

Terry Riggs, Fairmont resident, commented on the Local Options Sales Tax Funds (LOST) and noted that multiple groups may seek funding. She encouraged Council to consider Fairmont Community Education and Recreation (CER) as a potential partner in proposed projects and added that many citizens support lake improvements.

Mark Ossenfort, Fairmont taxpayer, addressed Council regarding misinformation (via public comments and public platforms) about the Fairmont Taxpayer Coalition. He emphasized the organization's legitimacy and community support. Mr. Ossenfort also expressed concern about criticisms toward his business (MC Fitness), noting its community contributions. He asked that both the Coalition and his business be allowed to continue their work without negative commentary.

Richard Detert, Fairmont resident, raised concerns regarding his water bill and the minimum water usage charge. He questioned being charged for water not used and expressed concerns related to water treatment plant maintenance and filtering equipment costs, asking the Council to review the City's billing practices and policies.

Todd Smith, Fairmont resident, expressed concerns regarding access to public information and communication with City Staff. He stated that his emails and telephone message are not being received (are continuing to be filtered) and reported unpleasant interactions with staff and unaddressed and unresolved complaints. Mr. Smith requested improved transparency from the City.

Councilmember Lubenow commented on rising property taxes while emphasizing the need for housing growth to expand the tax base, and encouraging the City to develop a growth strategy.

Councilmember Kotewa thanked Chief Hunter for his years of service as he retires at the end of the month.

APPROVAL OF AGENDA

Motion was made by Councilmember Maynard, seconded by Councilmember Kotewa to Approve the Agenda as Presented. During discussion, Councilmember Lubenow inquired about administrative authority and City Attorney contact during the City Administrator vacancy. Mayor Baarts stated the City will consult with legal counsel to clarify responsibilities. All present voted in favor. Motion carried.

ROTATING VOTES

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

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 Meeting Minutes from the Regular Meeting held November 10, 2025
- City Council Meeting Minutes from the Special Meeting held November 10, 2025
- November 2025 Accounts Payable List
- Resolution 2025-33, Designating the Polling Place for the City of Fairmont, as Required by Minnesota Statute
- 2026 License Renewals for Cigarette and Tobacco Products, Refuse Hauling, Taxi and Theater Licenses and to Pre-Approve the Local Registration of the Lower-Potency Hemp Edible Retailers, as Outlined
- Event Permit for Gravy Home Goods, LLC (Joan Fairchild) to Hold Lakeside Vendors Market on August 22, 2026
- Joint Powers Agreement with the Minnesota River Valley Drug Task Force and to Direct the Chief of Police and Mayor to Sign the Joint Powers Agreement, as Presented
- Quit Claim Deed Donation of 315 North Park Street and Adopt Resolution 2025- 34 Accepting the Grant of Real Property and Dispensing with Review of the Grant/Acquisition by the Fairmont Planning Commission Pending Approval from the City Attorney

Motion was made by Councilmember Kotewa, seconded by Councilmember Maynard to Approve the Consent Agenda as Presented. All present voted in favor. Motion carried.

PUBLIC HEARING Item 7.1

Hannah Neusch, Water Resources Coordinator, provided the annual MS4 training and public presentation on the City's Stormwater Pollution Prevention Plan (SWPPP). She explained that the MS4 permit requires at least one public opportunity each year for input and requires annual training for elected officials. Neusch reviewed stormwater system regulations, illicit discharge prevention, erosion control requirements, construction permitting, and chloride reduction practices. She noted that stormwater runoff receives minimal treatment before entering local lakes and emphasized best management practices to protect water quality.

Following the presentation, Mayor Baarts opened the public hearing.

Richard Bradley, Fairmont resident, commented on sediment entering the lakes from winter road maintenance. He suggested installing sediment basins at storm sewer outlets to capture sand for later removal and reuse. Staff confirmed that this type of system is already being planned in partnership with the Martin County Soil and Water Conservation District at Cedar Creek Park and noted that the City also utilizes in-line stormwater treatment structures that are periodically cleaned by Public Works.

City Engineer Tyler Cowing added that new street projects include enhanced stormwater treatment systems, such as “jellyfish” filtration structures, with one recently installed on Lake Avenue to treat runoff from over 20 acres.

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

NEW BUSINESS
MOTION
Item 9.A.1

Clerk Steuber presented Item 9.A.1: Consideration of Maple Street. Steuber summarized the history of the request, noting that residents previously submitted a petition asking that Maple Street be made one-way due to cut-through traffic, safety concerns, and the narrow width of the street. Several residents appeared at that time in support, and with the Safety Council inactive, the Council approved the one-way designation from Prairie Avenue to Albion Avenue. Since implementation, there has been mixed feedback with a second petition submitted requiring reconsideration.

The Council discussed the mixed feedback and issues raised such as traffic confusion, garbage and recycling pickup, and bus access. Council expressed the importance of consistency in traffic decisions and avoiding repeated changes, particularly when the original action was based on resident safety concerns.

Motion was made by Councilmember Kawecki, seconded by Councilmember Kotewa to Leave Maple Street as a One-way. All present voted in favor. Motion carried.

MOTION
Item 9.A.2

City Clerk Steuber presented on Consideration of a Process for Defining Use of Local Option Sales Tax (LOST) Funds. Steuber summarized four possible approaches for determining how LOST funds could be allocated,

including a Council-appointed task force, a community-led collaboration, a Council/staff process, or another direction as advised by Council.

Council discussed the need for their (Council) involvement, community engagement, clarity on eligible uses, and operational/maintenance impacts for any project selected. Collectively, Council acknowledged that the LOST funds have been accumulated over several years and require a thoughtful and deliberate planning process.

Council emphasized the importance of clarifying which projects are legally eligible for LOST funding, requiring consultation with Taft Law Firm. It was further discussed that a process should be established for community groups and residents to submit project ideas to the City Clerk for consideration.

Motion was made by Councilmember Kotewa, seconded by Councilmember Maynard to Direct Staff (City Clerk Steuber) to Receive and Compile a List of Eligible and Ineligible Project Categories for the Use of Local Option Sales Tax (LOST) Proceeds, and to schedule a Council Work Session be held no later than February 1, 2026 to Review the Eligibility List and Discuss the Process for Determining LOST Project Priorities. All present voted in favor. Motion carried.

MOTION
Item 9.B.1

The next item of business was item 9.B.1: Consideration of RFP Review Team for Downtown Beautification Project. Director York presented the item and requested that the City Council appoint one or two Councilmembers to serve on the RFP Review Team.

Motion was made by Councilmember Maynard, seconded by Councilmember Kotewa Appoint Councilmembers Kaweck and Lubenow to the Downtown Beautification RFP Review Team. All present voted in favor. Motion carried.

MOTION
Item 9.B.2

Civil Engineer Cowing presented on the opportunity to apply for federal Surface Transportation Program (STP) funding through the Region 7 Area Transportation Partnership. Cowing noted the funding would apply to 2030 projects and could cover up to 80% of eligible street costs for the Prairie Avenue reconstruction project. If awarded, the Prairie Avenue project would shift from 2028 to 2030, and City funds previously reserved for the project could be redirected to another street project.

Discussion was held regarding eligibility, timing, and impacts to other scheduled projects.

Motion was made by Councilmember Maynard, seconded by Councilmember Kotewa to Authorize Staff to Complete and Submit an Application for the Area Transportation Partnership (ATP)-7 Surface Transportation Program (STP) Small Urban 2030 Funding for the Prairie Avenue Street Reconstruction Project. All present voted in favor. Motion carried.

MOTION
Item 9.C.1

During agenda item 9.C.1: Consideration of an Agreement with the MN Department of Revenue to Collect City Lodging Tax, Assistant Finance Director Zarling presented a proposal for the Minnesota Department of Revenue (MNDOR) to administer and collect the City's lodging tax, including for VRBO/Airbnb rentals. Zarling explained the City's process is difficult to verify and time intensive, while MNDOR already receives sales information directly from short-term rental platforms. The MNDOR service requires a one-time setup fee of \$6,000–\$8,000 and an ongoing 1% administrative fee, deducted from collected revenues.

Zarling reported that Visit Fairmont is willing to pay 50% of the setup cost. Council discussed Visit Fairmont's suggestion to cover the full setup cost in exchange for a reduction in the City's 5% administrative share. Council considered, but declined, reducing the City's share, noting that the setup cost could be recovered within several years.

Motion was made by Councilmember Kawecki, seconded by Councilmember Kotewa to Direct Staff to Draft an Ordinance to Allow the Minnesota Department of Revenue to Collect Lodging Tax for the City of Fairmont (with the City Paying the Initial Set-up Fee, plus the ongoing 1% administrative fee to the Minnesota Department of Revenue).

Following clarification that Visit Fairmont will pay 50% of the setup cost, Councilmember Kawecki amended her motion.

Motion was made by Councilmember Kawecki, seconded by Councilmember Kotewa to Director Staff and the City Attorney to Draft an Ordinance to Allow the Minnesota Department of Revenue to Collect Lodging Tax for the City of Fairmont, Visit Fairmont to Pay 50% of the Initial (Set-up) Cost and the City of Fairmont to be Responsible for the ongoing 1% Administrative Fee to the Minnesota Department of Revenue. All present voted in favor. Motion carried.

RESOLUTION 2025-35
Item 9.D.1

The last item of business was Consideration of the Blue Earth River Watershed Comprehensive Watershed Management Plan. Water Resources Coordinator Neusch presented the proposed Blue Earth River One Watershed, One Plan Comprehensive Watershed Management Plan. Neusch explained the City has actively participated in the planning process, with staff and council representatives having assisted in reviewing materials, proposing revisions, and approving plan content.

Neusch noted that approval of the proposed resolution will authorize the City to submit, adopt, and implement the plan, making the City eligible to receive State Clean Water Fund grant dollars that are otherwise unavailable without plan adoption. Coordinator Neusch noted that a required public hearing was held on November 17, and each local government unit within the watershed must formally approve the plan before it can be submitted to the Board of Water and Soil Resources (BWSR).

Motion was made by Councilmember Kawecki, seconded by Councilmember Maynard to Approve the Resolution (2025-35) to Submit, Adopt and Implement Blue Earth River Watershed Comprehensive Watershed Management Plan. All present voted in favor. Motion carried.

Item 10.1

Councilmember Kawecki withdrew her discussion item regarding LOST Funds – Clarification of the 2016 Local Option Sales Tax, noting the topic had been addressed under an earlier agenda item.

STAFF/LIAISON REPORTS

Director York announced a Lead Service Line meeting for residents residing north of the railroad tracks on December 9 at 6:00 p.m. at the SMEC Auditorium, with additional meetings for the remaining sections of Fairmont to be scheduled. He also reported that the Gomsrud Park and Lake Avenue improvements are pausing for winter and will resume in the spring.

Councilmember Lubenow shared resident concerns about late leaf drop, the timing of leaf pickup and potential pick-up consideration. Director York followed up stating Public Works will review possible improvements, but that leaf service varies each year based on weather and staffing and noted that a call-in scheduling option can be difficult with limited staff.

Councilmember Lubenow referenced a recent constituent inquiry about the traffic light at Prairie Avenue and State Street. Director York reported that a faulty in-ground sensor is causing inconsistent light changes and

options are being evaluated, including replacement of in-ground sensors or a camera system, with timing dependent on cost and the season.

Councilmember Lubenow reported that a school representative spoke at the recent CER meeting reporting on the “Elf on the Shelf” program, which provides holiday gifts for children to give to their families.

Councilmember Kawecki expressed concern regarding unanswered requests for clarification from Flaherty & Hood (regarding an upcoming meeting on the Continuation of Preliminary Consideration of Allegations Against an Individual Subject to City Council’s Authority under Minnesota Statutes, section 13D.05, subdivision 2(b)), stating that timely responses are important to her workload and stress level. She requested that a response be provided with clear dates and direction.

Councilmember Kotewa reported that Region 9 is seeking a Development Director.

Councilmember Maynard reported that the Charter Commission is meeting every other month.

Mayor Baarts reported on the recent Visit Fairmont meeting, noting that updated tourism billboards have been installed on I-90 near Austin and Alden. He announced that the “My Town” local premiere will be held on December 13 at the Fairmont High School Performing Arts Center and will air on local access TV on December 21. He further reported that Advocates for Health has fully funded a second AED unit, with placement to be considered by the Council at a future meeting.

City Clerk Steuber requested direction from the Council on distributing candidate information for the interim City Administrator position, noting past communication with MGT under former Interim Administrator O’Neill. She asked when the resume/contract should be shared and whether the previously coordinated interview schedule should be adjusted.

Councilmembers discussed interview format and agreed that staff and councilmembers should participate together rather than separately with Council consensus for the City Clerk to revise the schedule based on Council’s direction.

ADJOURNMENT

Motion was made by Councilmember Kotewa, seconded by Councilmember Maynard to adjourn the meeting, as there was no further business to come before the Council. All present voted in favor. Motion carried. The Fairmont City Council adjourned at 7:23 p.m.

ATTEST:



Betsy Steuber, City Clerk



Lee C. Baarts, Mayor