planner & Zoning Official Bode noted the Planning Commission recommends Council approve proposed Ordinance 2024-05, as attached in the agenda packet. Bode suggested Council consider extending retail operations to include B3 and B2 districts, allowing cannabis retailers to operate Downtown as well as along major commercial corridors.

Motion was made by Councilmember Maynard, seconded by Councilmember Miller to Approve the First Consideration of Proposed Ordinance 202-05: An Ordinance Amending Fairmont City Code, Chapter 26 – Zoning. All present voted in favor. Motion carried.

**TABLED
Item 9.C.3**

With the absence of Administrator Skaret and his direct involvement with agenda item 9.C.3, Mayor Baarts tabled this item to the November 25, 2024 with follow up from Director York and/or Director Oman.

**MOTION
RESOLUTION 2024-32
Item 9.C.4**

Staff has been working with Flaherty & Hood and Bolton and Menk, while utilizing information from the League of Minnesota Cities, on updating the City's outdated special assessment policy. Director York highlighted the changes to be:

- 1) how linear footage is calculated, with a maximum footage of 150' on residential properties
- 2) basing the cost of a street resurfacing project on the average cost of such type of project over a certain number of years
- 3) assessing for water and sewer lines to limit taxing our reserves

Councilmember Kawecki inquired if assessing for water and sewer lines would reduce or remove the monthly utility bill infrastructure charge for water and/or sewer. Director York responded stating there would be no removal or infrastructure charge reduction. Kawecki expressed concern that citizens would not be able to afford assessments under the new policy, council needs to think about where the money is being spent, and that the assessment policy is not getting us new roads and infrastructure.

Councilmember Miller, while cognizant of the rising costs and effects on taxpayers, voiced support of the policy noting improvements to roads and infrastructure to be an overall positive for the community.

Councilmember Maynard and Hasek concurred.

After much continued discussion, Mayor Baarts called for a vote. Motion was made by Councilmember Maynard, seconded by Councilmember Miller to Approve Resolution 2024-32: Approving an Update to the City's Special Assessment Policy "Exhibit A". Councilmembers Hasek, Lubenow, Maynard, and Miller voted in favor thereof; Councilmember Kawecki voted against. Motion carried.

**COUNCIL DISCUSSION
Item 10.1**

Councilmember Maynard brought item 10.1 forward to Council, highlighting the history of this agenda item. While Council voted to allow beekeeping in Fairmont, the ordinance pertaining to "Animals" was viewed, by staff and legal, as ambiguous and could be read to prohibit beekeeping. Attorney Brown commented that staff and legal mutually determined a short amendment would clear up the ambiguous terms and allow for beekeeping with minimal parameters and without amending the code the city remains exposed with some potential liability.

After much discussion on previous Council action and the code as it currently reads with regards to Animals/Beekeeping, Mayor Baarts stated

for Staff to bring back the previously proposed ordinance pertaining to Animals/beekeeping to Council on November 25, 2024.

Item 10.2

Councilmember Kawecky brought forth item 10.2 to Council questioning the \$1.2 million dollar project cost and the business owners involvement in the Downtown Beautification project.

Councilmember Miller stated in discussion with Director Oman, that this project does not affect the budget or the levy. Finance Director Hoye confirmed the \$1.2 million dollars for the project is coming out of capital reserve account with no impact to the levy.

Director York provided a project update with an RFP send out the beginning of November for a design firm to provide a conceptual design, and reiterated involvement with Downtown businesses and the groups as Councilmember Kawecky listed/voiced to be included as part of the conceptual design.

Item 10.3

Councilmember Lubenow provided images to Council of the materials at the yard waste site and questioned and suggested methods for material removal. Director York reviewed the current plan, which is following suit since prior discussion on said matter. Councilmember Lubenow suggested professional tree removers have their fee upped to \$10,000 as they provide the larger materials based on the quantity and size of material brought to site. York stated he has ideas on this item, citing other problems to address – such as there is it is coming from. York noted bringing forth to Council after the first of the year that is a large item and change and has ideas and other problem to address – such as where it is coming from.

**STAFF/LIAISON
REPORTS**

Director York spoke on the recently mailed “lead service line letters” and encouraged those with questions to contact him directly. York stated he recently applied for grant funding for said project and recommended if residents wish to replace their line from the curb stop to their property to hold off until the state has a funding mechanism in place for reimbursement. York reported leaf pick-up is completed for the season and street sweeping is underway.

Director Hoye noted while 4 assessment objections were received for the Woodland Avenue Project, in discussion with staff, Council and Legal, the best overall consensus was to reassess all 2024 Woodland Avenue Project under the newly adopted Special Assessment Policy. Hoye brief Council on the procedures of the reassessment and received Council confirmation to move in that direction.

Councilmember Kawekci reported the Martin County Library is fully staffed with regular hours of operation and One Watershed will be meeting in January

Councilmember Maynard reported the on the Airport Projects (taxiway lighting design and Master Plan). Additionally, Councilmember Maynard reported the BZA approval of a variance along state Street and that FEDA discussed a potential sale of property along County Road 39.

Councilmember Miller shared CER facility hours are on pace to exceed last years hours and several new young adult/adult and youth programs are being offered and well received.

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 7:37 p.m.

ATTEST:

Lee C. Baarts, Mayor

Betsy Steuber, City Clerk



STAFF MEMO

Prepared by: Betsy Steuber, City Clerk	Meeting Date: 12/09/2024	<input checked="" type="checkbox"/> Consent Agenda Item <input type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 6.A.2
Reviewed by: Jeff O'Neill, Interim City Administrator	Item: Consideration of the City Council Minutes from the Regular Meeting held November 25, 2024		
Presented by: Betsy Steuber, City Clerk	Action Requested: Motion to Approve the City Council Meeting Minutes from the Regular Meeting held November 25, 2024		
Vote Required: <input checked="" type="checkbox"/> Simple Majority <input type="checkbox"/> Two Thirds Vote <input type="checkbox"/> Roll Call	Staff Recommended Action: Approval Board/Commission/Committee Recommendation:		

REFERENCE AND BACKGROUND

BUDGET IMPACT

SUPPORTING DATA/ATTACHMENTS

City Council Meeting Minutes: Regular Meeting, November 25, 2024

Steven Zwiefel, Wastewater Department, 10 years; Thomas Donnally, Fairmont Liquor Store, 10 years; Doug Harstad, City Hall - Building Department, 10 years; Matthew Streit, Fire Department, 10 years; and Ross Campbell, Fire Department, 10 years.

**PUBLIC DISCUSSION/
COMMENT**

Brittany Hartman, Executive Director of Visit Fairmont, offered to answer questions and be a resource for Council on agenda item 8.1: Lodging Tax.

Jeff Sauer, resident of Fairmont and a local Airbnb owner, questioned the process of lodging tax collection for Airbnb and VRBO properties stating Airbnb's collection of taxes/fees differs significantly from hotel/motel collection.

Todd Smith, resident of Fairmont, inquired on the status of his cease-and-desist notice.

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 held November 14, 2024
- Accounts Payable for November 2024
- Declaring Equipment as Excess within the Fairmont Police Department and Authorizing Staff to Post for Sale
- 2025 License Renewals for Cigarette and Tobacco Products, THC/Edibles, Refuse Hauling, Taxi and Theater
- Interim Employment Agreement between the City of Fairmont and Jeff O'Neill
- A \$8,700 Increase to Purchase Order #14983 for a Public Works Plow Truck with TBEI

Motion was made by Councilmember Maynard, seconded by Councilmember Lubenow to approve the consent agenda. Councilmembers Hasek, Kawecki, Lubenow, and Maynard voted in favor thereof; Councilmember Miller voted against. Motion carried.

**OLD BUSINESS
MOTION
Item 8.1**

City Clerk Steuber introduced agenda item 8.1: Consideration to Amend Fairmont City Code, Chapter 14 – Lodging Tax. Councilmember Kawecki questioned:

- how Visit Fairmont would promote Airbnb's and VRBO's;
- how Council can pass said item without knowing the facts and potential implications;

- the differentiation between long-term and short-term rentals, and how those differences would be accounted for.

Councilmember Maynard stated, “the ordinance provides an exception of 30 days or more to the same lodger”, alluding to the lodging tax not collected/required for long-term rentals.

Director Hoye explained the process of lodging tax collection; the City sends a monthly form to hotels/motels to return to the City with their monthly lodging tax payment.

Councilmember Miller expressed support of the tax and inquired why extensive Council discussion was being held.

Motion was made by Councilmember Hasek, seconded by Councilmember Maynard to approve final consideration of Ordinance 2024-04: An Ordinance Amending Fairmont City Code, Chapter 14 – Licenses, Permits and Miscellaneous Business Regulations. Councilmembers Hasek, Lubenow, Maynard, and Miller voted in favor thereof; Councilmember Kawecky voted against. Motion carried.

NEW BUSINESS
RESOLUTION 2024-41
Item 9.B.1

Director Hoye introduced item 9.B.1: Consideration to Award the Sale of \$9,000,000 of GO Bonds prior to Jessica Green, Northland Securities Financial Advisor for the City of Fairmont, addressing Council. Green noted the resolution in the agenda packet was initially for \$9,000,000, however based on today’s sales results, the bond amount was reduced to \$8,445,000 due to a premium Green provided an overview of the Bond Sale Summary documents, highlighting the following:

- Bond proceeds will be used for street reconstruction and improvement projects.
- Bonds were sized to pay for the cost of issuance on both the improvement and reconstruction portions.
- Bonds were structured to result in relatively even principal and interest payments over the life of the bonds, 15 years.
- The bonds will be considered general obligations of the City. On the improvement portion of the bonds, assessments will be pledged for the payment of the bonds, therefore some assessment revenues will offset debt service.
- Eight bond bids were received with Piper Sandler & Co. of Minneapolis, MN being the low bidder.
- Moody’s Bond Rating was Aa3, which is the same rating the City has had for the last 7-8 years. Moody’s views Fairmont as an economic hub and is extremely pleased with the City’s robust financial position.

- Final bond maturity is March 1, 2040 with an optional call date of March 1, 2032.

Motion was made by Councilmember Miller, seconded by Councilmember Maynard to approve Resolution 2024-41: Providing for the Issuance and Sale of \$9,000,000* GO Bonds, Series 2024A, Pledging for the Security Therefore Special Assessment and Levying a Tax for the Payment Thereof. All present voted in favor. Motion carried.

SOLUTION 2024-42
Item 9.B.2

Director Hoye provided background on agenda item 9.B.2 stating the 2024 Improvement Program public hearing was held on October 28, 2024 with Council receiving 4 assessment objections from Woodland Avenue property owners. Taking into consideration the updated assessment policy, which contained language that would benefit most of the Woodland Avenue property owners by lowering their overall assessment, and under the advisement of Council and Attorney Brown, Hoye recommended the following:

- Council amend Resolution 2024-34, approved on October 28, 2024, to remove Woodland Avenue from the assessment role
- Staff certify all assessments, other than those from the Woodland Avenue Improvement
- Start the process over for the Woodland Avenue Projects based on the updated special assessment policy.

Motion was made by Councilmember Miller, seconded by Councilmember Lubenow to Adopt Resolution 2024-42: Amending Resolution 2024-34 and Ordering a New Assessment for Woodland Avenue. All present voted in favor. Motion carried.

RESOLUTION 2024-43
Item 9.B.3

Based on the prior agenda item and Council's action, Hoye stated the next step in the process is for Council to direct staff to prepare the assessment roll and then call for the public hearing, per the next item of business.

Motion was made by Councilmember Maynard, seconded by Councilmember Miller to Adopt Resolution 2024-43: Declaring Costs to be Assessed and Ordering Preparation of Proposed Assessment for the Woodland Avenue Improvement Project. On roll call, Councilmembers Hasek, Kawecki, Lubenow, Maynard and Miller vote in favor thereof. Motion carried.

RESOLUTION 2024-44
Item 9.B.4

Motion was made by Councilmember Maynard, seconded by Councilmember Miller to Adopt Resolution 2024-44, Calling for a Hearing on January 13, 2025 at 5:30 pm in the Fairmont City Hall Council Chambers on the Proposed Assessments of the Woodland Avenue Improvement Project. All present voted in favor. Motion carried.

RESOLUTION 2024-45
RESOLUTION 2024-46
Item 9.B.5

Hoye stated the City will be issuing debt to pay for two large utility projects (Water Department: ground storage tank and Electric Department: Substation). Due to issuing debt, staff is asking Council to adopt two resolutions that allow for 1) staff to move forward with the projects prior to closing on bonds or notes and 2) the City to reimbursement itself once the bonds or notes have been closed.

Councilmember Kawecki questioned the necessity of the projects (primarily the substation project, since “there have been no significant out of the ordinary outages”), felt rushed into making decisions on said projects and more discussion needed to be held, and expressed concern with the large project costs.

Director York stated the projects have been worked on for quite some time, are part of the 5-year capital improvement plan, and were approved by the PUC Commission last week.

Councilmember Hasek reiterated the extensive discussions the Public Utilities Commission held on the projects and stated, “electricity is something you want to stay on top of.....you don’t want to wait until it is too late”. Councilmember Maynard concurred with Councilmember Hasek and reminded Council that “we are not spending any money tonight.... we're giving ourselves some flexibility regarding when we do actually spend money versus when we actually get the bonds to pay for it... that's it”. Director Hoye confirmed the resolutions allow the City to reimburse itself for costs when we issue the debt to pay for those projects and reminded Council the two projects were included in the five year capital improvement plan and were approved by Council in the 2024 budget.

After much Council discussion, a motion was made by Councilmember Maynard, seconded by Councilmember Miller to Adopt Resolution 2024-45 Establishing Procedures Relating to Compliance with Reimbursement Bond Regulations Under the Internal Revenue Code in Connection with the Electric Revenue Bonds, Series 2025. All present voted in favor. Motion carried.

Motion was made by Councilmember Miller, seconded by Councilmember Maynard to Adopt Resolution 2024-46 Establishing Procedures Relating to Compliance with Reimbursement Bond Regulations Under the Internal Revenue Code in Connection with the General Obligation Water Revenue Note of 2025. All present voted in favor. Motion carried.

MOTION

Community Development Director Oman addressed Council on the next

Item 9.C.1

agenda item, tabled from the November 18, 2024 Council meeting: Consideration of a Memorandum of Understanding with the Region Nine Development Commission on Energy and Environmental Resiliency (EER). Omen shared Region Nine received an Energy Efficiency and Conservation Block Grant in the amount of \$12,250 from the federal government. Omen made reference to the numerous items in the agenda packet and noted the biggest challenge of this endeavor, in his eyes, to be the development of an ad hoc committee, with members from Council, City staff, and the local business community. Omen highlighted the City’s project involvement to include: identifying a primary contact for the project, identifying city officials and community members to serve on an ad hoc committee, providing Region 9 with necessary plans/documents/resolutions and scheduling public hearings and meetings.

Motion was made by Councilmember Maynard, seconded by Councilmember Miller to Approve a Memorandum of Understanding with Region Nine Development Commission on an Energy and Environmental Resiliency (EER) Plan. All present voted in favor. Motion carried.

**ROLL CALL
Item 9.C.2**

Planning & Zoning Official Bode introduced the last item of new business, item 9.C.2: Consideration of Amending Fairmont City Code, Chapter 4- Animals. Bode noted Council directed staff to reintroduce said agenda item. The ordinance, as recommended by Legal and City Staff, more clearly defines the definitions of animals and would allow for the keeping of honeybees.

Motion was made by Councilmember Maynard, seconded by Councilmember Miller to Approve the First Consideration of Proposed Ordinance 2024-06: An Ordinance Amending Fairmont City Code, Chapter 4 – Animals. On roll call, Councilmembers Kaweck, Lubenow, Maynard and Miller voted in favor thereof; Councilmember Hasek voted against. Motion carried.

**STAFF/LIAISON
REPORTS**

Councilmember Maynard reported the Charter Commission recently met and plans to propose two charter amendments to Council at a future meeting.

Councilmember Miller shared that Visit Fairmont has been focused on increasing their digital presence and reviewing goals for 2024/2025. Additionally, Visit Fairmont is collaborating with the Opera House on a mural project, recently renewed their involvement with the Mall of America “travel wall” and updated billboard signage along I-90.

Mayor Baarts listed various upcoming City/Council meetings and events.

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 6:41 p.m.

ATTEST:

Lee C. Baarts, Mayor

Betsy Steuber, City Clerk



STAFF MEMO

Prepared by: Betsy Steuber, City Clerk	Meeting Date: 12/09/2024	<input type="checkbox"/> Consent Agenda Item <input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 6.C.1
Reviewed by: Jeff O'Neill, Interim City Administrator	Item: Consideration to Approve a 2024-2025 Alcoholic Beverage License Renewal for Kareem, Inc.		
Presented by: Betsy Steuber, City Clerk	Action Requested: Motion to Approve the Alcoholic Beverage License Renewal for Kareem, Inc. dba IMart Stores of 407 E Blue Earth Avenue, subject to the Licensee Receiving a Satisfactory Police Investigation Report		
Vote Required: <input checked="" type="checkbox"/> Simple Majority <input type="checkbox"/> Two Thirds Vote <input type="checkbox"/> Roll Call	Staff Recommended Action: Approval Board/Commission/Committee Recommendation:		

REFERENCE AND BACKGROUND

Liquor licenses are required to be renewed annually and subject to the same conditions as the originally issued license. Renewal applications must include a completed license application, certificate of worker's compensation insurance, liability insurance, State of Minnesota Renewal form and applicable license fee.

Kareem Inc, dba IMart Stores, located at 407 E Blue Earth Avenue, Fairmont did not renew their 3.2 Off-Sale Beer License during the normal renewal period this spring. Kareem Inc. is requesting to renew their license currently. Council approval is requested pending receipt of all required documents, the appropriate license fee, and a satisfactory police investigation report.

BUDGET IMPACT

SUPPORTING DATA/ATTACHMENTS



STAFF MEMO

Prepared by: Peter Bode, Planner & Zoning Official	Meeting Date: 12/09/2024	<input type="checkbox"/> Consent Agenda Item <input type="checkbox"/> Regular Agenda Item <input checked="" type="checkbox"/> Public Hearing	Agenda Item # 7.1
Reviewed by: Jeff O’Neill, Interim City Administrator	Item: Public Hearing and Consideration of Ordinance 2024-05: Amending Fairmont City Code, Chapter 26-Zoning		
Presented by: Peter Bode, Planner & Zoning Official	Action Requested: Motion #1: Motion to Close the Public Hearing Motion #2: Motion to Approve the Second/Final Consideration of Proposed Ordinance 2024-05: An Ordinance Amending Fairmont City Code, Chapter 26 – Zoning, Option B		
Vote Required: <input type="checkbox"/> Simple Majority <input type="checkbox"/> Two Thirds Vote <input checked="" type="checkbox"/> Roll Call	Staff Recommended Action: Approval and recommendation of Option B Board/Commission/Committee Recommendation: Approval		

REFERENCE AND BACKGROUND

In 2023 and 2024 the Minnesota State Legislature established and updated Chapter 342 of State Statute legalizing the cultivation, manufacture, retail sale, and consumption of cannabis products across the state. The new cannabis law allows cities to regulate the time, place, and manner of these activities within reason but does not allow cities to prohibit cannabis products outright. Under the law, the City will need to adopt our cannabis ordinances before January 1, 2025 – which is the day under the law the City must start accepting registrations for new cannabis businesses in our community.

PREVIOUS COUNCIL ACTION

City Council approved the first consideration of this ordinance November 25. The ordinance is now ready for its public hearing and final consideration. As discussed November 25, two versions have been drafted for Council’s consideration:

- A. The ordinance as presented permitting cannabis retail businesses by right in the B-3 General Business zone.
- B. The ordinance as presented but adding B-2 Central Business alongside B-3 so that cannabis retailers can operate Downtown.

Staff recommend option B.

SUPPORTING ATTACHMENTS

- Ordinance 2024-05 Option A
- Ordinance 2024-05 Option B
- Planning Commission Resolution 2024-5
- Staff background memos

AN ORDINANCE AMENDING FAIRMONT CITY CODE, CHAPTER 26 ZONING TO ADD A NEW ARTICLE XII CANNABIS AND HEMP BUSINESS REGULATIONS

THE CITY OF FAIRMONT DOES ORDAIN:

SECTION 1. That Chapter 26: Zoning of the City Code of the City of Fairmont is hereby amended to add a new Article XII under Chapter 26 as follows:

Chapter 26, Article XII Cannabis and Hemp Business Regulations

Sec. 26-1000 Generally

The purpose of this article is to implement the provisions of Minnesota Statutes, chapter 342, which authorizes the city to protect the public health, safety, welfare of the city’s residents by regulating cannabis and hemp businesses within the legal boundaries of the city.

26-1001 Jurisdiction

This ordinance shall be applicable to the legal boundaries of the City of Fairmont.

26-1002 Severability

If any section, clause, provision, or portion of this ordinance is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of this ordinance shall not be affected thereby.

26-1003 Enforcement

The Zoning Official or their designee is responsible for the administration and enforcement of this ordinance. Any violation of the provisions of this ordinance or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law. Violations of this ordinance can occur regardless of whether or not a permit is required for a regulated activity listed in this ordinance.

26-1004 Definitions

Unless otherwise noted in this section, words and phrases contained in Minn. Stat. 342.01 and the rules promulgated pursuant to any of these acts, shall have the same meanings in this ordinance.

- (1) *Cannabis Cultivator* means a cannabis business licensed to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant; harvest cannabis flower from mature plant; package and label immature plants, seedlings, and/or cannabis flower for sale to other cannabis businesses; transport cannabis flower to a cannabis manufacturer located on the same premises; and perform other actions approved by the office.
- (2) *Cannabis Deliverer* means a cannabis business licensed to purchase cannabis flower, cannabis products, and hemp products, including lower-potency hemp edibles, from retailers or cannabis business with retail endorsements for transport and delivery to customers.
- (3) *Cannabis Manufacturer* means a cannabis business licensed to manufacture cannabis products

and hemp products, and package such products for sale to a licensed cannabis retailer.

- (4) *Cannabis Retail Business* means a retail location and the retail location(s) of a mezzobusiness with a retail operations endorsement, microbusiness with a retail operations endorsement, and medical combination business operating a retail location.
- (5) *Cannabis Retailer* means any person, partnership, firm, corporation, or association, foreign or domestic, selling cannabis product to a consumer and not for the purpose of resale in any form.
- (6) *Cannabis Wholesaler* means a cannabis business licensed to purchase and sell immature cannabis plants and seedlings, cannabis flower, cannabis products, and hemp products, including lower-potency hemp edibles, from another licensed cannabis business, as well as import hemp-derived consumer products and lower-potency hemp edibles.
- (7) *Cannabis Transporter* means a cannabis business licensed to transport immature cannabis plants and seedlings, cannabis flower, cannabis products, and hemp products to licensed cannabis businesses.
- (8) *Daycare* means a location licensed with the Minnesota Department of Human Services to provide the care of a child outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.
- (9) *Hemp Manufacturer* means a hemp business licensed to manufacture artificially derived cannabinoids as well as lower-potency hemp edibles for public consumption and package such lower-potency hemp edibles for sale to costumers. Hemp manufacturers may also sell hemp concentrate, artificially derived cannabinoids, and lower-potency hemp edibles to other cannabis businesses and hemp businesses.
- (10) *Lower-potency Hemp Edible* means a hemp product as defined under M.S. § 342.01 subd. 50.
- (11) *Lower-potency Hemp Edible Retailer* means a hemp business licensed to sell lower-potency hemp edibles to consumers.
- (12) *Office of Cannabis Management* means the Minnesota Office of Cannabis Management, referred to as “OCM” in this ordinance.
- (13) *Preliminary License Approval* means an OCM pre-approval for a cannabis business license for an applicant who qualifies under Minn. Stat. 342.17.
- (14) *Residential Treatment Facility* means a facility as defined under Minn. Stat. 245.462 subd. 23.
- (15) *Retail Registration*: An approved registration issued by the City of Fairmont to a state- licensed cannabis retail business.
- (16) *School* means a public school as defined under Minn. Stat. 120A.05 or a nonpublic school that must meet the reporting requirements under Minn. Stat. 120A.24.
- (17) *State License* means an approved license issued by the State of Minnesota’s Office of Cannabis Management to a cannabis retail business.
- (18) *Testing Facility* means a cannabis business licensed to obtain and test immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products from licensed cannabis businesses.

26-1005 Buffer Requirements

The following buffers are measured from the cannabis business’s property line.

- (1) The city shall prohibit the operation of a cannabis business within 500 feet of a school.
- (2) The city shall prohibit the operation of a cannabis business within 500 feet of a daycare.
- (3) The city shall prohibit the operation of a cannabis business within 500 feet of a residential treatment facility.
- (4) The city shall prohibit the operation of a cannabis business within 300 feet of another cannabis retail business.

Pursuant to Minn. Stat. 462.367 subd. 14, nothing in this section shall prohibit an active cannabis business or a cannabis retail business requiring registration from continuing operation at the same site if a school, daycare, residential treatment facility, or an attraction within a public park that is regularly used by minors moves within the minimum buffer zone.

26-1006 Permitted and Conditional Land Uses

Cannabis businesses are allowed as land uses in the following zoning districts, subject to the buffer requirements of 26-1005 and the applicable conditional standards of 26-1007 and 26-1008:

Type of business	Districts permitted by right	Districts permitted as conditional
Cannabis Cultivator		Agriculture-transition (A) Heavy Industrial (I-2) Light Industrial (I-1)
Cannabis Manufacturer		Heavy Industrial (I-2) Light Industrial (I-1) General Business (B-3)
Hemp Manufacturer		Heavy Industrial (I-2) Light Industrial (I-1) General Business (B-3)
Cannabis Wholesaler		Heavy Industrial (I-2) Light Industrial (I-1) General Business (B-3)
Cannabis Retailer	General Business (B-3)	Light Industrial (I-1)
Lower-potency Hemp Edible Retailer	General Business (B-3)	Light Industrial (I-1)
Cannabis Transporter	Heavy Industrial (I-2) Light Industrial (I-1) General Business (B-3)	
Cannabis Deliverer	Heavy Industrial (I-2) Light Industrial (I-1) General Business (B-3)	
Testing Facility	Heavy Industrial (I-2) Light Industrial (I-1) General Business (B-3)	

26-1007 Conditional Use General Standards

Cannabis business types operating in districts where the use is permitted as conditional must follow the process contained within and meet the general standards of City Code Chapter 26 Article II Division 4 Conditional Use Permits.

26-1008 Conditional Use Specific Standards

Cannabis business types operating in districts where the use is permitted as conditional are subject to the following standards:

(a) Cannabis Cultivator

(1) In an Agriculture-transition (A) district:

- a. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
- b. The business must be secured through proper security measures and controls in compliance with M.S. Ch. 342 and associated Minnesota Rules.

(2) In a Heavy Industrial (I-2) district:

- a. Outdoor cultivation is prohibited.
- b. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
- c. The business must be secured through proper security measures and controls in compliance with M.S. Ch. 342 and associated Minnesota Rules.

(3) In a Light Industrial (I-1) district:

- a. Outdoor cultivation is prohibited.
- b. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
- c. The business must be secured through proper security measures and controls in compliance with M.S. Ch. 342 and associated Minnesota Rules.

(b) Cannabis Manufacturer

(1) In a Heavy Industrial (I-2) district:

- a. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
- b. The business must be secured through proper security measures and controls in compliance with M.S. Ch. 342 and associated Minnesota Rules.
- c. The use must meet the off-street parking and off-street loading requirements of City Code Chapter 26 Article VIII.

(2) In a Light Industrial (I-1) district:

- a. Odor emanating from the use must not be discernable from the property line of the permitted parcel.

- b. The business must be secured through proper security measures and controls in compliance with M.S. Ch. 342 and associated Minnesota Rules.
- c. The use must meet the off-street parking and off-street loading requirements of City Code Chapter 26 Article VIII.

(3) In a General Business (B-3) district:

- a. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
- b. The business must be secured through proper security measures and controls in compliance with M.S. Ch. 342 and associated Minnesota Rules.
- c. The use must meet the off-street parking and off-street loading requirements of City Code Chapter 26 Article VIII.

(c) Hemp Manufacturer

(1) In a Heavy Industrial (I-2) district:

- a. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
- b. The use must meet the off-street parking and off-street loading requirements of City Code Chapter 26 Article VIII.

(2) In a Light Industrial (I-1) district:

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- b. The use must meet the off-street parking and off-street loading requirements of City Code Chapter 26 Article VIII.

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- a. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
- b. The use must meet the off-street parking and off-street loading requirements of City Code Chapter 26 Article VIII.

(d) Cannabis Wholesaler

(1) In a Heavy Industrial (I-2) district:

- a. The business must be secured through proper security measures and controls in compliance with M.S. Ch. 342 and associated Minnesota Rules.

(2) In a Light Industrial (I-1) district:

- a. The business must be secured through proper security measures and controls in compliance with M.S. Ch. 342 and associated Minnesota Rules.

(3) In a General Business (B-3) district:

- a. The business must be secured through proper security measures and controls in compliance with M.S. Ch. 342 and associated Minnesota Rules.

(e) Cannabis Retailer

(1) In a Light-Industrial (I-1) district:

- a. The use must operate in a manner which is compatible with nearby light industrial uses and shall not be dissimilar in traffic generation, hours of operation, or service utility usage.

(f) Lower-potency Hemp Edible Retailer

(1) In a Light-Industrial (I-1) district:

- a. The use must operate in a manner which is compatible with nearby light industrial uses and shall not be dissimilar in traffic generation, hours of operation, or service utility usage.

Secs. 26-1009—26-1030. - Reserved.

SECTION 2: This Ordinance shall take effect immediately after its publication.

Passed by the City Council of the City of Fairmont, Minnesota, this ____ day of _____ 2024.

Mayor

ATTEST:

City Clerk

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Cannabis Wholesaler		Heavy Industrial (I-2) Light Industrial (I-1) General Business (B-3)
Cannabis Retailer	General Business (B-3) Central Business (B-2)	Light Industrial (I-1)
Lower-potency Hemp Edible Retailer	General Business (B-3) Central Business (B-2)	Light Industrial (I-1)
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- a. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
- b. The business must be secured through proper security measures and controls in compliance with M.S. Ch. 342 and associated Minnesota Rules.

(2) In a Heavy Industrial (I-2) district:

- a. Outdoor cultivation is prohibited.
- b. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
- c. The business must be secured through proper security measures and controls in compliance with M.S. Ch. 342 and associated Minnesota Rules.

(3) In a Light Industrial (I-1) district:

- a. Outdoor cultivation is prohibited.
- b. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
- c. The business must be secured through proper security measures and controls in compliance with M.S. Ch. 342 and associated Minnesota Rules.

(b) Cannabis Manufacturer

(1) In a Heavy Industrial (I-2) district:

- a. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
- b. The business must be secured through proper security measures and controls in compliance with M.S. Ch. 342 and associated Minnesota Rules.
- c. The use must meet the off-street parking and off-street loading requirements of City Code Chapter 26 Article VIII.

(2) In a Light Industrial (I-1) district:

- a. Odor emanating from the use must not be discernable from the property line of the permitted parcel.

- b. The business must be secured through proper security measures and controls in compliance with M.S. Ch. 342 and associated Minnesota Rules.
- c. The use must meet the off-street parking and off-street loading requirements of City Code Chapter 26 Article VIII.

(3) In a General Business (B-3) district:

- a. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
- b. The business must be secured through proper security measures and controls in compliance with M.S. Ch. 342 and associated Minnesota Rules.
- c. The use must meet the off-street parking and off-street loading requirements of City Code Chapter 26 Article VIII.

(c) Hemp Manufacturer

(1) In a Heavy Industrial (I-2) district:

- a. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
- b. The use must meet the off-street parking and off-street loading requirements of City Code Chapter 26 Article VIII.

(2) In a Light Industrial (I-1) district:

- a. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
- b. The use must meet the off-street parking and off-street loading requirements of City Code Chapter 26 Article VIII.

(3) In a General Business (B-3) district:

- a. Odor emanating from the use must not be discernable from the property line of the permitted parcel.
- b. The use must meet the off-street parking and off-street loading requirements of City Code Chapter 26 Article VIII.

(d) Cannabis Wholesaler

(1) In a Heavy Industrial (I-2) district:

- a. The business must be secured through proper security measures and controls in compliance with M.S. Ch. 342 and associated Minnesota Rules.

(2) In a Light Industrial (I-1) district:

- a. The business must be secured through proper security measures and controls in compliance with M.S. Ch. 342 and associated Minnesota Rules.

(3) In a General Business (B-3) district:

- a. The business must be secured through proper security measures and controls in compliance with M.S. Ch. 342 and associated Minnesota Rules.

(e) Cannabis Retailer

(1) In a Light-Industrial (I-1) district:

- a. The use must operate in a manner which is compatible with nearby light industrial uses and shall not be dissimilar in traffic generation, hours of operation, or service utility usage.

(f) Lower-potency Hemp Edible Retailer

(1) In a Light-Industrial (I-1) district:

- a. The use must operate in a manner which is compatible with nearby light industrial uses and shall not be dissimilar in traffic generation, hours of operation, or service utility usage.

Secs. 26-1009—26-1030. - Reserved.

SECTION 2: This Ordinance shall take effect immediately after its publication.

Passed by the City Council of the City of Fairmont, Minnesota, this ____ day of _____ 2024.

Mayor

ATTEST:

City Clerk

CITY OF FAIRMONT
PLANNING COMMISSION
RESOLUTION 2024-5

RECOMMENDING APPROVAL OF A ZONING ORDINANCE TO REGULATE CANNABIS AND HEMP BUSINESSES

Whereas, the State of Minnesota has established and updated Chapter 342 of State Statute legalizing the cultivation, manufacture, retail sale, and consumption of cannabis products across the state; and

Whereas, State Statute grants cities in Minnesota the ability to place reasonable restrictions on the time, place, and manner of cannabis businesses; and

Whereas, under State Statute the City must begin accepting applications for new cannabis businesses on January 1, 2025; and

Whereas, City staff have drafted and recommend approval of an ordinance to provide for regulation of cannabis businesses under the zoning code; and

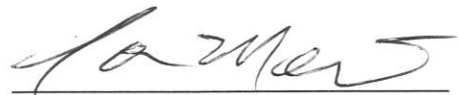
Whereas, a public comment period was held from October 31, 2024 to November 7, 2024 during which the proposed ordinance was available for review and comment; and

Whereas, the Fairmont Planning Commission has reviewed the proposed ordinance and held a public hearing on the topic November 12, 2024.

Now therefore, be it resolved by the Fairmont Planning Commission that it finds the proposed ordinance to regulate cannabis and hemp businesses is in the best interest for physical development of the city.

Be it further resolved by the Fairmont Planning Commission that it recommends to the Fairmont City Council that the proposed ordinance to regulate cannabis and hemp businesses be approved.

Passed and adopted by the Planning Commission of the City of Fairmont on this 12th day of November, 2024.



Planning Commission Chair

Attest:



Planner



MEMORANDUM

TO: City Residents, Mayor, City Council, Planning Commission
FROM: Peter Bode, Planner & Zoning Official
DATE: November 12, 2024
RE: **Summary of Second Draft of Cannabis Zoning Regulations**

Preceding the Planning Commission public hearing November 12, 2024 to review the proposed cannabis zoning regulations, a public comment period including early Commission, City Council, and resident comment was held from October 31, 2024 to November 7, 2024. Comments received during this time are appreciated and will result in a better ordinance.

A second draft the regulations has been prepared which incorporates city attorney revisions and received comments.

Summary of Changes

- Re-numbered sections throughout the ordinance to be easier to navigate. There are now only whole numbers for sections.
- Cleaned up the administration and jurisdiction language at the beginning of the ordinance per the city attorney's revisions based on ordinance drafting best practices.
- Made several grammatical changes to definitions and terms throughout the ordinance – most notably changing the tense of types of businesses to be consistent throughout. For example, "Cannabis Retail" is now "Cannabis Retailer" throughout the ordinance.
- Updated the definition of "Daycare" to mean any use licensed by DHS, either in-home or center.
- Added language regulating lower-potency hemp edibles and testing facilities, two minor uses which fit well into our districts and the overall regulation language.
- Did NOT change any buffer distances. 300 or 500 feet is the maximum distance we can set for sensitive uses, except for schools. This draft keeps a 500-foot buffer from schools but this can be increased by the Commission or Council to 1,000 feet. I recommend keeping the 500 foot buffer from schools because extending this further would mean much of Blue Earth Avenue and State Street, common business corridors, would fall under the buffer.
- Removed sections regulating hours of operation and use in public places. The city attorney has advised moving these to the business regulations ordinance and not making them part of the zoning code. Received comments about these sections have been relayed to staff working on the business regulations.



MEMORANDUM

TO: City Residents, Mayor, City Council, Planning Commission
FROM: Peter Bode, Planner & Zoning Official
DATE: October 31, 2024
RE: **Background & Summary of Proposed Cannabis Zoning Regulations**

In 2023 and 2024 the Minnesota State Legislature established and updated Chapter 342 of State Statute legalizing the cultivation, manufacture, retail sale, and consumption of cannabis products across the state. The new cannabis law allows cities to regulate the time, place, and manner of these activities within reason but does not allow cities to prohibit cannabis products outright. The Office of Cannabis Management (OCM) was established by the law and is responsible for issuing cannabis licenses on a state level and providing model ordinances for cities to use locally.

The cannabis ordinance models given to us by OCM provide some flexibility for the City of Fairmont to fashion our own local ordinances around the needs of our community. On behalf of the Planning & Zoning Department, the Community Development Division, and City staff, I am excited to share a first draft of the zoning regulations we propose to keep the City in compliance with State Statute while also providing basic safeguards for our community. Under the law, the City will need to adopt our cannabis ordinances before January 1, 2025 – which is the day under the law the City must start accepting registrations for new cannabis businesses in our community.

I look forward to your comments on the first draft as we approach the Planning Commission and City Council approval process.

Summary

The first draft of the cannabis zoning ordinance would:

- Establish that the City recognizes its responsibility and authority to regulate cannabis uses under the law **(26-1000)**
- Provide buffer requirements, which are the required distances cannabis businesses must be located away from sensitive uses like schools, daycares, and the like **(26-1001)**
 - There is some flexibility in the buffer distances we can set. Proposed in this draft are generally 500 feet, which is about a city block and a half
- Provide an easy-to-reference table for business owners to determine which uses are permitted (requiring no Planning Commission or City Council approval, but still requiring zoning or building permits as needed) or conditional (requiring a Conditional Use Permit (CUP)) **(26-1002)**
 - Some uses have been identified as permitted because they fit closely to the noted zoning districts and should not need additional consideration or conditions
 - Uses which have been identified as conditional in their noted zoning districts have been because additional conditions should be considered to ensure compatibility with nearby uses
- Provide standards for CUPs to be granted in certain zoning districts including distance of outdoor cultivation from residences, control of odor, and adequate site security provisions **(26-1002.2)**
- Limit retail sales to the hours of 10:00 a.m. to 9:00 p.m. **(26-1003)**
- Prohibit the use or consumption of cannabis in public places or places of public accommodation **(26-1004)**



STAFF MEMO

Prepared by: Peter Bode, Planner & Zoning Official	Meeting Date: 12/09/2024	<input type="checkbox"/> Consent Agenda Item <input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 8.1
Reviewed by: Jeff O'Neill, Interim City Administrator	Item: Consideration to Amend Fairmont City Code and Approve Ordinance 2024-06		
Presented by: Peter Bode, Planner & Zoning Official	Action Requested: Motion to Approve the Second/Final Consideration of Proposed Ordinance 2024-06: An Ordinance Amending Fairmont City Code, Chapter 4 - Animals		
Vote Required: <input type="checkbox"/> Simple Majority <input type="checkbox"/> Two Thirds Vote <input checked="" type="checkbox"/> Roll Call	Staff Recommended Action: Approval Board/Commission/Committee Recommendation:		

REFERENCE AND BACKGROUND

At the November 18, 2024 City Council meeting, Council discussed and directed staff to reintroduce the proposed beekeeping ordinance from earlier in the year.

On November 25, 2024, Council approved the first consideration of the ordinance.

Staff worked with a citizen who shared concerns with Council about the proposed ordinance’s limit on the number of hives per lot. Staff met with the citizen and came to an agreement that the ordinance will still serve the City’s purpose of registering bee hives with a permit without limiting the number of hives on a property but keeping in place the 10-foot setback from property lines.

The ordinance as amended in this packet reflects this change:

Permit needed: **kept in place**

Number of hives limited: **removed**

10-foot setback to property lines provided: **kept in place**

Staff believe this amended ordinance still serves the purpose of providing clarity for city residents and the local government by explicitly allowing bees to be kept. If bees were to become a nuisance in the community in the future, Council can amend the ordinance with a limit on hives or other restrictions as it deems necessary, while having the knowledge of where bees would be currently kept because this ordinance requires a permit to keep track of them.

Because of the short turnaround time, staff are sending this update to the city attorney with this packet so legal guidance as it relates to the change will be forthcoming.

SUPPORTING DATA/ATTACHMENTS

Memo from City Attorney Referencing Original Draft Ordinance 2024-06

MEMORANDUM

To: Mayor Lee Baarts and Members of the Fairmont City Council

From: Caralyn E. Brown, Associate Attorney

CC: Matt Skaret, City Administrator, City of Fairmont
Peter Bode, Planner and Zoning Official, City of Fairmont

Date: September 17, 2024

Re: Clarifying Animal Definitions in the City and Providing Minimal Parameters for Beekeeping in City Limits

1) INTRODUCTION

On June 24, 2024, a citizen of Fairmont attended the City Council meeting and requested to be permitted to keep honeybees on his property. Council affirmed its impression at the meeting that beekeeping is allowable under City Code and that the citizen could proceed with beekeeping on his property. No changes were directed to be made to City Code. Upon further review to implement the Council's directive, however, City staff discovered a few problems with the current animal control ordinance as written, particularly concerning ambiguous definitions and potential safety risks that the Council should consider. This memo outlines those issues for your consideration and discussion.

2) BACKGROUND

Fairmont's City Code currently includes a long-standing ordinance that governs wild animals and restrictions on such animals in the City. Unfortunately, the current ordinance is ambiguous as to what animals are included in that definition and whether honeybees, or other agricultural animals, may be included. In collaboration with City staff, we have researched animal definitions to provide more specific definitions and categories to clarify what types of animals are permitted, including domesticated, nondomesticated, and farm animals, and in which zoning districts they may be kept. It is currently unclear under code whether or not beekeeping is permissible in the City and the ordinance should be amended to clearly authorize beekeeping if that is the Council's will. Additionally, the discussion on beekeeping raises a few concerns pertaining to the practicalities of allowing honeybees in the City with no regulations in place. Without establishing minimum standards for quantity and location of hives, the public may be inadvertently exposed to avoidable safety risks that could be mitigated by adopting a limited ordinance amendment. We have drafted such an amendment with City staff and recommend the City Council review the same and consider the same for adoption.

3) ANALYSIS AND RECOMMENDATION

a. Animal Definitions

Fairmont's City Code currently includes a prohibition on "wild animals," which is ambiguous and unclear as to the types of animals that may be permitted in the City. Allowing beekeeping without amending the ordinance could arguably be in violation of the current City Code. The recent discussion on beekeeping in City limits presents an opportunity to revise the current language to affirmatively rectify this ambiguity and is consistent with Council's intent. We recommend adopting an ordinance amendment to include the new definitions and categories clarifying which animals will be permitted as domestic animals and providing restrictions on nondomestic and farm animals within the City. The ordinance amendment as written prohibits nondomestic animals in the City and limits farm animals to the Agriculture-transition district with the exception of poultry and honeybees.

b. Minimal Beekeeping Regulations

With the recent decision to allow beekeeping within City limits, we would also recommend that the Council approve limited regulations to establish basic safety protections for the community and provide clear guidance and requirements for those interested in performing beekeeping activities on their properties. City Code already provides basic regulations as an exception for keeping chickens, which will be maintained (and expanded to poultry and fowl) and includes a similar section addressing honeybees. Without the recommended ordinance amendment, the City could inadvertently find itself in a situation where members of the public are exposed to safety risks and potential serious harm that could be avoided by providing a few parameters on location and quantity of hives. For instance, without regulations, an unlimited amount of hives could be maintained in close proximity to schools, daycare facilities, or playgrounds. A limited ordinance addressing quantity and location will assist in reducing the risk of accidental stings, particularly for individuals who may be allergic to bee venom.

Based on the foregoing, we recommend establishing: 1) a reasonable cap on the number of hives, which will allow keeping honeybees, but minimize the potential for large concentrations of bees; and 2) a minimum distance that hives may be maintained from neighboring properties to avoid conflicts and ensure that bees have adequate space to not become a nuisance, both of which could pose a danger to public safety. City staff has reviewed and provided a recommendation for the specific quantity and distance of the hives from neighboring properties to be reviewed at Council's discretion.

While the above measures are designed to address immediate concerns, the City retains the flexibility to implement more comprehensive regulations in the future if necessary. Additional regulations could include detailed requirements related to hive specifications, management, pest control, or education. However, at this time, without further direction from Council, our focus with this ordinance amendment is to merely minimize unintentional risks, such as setting up multiple hives in too close a proximity to public areas, which could lead to public safety hazards.

4) SUMMARY AND CONCLUSION

In conclusion, City staff and legal counsel recommend the City Council consider and adopt the aforementioned ordinance to clarify animal definitions, allow beekeeping in the City as an exception, and establish limited regulations for beekeeping to address safety concerns. The proposed regulations are minimal yet sufficient to address current concerns with the potential for future adjustments as needed. We recommend the City Council adopt the proposed ordinance promptly in order to avoid unintentional harm and to provide clarity on animal-related regulations within the City.

Should you have any questions regarding the foregoing, please contact Peter Bode or Matt Skaret, and I will be available to answer questions at the Council meeting as well.

Thank you.

CEB-CMH/kb

ORDINANCE NO. 2024-06

AN ORDINANCE AMENDING FAIRMONT CITY CODE, CHAPTER 4 – ANIMALS

THE CITY OF FAIRMONT DOES ORDAIN (new material is underlined; deleted material is lined out; sections which are not proposed to be amended are omitted; sections which are only proposed to be re-numbered are only set forth below as to their number and title):

SECTION 1. Fairmont City Code, Chapter 4 – Animals, Article 1.- In General, Sections 4-1 to 4-4, are hereby amended to read as follows:

Sec. 4-1. Definitions.

Domestic animals means those animals commonly accepted as domesticated household pets. Unless otherwise defined, such animals shall include dogs, cats, caged birds, doves, pigeons, gerbils, hamsters, guinea pigs, domesticated rabbits, fish, nonpoisonous and nonvenomous reptiles or amphibians, including constrictors, and other similar animals. Domestic animals do not include farm animals.

Nondomestic animals means those animals commonly considered to be naturally wild and not naturally trained or domesticated, or which are commonly considered to be inherently dangerous to the health, safety, and welfare of people. Unless otherwise defined, such animals shall include, but are not limited to, members of the feline family (lions, tigers, cougars, leopards, jaguars), canine family (wolves, foxes, coyotes), rodent family (skunks, raccoons, squirrels), poisonous or venomous reptiles or amphibians (vipera, crocodiles, and alligators), and any hybrid or crossbreed between any nondomestic animal with any other animal. Any animals not explicitly listed above shall include any animal that can be reasonably defined by the terms of this section, including exotic animals, primates, bear, deer, and game fish.

Farm animals means those animals commonly associated with farming or are kept for the purpose of food production or performing work in an agricultural setting. Unless otherwise defined, such animals shall include members of the equestrian family (horses, mules), bovine family (goats, sheep, cows, bulls, bison), poultry (chicken, turkeys), fowl (ducks, geese), camelid family (llamas, alpacas, camels), swine, honeybees, and other animals associated with a farm, ranch, or stable.

Sec. 4-~~12~~. Animal control officer generally.

The animal control officer shall maintain the city animal pound and perform other duties imposed on him/her by ordinance.

Sec. 4-~~23~~. Impoundment.

- (a) The animal control officer or any police officer may take up and impound in the city pound any animal or fowl found running at large in violation of this chapter and shall provide proper sustenance for every animal impounded.
- (b) Within twenty-four (24) hours after an animal has been impounded pursuant to subsection (a), the animal control officer shall post a notice in three (3) conspicuous places in the city, one (1) of them at the pound, describing the animal and stating that it has been impounded. He/she shall also make a reasonable attempt to give oral or written notice to the owner if the owner is known.
- (c) No animal impounded shall be released except to a person displaying a receipt from the clerk showing payment of the impounding fee for the sale price. The fee for impounding shall be as determined by the council by resolution.
- (d) If any impounded animal is not redeemed within six (6) days, the animal control officer shall give an additional three-day posted notice as provided in subsection (b), of the time and place when and

where the animal shall be sold. If the poundmaster is unable to sell the animal on the day stated, he/she may sell the animal as soon thereafter as possible without further notice.

- (e) The clerk shall turn over the proceeds of such sale to the director of finance. The director shall pay the animal control officer the costs of impounding. The balance shall be paid, on order of the council, to the owner of the animal or fowl if claimed within one (1) year from the date of sale; otherwise, it shall be forfeited to the city.
- (f) No unauthorized person shall break into the pound or release any animal legally placed therein.

Sec. 4-34. General restrictions on livestock, wild animals prohibited animals in the city.

(a) ~~No person shall keep any horse, cattle, sheep, goat, swine, llamas, camels, buffalo or similar animal or any animal of a wild nature (does not include small animals often kept as pets such as rabbits or ferrets) in the city, except within the Agricultural Transition Zone. No person shall permit such an animal to be kept on premises owned, occupied, or controlled by him/her except under the regulations and conditions prescribed by this chapter and Fairmont City Code section 26-151 permit any animal under section 4-1 to be at large within the city. Any such animal is deemed to be at large when it is off the premises of the owner and not under custody and control of the owner or other person, either by leash, cord, chain, or otherwise restrained or confined.~~

~~(b) No person shall keep any nondomestic animal in the city.~~

~~(c) Except as provided in subsection (d), no person shall keep any farm animal in the city, except within the Agriculture-transition district. No person shall permit such an animal to be kept on premises owned, occupied, or controlled by the person except under the regulations and conditions prescribed by this chapter and Fairmont City Code, section 26-151.~~

~~(d) Exceptions.~~

(1) Fowl and poultry.

~~a. No person shall keep more than a total of five (5) chickens, fowl or poultry, per recorded lot in any zoning district outside of the agricultural transition zone Agriculture-transition district. Roosters are not only allowed to be kept in the Agriculture-transition district. a residential zone.~~

~~(e)b. No chicken fowl or poultry coop, run or other structure where chickens, fowl or poultry are kept shall be maintained closer than thirty-five (35) feet from any property line or residence, other than the residence occupied by the owner or occupant of the premises upon which such chickens, poultry or fowl are kept.~~

(2) Honeybees.

~~a. No hive or structure intended for the housing of a honeybee colony, or any accessory or related equipment, shall be located less than ten (10) feet from any property line or residence, other than the residence occupied by the owner or occupant of the premises upon which such honeybees are kept.~~

(3) Permit required.

~~a. Any coop, run, hive, or other structure kept, built, or maintained under this section shall require a permit.~~

Sec. 4-4. Animals at large

~~No person shall permit any horse, mule, donkey, pony, cattle, sheep, goat, swine, rabbit, chicken, geese, duck, or turkey of which he/she is the owner, caretaker, or custodian to be at large within the city. Any such~~

~~animal is deemed to be at large when it is off the premises owned or rented by the owner or his/her agent and not under restraint.~~

SECTION 2: This Ordinance shall take effect immediately after its publication.

Passed by the City Council of the City of Fairmont, Minnesota, this ____ day of _____ 2024.

Mayor

ATTEST:

City Clerk



STAFF MEMO

Prepared by: Betsy Steuber, City Clerk	Meeting Date: 12/09/2024	<input type="checkbox"/> Consent Agenda Item <input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 9.A.1
Reviewed by: Jeff O'Neill, Interim City Administrator	Item: Consideration to Amend Fairmont City Code, Chapter 14- Licenses, Permits and Business Regulations and First Consideration of Ordinance 2024-07		
Presented by: City Staff	Action Requested: Motion to Approve the First Consideration of Proposed Ordinance 2024-07: An Ordinance Amending Fairmont City Code, Chapter 14 Licenses, Permits and Miscellaneous Business Regulations to Regulate Cannabis And Hemp Retail Business Registration And Temporary Cannabis Events		
Vote Required: <input type="checkbox"/> Simple Majority <input type="checkbox"/> Two Thirds Vote <input checked="" type="checkbox"/> Roll Call	Staff Recommended Action: Approval Board/Commission/Committee Recommendation:		

REFERENCE AND BACKGROUND

As the Fairmont City Council will conduct a public hearing/second consideration on December 9, 2024 regarding Ordinance 2024-05 as it regulates a time, place, and manner of various cannabis activities (cultivation, manufacture, retail sale and consumption) it is recommended the City amend Chapter 14 of the City Code to include information and processes relating to cannabis and hemp retail registration and temporary cannabis events.

The proposed ordinance is mirrored off the Minnesota Office of Cannabis Management (OCM) model, was drafted by Flaherty & Hood, and finalized with minor staff revisions. This ordinance will create a framework outlining the registration requirements in connection with the requirements by the OCM.

BUDGET IMPACT

SUPPORTING DATA/ATTACHMENTS

Ordinance 2024-07

Ordinance 2024-07

AN ORDINANCE AMENDING FAIRMONT CITY CODE, CHAPTER 14 LICENSES, PERMITS AND MISCELLANEOUS BUSINESS REGULATIONS TO REGULATE CANNABIS AND HEMP RETAIL BUSINESS REGISTRATION AND TEMPORARY CANNABIS EVENTS

THE CITY OF FAIRMONT DOES ORDAIN:

SECTION 1. That Chapter 14: Licenses, Permits and Miscellaneous Business regulations of the City Code of the City of Fairmont is hereby amended to add a new Article VII, as follows:

ARTICLE VII. – Cannabis and Hemp Retail Business Registration and Temporary Cannabis Events

Sec. 14-80. State Law Adopted.

Except as further restricted or regulated by this chapter, the provisions of Minn. Stat § 342, relating to cannabis and hemp regulation and the corresponding state rules with respect to the same are hereby adopted and made a part of this chapter as if set out herein in full. In accordance with Minn. Stat. § 342.13 and 342.22, the city may impose further restrictions and regulations within city limits. Whenever there is an inconsistency between the provisions of Minn. Stat. § 342, as amended, and the provisions of this chapter, the more restrictive provision shall govern, unless preempted by state law.

Sec. 14-81. Authority and Jurisdiction.

The city has the authority to adopt this ordinance pursuant to:

- (a) Minn. Stat. § 342.13(c), regarding the authority of a local unit of government to adopt reasonable restrictions of the time, place, and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses.
- (b) Minn. Stat. § 342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses.
- (c) Minn. Stat. § 152.0263, Subd. 5, regarding the use of cannabis in public places.
- (d) Minn. Stat. § 462.357, regarding the authority of a local authority to adopt zoning ordinances.

Sec. 14-82. Severability.

If any section, subdivision, clause, provision, or portion of this article is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of this article shall not be affected thereby.

Sec. 14-83. Enforcement.

The City Clerk or their designee is responsible for the administration and enforcement of this article. Any violation of the provisions of this article or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law. Violations of this article can occur regardless of whether or not a permit is required for a regulated activity listed in this article.

Sec. 14-84. - Definitions.

Unless otherwise noted in this section, words and phrases contained in Minn. Stat. 342.01 and the rules promulgated pursuant to any of these acts, shall have the same meanings in this article.

Cannabis Retail Business means a retail location and the retail location(s) of a mezzobusiness with a retail operations endorsement, microbusiness with a retail operations endorsement, and medical combination business operating a retail location.

Cannabis Retailer means any person, partnership, firm, corporation, or association, foreign or domestic, selling cannabis product to a consumer and not for the purpose of resale in any form.

Daycare means a location licensed with the Minnesota Department of Human Services to provide the care of a child outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

Lower-potency Hemp Edible means a hemp product as defined under M.S. § 342.01 subd. 50.

Lower-potency Hemp Edible Retailer means a hemp business licensed to sell lower-potency hemp edibles to consumers. For the purpose of this article, a lower-potency hemp edible retailer shall be considered a cannabis retail business.

Office of Cannabis Management means the Minnesota Office of Cannabis Management, referred to as "OCM" in this ordinance.

Place of Public Accommodation means a business, accommodation, refreshment, entertainment, recreation, or transportation facility of any kind, whether licensed or not, whose goods, services, facilities, privileges, advantages or accommodations are extended, offered, sold, or otherwise made available to the public.

Preliminary License Approval means OCM pre-approval for a cannabis business license for applicants who qualify under Minn. Stat. 342.17.

Public Place means public park or trail, public street or sidewalk; any enclosed, indoor area used by the general public, including, but not limited to, restaurants; bars; any other food or liquor establishment; hospitals; nursing homes; auditoriums; arenas; gyms; meeting rooms; common areas of rental apartment buildings, and other places of public accommodation.

Residential Treatment Facility means a facility as defined under Minn. Stat. 245.462 subd. 23.

Retail Registration: An approved registration issued by the City of Fairmont to a state- licensed cannabis retail business.

School means a public school as defined under Minn. Stat. 120A.05 or a nonpublic school that must meet the reporting requirements under Minn. Stat. 120A.24.

State License means an approved license issued by the State of Minnesota's Office of Cannabis Management to a cannabis retail business.

Sec. 14-85. Registration of Cannabis Businesses.

No individual or entity may operate a state-licensed cannabis retail business within the city without first registering with the city.

Sec. 14-86. Compliance Checks Prior to Retail Registration.

Prior to issuance of a cannabis retail business registration, the city shall conduct a preliminary compliance check to ensure compliance with local ordinances.

Sec. 14-87. Pre-License Application Response.

Pursuant to Minn. Stat. § 342.13(f), within 30 days of receiving a copy of a state license application from OCM, the city shall certify on a form provided by OCM whether a proposed cannabis retail business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

Sec. 14.88. Registration and Application Procedure.

The city shall issue a retail registration to a state-licensed cannabis retail business that adheres to the requirements of Minn. Stat. § 342.22.

- (a) An applicant for a retail registration shall fill out an application form, as provided by the City Clerk. Said form shall include, but is not limited to:
 - (1) Full name of the property owner and applicant;
 - (2) Address, email address, and telephone number of the applicant;
 - (3) The address and parcel ID for the property which the retail registration is sought;
 - (4) Certification that the applicant complies with the requirements of this article and any other ordinance established pursuant to Minn. Stat. § 342.13; and
 - (5) The zoning designation for the property which the retail registration is sought.
- (b) The applicant shall include with the form:
 - (1) The registration fee as required in section 14-89;
 - (2) A copy of a valid state license or written notice of OCM license preapproval; and
 - (3) A site plan of the property drawn to scale showing the location of retail activity.
- (c) Once an application is considered complete, the City Clerk shall inform the applicant as such, process the registration fee, conduct a preliminary compliance check as provided by Sec. 14-86 and forward the application to the Zoning Official or their designee to review the application for conformance with City Code Chapter 26, Article XII Cannabis Regulations. The Zoning Official shall inform the City Clerk of the application’s compliance. City Council shall then approve or deny the application.
- (d) The registration fee shall be non-refundable once processed.

Sec. 14-89. Fees.

A registration fee, as established in the city’s fee schedule, shall be charged to applicants depending on the type of retail business license applied for. The city shall not charge an application fee.

- (a) An initial retail registration fee shall not exceed \$500 or half the amount of an initial state license fee under Minn. Stat. § 342.11, whichever is less. The initial registration fee shall include the initial retail registration fee and the first annual renewal fee.

- (b) Any renewal retail registration fee imposed by the city shall be charged at the time of the second renewal and each subsequent renewal thereafter. A renewal retail registration fee shall not exceed \$1,000 or half the amount of a renewal state license fee under Minn. Stat. § 342.11, whichever is less.
- (c) A medical combination business operating an adult-use retail location may only be charged a single registration fee, not to exceed the lesser of a single retail registration fee, defined under this section, of the adult-use retail business.

Sec. 14-90. Application Approval or Denial.

- (a) A state-licensed cannabis retail business registration application shall not be approved or renewed if:
 - (1) The applicant is unable to meet the requirements of this article.
 - (2) The applicant is unable to meet the zoning and buffer requirements related to the proposed location of the business.
 - (3) The applicant does not have a valid license issued by the OCM.
 - (4) The applicant fails to provide any information required on the application or provides inaccurate, false or misleading information.
 - (5) The fee for the registration or registration renewal has not been paid.
 - (6) The applicant has otherwise failed a preliminary inspection or compliance check completed by the city.
- (b) A state-licensed cannabis retail business application that meets the requirements of this article shall be approved.

Sec. 14-91. Annual Compliance Checks.

- (a) The city shall complete at minimum one compliance check per calendar year of every cannabis business to assess if the business meets age verification requirements, as required under Minn. Stat. § 342.22 Subd. 4(b), Minn. Stat. § 342.24, and this article.
- (b) The city shall conduct at minimum one unannounced age verification compliance check at least once per calendar year.
- (c) Age verification compliance checks shall involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.
- (d) Any failures under this section must be reported to the Office of Cannabis Management.

Sec. 14.92. Location Change.

If a state-licensed cannabis retail business seeks to move to a new location still within the legal boundaries of the city it shall notify the City Clerk of the proposed location change and submit necessary information to meet all the criteria of this article.

Sec. 14-93. Transfer of License Prohibited.

A cannabis retail registration issued under this article shall not be transferred.

Sec. 14-94. Renewal of Registration.

- (a) The city shall renew an annual registration of a state-licensed cannabis retail business at the same time OCM renews the cannabis retail business' license.
- (b) A state-licensed cannabis retail business shall apply to renew registration on a form established by the city.
- (c) The application for renewal of a retail registration shall include, but is not limited to, the items required under section 14-88 of this article.
- (d) The city may charge a renewal fee for the registration starting at the second renewal, as established in the city's fee schedule.

Sec. 14-95. Suspension of Registration.

- (a) The city may suspend a cannabis retail business's registration if it violates any ordinance of the city or poses an immediate threat to the health or safety of the public. The city shall immediately notify the cannabis retail business in writing the grounds for the pending suspension.
- (b) The city shall immediately notify the OCM in writing the grounds for the suspension. OCM will provide the city and cannabis business retailer a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days pursuant to Minn. Stat. § 342.13(g).
- (c) The pending suspension shall not be effective until such suspension is approved by the OCM or the OCM takes corresponding action with regard to the state license of the cannabis retail business.
- (d) The suspension of a cannabis retail business registration may be for up to 30 calendar days, unless OCM suspends the license for a longer period. The business may not make sales to customers if their registration is suspended.
- (e) The city may reinstate a registration if it determines that the violations have been resolved. The city shall reinstate a registration if OCM determines that the violation(s) have been resolved.

Sec. 14-96. Civil Penalties.

- (a) Pursuant to Minn. Stat. 342.22, subd. 5(e) the city may impose a civil penalty, as specified in the city's Fee Schedule, for registration violations, not to exceed \$2,000.
- (b) Any state-licensed cannabis retail business that sells to a customer or patient without valid retail registration shall incur a civil penalty of up to \$2,000 for each violation, as specified in the city's Fee Schedule.

Sec. 14-97. Temporary Cannabis Events.

- (a) Per Minn. Stat. 342.39, a cannabis event organizer license is required in addition to the application

to the city.

- (b) No person shall hold a temporary cannabis event unless an application has been approved by the city 30 days prior to the temporary cannabis event.
- (c) A registration fee, as established in the city's fee schedule, shall be charged to applicants for temporary cannabis events.

Sec. 14-98. Temporary Cannabis Event Application Submittal and Review.

The city shall require an application for temporary cannabis events.

- (a) An applicant for a retail registration shall fill out an application form, as provided by city. Said form shall include, but is not limited to:
 - (1) Full name of the property owner and applicant;
 - (2) Address, email address, and telephone number of the applicant;
 - (3) The zoning designation for the property which the event is proposed;
- (b) The applicant shall include with the form:
 - (1) The application fee as required in Section 14-96(b);
 - (2) A copy of the OCM cannabis event license application, submitted pursuant to Minn. Stat. § 342.39 subd. 2.
 - (3) A site plan of the property drawn to scale showing the location of the event.
- (c) The application shall be submitted to the City Clerk or their designee for review. If the City Clerk or their designee determines that a submitted application is incomplete, they shall return the application to the applicant with the notice of deficiencies.
- (d) Once an application is considered complete, the City Clerk or their designee shall inform the applicant as such, process the application fees, and forward the application to the Zoning Official or their designee to review the application for conformance with City Code Chapter 26, Article XII Cannabis Regulations. The Zoning Official shall inform the City Clerk of the application's compliance. City Council shall then approve or deny the application.
- (e) The application fee shall be non-refundable once processed.
- (f) The application for a license for a temporary cannabis event shall meet the following standards:
 - (1) The temporary cannabis event shall only be held on property zoned to allow Cannabis Retailers.
 - (2) The temporary cannabis event shall only be held on property which is 300 feet away from a school, day care, residential treatment facility, an attraction within a public park that is regularly used by minors, including a playground or athletic field, or another cannabis retail business.
- (g) A request for a temporary cannabis event that meets the requirements of this Section shall be approved.

- (h) A request for a temporary cannabis event that does not meet the requirements of this section shall be denied. The city shall notify the applicant of the standards not met and basis for denial.

Sec 14-99. City of Fairmont as a Cannabis Retailer.

The city may establish, own, and operate one municipal cannabis retail business subject to the restrictions in this chapter. The city shall be subject to all the same registration requirements and procedures applicable to all other applicants.

Sec. 14-100. Low-Potency Edibles.

- (a) The city may sell Low-Potency Edibles within the Municipal Liquor Store.
- (b) Low-Potency edibles shall be sold behind a counter and stored in a locked case.

Sec. 14-101. Use in Public Places.

- (a) No person shall use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place or a place of public accommodation unless the premises is an establishment or an event licensed to permit on-site consumption of adult-use.
- (b) A violation of this section shall be a petty misdemeanor.

SECTION 15: This Ordinance shall take effect immediately after its publication.

Passed by the City Council of the City of Fairmont, Minnesota, this ____ day of _____ 2024.

Mayor

ATTEST:

City Clerk



STAFF MEMO

Prepared by: Rachel Viesselman, Human Resources Manager	Meeting Date: 12/9/2024	<input type="checkbox"/> Consent Agenda Item <input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 9.A.2
Reviewed by: Jeff O'Neill, Interim City Administrator	Item: Consideration of a Family and Medical Leave Act (FMLA) Policy		
Presented by: Rachel Viesselman, Human Resources Manager	Action Requested: Motion to Adopt the Family and Medical Leave Act Policy, as Presented		
Vote Required: <input checked="" type="checkbox"/> Simple Majority <input type="checkbox"/> Two-Thirds Vote <input type="checkbox"/> Roll Call	Staff Recommended Action: Approval Board/Commission/Committee Recommendation:		

REFERENCE AND BACKGROUND

The Family and Medical Leave Act (FMLA) is a federal law that permits certain employees to take up to 12 weeks of unpaid, job-protected leave per year. Leave for reasons related to military family obligations may be taken for up to 26 weeks in a 12-month period. Both types of leave may be taken continuously, intermittently, or on a reduced-schedule basis. The FMLA also requires that the employee’s group health benefits be maintained during the leave. The purpose of this law is to help employees balance work and family responsibilities by allowing them to take unpaid leave for qualifying family and medical reasons.

The FMLA applies to all public agencies, all public and private elementary and secondary schools, and companies with 50 or more employees. As a public entity with more than 50 employees, the City of Fairmont is therefore required to provide an eligible employee with up to 12 weeks of unpaid leave each year for reasons such as:

- The birth of a child or placement of a child with the employee for adoption or foster care
- The care for a child, spouse, or parent who has a serious health condition
- A serious health condition that makes the employee unable to work
- Reasons related to a family member’s service in the military

Employees are eligible for leave if they have worked for the City at least 12 months and at least 1,250 hours within that period. Whether an employee has worked the minimum 1,250 hours of service is determined according to Fair Labor Standards Act (FLSA) principles for determining compensable hours or work.

Employees must provide the City with proper notice of the need for leave and supporting medical or military documentation. Additionally, the City requires employees to use 30 to 40 hours of accrued paid leave time (i.e., sick, vacation, and comp time) per week, if available, prior to taking leave on an unpaid basis. This paid leave runs concurrently with FMLA.

Though the City of Fairmont has been complying with the basic FMLA requirements, a formal policy is needed to clearly establish guidelines and ensure consistency in implementation.

BUDGET IMPACT

SUPPORTING DATA/ATTACHMENTS

This policy was modeled after the League’s sample FMLA policy and draws on information contained within the U.S. Department of Labor’s FMLA webpage. Guidance was also provided by a member consultant at the League and an employment attorney at Flaherty & Hood.

Family and Medical Leave

Last revised: December 9, 2024

Purpose

Established in 1993, the federal Family and Medical Leave Act (FMLA) is intended to balance the demands of the workplace with the needs of families, to promote families' stability and economic security, and to encourage national interests in preserving family integrity. Its intent is to benefit employees by providing up to 12 weeks of unpaid, job-protected leave for the birth/placement of a child and for certain family, medical, and military reasons.

Eligible Employees

Eligible employees are those who have:

- 1) been employed by the City of Fairmont for at least one year* prior to the leave commencement date, and
- 2) worked a minimum of 1,250 hours** within the previous 12-month period prior to the leave commencement date.

* This 12-month timeframe does not need to be consecutive; it includes any time previously worked (including seasonal work) for the City of Fairmont. However, if the employee had a break in service that lasted seven years or more, the time worked prior to that break will not count unless that break was due to service covered by the Uniformed Services Employment and Reemployment Rights Act (USERRA).

** These consist of on-the-clock hours worked as well as City-provided paid time off such as compensatory ("comp"), holiday, sick, and vacation hours.

Definitions

A "spouse" does not include a domestic partner or common-law spouse.

An eligible "parent" includes a biological parent or a person who stood in the place of a parent.

A "serious health condition" refers to an illness, injury, impairment, or physical or mental condition that involves one of the following:

- 1) Hospital Care: Any period of incapacity or treatment connected with inpatient care (i.e., an overnight stay) in a hospital, hospice, or residential medical care facility
- 2) Pregnancy: Any period of incapacity due to pregnancy, prenatal medical care, or childbirth
- 3) Absence Plus Treatment: A period of incapacity of more than three (3) consecutive calendar days that also involves continuing treatment by or under the supervision of a health care provider
- 4) Chronic Conditions Requiring Treatments: An incapacity from a chronic condition which requires periodic visits for treatment by a health care provider, continues over an extended period of time, and may cause episodic rather than a continuing period of incapacity
- 5) Permanent/Long-Term Conditions Requiring Supervision
- 6) Multiple Treatments: Any period of absence to receive multiple treatments (including any period of recovery therefrom) by a health care provider of health care services under orders of or on referral by a health care provider

- 7) Continuing Treatment may be met by one or more of the following:
 - a. a period of incapacity of more than three (3) consecutive calendar days combined with at least two (2) visits to a health care provider within 30 days of the date of incapacity or one (1) visit and a regimen of continuing treatment,
 - b. incapacity due to pregnancy, or
 - c. incapacity due to a chronic condition which requires at least two (2) visits per year for treatment by a health care provider.

Circumstances Covered by the FMLA

FMLA leave will be granted to an eligible employee for any of the following reasons:

- 1) the birth of a child (including prenatal care) or placement of a child with the employee for adoption or foster care,
- 2) to care for their spouse, child, or parent who has a serious health condition,
- 3) due to a serious health condition that makes the employee unable to perform the essential functions of their job duties, and
- 4) a covered military member's active duty or call to duty or to care for a covered military member (per Qualifying Exigency Leave or Military Caregiver Leave).

Length of Leave

An eligible employee can receive up to a maximum of 12 workweeks of unpaid leave during any 12-month period. The leave year is calculated on a "rolling backward" (a.k.a. "look-back") basis. The entitlement to FMLA leave for the birth or placement of a child expires 12 months after the birth or placement of that child.

How Leave May Be Taken

FMLA leave may be taken for 12 (or less) consecutive weeks; used intermittently; or used to reduce the workweek or workday, resulting in a reduced schedule. In all cases, the leave may not exceed a total of 12 workweeks.

Intermittent or reduced-schedule leave must be documented in the medical certification as medically necessary, and all requests for these types of leave will be evaluated on a case-by-case basis. In cases involving the birth or placement of a child, intermittent or reduced-schedule leave will not be permitted. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to disrupt the City's operations. In instances when intermittent or reduced schedule leave for the employee or their family member is foreseeable or is for planned medical treatment, including recovery from a serious health condition, the City may temporarily transfer the employee to an available alternative position with equivalent pay and benefits if the alternative position would better accommodate the intermittent or reduced schedule.

Notice

Employees must give the City at least 30 days' advance notice if the need for leave is foreseeable. If that is not possible, the employee should give as much notice as is practicable and must comply with normal call-in procedures. When the City receives the employee's request, it will inform the employee whether they are eligible for leave under the FMLA and, if applicable, the amount of leave to be counted against the entitlement (if it can be determined).

Employees must provide sufficient information to the City regarding the type of leave requested as well as its anticipated timing and duration so the City can determine if the leave qualifies for FMLA protection. Such details may include that the employee is unable to perform job functions, their family member is unable to perform daily activities, the need of hospitalization, or the need for continuing treatment by a healthcare provider.

The City requires an employee on FMLA leave to report periodically on their status and intent to return to work. Such communication will take place between the employee and Human Resources.

Certification and Documentation Requirements

To be granted FMLA leave for their own serious health condition or that of their family member, an employee must provide medical certification. A “Certification of Health Care Provider” form can be obtained from Human Resources. It is to be completed by the attending physician or practitioner. The form must be submitted to Human Resources within 15 calendar days after leave is requested. If the form is not submitted in a timely fashion, the employee must provide a reasonable explanation for the delay. Failure to provide medical certification may result in a denial or delay of the FMLA leave. A “Certification of Health Care Provider” form is not required for pregnancy or if the employee is receiving workers’ compensation benefits.

When leave is due to an employee’s own serious health condition, a fitness-for-duty certification (FFD) will be required before an employee can return to work. Failure to timely provide such certification may delay or eliminate an employee’s right to reinstatement under the FMLA.

If an employee is using intermittent or reduced-schedule leave and reasonable safety concerns exist regarding the employee’s ability to perform their duties, a FFD certificate may be required as frequently as every 30 days during periods when the employee has used such leave for the condition that the leave was taken.

Recertification of leave may be required if the employee requests an extension of the original length approved by the City or if the circumstances regarding the leave have changed. It may also be required if there is a question as to the validity of the certification or if the employee is unable to return to work due to the serious health condition.

The City may require an employee to obtain a second opinion from a medical provider which the City selects. If necessary to resolve a conflict between the original certification and the second opinion, the City may require the opinion of a third medical provider. This third opinion will be considered final. An employee will be provisionally entitled to leave and benefits under the FMLA pending the second and/or third opinion.

If the employee’s need for FMLA leave lasts beyond a single FMLA leave year, the City will require the employee to provide a new medical certification in each subsequent leave year. Such new medical certifications are subject to the provisions for authentication and clarification as well as second and third opinions.

For purposes of confirming family relationship, when applicable, the City may require the employee giving notice of the need for FMLA leave to provide reasonable documentation or statement of family relationship.

Use of Accrued Sick, Vacation, and Comp Time

The City requires employees on any kind of FMLA leave to use at least 30 (but no more than 40) hours of their accrued paid leave time per week. Paid leave time shall be used in this order: 1) sick, 2) vacation and/or comp. Such time will be designated as *FMLA leave time* before any remaining FMLA leave can be taken on an unpaid basis.

Benefits such as sick leave or vacation time will not accrue during the period of unpaid leave; however, any benefits accrued prior to commencement of such leave will not be lost. Unpaid hours will not count toward seniority. The use of paid leave benefits occurs simultaneously with FMLA leave and does not extend the length of such leave.

Continuation of Insurance and Premium Payments

An employee on FMLA leave will continue to be covered under the City's group health, dental, and life insurance plans under the same conditions and at the same level of City contribution as would have been provided if the employee was continuously employed during the leave period. If there are changes in the City's contribution levels while the employee is on leave, those changes will take effect as if the employee were still on the job.

The employee will be required to continue payment of the employee portion of the group insurance coverages while on leave. The employee will be advised in writing at the beginning of the leave period as to the amount and method of payment. Arrangements for payment of the employee's portion of premiums must be made by the employee with the City.

If an employee's contribution is more than 30 days late, the City may terminate the employee's insurance coverage (subject to COBRA requirements).

If the City pays the employee contribution(s) missed by the employee while on leave, the employee will be required to reimburse the City for delinquent payments on a payroll deduction schedule no later than 90 days after return from leave. The employee will be required to sign a written statement at the beginning of the leave period authorizing the payroll deduction payments.

Under certain circumstances, if the employee does not return to work at the end of the FMLA leave for at least 30 calendar days, the City may require the employee to repay the portion of the monthly cost paid by the City for group health plan benefits. The City may also require the employee to repay any amounts the City paid on the employee's behalf to maintain benefits other than group health plan benefits.

Employee rights to additional continued benefits will depend on whether leave is paid or unpaid. Any paid disability benefits, sick time, vacation time, or compensatory time available to employees for a covered reason (an employee's serious health condition or a covered family

member's serious health condition, including worker's compensation leave and Minnesota Parental Leave) will run concurrently with the FMLA leave.

Return to Work

An employee returning from FMLA leave within the allotted leave period will be reinstated in their former position or a position equivalent in pay, benefits, and other terms and conditions of employment. They have no greater right to restoration or to other benefits and conditions of employment than if they had been continuously employed.

The City reserves the right to require the employee to submit a fitness-for-duty report prior to returning to work if the FMLA leave was for the employee's own serious health condition.

Unpaid Medical Leave of Absence

If an employee is ineligible for FMLA leave or has exhausted available FMLA leave benefits, the City may consider an employee's request for a medical or personal leave of absence. The amount of leave available to each employee will be determined on a case-by-case basis depending on the position held, staffing requirements, the reasons for the leave, and the anticipated return-to-work date. Employees who take unpaid medical or personal leave are not guaranteed to return to the same position held prior to taking leave.

Employees seeking a medical leave of absence will be required to present certification to support the need for the leave, ongoing documentation to support the need for continued leave, and, if the leave is for their own medical condition, documentation to support their return to work.

During Unpaid Medical Leave, employees will be expected to keep in regular contact with Human Resources. When the employee's return to work can be reasonably anticipated, they should notify Human Resources of their expected return date at least one week before the end of their leave.

Employees on an Unpaid Medical Leave may be subject to COBRA notice and continuation benefits and will be solely responsible for payment of the entire COBRA.

An employee's failure to keep in touch with the City during their leave, failure to advise the City of their availability to return to work, or failure to return to work following their leave will be considered a voluntary resignation of employment.

ADDITIONAL PROVISIONS RELATING TO MILITARY SERVICEMEMBERS

Background

The National Defense Authorization Act amends the FMLA to grant additional leave for the active duty of and need to care for a covered military servicemember under certain circumstances. In addition to the general FMLA leave provisions described above, these requirements apply to FMLA leaves in such circumstances.

“Covered active duty” can mean different things for different servicemembers. For members of the regular Armed Forces, it refers to duty during their deployment with the Armed Forces to a

foreign country. For members of the reserve components of the Armed Forces (i.e., the U.S. National Guard and Reserves), it means duty during their deployment with the Armed Forces to a foreign country under a call or order to active duty in support of a contingency operation.

A “covered servicemember” is defined as:

- 1) a current member of the Armed Forces (including the National Guard or Reserves) who is undergoing medical treatment, recuperation, or therapy; is otherwise in outpatient status; or is on the temporary disability retired list for a qualifying serious injury or illness, or
- 2) a veteran (discharged/released under any condition other than dishonorable) who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness and who was a member of the Armed Forces (including the National Guard or Reserves) at any time during the five-year period preceding the date on which the FMLA-eligible employee first uses Military Caregiver Leave to care for them.

For purposes of FMLA leave, a “serious injury or illness” as it relates to current servicemembers is one that was incurred in the line of duty on active duty in the Armed Forces (including the National Guard or Reserves) that may render the servicemember medically unfit to perform the duties of their office, grade, rank, or rating. It also includes injuries or illnesses that existed before the beginning of the servicemember’s active duty and were aggravated by service in the line of duty while on active duty. For a veteran, a “serious injury or illness” is one they incurred in the line of duty while on active duty in the Armed Forces (including the National Guard or Reserves) or that existed before the beginning of their active duty and was aggravated by service in the line of duty on active duty and is either:

- 1) a continuation of a serious injury or illness that was incurred/aggravated when the covered veteran was a member of the Armed Forces and rendered them unable to perform the duties of their office, grade, rank, or rating,
- 2) a physical or mental condition for which they have received a U.S. Department of Veterans Affairs Service-Related Disability Rating (VASRD) of 50% or greater and such VASRD rating is based, in whole or in part, on the condition precipitating the need for military caregiver leave,
- 3) a physical or mental condition that substantially impairs their ability to work because of a disability or disabilities related to military service, or would do so absent treatment, or
- 4) an injury, including a psychological injury, on the basis of which they have been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

Qualifying Exigency

FMLA-eligible employees whose spouse, son, daughter, or parent has been notified of an impending call or order to covered active military duty or who is already on covered active duty may take up to 12 weeks of leave for reasons related to or affected by the family member’s call-up or service. The qualifying exigency must be one of the following:

- 1) short-notice deployment (i.e., seven days or less)
- 2) military events and related activities
- 3) childcare and school activities
- 4) financial and legal arrangements
- 5) counseling

- 6) rest and recuperation
- 7) certain post-deployment activities
- 8) parental care
- 9) additional activities where the employer and the employee agree to the leave and its terms, including details such as the timing and duration of leave

Military Caregiver Leave

An employee eligible for FMLA leave who is the spouse, son, daughter, parent, or next of kin of a covered servicemember may take up to 26 weeks in a single 12-month period to care for that servicemember. The “single 12-month period” begins on the first day the eligible employee takes FMLA leave to care for a covered servicemember and ends 12 months after that date.

Leave taken for any FMLA reason counts towards the 26-week entitlement. If an employee does not take all 26 workweeks of leave to care for a covered servicemember during this “single 12-month period,” the remaining part of the 26 workweeks of leave entitlement to care for the covered servicemember is forfeited.

Certification and Documentation Requirements

The City will require certification for the qualifying exigency or the serious injury/illness of the covered servicemember. The employee must respond to the City’s request for certification within 15 calendar days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of leave. This certification should be provided using:

- 1) the “Certification for Military Family Leave for Qualifying Exigency” form for situations relating to a qualifying exigency,
- 2) the “Certification for Serious Injury or Illness of a Current Servicemember for Military Caregiver Leave” for situations relating to the injury/illness of a current servicemember, or
- 3) the “Certification for Serious Injury or Illness of a Veteran for Military Caregiver Leave” for situations relating to the injury/illness of a veteran.

These forms can be obtained from Human Resources and should be submitted to Human Resources upon completion.



STAFF MEMO

Prepared by: Rachel Viesselman, Human Resources Manager	Meeting Date: 12/9/2024	<input type="checkbox"/> Consent Agenda Item <input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 9.A.3
Reviewed by: Jeff O'Neill, Interim City Administrator	Item: Consideration to Update the Leave of Absence Without Pay Policy		
Presented by: Rachel Viesselman, Human Resources Manager	Action Requested: Motion to Approve the Leave of Absence Without Pay Policy as Updated		
Vote Required: <input checked="" type="checkbox"/> Simple Majority <input type="checkbox"/> Two-Thirds Vote <input type="checkbox"/> Roll Call	Staff Recommended Action: Approval Board/Commission/Committee Recommendation:		

PREVIOUS COUNCIL ACTION

There is currently a Leave of Absence without Pay policy in place.

REFERENCE AND BACKGROUND

When developing the new FMLA policy, it was discovered that some changes to the Leave of Absence without Pay policy were needed to ensure legal accuracy and consistency between the two. The updates make the leave policy more comprehensive by:

- Citing the purpose for such a policy
- Outlining paid time off usage requirements (to align with the FMLA policy)
- Addressing return-to-work conditions (to align with the FMLA policy and best practices)

Verbiage referring to leaves of absences for appointed/elected officials was removed entirely per F&H's recommendation.

BUDGET IMPACT

SUPPORTING DATA/ATTACHMENTS

Leave of Absence Without Pay Policy

Leave of Absence without Pay

Last revised: December 9, 2024

The City of Fairmont may provide leaves of absence without pay and benefits to employees who wish to take time off from work to fulfill personal obligations for circumstances not covered by existing law.

The employee's request for unpaid leave must be made in writing and explain the reason for the request.

Leave requests will be evaluated based on various factors including but not limited to anticipated workload requirements, reason for the requested leave, and staffing considerations during the proposed period of absence. The City Administrator may grant an employee a leave of absence at their discretion.

The employee's sick leave, vacation leave, and compensatory time must be exhausted prior to approval of any unpaid leave. Benefits such as sick and vacation leave accruals, holiday pay, seniority, and City contributions toward employee insurance coverages will be suspended during the unpaid leave period. Employees may choose the continuation or waiver of comprehensive insurance coverage under COBRA.

At the end of the leave period, reasonable effort will be made to return the employee to the same job position (if it is available) or to a similar available position for which the employee is qualified. However, the City cannot guarantee reinstatement in all cases.

Failure on the part of the employee to return promptly at the end of the approved leave period shall be cause for discharge.



STAFF MEMO

Prepared by: Hannah Neusch, Water Resources Technician	Meeting Date: 12/9/2024	<input type="checkbox"/> Consent Agenda Item <input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 9.A.4
Reviewed by: Jeff O'Neill, Interim City Administrator	Item: Discussion of City Owned Ag Land Lease Agreements and Consideration to Approve the Updated City Owned Ag Land Lease Agreements		
Presented by: Jeff O'Neil, Interim City Administrator	Action Requested: Informational discussion on technical aspects of Ag Land Lease agreements Motion to Approve the Updated City Owned Ag Land Lease Agreements with the Changes and Additions as outlined		
Vote Required: <input checked="" type="checkbox"/> Simple Majority <input type="checkbox"/> Two Thirds Vote <input type="checkbox"/> Roll Call	Staff Recommended Action: Discuss technical updates to City owned ag land lease agreements and Approve changes and additions to the Ag Land Lease Agreements. Board/Commission/Committee Recommendation:		

REFERENCE AND BACKGROUND

In June of 2024 the Council voted to approve changes to the city owned Ag land lease agreements following the 2024 crop year by incorporating the use of cover crops and reduced tillage practices. In the same motion council approved reducing mowing at Cedar Creek Park and the Day Farm as directed by the Public Works Director. In September of 2024, a current lease holder raised concerns with certain cover crop provisions in the lease. The following is an update to this motion, particularly addressing technical changes and airport flight path requirements.

Staff have made additional updates to the lease agreements regarding the technical details of what constitutes an acceptable integration of cover crops and reduced tillage practices (6.1.a). This will help future tenants understand the requirements to the updated lease.

There has also been an update regarding the tenant's responsibility to mow roadsides and fencerows (6.1.e) as we are now asking the tenant to delay mowing until after the primary nesting season has concluded (August 1st). Doing so will help treat additional water runoff from the field and will help protect nesting birds as they raise their young. There is an exception to allow minimal mowing as required by the local road authority where applicable.

As a reminder, cover crops will hold excess nutrients within the plant and release them when the cash crops need them. Cover crops also effectively cover the soil and protect the soil from erosion. No till and strip till practices will disturb less soil, thus significantly reducing the erosion potential. Both of these practices are current best management practices on fields which outlet to impaired bodies of water, such as our lakes. Over the long term this is one change which will increase the water quality in our chain of lakes and in the waterbodies surrounding our community.

Additionally, as many properties to be leased are near the airport, the properties are subject to flight path requirements and guidelines. Staff consulted with the airport engineer to confirm the agreement complied with requirements. Staff received direction that they would need to include no crop and low crop zone language and confirm that MnDOT requirements were met. Recently, an MnDOT representative inspected the properties with Lee Steinkamp and approved the current line for planting used by the farmers. MnDOT's approval informed staff that this boundary line is outside the zones for the flight path requirements. As such, the agreement has been updated to specifically lease within that area so that none of the farmed land will be subject the no crop/low crop zones. Crops will not be allowed to be planted within 50' of the instrument station which will now be outside the scope of the leased premises addressed in an exhibit.

Once City Council approves the lease terms, staff will advertise the availability of the land for lease with the goal of finding tenants and executing the lease agreements by the first meeting in January.

BUDGET IMPACT

SUPPORTING DATA/ATTACHMENTS

Updated Lease

NRCS Practice Standard 340 and 329

Draft Announcement

AGRICULTURAL LAND LEASE AGREEMENT

THIS LEASE AGREEMENT (the “Lease” or “Agreement”) dated this ___ day of January, _____, by and between the **CITY OF FAIRMONT**, a Minnesota municipal corporation, (the “Landlord”), and _____, of Fairmont, MN, (the “Tenant”), (collectively the “Parties”).

In consideration of the terms and conditions of this Lease, Landlord and Tenant agree as follows:

ARTICLE ONE
Definitions and Terms

As used in this Lease, the following terms shall have the specific meanings set forth below:

1.1 “Landlord” means the City of Fairmont, having as its address for notice purposes 100 Downtown Plaza, Fairmont, Minnesota 56031; Attention: City Administrator.

1.2 “Tenant” means _____, having as its address for notice purposes _____, Fairmont, Minnesota, 56031.

1.3 “Commencement Date” means _____.

1.4 “Expiration Date” means _____.

1.5 “Property” means the real property owned by Landlord designated as _____ and as described in Exhibit A.

1.6 “Premises” means that portion of the Property owned by Landlord to be leased by Tenant as depicted in Exhibit B.

ARTICLE TWO
Demising Clause

2.1 Landlord leases to Tenant and Tenant leases from Landlord the Premises on the terms and conditions contained in this Lease.

2.2 Tenant shall have the nonexclusive right to use the Premises for agricultural purposes as provided herein.

ARTICLE THREE
Term and Possession

3.1 Term. This Lease shall be for a term of _____ years, beginning on the Commencement Date and ending on the Expiration Date, unless terminated prior to the Expiration Date. Except as otherwise provided in this Lease, termination of the Lease prior to the Expiration Date requires mutual agreement by the Landlord and Tenant. Tenant shall be entitled to possession on the Commencement Date and shall give up possession on the Expiration Date.

3.2 The Parties shall have the option of renewing the Lease for two additional one (1) year periods. Renewal shall occur only upon Tenant's delivery to Landlord by 60 days prior to the Expiration Date, a written request to renew the Lease for the additional period. Upon said delivery, Landlord shall have until 30 days to provide written notice of its acceptance or rejection of Tenant's renewal offer. If Tenant fails to deliver such renewal notice, the Lease shall terminate at the end of the initial term; conversely, if Landlord fails to notify Tenant in writing of its decision, the Lease shall automatically renew for the additional period.

3.3 Early Termination by Landlord. In the event that Landlord shall sell any of the Premises, or in the event that any of the Premises shall be converted for other governmental use, Landlord is entitled to terminate this Lease with respect to the portion of the Premises sold or converted to governmental use upon written notice to Tenant, and the rents payable by Tenant shall be reduced on a pro rata basis. Landlord's liability upon such early termination shall be limited to the damages for the loss of any crop growing on the Premises at the time of such early termination.

ARTICLE FOUR

Rent

4.1 Tenant shall, for the entire Lease Term, pay to Landlord without demand, annual rent in the amount of \$_____ (the "Rent"). The annual rent amount shall be paid in one installment with payment due on March 1 of each year.

4.2 A late penalty of 5% of the payment due will be assessed on all late payments. Tenant agrees and acknowledges that the late penalty is necessary to compensate Landlord for lost interest, the opportunity cost of renting the Premises, and any legal fees or expenses incurred in enforcing its rights pursuant to this Agreement.

ARTICLE FIVE

Payment of Taxes

5.1 Landlord shall pay all taxes, assessments and governmental charges (collectively referred to as "Taxes") that accrue against the Premises during the Lease Term with the exception of those taxes that are directly attributable to agricultural or other production and sales based activities being conducted by Tenant on the Premises.

5.2 Tenant shall be liable for all taxes levied or assessed against any personal property or fixtures placed on the Premises, whether levied or assessed against Landlord or Tenant.

5.3 If Landlord accepts an offer for a renewal term, the annual rent for the renewal term shall be adjusted using the Consumer Price Index (CPI) for the Minnesota region in the year of renewal as an index and the first year of Lease as a base year as set forth by the Government of the United States. The rent shall not decrease during the renewal term, such that if the CPI is zero or negative, the rent shall remain the same as the prior year.

ARTICLE SIX
Permitted Use

6.1 Tenant shall use the Premises for agricultural purposes only and all activities incidental thereto, including:

- a. To utilize no till farming practices according to the United States Department of Agriculture Natural Resources Conservation Practice Standard Cover Crop Code 329.
- b. To establish a cover crop immediately following, or prior to, the harvest of row crops according to the United States Department of Agriculture Natural Resources Conservation Practice Standard Cover Crop Code 340.
- c. To work with the Martin County Soil and Water Conservation District to control soil erosion and storm water runoff.
- d. To harvest and remove all crops in due season.
- e. To keep all ditches cleaned of weeds and debris.
- f. To mow roadside ditches and fence rows only after August 1st, which is after the primary nesting season has concluded.
- g. To destroy all noxious weeds and grasses and nuisances on the leased portion, in compliance with State Law.

6.2 Tenant shall not plant crops, till or otherwise alter any land in, on or about the Premises unless the entirety of the Rent for the year has been paid pursuant to Article Four.

6.3 Tenant shall not store equipment on the Premises when not in use.

6.4 Tenant shall not cause, maintain or permit any nuisance in, on or about the Premises. More specifically, Tenant shall not use or store any noxious chemicals on the Premises. Tenant shall not commit or allow to be committed any waste in or upon the Premises.

6.5 Tenant shall provide Landlord with full and complete information concerning all chemicals applied to the Premises, or any portion thereof, including brand and strength of chemical applied and poundage per acre.

6.6 Tenant shall not plant crops within, till or otherwise alter any land within 16½ feet of the edge of any county ditch. Tenant shall be responsible for restoring, at Tenant's sole cost and expense, any such areas that may be disturbed during the term of this Lease upon demand by Landlord. If Tenant does not do so, Landlord may (but need not) restore the such areas to their preexisting condition, and Tenant shall pay the cost of such work upon being billed by Landlord.

ARTICLE SEVEN
Utilities

7.1 There are no utilities (electricity, fuel oil, gas services, telephone, trash collection, snow plowing, lawn mowing, water, sewer service, cable or satellite television reception, internet connection fees) serving the Premises, and for which the tenant is to be responsible.

ARTICLE EIGHT
Subletting and Assignment

8.1 Tenant shall not assign its interest in this Lease and shall not sublet any portion of the Premises, or any right or privilege provided under the Lease or use of the Premises, or suffer any other person to occupy or use any portion of the Premises, without the prior written approval of Landlord.

ARTICLE NINE
Quiet Possession and Subordination

9.1 Landlord covenants that Tenant, upon paying the Rent and performing the covenants under this Lease, shall peaceably and quietly have, hold and enjoy the leased Premises for the term of the Lease.

9.2 This Lease is subject and subordinate to all present or future financial encumbrances on the Premises, and is further subject to all present and future easements, conditions and encumbrances of record, and to all applicable laws, ordinances and governmental rules and regulations. Such subordination shall be self-executing without further act on the part of Landlord or Tenant; provided, however, that Tenant shall at any time hereafter, at the request of Landlord or any lien holder, or any purchaser of the Premises, execute any instruments that may be required, and Tenant hereby irrevocably authorizes Landlord to execute and deliver in the name of Tenant any such instrument if Tenant fails to do so.

ARTICLE TEN
Landlord's Reserved Rights

10.1 Landlord reserves the following rights: (a) to take any and all measures necessary or desirable for the operation, safety, protection or preservation of the Premises, including repairs, alterations, decorations, additions or improvements, whether structural or otherwise, in and about the Premises or any part thereof; and (b) to enter to verify use of the Premises. Landlord may enter upon the Premises and may exercise any or all of the foregoing rights without being deemed guilty of an eviction (actual or constructive) or disturbance of Tenant's use or possession and without being liable in any manner to Tenant and without abatement of Rent or affecting Tenant's obligations hereunder.

ARTICLE ELEVEN
Alterations and Improvements

11.1 Landlord has made no promise to alter, remodel, repair or improve the Premises and has made no representation of the condition of the Premises or the suitability of the Premises for the purpose stated herein other than what is contained in this Lease.

11.2 Tenant shall not make material alterations or improvements to the Premises without the written consent of Landlord. Consent shall be obtained by submitting a written description to Landlord of the proposed improvement, including its location, size, proposed use, and whether the improvement is to be severed from the Premises at the termination of the Lease or is to be left on the Premises, and any other information that may be required by the Landlord. Landlord may approve, disapprove, require more information, or require certain modifications to the proposed improvement in its sole judgment and

discretion. Tenant's final written proposal including a clear indication of Landlord's assent and signed by Landlord shall constitute written consent of Landlord. Unless otherwise agreed by both parties, approved improvements shall be at the sole expense of Tenant.

11.3 Tenant shall allow no mechanic's liens to be incurred or filed against the Premises. Tenant shall promptly pay for all alterations and improvements, which it may make under this Lease that are approved by Landlord, and shall save and hold harmless Landlord from any and all losses, including attorneys' fees, incurred by reason of mechanic's liens or other claims for skill, labor or material furnished or performed, or claimed to have been furnished or performed, on account of any such alteration or improvement made by Tenant hereunder. Tenant may contest any such mechanic's liens and prosecute all proceedings for the purpose of such contest pursuant to Minn. Stat. § 514.01, et seq. Tenant shall indemnify Landlord against any loss or liability by reason of such contest.

11.4 Tenant shall not place or maintain any signs on the Premises, without authorization by Landlord.

ARTICLE TWELVE

Repairs and Maintenance

12.1 Tenant, at its expense, shall keep the Premises in a safe and tenable condition based on the purpose of this Lease. If Tenant does not do so, Landlord may (but need not) restore the Premises to a safe and tenable condition, and Tenant shall pay the cost upon being billed by Landlord. This Article shall not apply to damage or destruction otherwise provided for in this Lease.

12.2 Tenant shall be responsible for all major and minor maintenance, repairs, or replacement of any and all alterations or improvements to the Premises made under Article 11. Improvements made under Article 11 that are capable of severance may be removed by Tenant at any time or within 30 days after termination of the Lease even though they may be fixtures, provided that Tenant leaves in good condition that part of the Premises from which such improvements are removed.

12.3 Improvements not capable of severance shall become the property of Landlord at termination of the Lease without compensation to the Tenant.

ARTICLE THIRTEEN

Destruction or Damage

13.1 Tenant agrees:

- a. That it will obtain all necessary state and local permits for its operations as necessary.
- b. That it will operate in accordance with all federal, state and local regulations.
- c. That it will be solely responsible for security of the Premises, including crops and equipment, and for any loss, damage, or destruction thereof.
- d. That it will keep the Premises in such repair as at the commencement of the said term or may be put in during continuance thereof, reasonable wear and tear and damage by fire or extended peril coverage perils only excepted.

- e. That it will not injure, overload or suffer to be injured or overloaded the Premises or any part thereof.
- f. That it will not make or suffer any unlawful, improper or offensive use of the Premises or any use thereof contrary to any law of the State or any ordinance of the City now or hereafter made, or which shall be injurious to any person or property or which shall be liable to endanger or affect any insurance on the said Premises.

ARTICLE FOURTEEN
Hold Harmless

14.1 Tenant shall defend, indemnify and hold Landlord harmless from any liability, loss, cost, and obligations, including reasonable attorneys' fees, arising out of the use of the Premises by Tenant, Tenant's employees, officers, agents, clients and invitees. Landlord shall defend, indemnify and hold Tenant harmless from any liability, loss, cost, and obligations, including reasonable attorneys' fees, arising out of negligent or willful acts by Landlord, its employees, officers, agents, clients and invitees in meeting Landlord's obligations under this Lease.

14.2 Tenant knows, understands and acknowledges the risks and hazards associated with using the Premises and hereby assumes any and all risks and hazards associated therewith. Tenant hereby irrevocably waives any and all claims against the Landlord or any of its officials, employees or agents for any bodily injury (including death), loss or property damage incurred by Lessee as a result of using the Premises and hereby irrevocably releases and discharges the Landlord and any of its officials, employees or agents from any and all claims of liability.

ARTICLE FIFTEEN
Holding Over

15.1 If Tenant without the consent of Landlord retains possession of the Premises or any part thereof after termination of the Term, then Landlord can elect to recover possession of the Premises by pursuing its rights under this Lease or at law. In such event Landlord shall further be able to recover in damages for the period Tenant holds over an amount equal to one hundred fifty percent (150%) of the Rent payable for the month immediately preceding the commencement of said holding over computed on a daily basis until Landlord receives possession of the Premises and in addition thereto, Tenant shall pay Landlord all direct damages sustained by reason of Tenant's retention of possession. Alternatively, Landlord can elect to retain Tenant on a month to month tenancy, terminable in accordance with law, at a Rent equal to one hundred fifty percent (150%) of the rate payable hereunder, commencing the month immediately preceding the commencement of said holding over and computed on a per month basis for each month or part thereof that Tenant remains in possession.

15.2 Landlord shall exercise its election of one of the above described alternatives by delivering a written notice thereof to Tenant within thirty (30) days after the first day of Tenant's retention of possession beyond the Term. In the event that Landlord fails to exercise its election as provided above, then Landlord shall be conclusively presumed to have elected to retain Tenant on a month to month tenancy, terminable in accordance with law at a Rent as provided in this Article.

ARTICLE SIXTEEN
Surrender of Possession

16.1 Upon the termination of the Lease Term, Tenant shall immediately surrender the Premises (together with any alterations and improvements that are not severable) to Landlord in good order, repair and condition, ordinary wear and fire or casualty losses for which Tenant is not responsible excepted, and shall remove all equipment, trade fixtures and other items of Tenant's property from the Premises. Tenant shall pay Landlord upon demand the cost of repairing any damage to the Premises caused by such removal. Tenant shall leave the Premises in its pre-Lease condition, reasonable wear and tear excepted. If Tenant fails or refuses to remove Tenant's property from the Premises, Tenant shall be presumed to have abandoned the property and Landlord may dispose of the property without incurring liability, at Tenant's expense.

ARTICLE SEVENTEEN
Compliance with Laws, Ordinances and Regulations

17.1 Throughout the Term of this Lease, Tenant, at its sole cost and expense, shall promptly comply with all present and future laws, ordinances, orders, rules, opinions, directives, regulations and requirements of all federal, state, city and other local governments. Throughout the Term of this Lease, Landlord shall comply with all local, state, and federal laws and regulations with respect to its management and operation of the Premises.

17.2 Tenant guarantees to Landlord that Tenant is an Equal Opportunity Employer and that he/she meets all United States and State of Minnesota Equal Opportunity Employment requirements or that Tenant is exempt from these provisions.

17.3 Tenant shall likewise observe and comply with, or shall cause to be observed and complied with, all the requirements of all policies of comprehensive general liability, fire and other insurance at any time in force with respect to the Premises.

ARTICLE EIGHTEEN
Insurance

18.1 In addition to the following, Tenant shall maintain, at Tenant's expense, insurance on Tenant's property located in and upon the Premises, and shall assume the risk of loss to such property on the Premises.

18.2 Required Insurance. Tenant agrees to maintain, at Tenant's expense, the following insurance policies, as indicated in the certificate(s) of insurance attached hereto as Exhibit C, in the listed amounts:

Worker's Compensation	Statutory Limits
Employer's Liability	\$500,000 each accident \$500,000 disease policy limit \$500,000 disease each employee

Comprehensive General Liability	\$2,000,000 property damage and bodily injury per occurrence \$4,000,000 general aggregate \$2,000,000 Products – Completed Operations Aggregate \$100,000 fire legal liability each occurrence \$5,000 medical expense
Comprehensive Automobile Liability	\$1,000,000 combined single limit each accident (shall include coverage for all owned, hired and non-owned vehicles)
Umbrella or Excess Liability	\$1,000,000

All policies listed above shall be written on an “occurrence” form (“claims made” and “modified occurrence” forms are not acceptable).

With the exception of the Worker’s Compensation policies, all policies listed above shall insure the defense and indemnity obligations assumed by Tenant under this Lease, and shall name the Landlord as an additional insured under the policy.

All policies listed above shall contain a provision that coverages afforded thereunder shall not be canceled or non-renewed, nor shall coverage limits be reduced by endorsement, without thirty (30) days prior written notice to CITY.

ARTICLE NINETEEN
Default and Remedies

19.1 If Tenant shall default in the payment of any installment of the Rent or in the payment of any other sum required to be paid by Tenant under this Lease and such default shall continue for fifteen (15) days after written notice to Tenant, or if Tenant shall default in the observance or performance of any of the other covenants or conditions in this Lease, which Tenant is required to observe or perform, and such default shall continue for thirty (30) days after written notice to Tenant, or if a default involves a hazardous condition and is not cured by Tenant immediately upon written notice to Tenant, or if the interest of Tenant in this Lease shall be levied upon under execution or other legal process, or if any voluntary petition in bankruptcy or for corporate reorganization or any similar relief shall be filed by Tenant, or if any involuntary petition in bankruptcy shall be filed against Tenant under any federal or state bankruptcy or insolvency act and shall not have been dismissed within thirty (30) days following the filing thereof, or if a receiver shall be appointed for Tenant or any of the property of Tenant by any court and such receiver shall not be dismissed within thirty (30) days from the date of appointment, or if Tenant shall make an assignment for the benefit of creditors, or if Tenant shall abandon or vacate the Premises, then Landlord may treat the occurrence of any one or more of the foregoing events as a breach of this Lease and thereupon at its option may, without notice or demand of any kind to Tenant or any other person, terminate this Lease and immediately repossess the Premises, in addition to all other rights and remedies provided at law or in equity. The provisions of this section shall survive any termination of this Lease.

19.2 In the event the Lease is terminated due to the default of Tenant:

- a. All obligations of Landlord under this Agreement shall cease. Landlord shall take reasonable measures to lease the Premises to another tenant for a comparable term and rent.
- b. Until Landlord enters into a new lease Tenant shall continue to pay the applicable rent until the end of the Lease Term. Landlord may retain a portion of the security deposit to cover its costs of re-letting the Premises.
- c. Rental payments received by Landlord from a new tenant will reduce the amount for which Tenant is liable to Landlord.
- d. Upon termination, Tenant agrees to yield possession of the Premises within 90 days of the date of notice of default, reserving the right to re-enter the Premises solely to harvest any crops that are the personal property of Tenant and are growing at the time of default.

19.3 In the event the Lease is terminated due to the default of Landlord:

- a. All obligations undertaken by Tenant under this Agreement including the obligation to pay rent shall cease.
- b. Upon termination, Tenant shall yield possession of the Premises in a timely manner, reserving the right to re-enter the Premises solely to harvest any crops that are the personal property of Tenant and are growing at the time of default. Landlord shall remit an amount equal to two times the Tenant's security deposit as liquidated damages and here agrees that such an amount is a reasonable approximation of the costs incident to moving a farming operation.

ARTICLE TWENTY

Notices

20.1 All notices required under the terms of this Lease shall be deemed to have been properly served or given three (3) days after their deposit in the United States mail if sent by registered or certified mail, return receipt requested, postage prepaid, or two (2) days after deposit in a nationally recognized overnight courier service, addressed to Landlord or Tenant at the addresses identified in Article One or to such other address within the continental limits of the United States and to the attention of such party as the parties may from time to time designate by written notice to the other.

ARTICLE TWENTY-ONE

Miscellaneous

21.1 **Voluntary and Knowing Action.** The parties, by executing this Lease, state that they have carefully read this Lease and understand fully the contents thereof; that in executing this Lease they voluntarily accept all terms described in this Lease without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.

21.2 **Authorized Signatories.** The parties each represent and warrant to the other that (1) the persons signing this Lease are authorized signatories for the entities represented, and (2) no further

approvals, actions or ratifications are needed for the full enforceability of this Lease against it; each party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.

21.3 No Partnership, Joint Venture, or Fiduciary Relationship. Nothing contained in this Lease shall be interpreted as creating a partnership, joint venture, or relationship of principal and agent between the parties, it being understood that the sole relationship created hereby is one of landlord and tenant. No third party is entitled in any way to rely upon any provision in this Lease. This Lease is intended solely for the benefit of Landlord and Tenant and no third party shall have any rights or interest in any provision of this Lease, or as a result of any action or inaction of the Landlord in connection therewith.

21.4 Records—Availability and Retention. Pursuant to Minn. Stat. § 16C.05, subd. 5, the Tenant agrees that the Landlord, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of the Tenant and involve transactions relating to this Lease. The Tenant agrees to maintain these records for a period of six years from the date of termination of this Lease.

21.5 Governing Law. This Lease shall be deemed to have been made and accepted in Martin County, Minnesota, and the laws of the State of Minnesota shall govern any interpretations or constructions of the Lease without regard to its choice of law or conflict of laws principles.

21.6 Data Practices. The parties acknowledge that this Lease is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.

21.7 No Waiver. Any party's failure in any one or more instances to insist upon strict performance of any of the terms and conditions of this Lease or to exercise any right herein conferred shall not be construed as a waiver or relinquishment of that right or of that party's right to assert or rely upon the terms and conditions of this Lease. Any express waiver of a term of this Lease shall not be binding and effective unless made in writing and properly executed by the waiving party.

21.8 Severability. The invalidity or unenforceability of any provision of this Lease shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Lease to the extent of its invalidity or unenforceability, and this Lease shall be construed and enforced as if the Lease did not contain that particular provision to the extent of its invalidity or unenforceability.

21.9 Headings and Captions. Headings and captions contained in this Lease are for convenience only and are not intended to alter any of the provisions of this Lease and shall not be used for the interpretation of the validity of the agreement or any provision hereof.

21.10 Survivability. All covenants, indemnities, guarantees, releases, representations and warranties by any party or parties, and any undischarged obligations of Landlord and the Tenant arising

prior to the expiration of this Lease (whether by completion or earlier termination), shall survive such expiration.

21.11 **Exhibits.** The exhibits attached to this Lease are considered an integral part of it as if fully set forth within it.

21.12 **Entire Agreement.** All prior understandings, letters of intent, discussions and agreements are merged in the governing terms of this Lease, which is a complete and final written expression of the intent of the parties.

21.13 **Modification/Amendment.** Any alterations, variations, modifications, amendments or waivers of the provisions of this Lease shall only be valid when they have been reduced to writing, and signed by authorized representative of the Landlord and the Tenant.

[Remainder of page intentionally left blank]

IN TESTIMONY WHEREOF, as of the day and year first hereinabove written the parties have executed this Lease.

**LANDLORD:
CITY OF FAIRMONT**

BY: _____
Lee Baarts, Its Mayor

BY: _____
Betsy Steuber, Its City Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF MARTIN)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024, by Lee Baarts and by Betsy Steuber, respectively the Mayor and City Clerk of the City of Fairmont, a Minnesota municipal corporation, on behalf of the municipal corporation and pursuant to the authority granted by its City Council.

Notary Public

**TENANT:
[INSERT NAME]**

BY: _____
_____, Its _____

STATE OF MINNESOTA)
) ss.
COUNTY OF MARTIN)

The foregoing instrument was acknowledged before me this _____ day of _____, 2024, by _____, the _____, for _____, a Minnesota _____, on behalf of the _____.

Notary Public

EXHIBIT A
Description of Property

EXHIBIT B
Depiction of Premises

(Attached Map)

EXHIBIT C
Certificate(s) of Insurance

Agricultural Land Bid Announcement
City of Fairmont, MN

The City of Fairmont is accepting sealed bids for leasing of separate parcels of city-owned agriculture property located within the City of Fairmont. The lease term will be for the next three (3) crop years, 2025 – 2027).

Agricultural property to be leased:

- The Day Farm- 81.8 tillable acres designated as Day Farm 1 and 2
- Airport Land- 30.56 tillable acres designated as parcels A, A-1, A-2, A-3, & E
- Airport Land- 229.97 tillable acres designated as parcels B, C, D, D-1, F, K, L, L-1
- Airport Land- 6.14 tillable acres designated as parcels M & N
- Airport Land- 13.86 tillable acres designated as parcels parcel J
- Airport Land- 43.81 tillable acres designated as parcels H

See attached aerial photo for location information.

The Lessor shall be responsible for establishing a cover crop immediately following, or prior to, the harvest of row crops according to the NRCS conservation practice standard 340, located in this packet and to utilize no till farming practices according to the NRCS conservation practice standard 329, located in this lease packet. Please contact Martin Soil and Water Conservation District regarding requirements pertaining to these practice standards, or to inquire about potential available funding for these types of practices.

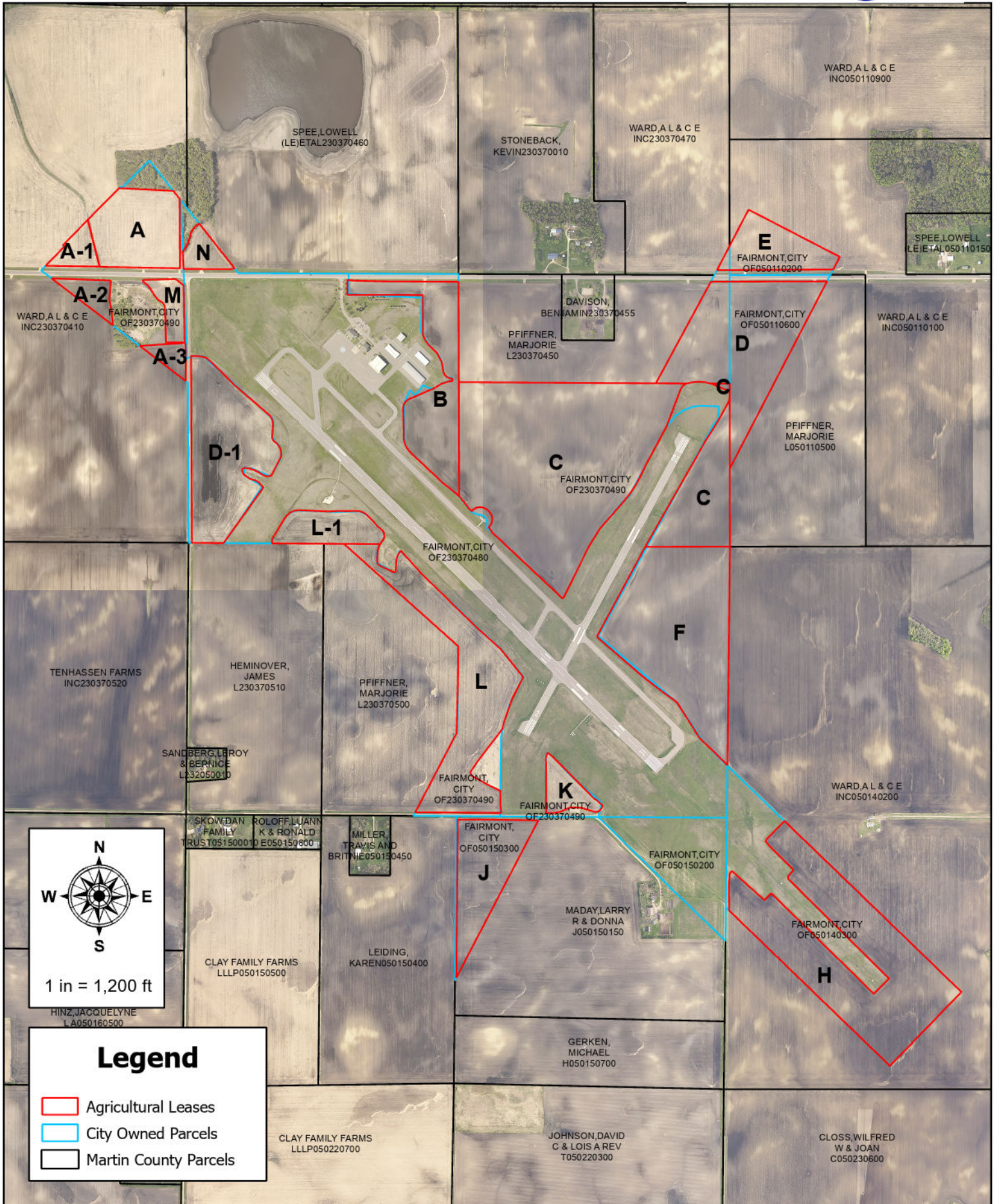
Bids may be submitted in person or mailed to: City of Fairmont – Ag Property Bid, 100 Downtown Plaza, Fairmont. Bids shall be submitted in a sealed envelope and clearly marked on the outside of the envelope as being for “Ag Property Bid”. Sealed bids will be accepted until 10 am on Tuesday, October 22, 2024 in which the bids will then be publicly opened and read out loud in the Second Floor Conference Room of City Hall, located at 100 Downtown Plaza, Fairmont, MN.

Bid documents, including a full description of parcels available to lease can be obtained by contacting Jeff O’Neill, Interim City Administrator at 507-238-3936 or by email- JONeill@fairmont.org. The City of Fairmont reserves the right to reject any and all bids.

City of Fairmont Farm Leases

CITY OF FAIRMONT, MN

December 2024





Natural Resources Conservation Service

CONSERVATION PRACTICE STANDARD

COVER CROP

CODE 340

(ac)

DEFINITION

Grasses, legumes, and forbs planted for seasonal vegetative cover.

PURPOSE

This practice is used to accomplish one or more of the following purposes:

- Reduce erosion from wind and water
- Maintain or increase soil health and organic matter content
- Reduce water quality degradation by utilizing excessive soil nutrients
- Suppress excessive weed pressures and break pest cycles
- Improve soil moisture use efficiency
- Minimize soil compaction

CONDITIONS WHERE PRACTICE APPLIES

All lands requiring seasonal vegetative cover for natural resource protection or improvement.

CRITERIA

General Criteria Applicable to All Purposes

Plant species, seedbed preparation, seeding rates, seeding dates, seeding depths, fertility requirements, and planting methods will be consistent with applicable local criteria and soil/site conditions.

Select species that are compatible with other components of the cropping system.

Ensure herbicides used with crops are compatible with cover crop selections and purpose(s).

Cover crops may be established between successive production crops, or companion-planted or relay-planted into production crops. Select species and planting dates that will not compete with the production crop yield or harvest.

Do not burn cover crop residue.

Determine the method and timing of termination to meet the grower's objective and the current NRCS Cover Crop Termination Guidelines.

When a cover crop will be grazed or hayed ensure that crop selection(s) comply with pesticide label rotational crop restrictions and that the planned management will not compromise the selected conservation purpose(s).

Do not harvest cover crops for seed.

If the specific rhizobium bacteria for the selected legume are not present in the soil, treat the seed with the appropriate inoculum at the time of planting.

Additional Criteria to Reduce Erosion from Wind and Water

Time the cover crop establishment, in conjunction with other practices to adequately protect the soil during the critical erosion period(s).

Select cover crops that will have the physical characteristics necessary to provide adequate erosion protection.

Use the current erosion prediction technology to determine the amount of surface and/or canopy cover needed from the cover crop to achieve the erosion objective

Additional Criteria to Maintain or Increase Soil Health and Organic Matter Content

Cover crop species will be selected on the basis of producing higher volumes of organic material and root mass to maintain or increase soil organic matter.

The planned crop rotation including the cover crop and associated management activities will score a Soil Conditioning Index (SCI) value > 0 , as determined using the current approved NRCS Soil Conditioning Index (SCI) procedure, with appropriate adjustments for additions to and or subtractions from plant biomass.

The cover crop shall be planted as early as possible and be terminated as late as practical for the producer's cropping system to maximize plant biomass production, considering crop insurance criteria, the time needed to prepare the field for planting the next crop, and soil moisture depletion.

Additional Criteria to Reduce Water Quality Degradation by Utilizing Excessive Soil Nutrients

Establish cover crops as soon as practical prior to or after harvest of the production crop. (i.e. before or after harvest)

Select cover crop species for their ability to effectively utilize nutrients

Terminate the cover crop as late as practical to maximize plant biomass production and nutrient uptake. Practical considerations for termination date may include crop insurance criteria, the amount of time needed to prepare the field for planting the next crop, weather conditions, and cover crop effects on soil moisture and nutrient availability to the following crop.

If the cover crop will be harvested for feed (hay/balage/etc.), choose species that are suitable for the planned livestock, and capable of removing the excess nutrients present.

Additional Criteria to Suppress Excessive Weed Pressures and Break Pest Cycles

Select cover crop species for their life cycles, growth habits, and other biological, chemical and/or physical characteristics to provide one or more of the following:

- To suppress weeds, or compete with weeds.
- Break pest life cycles or suppress of plant pests or pathogens.
- Provide food or habitat for natural enemies of pests.
- Release compounds such as glucosinolates that suppress soil borne pathogens or pests.

Select cover crop species that do not harbor pests or diseases of subsequent crops in the rotation.

Additional Criteria to Improve Soil Moisture Use Efficiency

In areas of limited soil moisture, terminate growth of the cover crop sufficiently early to conserve soil moisture for the subsequent crop. Cover crops established for moisture conservation shall be left on the soil surface.

In areas of potential excess soil moisture, allow the cover crop to grow as long as possible to maximize soil moisture removal.

Additional Criteria to Minimize Soil Compaction

Select cover crop species that have the ability to root deeply and the capacity to penetrate or prevent compacted layers.

CONSIDERATIONS

General Considerations

Plant cover crops in a timely matter and when there is adequate moisture to establish a good stand.

When applicable, ensure cover crops are managed and are compatible with the client's crop insurance criteria.

Maintain an actively growing cover crop as late as feasible to maximize plant growth, allowing time to prepare the field for the next crop and to optimize soil moisture.

Select cover crops that are compatible with the production system, well adapted to the region's climate and soils, and resistant to prevalent pests, weeds, and diseases. Avoid cover crop species that harbor or carry over potentially damaging diseases or insects.

Cover crops may be used to improve site conditions for establishment of perennial species.

When cover crops are used for grazing, select species that will have desired forage traits, be palatable to livestock, and not interfere with the production of the subsequent crop.

Use plant species that enhance forage opportunities for pollinators by using diverse legumes and other forbs.

Cover crops may be selected to provide food or habitat for natural enemies of production crop pests.

Cover crops residues should be left on the soil surface to maximize allelopathic (chemical) and mulching (physical) effects.

Seed a higher density cover crop stand to promote rapid canopy closure and greater weed suppression. Increased seeding rates (1.5 to 2 times normal) can improve weed-competitiveness.

Cover crops may be selected that release biofumigation compounds that inhibit soil-borne plant pests and pathogens.

Species can be selected to serve as trap crops to divert pests from production crops.

Select a mixture of two or more cover crop species from different plant families to achieve one or more of the following: (1) species mix with different maturity dates, (2) attract beneficial insects, (3) attract pollinators, (4) increase soil biological diversity, (5) serve as a trap crop for insect pests, or (6) provide food and cover for wildlife habitat management.

Plant legumes or mixtures of legumes with grasses, crucifers, and/or other forbs to achieve biological nitrogen fixation. Select cover crop species or mixture, and timing and method of termination that will maximize efficiency of nitrogen utilization by the following crop, considering soil type and conditions, season and weather conditions, cropping system, C:N ratio of the cover crop at termination, and anticipated nitrogen needs of the subsequent crop. Use University of Minnesota (Land Grant University-LGU) recommended nitrogen credits from the legume and reduce nitrogen applications to the subsequent crop accordingly.

If the specific rhizobium bacteria for the selected legume are not present in the soil, treat the seed with the appropriate inoculum at the time of planting.

Time the termination of cover crops to meet nutrient release goals. Termination at early vegetative stages may cause a more rapid release compared to termination at a more mature stage.

Both residue decomposition rates and soil fertility can affect nutrient availability following termination of cover crops

Allelopathic effects to the subsequent crop should be evaluated when selecting the appropriate cover crop.

Legumes add the most plant-available N if terminated when about 30% of the crop is in bloom.

Additional Considerations to Reduce Erosion by Wind or Water

To reduce erosion, best results are achieved when the combined canopy and surface residue cover attains 90 percent or greater during the period of potentially erosive wind or rainfall.

Additional Considerations to Reduce Water Quality Degradation by Utilizing Excessive Soil Nutrients

Use deep-rooted species to maximize nutrient recovery.

When appropriate for the crop production system, mowing certain grass cover crops (e.g., sorghum-sudangrass, pearl millet) prior to heading and allowing the cover crop to regrow can enhance rooting depth and density, thereby increasing their subsoiling and nutrient-recycling efficacy.

Additional Considerations to Increase Soil Health and Organic Matter Content

Increase the diversity of cover crops (e.g., mixtures of several plant species) to promote a wider diversity of soil organisms, and thereby promote increased soil organic matter.

Plant legumes or mixtures of legumes with grasses, crucifers, and/or other forbs to provide nitrogen through biological nitrogen fixation.

Legumes add the most plant-available N if terminated when about 30% of the crop is in bloom.

PLANS AND SPECIFICATIONS

Prepare plans and specifications for each field or treatment unit according to the planning criteria and operation and maintenance requirements of this standard. Specifications shall describe the requirements to apply the practice to achieve the intended purpose for the practice site. Plans for the establishment of cover crops shall, as a minimum, include the following specification components in an approved Cover Crop, 340, Implementation Requirements document:

- Field number and acres.
- Species of plant(s) to be established.
- Seeding rates.
- Seeding dates.
- Establishment procedure.
- Rates, timing, and forms of nutrient application (if needed).
- Dates and method to terminate the cover crop.
- Other information pertinent to establishing and managing the cover crop e.g., if haying or grazing is planned specify the planned management for haying or grazing.

OPERATION AND MAINTENANCE

Evaluate the cover crop to determine if the cover crop is meeting the planned purpose(s). If the cover crop is not meeting the purpose(s) adjust the management, change the species of cover crop, or choose a different technology.

REFERENCES

A. Clark (ed.). 2007. Managing cover crops profitably. 3rd ed. Sustainable Agriculture Network Handbook Series; bk 9. Hargrove, W.L., ed. Cover crops for clean water. SWCS, 1991.

Magdoff, F. and H. van Es. Cover Crops. 2000. p. 87-96 *In* Building soils for better crops. 2nd ed. Sustainable Agriculture Network Handbook Series; bk 4. National Agriculture Library. Beltsville, MD.

Reeves, D.W. 1994. Cover crops and erosion. p. 125-172 *In* J.L. Hatfield and B.A. Stewart (eds.) Crops Residue Management. CRC Press, Boca Raton, FL.

NRCS Cover Crop Termination Guidelines:

<http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/climatechange/?cid=stelprdb1077238>

Revised Universal Soil Loss Equation Version 2 (RUSLE2) website:

<http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/technical/tools/rusle2/>

Wind Erosion Prediction System (WEPS) website:

<http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/technical/tools/weps/>

USDA, Natural Resources Conservation Service, National Agronomy Manual, 4th Edition, Feb. 2011.

Website: <http://directives.sc.egov.usda.gov/> Under Manuals and Title 190.



Natural Resources Conservation Service
CONSERVATION PRACTICE STANDARD
RESIDUE AND TILLAGE MANAGEMENT, NO TILL

CODE 329

(ac)

DEFINITION

Limiting soil disturbance to manage the amount, orientation, and distribution of crop and plant residue on the soil surface year around.

PURPOSE

This practice is used to accomplish one or more of the following purposes:

- Reduce sheet, rill and wind erosion, and excessive sediment in surface waters.
- Reduce tillage-induced particulate emissions.
- Maintain or increase soil health and organic matter content.
- Increase plant-available moisture.
- Reduce energy use.
- Provide food and escape cover for wildlife.

CONDITIONS WHERE PRACTICE APPLIES

This practice applies to all cropland.

CRITERIA

General Criteria Applicable to All Purposes

Residue shall not be burned.

Distribute all residues uniformly over the entire field. Removing residue from directly within the seeding or transplanting area prior to or as part of the planting operation is acceptable.

This practice only involves an in-row soil disturbance operation during strip tillage, the planting operation, and a seed row/furrow closing device. There is no full-width soil disturbance performed from the time immediately following harvest or termination of one cash crop through harvest or termination of the next cash crop in the rotation regardless of the depth of the tillage operation. The soil tillage intensity rating (STIR) value shall include all field operations that are performed during the crop interval between harvest and termination of the previous cash crop and harvest or termination of the current cash crop (includes fallow periods). The crop interval STIR value shall be no greater than 20.

Additional Criteria to Reduce Sheet, Rill and Wind Erosion, Reduce Excessive Sediment in Surface Waters, and Reduce Tillage-Induced Particulate Emissions

Use the current approved water and wind erosion prediction technology to determine the if field operations planned provide the amount of randomly distributed surface residue needed, time of year residue needs to be present in the field, and amount of surface soil disturbance allowed to reduce erosion to the desired level. Calculations shall account for the effects of other practices in the management system.

Additional Criteria to Maintain or Increase Soil Health and Organic Matter Content

Ensure the soil condition index (SCI) for the cropping system results in a positive rating.

Additional Criteria to Increase Plant-Available Moisture

Maintain a minimum of 60 percent residue cover on the soil surface throughout the year.

Trapping snow

Minimum crop stubble height during the time significant snowfall is expected to occur shall be—

- At least 10 inches for crops with a row spacing of less than 15 inches.
- At least 15 inches for crops with a row spacing of 15 inches or greater.

Additional Criteria to Reduce Energy Use

Reduce the total energy consumption associated with field operations by at least 25 percent compared to the benchmark condition. Use the current approved NRCS tool for determining energy use to document energy use reductions.

Additional Criteria to Provide Food and Escape Cover for Wildlife

Use an approved habitat evaluation procedure to determine when residue needs to be present, and the amount, orientation, and stubble height needed to provide adequate food and cover for target species.

CONSIDERATIONS**General Considerations**

Removal of crop residue, such as by baling or grazing, can have a negative impact on resources. These activities should not be performed without full evaluation of impacts on soil, water, animal, plant, and air resources.

Production of adequate crop residues to achieve the purpose(s) of this practice can be enhanced through the use of high residue crops and crop varieties, use of cover crops, double cropping, and adjustment of plant populations through seeding rates and row spacing.

When providing technical assistance to organic producers, ensure residue and tillage management, activities are consistent with the USDA Agricultural Marketing Service National Organic Program regulations.

Residue should not be shredded after harvest. Shredding residue makes it more susceptible to movement by wind or water, and areas where residue accumulates may interfere with planting the next crop.

Using residue management - no till for all crops in the rotation or cropping system can enhance the positive effects of this practice by—

- Increasing the rate of soil organic matter accumulation.
- Keeping soil in a consolidated condition and improved aggregate stability.
- Sequestering additional carbon in the soil.
- Further reducing the amount of particulate matter generated by field operations.
- Reduce energy inputs to establish crops.
- Forming root channels and other near-surface voids that increase infiltration.

Considerations to Increase Soil Health and Organic Matter Content

Carbon loss is directly related to the volume of soil disturbed, intensity of the disturbance and soil moisture content and soil temperature at the time the disturbance occurs. To make this practice more effective—

- When deep soil disturbance is performed, such as by subsoiling or fertilizer injection, make sure the vertical slot created by these implements is closed at the surface.
- Planting with a single disk or slot opener no-till drill will release less CO₂ and oxidize less organic matter than planting with a wide-point hoe/chisel opener seeder drill.
- Soil disturbance that occurs when soil temperatures are below 50 °F will oxidize less organic matter and release less CO₂ than operations done when the soil is warmer.
- Maximizing year-round coverage of the soil with living vegetation (e.g., cover crops) and crop residues, if applicable, builds organic matter and reduces soil temperature, thereby slowing organic matter oxidation.
- Use a diverse crop rotation, incorporating multiple crop types (cool-season grass, cool-season legume/forb, warm-season grass, warm-season legume/forb) into the crop rotation.
- Plant a cover crop after every cash crop in the rotation. Multispecies cover crop mixes provide greater benefits than single-specie cover crops.

Considerations to Increase Plant-Available Moisture

Leaving stubble taller than the 10-inch minimum will trap more snow.

Variable-height stubble patterns may be created to further increase snow storage.

Performing all field operations on the contour will slow overland flow and allow more opportunity for infiltration.

Considerations for Wildlife Food and Cover

Leaving rows of unharvested crop standing at intervals across the field or adjacent to permanent cover will enhance the value of residues for wildlife food and cover. Leaving unharvested crop rows for two growing seasons will further enhance the value of these areas for wildlife.

Leave crop residues undisturbed after harvest (e.g., no shredding or baling) to maximize the cover and food source benefits for wildlife.

PLANS AND SPECIFICATIONS

Specifications for establishment and operation of this practice shall be prepared for each field or treatment unit. Record the specifications using the practice implementation requirements document. The specifications shall identify, as appropriate, the—

- Purpose for applying the practice.
- Planned crops.
- Amount of residue produced by each crop.
- All field operations or activities that affect the—
 - Residue orientation including height (where applicable).
 - Surface disturbance.
 - Amount of residue (pounds/acre or percent surface cover) required to accomplish the purpose, and the time of year it must be present.
- Planned soil tillage intensity rating STIR value, soil condition index value, and erosion rate.
- Target species of wildlife, if applicable.
- Benchmark and planned fuel consumption, if applicable.

OPERATION AND MAINTENANCE

Evaluate/measure the crop residues cover and orientation after each crop to ensure the planned amounts and orientation are being achieved. Adjust management as needed to either plan a new residue amount and orientation or adjust the planting equipment, and if applicable, the harvesting equipment.

Limited tillage is allowed to close or level ruts from harvesting equipment. No more than 10 percent of the field may be tilled for this purpose.

If there are areas of heavy residue accumulation (because of movement by water or wind) in the field, spread the residue prior to planting so it does not interfere with planter operation.

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Reicosky, D.C. 2004. Tillage-induced soil properties and chamber mixing effects on gas exchange. Proceedings 16th Triennial Conference, International Soil Tillage Research Organization Conference (ISTRO).

Renard, K.G., G.R. Foster, G.A. Weesies, D.K. McCool, and D.C. Yoder, coordinators. 1997. Predicting soil erosion by water: A guide to conservation planning with the Revised Universal Soil Loss Equation (RUSLE). USDA Agriculture Research Service (ARS), Agriculture Handbook No. 703.

Shaffer, M.J., and W.E. Larson (ed.). 1987. Tillage and surface-residue sensitive potential evaporation submodel. In NTRM, a soil-crop simulation model for nitrogen, tillage and crop residue management. USDA Conserv. Res. Rep. 34-1. USDA ARS.

Skidmore, E.L. and N.P. Woodruff. 1968. Wind erosion forces in the United States and their use in predicting soil loss. USDA ARS, Agriculture Handbook No. 346.

USDA NRCS. 2011. National Agronomy Manual (Title 190). 4th Ed. Washington, D.C.

S.J. van Donk, D. L. Martin, S. Irmak, S. R. Melvin, J. L. Petersen, D. R. Davison, 2010. Crop Residue Cover Effects on Evaporation, Soil Water Content, and Yield of Deficit-Irrigated Corn in West-Central Nebraska. digitalcommons.unl.edu/westcentralresext/66/



STAFF MEMO

Prepared by: Paul Hoye, Finance Director	Meeting Date: 12/09/2024	<input type="checkbox"/> Consent Agenda Item <input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 9.C.1
Reviewed by: Jeff O’Neil, Interim City Administrator	Item: Consideration of the Payable 2025 Tax Levy and Budget		
Presented by: Paul Hoye, Finance Director	Action Requested: Public Comment		
Vote Required: <input type="checkbox"/> Simple Majority <input type="checkbox"/> Two Thirds Vote <input type="checkbox"/> Roll Call	Staff Recommended Action: Board/Commission/Committee Recommendation:		

PREVIOUS COUNCIL ACTION

The City Council approved the preliminary budget and tax levy at our September 9, 2024 council meeting and set the preliminary levy at 9.1%.

REFERENCE AND BACKGROUND

The City Council must approve and certify their final budget to the County Auditor by December 30, 2024. The final budget being proposed is relatively unchanged from the preliminary budget that was approved by the City Council in September with the exception to our insurance rates through the League of MN Cities. We were notified that we will see a reduction in our property/liability and workers compensation premiums in 2025. Here are a few things that have impacted our 2025 budget:

- \$5,458 increase in Local Government Aid
- Increase to interest earnings
- Increased the Lake Restoration charge from \$1.00 per month to \$4.00 per month raising an additional \$195,000 to be used for curly leaf pond weed and other lake improvement projects.
- \$50,000 increase in sales tax revenue
- Wage adjustments to implement the compensation study completed by Abdo
- Increase in health insurance premiums
- Inflationary increases have increased the cost of all goods and services.

To fund these items and the projects in the Capital Improvement Plan we would need a 7.9% levy increase.

BUDGET IMPACT

This will set the budget for 2025.

SUPPORTING DATA/ATTACHMENTS

- 2025 Proposed Budget
- Property tax comparison
- Sample utility bill



FAIRMONT

City of Lakes

2025 Proposed Budget



Budget Overview

Governmental Funds



Revenues

Federal/State Aid	5,593,782	6.6%
Taxes	9,008,854	10.6%
Assessments	277,176	0.3%
Charges For Services	1,859,928	2.2%
GO Bonds	30,855,200	36.2%
Miscellaneous	494,385	0.6%
Proprietary	33,051,305	38.7%
Transfers In	4,168,988	4.9%
Total Revenues	\$ 85,309,618	100%

Expenditures

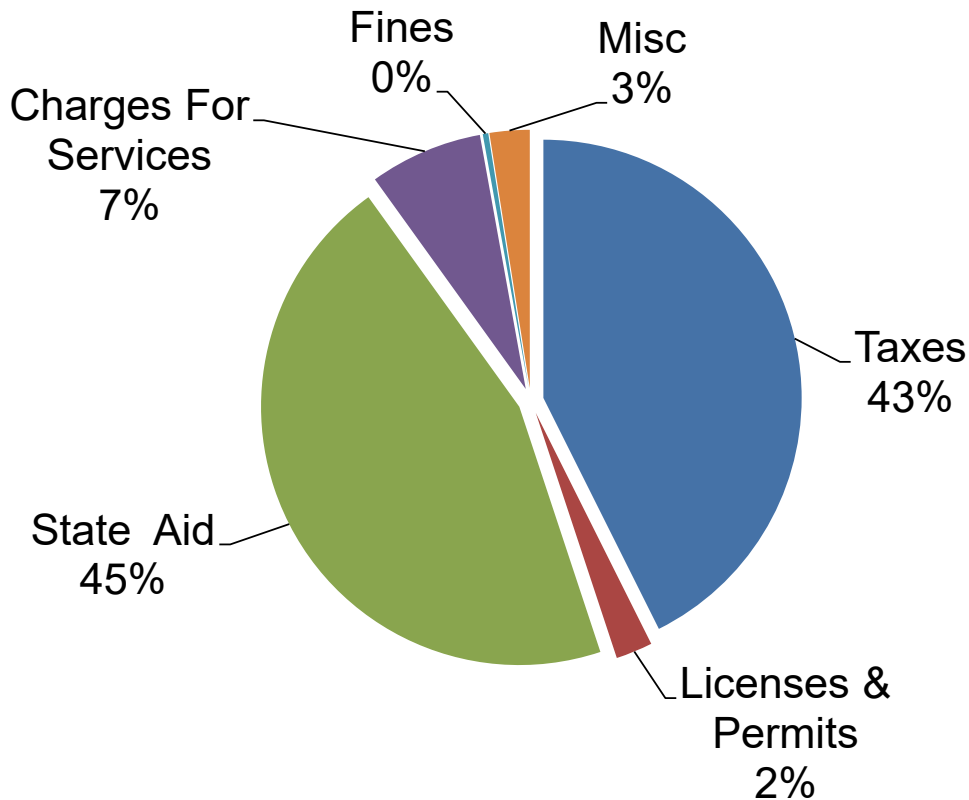
General Government	1,942,427	2.1%
Public Safety	4,334,576	4.7%
Public Works	2,585,683	2.8%
Parks & Recreation	1,880,304	2.0%
Economic Development	238,500	0.3%
SMEC	98,130	0.1%
Airport	667,105	0.7%
Lake Restoration	410,845	0.4%
Debt Service	2,004,674	2.2%
Capital Projects	45,732,674	49.8%
Proprietary	27,846,984	30.3%
Transfers Out	4,168,988	4.5%
Total Expenditures	\$ 91,910,890	100%

General Fund Revenue Summary



	<u>2024</u>	<u>2025</u>
Taxes	4,131,235	4,271,803
Licenses & Permits	222,300	230,200
State Aid	4,506,547	4,525,874
Charges For Services	708,405	709,728
Fines	44,500	34,500
Misc	149,269	250,885
Transfers In	825,000	825,000
Total Revenues	\$ 10,587,256	\$ 10,847,990

2025 Budget

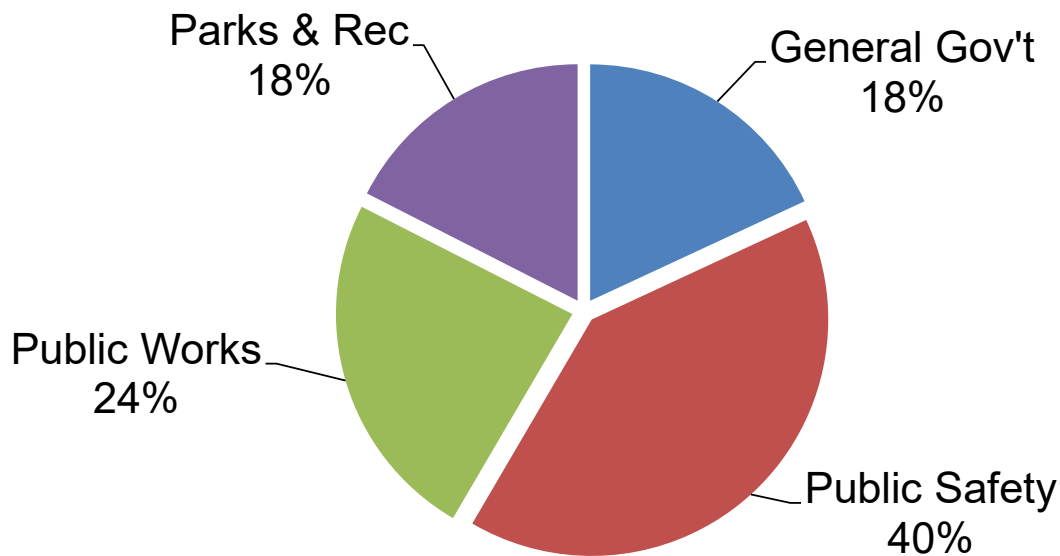


General Fund Expenditure Summary



	<u>2024</u>	<u>2025</u>
General Gov't	1,806,440	1,942,427
Public Safety	4,277,155	4,334,576
Public Works	2,509,713	2,585,683
Parks & Rec	1,888,948	1,880,304
Transfers	105,000	105,000
Total Expenditures	\$ 10,587,256	\$ 10,847,990

2025 Budget



General Fund Expenditure Detail



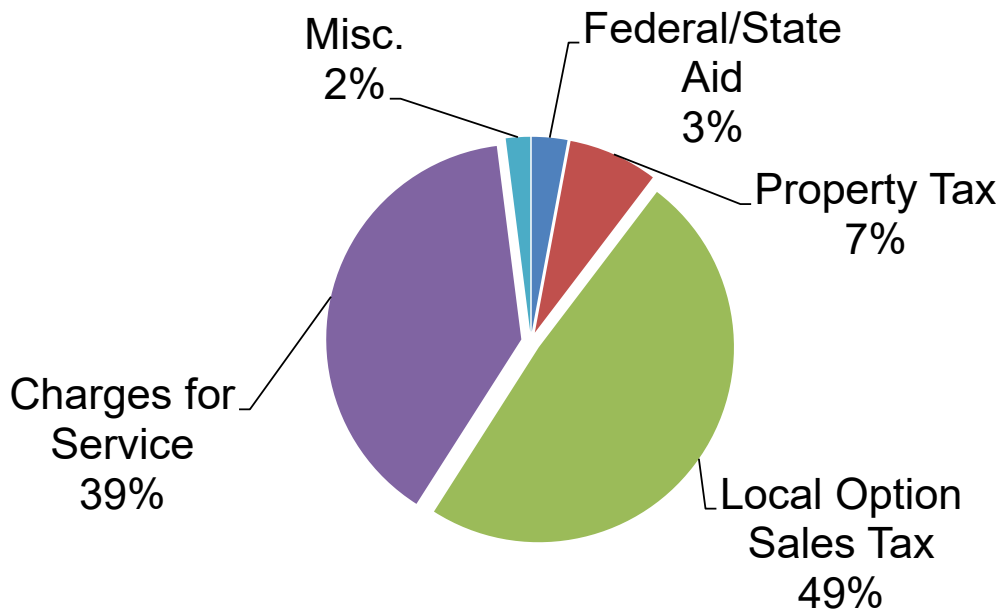
	<u>2024</u>	<u>2025</u>
Mayor and Council	76,638	69,811
City Administrator	187,270	184,970
City Clerk	144,280	106,909
Finance	456,384	477,697
Human Resources	-	127,811
Planning & Zoning	304,234	357,921
Gen. Govt. Bldgs.	131,174	136,298
Library	93,910	84,460
Other General Govt.	412,550	396,550
Total General Govt.	\$ 1,806,440	\$ 1,942,427
Police Department	3,572,969	3,631,032
Fire Department	424,837	435,245
Inspection Dept.	214,499	205,777
Civil Defense	5,150	5,145
Animal Control	59,700	57,377
Total Public Safety	\$ 4,277,155	\$ 4,334,576
Streets	1,718,933	1,799,798
Engineering	531,461	528,894
Health & Sanitation	259,319	256,991
Total Public Works	\$ 2,509,713	\$ 2,585,683
Parks	1,410,041	1,432,108
Aquatic Park	478,907	448,196
Total Parks & Recreation	\$ 1,888,948	\$ 1,880,304
Operations	\$ 10,482,256	\$ 10,742,990
Transfers	\$ 105,000	\$ 105,000
Total General Fund	\$ 10,587,256	\$ 10,847,990

Special Revenue Funds Revenue Summary



	<u>2024</u>	<u>2025</u>
Federal/State Aid	69,408	69,408
Property Tax	175,000	175,000
Local Option Sales Tax	1,100,000	1,150,000
Charges for Service	648,000	920,000
Misc.	26,000	47,500
Transfers In	138,000	116,000
Total Revenues	\$ 2,156,408	\$ 2,477,908

2025 Budget

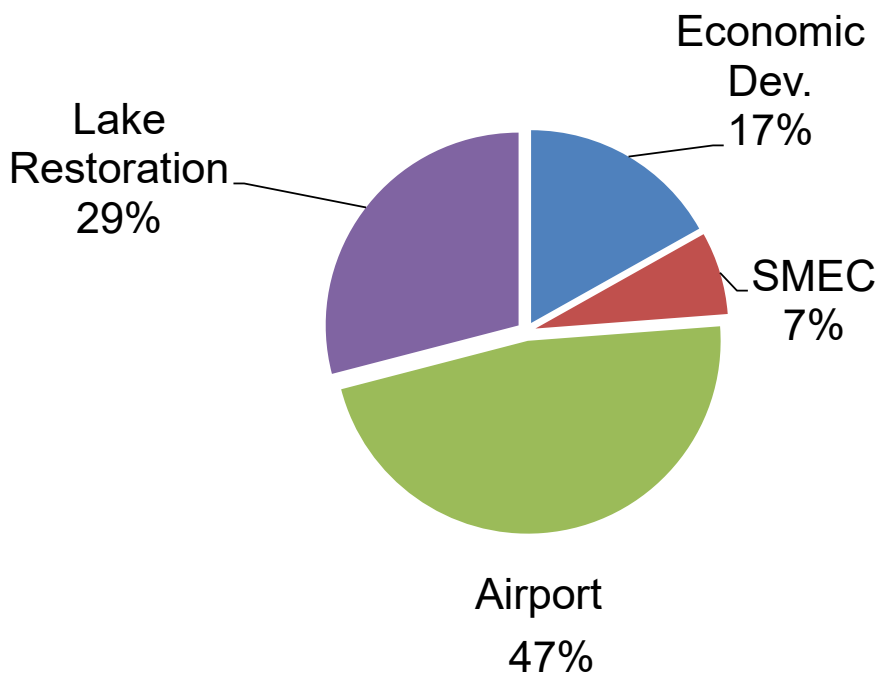


Special Revenue Funds Expenditure Summary



	<u>2024</u>	<u>2025</u>
Economic Dev.	220,000	238,500
SMEC	88,850	98,130
Airport	642,237	667,105
Lake Restoration	13,345	410,845
Transfers Out	1,175,000	1,197,500
Total Expenditures	\$ 2,139,432	\$ 2,612,080

2025 Budget



Debt Service



Revenues

	<u>2024</u>	<u>2025</u>
Taxes - General	1,301,607	1,979,166
Taxes - Tax Increment	102,527	181,772
Assessments	148,930	270,176
Misc	22,000	49,500
Transfers In	268,395	-
Total Revenues	<u>\$ 1,843,459</u>	<u>\$ 2,480,614</u>

Expenditures

	<u>2024</u>	<u>2025</u>
Improvement Proj.	1,614,074	1,346,651
Tax Increment Proj.	102,527	181,772
G.O. Proj.	303,466	476,251
Transfers Out	-	-
Total Expenditures	<u>\$ 2,020,067</u>	<u>\$ 2,004,674</u>

Capital Projects



Revenues

	<u>2024</u>	<u>2025</u>
Federal/State Aid	1,664,250	998,500
Property Tax	1,214,088	1,001,113
Franchise Fee	250,000	250,000
Assessments	10,000	7,000
Street Improvement Bonds	7,500,000	-
Community Center Bonds	9,000,000	-
Contributions & Donations	65,000	-
Misc.	64,000	112,000
Transfers In	3,134,750	3,227,988
Total Revenues	\$ 22,902,088	\$ 5,596,601

Expenditures

	<u>2024</u>	<u>2025</u>
Capital Projects Fund	3,764,000	3,636,600
Community Center	12,500,000	-
Street Improvements	2,457,080	6,088,674
Transfers Out	268,395	1,200,000
Total Expenditures	\$ 18,989,475	\$ 10,925,274

Capital Projects

Fund Detail



Police

Training trailer, firearms equipment	\$6,000
Squad car computer/printer rotation - 2 per year	\$16,000
Squad car video camera rotation - 2 per year	\$17,000
WatchGuard body cameras x8	\$19,000
Squad car radio update	\$35,000
Thermal imager x2	\$6,000
	<hr/>
	\$99,000

Fire

5 sets of bunker gear	\$22,500
Replace pagers	\$17,300
Replace 6 radios	\$22,800
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	\$62,600

Streets

Replacing Unit 113, 1990 Ford L8000	\$260,000
Replacing Unit 134, 1993 Chevy K1500	\$50,000
Welder	\$15,000
Downtown Beautification	\$1,200,000
Contingency	\$20,000
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	\$1,545,000

Aquatic Park

Replace shade structures	\$4,000
Replacement of pool pumps/strainers	\$10,000
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	\$14,000

Parks

Replace Unit 502, 1994 Ford F150	\$50,000
Replace Unit 501, 1994 Dump Truck	\$70,000
Replace Unit 547, Case 75C Tractor	\$95,000
Soccer complex turf repair	\$15,000
Skate park repairs	\$20,000
Sylvania Park Band Shell rehab	\$75,000
Emerald Ash Borer	\$440,000
Veterans Park court resurfacing	\$191,000
Contingency	\$10,000
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	\$966,000

Airport

Zero turn mower	\$20,000
Taxiway edge lighting/signs 90/5/5	\$600,000
Main terminal interior renovations	\$150,000
Airport layout plan 90/5/5	\$50,000
CFR/SRE Building Improvements 70/30	\$130,000
	<hr/>
	\$950,000

Total Project Expenses \$3,636,600

Capital Projects Fund Detail



Liquor Store Project Funding

Net Income Before Transfers	617,924
Airport Improvements	(201,500)
Aquatic Park	(14,000)
Veterans Park resurface	(191,000)
Emerald Ash Borer	(243,988)
Sylvania Park band shell	(75,000)
SMEC	(1,000)
Reduction to Reserves	<u>\$ (108,564)</u>

Proprietary Funds

Capital



Water Fund

Ground storage tank (Industrial Tank)	\$4,200,000
Raw Water lake wall repair or repalcment	200,000
Hydrant Updates	50,000
Purchase Sissor Lift	18,000
Water Tower Inspections	50,000
Lime Solids Press Equipment Updates	40,000
Lead service line replacments	10,000
Misc. Capital Items	5,000
Contingency	20,000
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	\$4,593,000

Wastewater Fund

Lift Station rehab/repair/monitoring	\$250,000
Sliplining/manhole rehab projects	750,000
Smoke test sewers	20,000
Collection system by pass pumps	35,000
Collections system generator	30,000
Digester Improvements	70,000
UV/Solids handling upgrade project	16,000,000
Grit Pump/RAS/WAS Replacement Pumps	45,000
Roof repairs on 2006 buildings	55,000
Miscellaneous capital items (<\$5,000 ea.)	5,000
Contingency	20,000
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	\$17,280,000

Stormwater Fund

Stormwater Equipment	\$175,000
Pond dredging program	\$125,000
MS4 compliance projects	\$110,000
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	\$410,000

Electric Fund

New Transformers	\$210,000
Underground Conductors	150,000
Replace High Voltage Switches	280,000
Downtown Lighting/Bollard/sign Replacement	230,000
Workorder Software/Outage Management (CIP 2024)	80,000
10th Street Transformer (CIP 2023)	1,655,200
10th Street SUB Modifications/Breakers (CIP 2023)	800,000
FES Substation Transformer Replacement (Distribution) (CIP 2023)	2,300,000
FES Substation Transformer Replacement (Substation) CIP 2023)	5,300,000
West Industrial Park Substation (Substation) (CIP 2023)	2,005,200
West Industrial Park Substation (Distribution) (CIP 2023)	250,000
GIS Software	35,000
Replace Infared Camera	22,000
Replace SCADA System	250,000
Repair Damaged Buildings	50,000
Street Improvement Projects	20,000
Locator/Mapoping Software	20,000
GIS/RAM/I-PADS (for locating, mapping)	10,000
AMI/DCU/Antenna	17,000
Painting Street Lights	20,000
Contingency	20,000
	<hr/>
	\$13,724,400

Preliminary Property Tax Levy Increase



2024 Levy	Debt Service	1,301,607
	Operations	4,166,235
	Capital	1,214,088
	EDA	100,000
	Tax Abatements	109,138
	Total	6,891,068

2025 Levy	Debt Service	1,914,582
	Operations	4,306,803
	Capital	1,001,113
	EDA	100,000
	Tax Abatements	111,293
	Total	7,433,791

Levy Increase: \$542,723 7.9%

2025 Property Tax Rate Impact - 4.2% Increase*

	Residential Property		
	\$95,000	\$150,000	\$250,000
2025 City Tax	575.55	908.22	1,514.60
2024 City Tax	552.20	871.89	1,453.15
	23.35	36.33	61.45

	Commercial/Industrial Property		
	\$500,000	\$1,000,000	\$2,000,000
2025 City Tax	5,604.02	11,662.42	23,779.22
2024 City Tax	5,376.65	11,189.25	22,814.44
	227.37	473.17	964.78

*Percent increase assumes assessed property valuations remain the same between 2024 and 2025.

*Increase levy \$400,000 or 5.8% for Street Improvement Program

*Increase levy \$2,155 for tax abatements

*Increase levy \$140,568 or 2% for general fund operations

Proprietary Funds



<u>Water</u>	<u>2024</u>	<u>2025</u>
Revenue	5,978,199	6,673,491
Plant Expense	1,757,948	1,799,242
Distribution Expense	865,675	913,485
Administration Expense	219,368	244,141
Misc Expense	1,539,620	1,595,268
Transfers Out	189,417	206,147
Total Expenses	<u>4,572,028</u>	<u>4,758,283</u>
Net Income (Loss)	<u><u>1,406,171</u></u>	<u><u>1,915,208</u></u>

<u>Sewer</u>		
Revenue	4,919,780	3,597,816
Plant Expense	1,279,511	1,334,850
Collection Expense	514,223	540,798
Administration Expense	141,611	157,634
Misc Expense	766,728	840,750
Transfers Out	115,602	119,385
Total Expenses	<u>2,817,675</u>	<u>2,993,417</u>
Net Income (Loss)	<u><u>2,102,105</u></u>	<u><u>604,399</u></u>

<u>Storm Sewer</u>		
Revenue	599,000	611,000
Collection Expense	640,534	675,929
Misc Expense	-	-
Total Expenses	<u>640,534</u>	<u>675,929</u>
Net Income (Loss)	<u><u>(41,534)</u></u>	<u><u>(64,929)</u></u>

Proprietary Funds



<u>Electric</u>	<u>2024</u>	<u>2025</u>
Revenue	17,920,234	17,429,298
Purchase Power	13,165,500	12,236,276
Distribution Expense	1,784,683	1,976,304
Administration Expense	735,510	811,647
Misc Expense	699,236	605,709
Transfers Out	634,981	614,468
Total Expenses	<u>17,019,910</u>	<u>16,244,404</u>
Net Income (Loss)	<u>900,324</u>	<u>1,184,894</u>

<u>Liquor Store</u>		
Revenue	4,531,000	4,731,000
Cost of Merchandise	3,214,040	3,354,040
Operating Expense	681,729	754,466
Transfers Out	1,877,750	726,488
Total Expenses	<u>5,773,519</u>	<u>4,834,994</u>
Net Income (Loss)	<u>(1,242,519)</u>	<u>(103,994)</u>

<u>Parking Lot</u>		
Revenue	8,525	8,700
Total Expenses	7,700	6,445
Net Income (Loss)	<u>825</u>	<u>2,255</u>



Some Photos Courtesy
of Greg Abel

2023 CITY/COUNTY/SCHOOL TAX RATES

City	Pop.	LGA	County Rate	City Rate	School Rate	Special	Total	% Levy Increase 2025
Alexandria	15,263	1,608,142	40.92	37.44	17.66	1.91	97.94	7.3
Luverne	5,033	1,558,606	21.32	66.82	16.58	0.14	104.85	12.65
Jackson	3,360	1,478,283	32.27	62.22	12.95	0.13	107.56	5.2
North Mankato	14,886	1,990,551	48.09	44.03	19.66	0.37	112.15	13.9
Worthington	14,052	3,576,960	32.98	55.80	23.59	3.22	115.59	17.0
Fairmont	10,549	3,745,851	37.98	57.94	21.52	0.33	117.78	9.1
Marshall	13,811	2,706,253	32.37	59.70	27.39	0.14	119.61	9.5
St. Peter	12,590	3,301,023	48.08	47.73	28.35	0.37	124.52	6.65
Albert Lea	18,500	5,794,636	52.21	52.29	21.54	2.76	128.80	15.75
Hutchinson	15,037	2,698,261	50.61	53.65	24.82	2.90	131.99	7.1
New Ulm	14,115	4,556,216	38.80	75.12	17.16	1.11	132.19	7.68
Blue Earth	3,130	2,104,825	34.75	94.00	7.00	0.16	135.90	24.56
Owatonna	27,544	4,833,341	50.06	57.31	29.88	0.0	137.24	7.5
Waseca	9,306	3,190,217	59.96	78.18	25.54	1.51	165.19	5.2
Winnebago	1,365	560,192	33.65	127.21	5.42	0.16	166.44	17.98

2023 RESIDENTIAL PROPERTY TAX

City	Residential		
	\$95,000	\$150,000	\$250,000
Albert Lea	496.76	784.35	1,307.25
Alexandria	355.68	561.60	936.00
Blue Earth	893.00	1,410.00	2,350.00
Fairmont	550.43	869.10	1,448.50
Hutchinson	509.68	804.75	1,341.25
Jackson	591.09	933.30	1,555.50
Luverne	634.79	1,002.30	1,670.50
Marshall	567.15	895.50	1,492.50
New Ulm	713.64	1,126.80	1,878.00
North Mankato	418.29	660.45	1,100.75
Owatonna	544.45	859.65	1,432.75
St. Peter	453.44	715.95	1,193.25
Waseca	742.71	1,172.70	1,954.50
Winnebago	1,208.50	1,908.15	3,180.25
Worthington	530.10	837.00	1,395.00

2023 COMMERCIAL/INDUSTRIAL PROPERTY TAX

Does not include State Property Tax

City	Commercial/Industrial		
	\$250,000	\$500,000	\$1,000,000
Albert Lea	2,222.33	4,836.83	10,065.83
Alexandria	1,591.20	3,463.20	7,207.20
Blue Earth	3,995.00	8,695.00	18,095.00
Fairmont	2,462.45	5,359.45	11,153.45
Hutchinson	2,280.13	4,962.63	10,327.63
Jackson	2,644.35	5,755.35	11,977.35
Luverne	2,839.85	6,180.85	12,862.85
Marshall	2,537.25	5,522.25	11,492.25
New Ulm	3,192.60	6,948.60	14,460.60
North Mankato	1,871.28	4,072.78	8,475.78
Owatonna	2,435.68	5,301.18	11,032.18
St. Peter	2,028.53	4,415.03	9,188.03
Waseca	3,322.65	7,231.65	15,049.65
Winnebago	5,406.43	11,766.93	24,487.93
Worthington	2,371.50	5,161.50	10,741.50

Fairmont Public Utilities Commission

Effect of Proposed Rate Increase

Residential Average: 700 kWh and 3,740 gallons

	Current Rate	Sample Proposed 2025	Percent Increase
		Electric per rate study water per rate study sewer per rate study	Average 3% rate change Average 5% increase Average 7% increase
	2024	2025	
Electric-Energy	\$84.49	\$85.82	1.57%
Electric- Cust Chg	\$6.25	\$7.50	20.00%
Water	\$38.10	\$40.02	5.03%
Water- Cust Chg	\$31.39	\$32.96	5.00%
Sewer- 3/4" meter	\$27.46	\$29.36	6.94%
Water Infrastructure	\$5.65	\$5.65	0.00%
WW Infrastructure	\$14.69	\$15.72	7.01%
Lake Restoration	\$1.00	\$4.00	300.00%
City Wide Clean Up	\$3.00	\$3.00	0.00%
Totals	\$212.03	\$224.03	
Total Increase \$\$		\$12.00	
Total Increase %		5.66%	



STAFF MEMO

Prepared by: Paul Hoye, Finance Director	Meeting Date: 12/09/2024	<input type="checkbox"/> Consent Agenda Item <input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 9.C.2
Reviewed by: Jeff O’Neil, Interim City Administrator	Item: Consideration of the Payable 2025 Tax Levy, 2025 Budget and Utility Rate Increases		
Presented by: Paul Hoye, Finance Director	Action Requested: Motion #1: Motion to Approve Resolution 2024-47 Adopting the 2025 Property Tax Levy and Ordering its Certification to the Martin County Auditor Motion #2: Motion to Approve Resolution 2024-48 Adopting the 2025 Budget Motion #3: Motion to Approve Resolution 2024-49 Amending Resolution 2023-43 of the City of Fairmont Relating to the Softened Water Service Rates Motion #4: Motion to Approve Resolution 2024-50 Amending Resolution 2023-44 of the City of Fairmont Relating to Public Utility Wastewater Rates Motion #5: Motion to Approve Resolution 2024-51 Amending Resolution 2023-45 of the City of Fairmont Relating to the Electric Service Rates		
Vote Required: <input checked="" type="checkbox"/> Simple Majority <input type="checkbox"/> Two Thirds Vote <input type="checkbox"/> Roll Call	Staff Recommended Action: Approval Board/Commission/Committee Recommendation:		

PREVIOUS COUNCIL ACTION

The City Council approved the preliminary budget and tax levy at our September 9, 2024 council meeting.

REFERENCE AND BACKGROUND

Truth-in-Taxation legislation requires the Council to adopt the final tax levy and budget to be certified to the County Auditor. Resolution 2023-01 and 2023-02 is presented for Council consideration. The Council may reduce the levy at this meeting, but it cannot be increased above the amount certified in September with the preliminary budget.

The Public Utilities Commission recommended approval of the 2025 PUC budget and rate increases at their November 19, 2024 meeting. Resolution 2024-49, Resolution 2024-50 and Resolution 2024-51 reflect the rate increases that are needed for the 2025 budget.

These resolutions represent a 5% average rate increase for residential, commercial and industrial water customers, a 7% average rate increase for residential, commercial and industrial wastewater customers and a 3% average rate increase for residential, commercial and industrial electric customers.

BUDGET IMPACT

Approval of resolution 2024-48 will set the budget for 2025.

SUPPORTING DATA/ATTACHMENTS

Resolution 2024-47

Resolution 2024-48

Resolution 2024-49

Resolution 2024-50

Resolution 2024-51

RESOLUTION NO. 2024-47

**STATE OF MINNESOTA)
COUNTY OF MARTIN) SS:
CITY OF FAIRMONT)**

**A RESOLUTION ADOPTING THE 2025 PROPERTY TAX LEVY
AND ORDERING ITS CERTIFICATION TO THE MARTIN COUNTY AUDITOR**

WHEREAS, Minnesota State Statutes require that the property tax levy for the coming year be certified to the County Auditor by December 30.

WHEREAS, the City Administrator has prepared a 2025 City Budget which includes the property tax levy.

NOW THEREFORE, BE IT RESOLVED, that the following property tax levy be certified to the Martin County Auditor:

Non-Debt Levy	\$5,519,209
Debt Service Levy	<u>1,914,582</u>
 Total Property Tax Levy	 <u>\$7,433,791</u>

BE IT FURTHER RESOLVED, that the above stated total tax levy be established in the following breakdown:

1. General Fund Operations	\$4,306,803
2. Capital Projects	1,001,113
3. Debt Service	1,914,582
4. EDA	100,000
5. Tax Abatements	<u>111,293</u>
 TOTAL TAX LEVY	 <u>\$7,433,791</u>

PASSED, APPROVED AND ADOPTED this 9th day of December 2024.

Lee C. Baarts, Mayor

ATTEST:

Betsy Steuber, City Clerk

RESOLUTION NO. 2024-48

**STATE OF MINNESOTA)
COUNTY OF MARTIN) SS:
CITY OF FAIRMONT)**

A RESOLUTION ADOPTING THE 2025 BUDGET

WHEREAS, the State Truth in Taxation Law requires cities to adopt a budget to be submitted to the County Auditor with the 2025 tax levy.

WHEREAS, Chapter Seven, Sections 7.05 and 7.06 of the Fairmont City Charter revised January 10, 1994, provides that the City Administrator shall prepare a budget document setting forth all proposed expenditures for the operation and maintenance of all City Departments and agencies, payment of principal and interest on bonds and capital outlay, and;

WHEREAS, the Public Utility Commission has met in regular and special sessions for the purpose of adopting an adequate budget for maintenance of the utility departments for the fiscal year 2025, and;

WHEREAS, the City Administrator has prepared such documents and recommends the 2025 Enterprise Funds and Internal Service Funds Budgets, and;

WHEREAS, the City Council has come to the conclusion that the budget so prepared is adequate and according to form as prescribed by the Charter.

NOW THEREFORE, BE IT RESOLVED, that the following budget be adopted and approved this 9th day of December 2024 in a regular meeting of the Fairmont City Council:

FUND	REVENUES AND TRANSFERS IN	EXPENDITURES AND TRANSFERS OUT
General	\$ 10,847,990	\$ 10,847,990
Economic Development	238,500	238,500
SMEC	99,500	98,130
Aeronautics	712,408	707,105
Lake Restoration	270,000	410,845
Local Option Sales Tax	1,157,500	1,157,500
Debt Service	2,480,614	2,004,674
Capital	36,451,801	46,932,674
Proprietary	33,051,305	29,513,472
	<u>\$85,309,618</u>	<u>\$91,910,890</u>

RESOLUTION NO. 2024-48

PASSED, APPROVED AND ADOPTED this 9th day of December 2024.

Lee C. Baarts, Mayor

ATTEST:

Betsy Steuber, City Clerk

RESOLUTION 2024-49

**A RESOLUTION AMENDING RESOLUTION 2023-43 OF THE CITY OF FAIRMONT,
RELATING TO THE SOFTENED WATER SERVICE RATES.**

WHEREAS, the city code requires that municipal utilities be provided to consumers at a rate based upon the amount of water used or consumed, and;

WHEREAS, it will be necessary to amend the current softened water rates to collect the necessary funds to provide for current and future capital expenditures.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Fairmont that Resolution No. 2023-43 be amended to establish the following rates:

Service Type - Residential :

(Cost per 1000 gallons)

First 15,000 gallons per month	\$10.70
Excess Consumption - gallons per month	\$11.83
Monthly customer charge (In addition to minimum charge)	\$32.96
Minimum charge per month	\$16.59
Water Infrastructure Charge per month	\$5.65

Service Type - Commercial :

(Cost per 1000 gallons)

First 900,000 - Gallons per month	\$8.92
Excess Consumption - Gallons per month	\$9.17
Monthly customer charge (In addition to minimum charge)	\$62.91
Minimum charge per month	\$16.59
Water Infrastructure Charge per month	\$5.65

Service Type - Industrial :

(> 1,870,000 gallons per month)

(Cost per 1000 gallons)

First 9,750,000 gallons per month	\$7.07
Excess Consumption - Gallons per month	\$8.02
Monthly customer charge (In addition to minimum charge)	\$62.91
Minimum charge per month	\$16.59
Infrastructure Charge per month	\$5.65

In addition to the above charges the following will be charged per month:

\$4.00 Lake Restoration Charge to fund water quality improvement of Fairmont Lakes.

\$3.00 City Wide Cleanup Charge that includes \$1.50 for City Wide Clean Up and \$1.50 for Tree Dump Maintenance and Leaf Pickup.

Said rates shall be effective January 1, 2025.

PASSED, APPROVED AND ADOPTED this 9th day of December 2024.

Lee C Baarts, Mayor

Attest:

Betsy Steuber, City Clerk

RESOLUTION 2024-50

**A RESOLUTION AMENDING RESOLUTION 2023-44 OF THE CITY OF FAIRMONT
RELATING TO PUBLIC UTILITY WASTEWATER RATES.**

WHEREAS, the City Code requires that municipal utilities be provided to consumers at a rate based upon the amount of the utility used or consumed, and;

WHEREAS, the City of Fairmont through the Public Utilities Commission has completed an expansion of the existing Wastewater Treatment Facility to facilitate new treatment requirements, and;

WHEREAS, it will be necessary to amend the current sewer service rate to generate sufficient revenues, to operate, maintain, and extend this system, and provide sufficient debt service to cover the plant expansion, in accordance with the recommendation.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Fairmont that Resolution 2023-44 be amended to establish the following fees and guidelines:

1. Residential Fees

- A. The Sewer Service Rate for each residential lot, parcel, building or premises connected to the sanitary sewer collection system shall be as follows based on the water meter size and meter reading for water consumption:

All Consumption: \$3.52 / 1000 gallons

Monthly Customer Charge \$19.72 - 5/8" x 3/4" meter
 \$52.81 - 1" meter
 \$84.69 - 1 1/4" meter
 \$119.35 - 1 1/2" meter
 \$228.40 - 2" meter
 \$529.43 - 3" meter
 \$882.03 - 4" meter
 \$1,342.61 - 6" meter

- B. Wastewater Treatment Infrastructure Charge and Debt Service Charge: All residential customers will be charged a monthly fee of \$ 15.72 per month, in addition to the monthly sewer service fee.
- C. Residential sewer rate for the months of October through May will be averaged to be used as a cap for determining the sewer charge for the months of June through September. If the customer used less water than the corresponding average sewer rate, the sewer charge to the customer will be based on actual usage.

2. **Commercial Fees**

A. The Sewer Service Fee for each commercial lot, parcel, building, or premises connected to the sanitary sewer collection system shall be as follows based on meter reading for water consumption:

All Consumption \$5.49 / 1000 gallons

Monthly Customer Charge \$32.15

B. Wastewater Treatment Infrastructure Charge and Debt Service Charge:
All commercial customers will be charged a monthly fee of \$15.72 per month, in addition to the monthly sewer service fee.

C. In lieu of a sewer service fee based on water consumption, the user may, at the user's expense, install and maintain an appropriate recording device to measure and record sewage outflow into the City's system. The recording device must be formally approved by the Public Utilities Commission. Under these conditions, the same fees shall apply as for water consumption. In instances where it can be determined by the City that no portion of the metered water consumption enters the City's sewage works, the installation of such a device may be waived by the City Council.

3. **Industrial Fees**

A. Sewage shall be considered industrial if the concentration of one or more of the following constituents is at or above the following in parts per million (ppm):

- (i) Total suspended solids (TSS) 250 ppm
- (ii) Biological oxygen demand (BOD) 250 ppm
- (iii) Total Kjeldahl nitrogen (TKN) 40 ppm
- (iv) Phosphorus (Phos) of 5 ppm
- (v) Fat, oil, and grease (FOG) 100 ppm

B. If a waste is considered industrial, fees shall be assessed individually for each of the specified pollutants discharged to the City's facility on a per pound basis. Industrial fees shall be at the following rates:

<u>PARAMETER</u>	<u>FEE \$ / lb</u>
TSS	\$ 1.0105
BOD	\$ 1.1938
TKN	\$ 2.7178
PHOS	\$ 9.0646
FOG	\$ 1.6583

- C. Wastewater Treatment Infrastructure Charge and Debt Service Charge:
All industrial customers will be charged a monthly fee of \$ 15.72 per month, in addition to the monthly sewer service fee.
- D. If the calculated fee for industrial waste is less than the same volume of waste based on commercial fees, then the commercial fee shall be used as the basis of payment.
- E. Users with industrial sewage will be required to install and maintain devices to measure the sewage strength and flow at no expense to the City. The City will have access to flow metering and sampling equipment.

4. **Industrial Pretreatment Agreement Criteria**

- A. A customer discharging industrial sewage may be required to enter into an industrial pretreatment agreement with the City before discharging industrial sewage to the City’s system. If one or more of the following criteria are exceeded or expected to be exceeded for the industrial discharge on a monthly average basis, an industrial pretreatment agreement will be required.
 - i) A BOD mass loading of 500 pounds per day and concentration above 1000 ppm.
 - ii) A TSS mass loading of 500 pounds per day and concentration above 1000 ppm.
 - iii) A TKN mass loading of 50 pounds per day.
 - iv) A P mass loading of 25 pounds per day.
 - v) A FOG concentration above 100 parts per million.
 - vi) A pH outside the range of 5.5 to 9.5 standard units.
- B. A pretreatment agreement will be required if the flows and loads vary widely throughout the day.
- C. A pretreatment agreement will be required if an industrial user discharges sewage that creates interference at the City’s wastewater treatment plant.

The above rates shall become effective January 1, 2025.

PASSED, APPROVED AND ADOPTED this 9th day of December 2024.

Lee C Baarts, Mayor

ATTEST:

Betsy Steuber, City Clerk

RESOLUTION 2024-051

**A RESOLUTION AMENDING RESOLUTION 2023-45 OF THE CITY OF FAIRMONT,
RELATING TO THE ELECTRIC SERVICE RATES.**

WHEREAS, on December 5, 2023, the Fairmont Public Utilities Commission adopted the Electric Cost of Service and Rate Design Study prepared by Dave Berg Consulting, LLC; and,

WHEREAS, the Rate Study recommends an increase in the electric rates charged to Fairmont Public Utilities' customers to help ensure the continued financial strength of the electric utility; and,

WHEREAS, the Fairmont Public Utilities Commission believes that rate increases across all customer classes, as detailed in the DBC Electric Cost of Service and Rate Design Study dated November 7, 2023, are necessary to meet projected revenue requirements; and,

WHEREAS, the Fairmont Public Utilities Commission is recommending electric rate increase effective January 1, 2025.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Fairmont that Resolution 2023-45 be amended to establish the following fees and guidelines:

RESIDENTIAL LIGHT SERVICE

AVAILABILITY: At all locations within the Fairmont city limits where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. Where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished.

APPLICATION: To electric service required for residential purposes in individual private dwellings and in individually metered apartments where primary space heating requirements are supplied by sources other than electricity. Such service shall be supplied at one point of delivery and measured through one meter.

CHARACTER OF SERVICE: Single phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in the Commission's published rules and regulations.

RATE:

Customer Charge -	\$ 7.50 per month
Energy Charge -	\$ 0.1226 per kWh

ENERGY COST ADJUSTMENT: Bills computed under this rate schedule are subject to adjustment in accordance with the Energy Cost Adjustment Clause ("ECA").

MINIMUM BILL: \$ 7.50 per month.

PAYMENT: Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of the Commission's published rules and regulations.
2. The Commission shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
3. Energy furnished under this rate shall not be resold.
4. Customers served under this rate agree to allow the Commission, at its option, to install and operate devices for the control of air conditioning and domestic hot water heating during peak load conditions
5. The Commission will supply facilities for the delivery and measurement of electricity at one point only. Additional delivery and metering points will be furnished at the customer's expense.

RESIDENTIAL HEATING SERVICE

AVAILABILITY: At all locations within the Fairmont city limits where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. Where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished.

APPLICATION: To electric service required for residential purposes in individual private dwellings and in individually metered apartments where primary space heating requirements are supplied by electricity or customer has domestic hot water heated by electricity. Such service shall be supplied at one point of delivery and measured through one meter.

CHARACTER OF SERVICE: Single phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in the Commission's published rules and regulations.

RATE:

Customer Charge -		\$ 7.50 per month
Energy Charge -		
First 800 kWh per month	@	\$ 0.1220 per kWh
Over 800 kWh per month	@	\$ 0.1160 per kWh

ENERGY COST ADJUSTMENT: Bills computed under this rate schedule are subject to adjustment in accordance with the Energy Cost Adjustment Clause ("ECA").

MINIMUM BILL: \$ 7.50 per month.

PAYMENT: Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of the Commission's published rules and regulations.
2. The Commission shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
3. Energy furnished under this rate shall not be resold.
4. The Commission will supply facilities for the delivery and measurement of electricity at one point only. Additional delivery and metering points will be furnished at the customer's expense.
5. Customers served under this rate agree to allow the Commission, at its options, to install and operate devices for the control of electric hot water heating and air conditioning during peak load conditions.

COMMERCIAL SERVICE

AVAILABILITY: At all locations for loads of less than 50 kW where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished.

APPLICATION: To commercial, industrial and governmental and other type of non-residential customers contracting for electric service for one year or more, with all service taken at one point of delivery and measured through one meter.

CHARACTER OF SERVICE: Single phase or three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in the Commission's published rules and regulations.

RATE:

Customer Charge -			\$ 16.00 per month
Energy Charge -			
	All kWh per month	@	\$ 0.1214 per kWh

ENERGY COST ADJUSTMENT: Bills computed under this rate schedule are subject to adjustment in accordance with the Energy Cost Adjustment Clause ("ECA").

MINIMUM BILL: \$ 16.00 per month.

PAYMENT: Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of the Commission's published rules and regulations.
2. The Commission shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
3. Energy furnished under this rate shall not be resold.
4. Customers served under this rate agree to allow the Commission, at its option, to install and operate devices for the control of air conditioning and domestic hot water heating during peak load conditions.
5. The Commission will supply facilities for the delivery and measurement of electricity at one point only. Additional delivery and metering points will be furnished at the customer's expense.

SEASONAL COMMERCIAL SERVICE

OBJECTIVE: The Seasonal Commercial Rate (SC) is being offered to qualifying customers of the Fairmont Public Utilities, to lower their cost of electricity. This rate will provide incentives to qualifying customers to shift summer season electrical usage to the winter season and more efficiently utilize existing electrical resources. The summer season is defined as the period of June through September. The winter season is defined as the period of October through May.

AVAILABILITY: At all locations for loads equal to or greater than 250 kW for six months of the year where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished.

APPLICATION: To commercial, industrial and governmental and other type of non-residential customers contracting for electric service for one year or more, with all service taken at one point of delivery and measured through one meter.

CHARACTER OF SERVICE: Single phase or three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in the Commission's published rules and regulations.

RATE:

Customer Charge -		\$ 106.00 per month
Energy Charge -		
Summer Season	@	\$ 0.120 per kWh
Winter Season	@	\$ 0.108 per kWh

ENERGY COST ADJUSTMENT: Bills computed under this rate schedule are subject to adjustment in accordance with the Energy Cost Adjustment Clause ("ECA").

MINIMUM BILL: The minimum bill shall not be less than the adjusted billing demand, as provided above, whether or not energy is used.

PAYMENT: Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of the Commission's published rules and regulations.
2. The Commission shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
3. Energy furnished under this rate shall not be resold.
4. The Commission will supply facilities for the delivery and measurement of electricity at one point only. Additional delivery and metering points will be furnished at the customer's expense.

SEASONAL ELECTRIC HEAT RATE

OBJECTIVE: The Seasonal Electric Heat Rate (SH) is being offered to qualifying customers of the Fairmont Public Utilities, to promote the use of electrical space heating. This rate will provide incentives to qualifying customers to convert from steam district heat or natural gas boilers to electric boilers or electric space heating. The winter season is defined as the period of September through April.

AVAILABILITY: At all locations for loads equal to or greater than 25 kW for six months of the year where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished.

APPLICATION: To commercial, industrial and governmental customers contracting for electric service for one year or more, with all service taken at one point and measured through one meter. Electrical usage under this application must be separately metered from the typical electric use of the facility.

CHARACTER OF SERVICE: Single or three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in the Commission's published rules and regulations.

RATE:

Energy Charge -

Winter Heating Season

\$0.0897 per kWh

ENERGY COST ADJUSTMENT: Bills computed under this rate schedule are subject to adjustment in accordance with the Energy Cost Adjustment Clause ("ECA").

MINIMUM BILL: \$ 16.00 per month during winter heating season. No disconnect or reconnect charge will be made during periods of zero (o) consumption.

PAYMENT: Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of the Commission's published rules and regulations.
2. The Commission shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
3. Energy furnished under this rate shall not be resold.
4. The Commission will supply facilities for the delivery and measurement of electricity at one point only. Additional delivery and metering points will be furnished at the customer's expense.

DEMAND SERVICE

AVAILABILITY: At all locations for loads equal to or greater than 50 kW for six months of the year, where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished.

APPLICATION: To commercial, industrial and governmental and other type of non-residential customers listed as General Service (GS) Industrial (IN) and All Electric Service (AE) contracting for electric service for one year or more, with all service taken at one point of delivery and measured through one meter.

CHARACTER OF SERVICE: Single phase or three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in the Commission's published rules and regulations.

RATE:

Demand Charge –			
All kW per month	@		\$ 14.53 per kW
Energy Charge -			
All kWh per month	@		\$0.0782 per kWh

ENERGY COST ADJUSTMENT: Bills computed under this rate schedule are subject to adjustment in accordance with the Energy Cost Adjustment Clause ("ECA").

POWER FACTOR ADJUSTMENT: If the customer’s average power factor is less than 0.95, the billing demand shall be determined by multiplying the measured demand by 0.95 and dividing the result by the customer’s average power factor. The average power factor is defined to be the quotient obtained by dividing the kWh used during the month by the square root of the sum of the squares of the kWh used and the lagging reactive kilovolt-ampere-hours supplied during the same period. The customer’s average power factor may be determined by means of permanently installed meters or by periodic tests. When obtained by tests, the average power factor determined from the test readings shall remain in effect for billing purposes until another test is conducted.

PRIMARY VOLTAGE DISCOUNT: Customers receiving service at one of the standard primary service voltages will receive a discount of 2.0% on demand and energy charges.

DETERMINATION OF DEMAND: Measured demand is defined as the maximum rate at which energy is used for any period of fifteen consecutive minutes during the billing period. The billing demand shall be the greater of the measured demand for the billing period or 75% of the maximum measured demand for the most current June – September months.

MINIMUM BILL: The minimum bill shall not be less than the adjusted billing demand, as provided above, whether or not energy is used.

PAYMENT: Payments are due on or before the due date.

DEMAND SERVICE

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of the Commission's published rules and regulations.
2. The Commission shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
3. Energy furnished under this rate shall not be resold.
4. Customers served under this rate agree to allow the Commission, at its option, to install and operate devices for the control of air conditioning and domestic hot water heating during peak load conditions.
5. The Commission will supply facilities for the delivery and measurement of electricity at one point only. Additional delivery and metering points will be furnished at the customer's expense.

RURAL ELECTRIC SERVICE

AVAILABILITY: At all locations outside the Fairmont City limits where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished.

APPLICATION: To electric service required for residential and rural purposes in individual private dwellings and rural applications. Such service shall be supplied at one point of delivery and measured through one meter.

CHARACTER OF SERVICE: Single phase or three phase, 60 Hertz, alternating current at any one of the standard secondary service voltages as described in the Commission's published rules and regulations.

RATE:

Customer Charge -	\$ 10.50 per month
Energy Charge -	\$ 0.1258 per kWh

ENERGY COST ADJUSTMENT: Bills computed under this rate schedule are subject to adjustment in accordance with the Energy Cost Adjustment Clause ("ECA").

MINIMUM BILL: \$ 10.50 per month.

PAYMENT: Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of the Commission's published rules and regulations.
2. The Commission shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
3. Energy furnished under this rate shall not be resold.
4. Customers served under this rate agree to allow the Commission, at its option, to install and operate devices for the control of air conditioning and domestic hot water heating during peak load conditions.
5. The Commission will supply facilities for the delivery and measurement of electricity at one point only. Additional delivery and metering points will be furnished at the customer's expense.

INTERRUPTIBLE ELECTRIC SERVICE

AVAILABILITY: At all locations for interruptible loads equal to or greater than 50 kW where facilities of adequate capacity and suitable voltage are adjacent to the premises to be served. For loads where the service desired by the customer is not adjacent to the premises to be served, additional contract arrangements may be required prior to service being furnished.

APPLICATION: To commercial, industrial and governmental customers contracting for electric service for one year or more, with all service taken at one point of delivery and measured through one meter.

CHARACTER OF SERVICE: Single phase or three phase, 60 Hertz, alternating current at any one of the standard primary or secondary service voltages as described in the Commission's published rules and regulations.

RATE:

Energy Charge -

All kWh per month @ \$ 0.0851 per kWh

ENERGY COST ADJUSTMENT: Bills computed under this rate schedule are subject to adjustment in accordance with the Energy Cost Adjustment Clause ("ECA").

PRIMARY VOLTAGE DISCOUNT: Customers receiving service at one of the standard primary service voltages will receive a discount of 2.0% on energy charges.

PAYMENT: Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. Service furnished under this rate schedule is subject to applicable provisions of the Commission's published rules and regulations.
2. The Commission shall not be liable for any damage or loss sustained by customer resulting from interruptions, deficiencies, or imperfections of service provided under this rate.
3. Energy furnished under this rate shall not be resold.
4. Customers served under this rate agree to allow the Commission, at its option, to install and operate devices for the control of air conditioning and domestic hot water heating during peak load conditions.
5. The Commission will supply facilities for the delivery and measurement of electricity at one point only. Additional delivery and metering points will be furnished at the customer's expense.

FAIRMONT STREET LIGHTING

AVAILABILITY: To the City of Fairmont for the illumination of public thoroughfares by means of Commission-owned overhead street lighting facilities.

CHARACTER OF SERVICE: Single phase, 60 Hertz, alternating current at any one of the standard primary or secondary service voltages as described in the Commission's published rules and regulations.

RATE:

Energy Charge -

All kWh per month @ \$ 0.0941 per kWh

ENERGY COST ADJUSTMENT: Bills computed under this rate schedule are subject to adjustment in accordance with the Energy Cost Adjustment Clause ("ECA").

PAYMENT: Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. This rate is based on lamps being lighted every night from approximately 30 minutes after sunset to 30 minutes before sunrise, providing dusk to dawn operation.
2. The Commission will replace inoperative lamps and otherwise maintain luminaries during regular daytime hours. No credit will be allowed for periods during which the lamps are out of service. Routine lamp replacement will be made on a group replacement schedule.
3. The Commission will determine the amount of energy used by non-metered lamps during the month by multiplying the number of lamps of each specific capacity by the estimated usage of such lamps.

EAST CHAIN STREET LIGHTING

AVAILABILITY: To the City of East Chain for the illumination of public thoroughfares by means of Commission-owned overhead street lighting facilities.

APPLICATION: The rate will be added to the monthly electric bills of each customer located in the City of East Chain.

CHARACTER OF SERVICE: Single phase, 60 Hertz, alternating current at any one of the standard primary or secondary service voltages as described in the Commission's published rules and regulations.

RATE:

<u>Customer Classification</u>	<u>Monthly Charge</u>
Residential	\$ 1.25
Commercial	\$ 2.48

PAYMENT: Payments are due on or before the due date.

CONDITIONS OF DELIVERY:

1. This rate is based on lamps being lighted every night from approximately 30 minutes after sunset to 30 minutes before sunrise, providing dusk to dawn operation.
2. The Commission will replace inoperative lamps and otherwise maintain luminaries during regular daytime hours. No credit will be allowed for periods during which the lamps are out of service. Routine lamp replacement will be made on a group replacement schedule.

ENERGY COST ADJUSTMENT

APPLICATION: Applicable to the following rate schedules:

- Residential Light Service
- Residential Heat Service
- Commercial Service
- Demand Service
- Seasonal Commercial Service
- Seasonal Electric Heat Rate
- Rural Electric Service
- Interruptible Electric Service
- Fairmont Street Lighting

AVAILABILITY:

Changes in Fairmont Public Utilities' wholesale power cost will be reflected by use of an Energy Cost Adjustment (ECA).

RATE:

The ECA will factor in:

- Recovery of Southern Minnesota Municipal Power Agency's (SMMPA) ECA
- Other adjustments as approved by the Fairmont Public Utilities Commission

OTHER TERMS AND CONDITIONS:

The rate shown above is subject to sales tax

SECURITY LIGHTING

AVAILABILITY:

At all locations whenever the service can be provided with overhead wiring on an existing pole owned by the Commission.

APPLICATION:

To all classes of customers contracting for securing lighting. A customer’s security lighting will be considered “metered” lighting if usage is recorded on the customer’s standard electric meter.

RATE:

Non-Metered Lighting -	\$4.90 per month
Metered Lighting -	\$2.15 per month

PAYMENT:

Bills will be rendered monthly; payments are due on or before the due date.

PASSED, APPROVED AND ADOPTED this 9th day of December 2024.

Lee C Baarts, Mayor

ATTEST:

Betsy Steuber, City Clerk



STAFF MEMO

Prepared by: Paul Hoyer, Finance Director	Meeting Date: 12/09/2024	<input type="checkbox"/> Consent Agenda Item <input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 9.C.3
Reviewed by: Jeff O’Neil, Interim City Administrator	Item: Consideration to Accept Donations Made to the City of Fairmont		
Presented by: Paul Hoyer, Finance Director	Action Requested: Motion to Approve Resolution 2024-52 Accepting Donations to the City of Fairmont		
Vote Required: <input type="checkbox"/> Simple Majority <input checked="" type="checkbox"/> Two Thirds Vote <input type="checkbox"/> Roll Call	Staff Recommended Action: Approval Board/Commission/Committee Recommendation:		

REFERENCE AND BACKGROUND

A City may accept a grant or devise of real or personal property and maintain such property for the benefit of its citizens in accordance with the terms prescribed by the donor. Every such acceptance shall be by resolution of the governing body adopted by a two-thirds majority of its members.

BUDGET IMPACT

SUPPORTING DATA/ATTACHMENTS

Resolution 2024-52

**RESOLUTION 2024-52
A RESOLUTION ACCEPTING A DONATIONS TO THE CITY.**

WHEREAS, the City of Fairmont is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 et seq. for the benefit of its citizens, and that acceptance of such gift is subject to a resolution of the City Council adopted by a two-thirds majority of its members; and,

WHEREAS, the following persons and entities have offered to contribute the cash amounts set forth below to the city:

	Name of Donor	Amount
1	Fairmont Fire Relief Association	\$104,610.00
2	Fairmont Baseball Association	12,776.03
3	Larry Hunter/Mary Gilmore	5,000.00
4	Anonymous	1,000.00
5	Kathy Wilcox	700.00
6	Rhonda McCulley/Michelle Duncan	700.00
7	SMMPA	550.00
8	Martin County Fair	500.00
9	Matt and Ann Petrowiak	250.00
10	RM Driving	20.00

WHEREAS, the terms and conditions of the donations, if any, are as follows:

Donation Number	Terms or Conditions
1	Fire equipment
2	Scoreboard
3	Fairmont City Band
4	Police and Fire Departments
5	Park Bench
6	Park Bench
7	Native Plants
8	Police Department
9	Maple Tree
10	Police Department

RESOLUTION 2024-52

WHEREAS, all such donations have been contributed to the city in 2024 for the benefit of its citizens, as allowed by law; and,

WHEREAS, the City Council finds that it is appropriate and in the public interest to accept the donations offered.

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

1. The donations described above are accepted and shall be used to establish and/or operate services either alone or in cooperation with others, as allowed by law.
2. The city clerk is hereby directed to issue receipts to each donor acknowledging the city's receipt of the donor's donation.

PASSED, APPROVED AND ADOPTED this 9th day of December 2024.

Lee Baarts, Mayor

ATTEST:

Betsy Steuber, City Clerk



Council Member Agenda Request
Submitted November 7, 2024 for ~~November 25, 2024~~ Council Meeting
Submitted November 7, 2024 for December 9, 2024 Council Meeting

Agenda Item: 10.1

From: Councilor Lubenow

Subject: City Hall Customer Service Training

Policy/Action Requested:

I would like Council to consider asking that all staff at City Hall have some customer service training, including how to de-escalate stressful situations. In my customer service training that I have had over the years at several different organizations, there are several key steps to help make each interaction as good as it can be.

1. Greet the customer with a smile of at the very least promptly ask “Can I help you?”
2. List to the customer’s concern.
3. Summarize the concern and ask the customer if that is their concern.
4. Then list possible solutions to the problem or take them to who can help them at City Hall.
5. Thank them for coming in and wish them a good day.

Attachments:

Council Action: _____

Date: _____



Council Member Agenda Request
Submitted November 19, 2024 for ~~November 25, 2024~~ Council Meeting
Submitted November 19, 2024 for December 9, 2024 Council Meeting

Agenda Item: 10.2

From: Councilor Kawecki

Subject: Safety

Policy/Action Requested: Bids for Security Cameras and Time Clock System

If staff are to feel safe and secure, it is in their best interest to have security cameras present in the building and a time clock system, so it is known when staff are present, versus not present, and not working even if they are off site doing a visit. This is also important in the event of an emergency, so time is not spent looking for staff who are not working.

Attachments:

Council Action: _____

Date: _____