



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 Kawecki 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, Kaweck, 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