CITY COUNCIL AGENDA

COUNCIL CHAMBERS TUESDAY, DECEMBER 9, 2025 6:00 PM

Call to Order/Roll Call/Pledge of Allegiance
The City Council meeting was called to order by Mayor Tom Spooner at 6:00 pm. Councilors in attendance included Mandy Barnes, Adama Doumbouya, Royal Ross, John Rowan, Peter van Sluis and Chuck Thiele. Also in attendance were City Administrator Jessica Kinser, City Clerk Heather Slechta, Community and Economic Development Director Dave Wanberg, Police Chief John Sherwin, Fire and Code Services Director Dusty Dienst, Public Works Director Travis Block, Finance Director Kindra Papenfus, City Engineer Mark DuChene, Library Services Director Delane James, Planning Manager Harry Davis, Planner I Leslie McGillivray-Rivas and Parks and Recreation Director Rochelle Anderholm-Parsch.

Approve Agenda
Motion by Rowan, seconded by van Sluis to approve the agenda as presented and carried unanimously.

Presentations/Introductions – None

Approve minutes of the November 25, 2025 City Council Meeting, the November 25, 2025 Special City Council Meeting-Closed Session, the December 2, 2025 Special City Council Meeting, and the December 2, 2025 Special City Council Meeting - Closed Session
Motion by Barnes, seconded by Doumbouya to Approve the minutes of the November 25, 2025 City Council Meeting, the November 25, 2025 Special City Council Meeting-Closed Session, the December 2, 2025 Special City Council Meeting, and December 2, 2025 Special City Council Meeting - Closed Session and carried unanimously.

Requests to be Heard – None

Consent Agenda

A. Approve Claims List
B. Approve Application and Permit for a 1 Day to 4 Day Temporary On-Sale Liquor License
C. Resolution 2025-296 Approve Leasehold Mortgage and Private Hangar Land Lease Agreement for Lot #1209 at Airport
D. Resolution 2025-330 Adopt Revised City Council Rules and Procedures
E. Resolution 2025-341 Approve Hiring Police Officer

F. Resolution 2025-342 Amend the 2025 Adopted Budget for the General Fund
G. Resolution 2025-347 Approve Public Purchase Expenditure and Purchasing Policy
H. Resolution 2025-349 Approve Grant Agreement with Community Action Center of Northfield for Housing TIF Funds for Ridgeview Heights
I. Resolution 2025-352 Accept Donation to the Fire Department

Motion by Doumbouya, seconded by Barnes to approve Consent Agneda items A-I and carried unanimously.

Public Hearings
2026 Property Tax Levy and Budget
City Administrator Jessica Kinser presented the 2026 Property Tax Levy and Budget to the Council. Kinser explained that the 2026 budget process was at its final step tonight. Tonight the Council will hold the public hearing on the tax levy and the Council will review and discuss several resolutions to adopt the budget, capital improvement plan and other elements for 2026. Getting to this point has taken a significant amount of work and time than prior years. Delays in completing the 2024 audit resulted in a lot of work being done by department heads in spreadsheets and outside the software and well after things would normally start. We did not have much time to talk about the preliminary tax levy, but the Council made quick decisions on how to get to a rate for the adoption of the preliminary tax levy on September 23rd. Continued review of the special revenue funds, enterprise/utility funds and more continued beyond September 23rd to get to where we are tonight.

Thank you to the leadership team for remaining flexible and responsive to all the steps along the way, and for quickly learning some new software late in the game. Thank you to the Council for understanding the delays and making the best use of the time we had to get through a condensed process. Finally, thank you to Kindra Papenfus and Joyce Prahm for taking on new roles in a new organization and launching into new information. Both have quickly gained knowledge of the City's budget and budget process and will do a great job leading this process in the future.

Kinser explained that the 2026 tax levy is proposed to be a 7.74 percent increase in terms of the dollars requested between 2025 and 2026. For property owners, this will translate to a 1.94 percent increase where market value has not changed. This is a decrease from the 10.4 percent that was published in the Truth In Taxation notices sent to all property owners informing them of the City's public hearing on the property tax levy.

The total tax levy is made up of 4 different areas- General Fund, Community and Economic Development Fund, Tax Abatement, and Debt Service.

Property tax revenue is 51 percent of the total revenue $24,428,099 in the General Fund and is the source of revenue that gives the city the most flexibility in meeting year-to-year expenditure fluctuations. Most of the City's employees and non-utility functions exist in the General Fund, and it is the largest fund of the City. For 2026, expenditures increased due to a 4 percent cost of living and other wage adjustments from the compensation study, while insurance rates increased by 7%. One area that has decreased significantly from the preliminary levy to now is the City's workers' compensation costs. The rates for 2026 are going down and the City is seeing a lower modification factor based on our current claims history, which translates to additional discounts. There are some significant one-time expenditures in IT for license renewals, as well as Community Center Administration has $100,000 for professional services to help the Council determine a path for the Community Center.

The Council authorized a transfer from the General Fund in 2025 to eliminate the cash deficit in the Community and Economic Development Fund. The tax levy for 2026 is to cover the difference between expenditures and all other revenues. This is the only other fund to have employees as part of the budget other than the General Fund and utility funds, so the expenditures are subject to the same effects of personnel costs as noted above.

The total tax abatement amount decreased from 2025 to 2026 with the retirement of two abatement contracts in 2024. While this is a smaller amount now, a new abatement was just approved for KGP to start in 2028. The City is also planning to issue a tax abatement bond in 2026 which will also increase the tax abatement property tax request for a 15-year period.

2026 is a peak year for property taxes for bond payments as 3 bonds and 1 internal loan are active. Part of the increase is due to the full principal and interest being levied for the 2025 internal loan. This scenario changes in 2027, which is the last year for a 2015 refunding bond and a decline of $500,000 plus in the final three years of payments on a 2021 bond.

Kinser stated that one of the actions the City Council needs to take is to set the appropriations for 2026 by approving the expenditures that are budgeted for each fund. For 2026 the total expenditures budgeted across all funds, including capital projects, is $71,098,971. This expenditure authority can be amended throughout the year with budget amendments, but otherwise should not be exceeded.

The Housing and Redevelopment Authority adopted a resolution to request the City Council consent to the maximum tax levy as allowed by statute of 0.0185 percent of taxable market value. For 2026, this amount is estimated to be $439,867.91. This amount did not change from the preliminary tax levy adopted by the City Council on September 23rd. The Economic Development Authority adopted a resolution to request the City Council consent to the maximum tax levy as allowed by statute of 0.0183 percent of taxable market value. For 2026, this amount is estimated to be $431,071. This amount also did not change from the preliminary tax levy adopted by the City Council on September 23rd.

One part of the budget process is a review of the various fees that the City charges for licenses and permits, utilities, use of facilities, programming and more. These fees are compiled into one document, known as the Fee Schedule, which is adopted for the next fiscal year. Some of the changes in 2026 include:

- Water rates are increasing by 2%.
- Stormwater rates are increasing by 2%.
- Sanitary Sewer rates are increasing by 6%.
- Multiple charges under Chapter 7 are increasing by varying amounts.
- Multiple Park and Recreation program and use fees are increasing by varying amounts.

Should any changes be needed during fiscal year 2026, the schedule will come back to the City Council for discussion.

Annually Staff prepare a Capital Improvement Plan (CIP) for five-years with every budget process. Kinser noted that other items that are considered capital could be purchased from other funds throughout the year based on the City's capitalization thresholds.

225 Airport - 2026 will be a big year for the Airport as two significant construction projects - taxi lane and apron improvements that did not happen in 2025 and a runway overlay -- total more than $2 million in work. This is mostly funded by federal and state grants, with the Airport fund able to support the local match through fund balance. Beyond 2026, no major construction projects are scheduled, with planning and maintenance items planned for 2028-2030.

217 Library Donation - The Library's donation fund continues to earn interest with very modest spending on projects. 2026 has a planned spend of $50,000 on new lighting for the third floor. A future project for a makerspace incubator is planned for 2028 or when a decision is made related to the future of the Community Center.

401 Street Improvements - This fund required some extra discussion as we have a timing issue of revenues and expenditures. Specifically, there are a number of projects planned for 2026, but the revenues and fund balance cannot cover those expenditures. Given the stability of the franchise fee revenue, the Council agreed with the recommendation of staff to allow the fund to be budgeted to end in a negative cash position in 2026. Future reconstruction projects include 7th Street in 2030. A future review of available state aid for construction will be necessary moving forward as it appears local funds will be needed to accomplish some projects on state aid roads.

404 Park Improvements - This fund has a very big 2026 planned as phase 2 of Viaduct Park has a planned borrowing and expenditure. 2026 will also represent the start of the full payments on the internal loan for phase 1 of Viaduct Park. 2026 also has some very important projects, including the replacement of Deer Bridge and the replacement/relocation of bathrooms in North Alexander Park. Playground equipment replacement continues to be planned annually as well. 2030 is the next year of major construction project which includes a skate park.

431 Capital Replacement - This fund took some effort to plan for 2026. Due to fund

balance levels over 50% at the end of 2024 in the General Fund, a transfer out to this fund has provided much needed cash to finance the 2026 projects and some in 2027, but will continue to be a future conversation with each budget cycle on how to fund capital needs. Some of the highlights for 2026 include the conclusion of the door access and facility camera upgrades and a new end loader. 2029 and 2030 have very large expenditures planned for the replacement of a pumper truck and ladder truck in the Fire Department. These purchases will require the City to borrow.

437 Public Facilities Fund - This fund is going to kick-off 2026 with a negative cash balance and is awaiting the sale of two city-owned properties to return to a positive balance. 2026 has minimal planned expenditures with an upgrade to the Library elevator being the biggest project. More spending is proposed in future years as roof replacements become a priority for City Hall (2027) and the Public Works Facility (2029). There are also future facility projects planned which will start to take shape in the coming years. The community center has been bumped to 2028/2029 with the price tag for the largest new option proposed, and a new fire station is proposed for 2028. 2030 has a big expense for a new storage facility for the Police Department. There is not an ongoing funding source to support the smaller capital needs, while the bigger needs will require borrowing.

601 Water Fund - This fund has some significant work planned for 2026, but a majority of it is related to things that did not get started in 2025, including multiple water main looping projects as well as the water reservoir rehabilitation project. 2027 is another big year of projects, as the rehabilitation of Well 3 will be necessary and a study for Well 8 will get underway. These projects are supported by bond proceeds from 2025 or the rates of the system moving forward.

602 Sanitary Sewer - There are some significant sanitary sewer projects planned for 2026, including the siphon box project and repairs to buildings and structures at the Water Reclamation Facility. These will be funded with a $3.5 million proposed bond. The next significant project year is 2030, where two major projects are set to occur at the WRF: $8.5 million for a new final clarifier and $5 million for general upgrades that will be better defined as that year gets closer. Absent bond funds, these projects are supported by the rates of the system.

603 Storm Water - This fund has some big projects planned for 2026, which includes some sewer lining and a new outlet for Twin Lakes that did not occur in 2025. 2029 is the next year with significant spending on projects, which includes flood mitigation work along Division Street. This extends into 2030 as well. These projects are supported by the rates of the system.
Motion by Doumbouya, seconded by Rowan to open the public hearing and carried unanimously. The public hearing opened at 6:23 pm.

Kinser explained that one major revenue stream for the City is franchise fees, which come from two sources. One is related to cable television franchise fees, which are received from Spectrum quarterly each year. This is a 5 percent fee that is captured on a customer's Spectrum bill and is then remitted to the City quarterly. These funds are deposited in the General Fund to support the general operations of the City. The other franchise fee is the gas and electric franchise fee, which is collected on a flat fee per meter basis from Xcel, Greater Minnesota Gas, and Steele Waseca and remitted to the City quarterly.

Kinser noted that water and sewer are listed in the resolution. This actually functions as a transfer out of the Water and Sewer Funds and is a transfer into the funds, which is done on a monthly basis by the Finance Department. This charge is to even the playing field with those companies we charge a franchise fee to, though it is not broken out separately on a customer's bill each month. We are all paying for infrastructure in the right-of-way.

Kinser stated that we are budgeting less on cable franchise fees than in 2025. Currently, the 2025 figures are likely not going to hit the $200,000 budget, so a reduction closer to what 2024 experienced is necessary. We are also budgeting less gas and electric franchise fee revenue overall and are changing allocations based on how the allocation for Viaduct Park was to work. The Street Improvement Fund is only to receive the most recently adopted 2023 flat fee for gas and electric, while the other funds get a percentage distribution of the remaining original flat fee. Another year with actual data will help us better understand how the fees are flowing into each of the funds.

After no questions were raised by the City Council, motion by Doumbouya, seconded by Rowan to open the public hearing; motion carried unanimously. The public hearing was opened at 6:23pm.

Janet Moline, 419 Willow Street stated that she is seeing a 21% increase in her taxes, which is six times higher than the inflation or cola rates. She requested that the Council stop it.

Tom Moline, 7 St. James Bay, thanked the Council for what they do, and he then went on to talk about generation wealth, that the dollar is now only worth three cents.

Jannet Murray, 3rd Street SE, stated that her property is valued at 27.8% higher than in the past; Mayor Spooner told her to reach out to Rice County Assessors Office.

Councilor Ross thanked everyone for coming forward and stated that they were all thoughtful in their remarks and all presented very well.

Mayor Spooner thanked the staff for all their hard work on the budget.

Motion by van Sluis, seconded by Ross to close the public hearing and carried unanimously. The public hearing was closed at 6:29 pm.

Motion by Doumbouya, seconded by Barnes to approve Resolution 2025-331 Adopt the 2026 Property Tax Levy and carried unanimously.

Moton by van Sluis, seconded by Ross to approve Resolution 2025-332 Adopt the 2026 Budget and Fund Appropriations and carried unanimously.

Motion by Barnes, seconded by Rowan to approve Resolution 2025-333 Adopt the 2026 Housing and Redevelopment Authority Tax Levy and carried unanimously.

Motion by Barnes, seconded by Doumbouya to approve Resolution 2025-334 Adopt the 2026 Economic Development Authority Tax Levy and carried unanimously.

Motion by van Sluis, seconded by Barnes to approve Resolution 2025-335 Adopt the 2026 Fee Schedule and carried 5:2 with Councilors Rowan and Thiele voting Nay.

Motion by Barnes, seconded by van Sluis to approve Resolution 2025-336 Approve the 2026-2030 Capital Improvement Plan and carried unanimously.

Motion by Thiele, seconded by Rowan to approve Resolution 2025-337 Approve the 2026 Franchise Fee Distribution and carried unanimously.

Items for Discussion

Whitetail Haven/415 Brand Ave - Preliminary Plat; Final Plat; Development Agreement

Planning Manager Harry Davis stated that Jason Olson requested approval of a preliminary and final plat at 415 Brand Ave. The property is zoned R-2, Low Density Residential. The proposal combines two unplatted lots into one lot. The combination will allow the property owner to erect a new accessory structure. The proposed preliminary and final plats are consistent with the planning and zoning aspects of the City's Unified Development Ordinance. Staff do not recommend taking parkland dedication or fees in-lieu as the land is currently developed and will not increase in intensity. The DRC recommended approval of this project at its November 18, 2025, meeting. During the Planning Commission public hearing on December 1, 2025, the Planning Commission unanimously recommended approval of the project to City Council. No one from the public spoke during the public hearing and staff received no comments prior to the meeting.

The developer's platting agreement is a standard agreement for platting new property within city limits. The agreement is needed to support the new plat and any future development.

Motion by Ross, seconded by Rowan to approve Resolution 2025-340 Approve the Preliminary and Final Plats for Whitetail Haven and carried unanimously.

Motion by Barnes, seconded by van Sluis to approve Resolution 2025-343 Authorize Execution of Whitetail Haven Development Agreement and carried unanimously.

Resolution 2025-344 Approve Conditional Use Permit Amendment for a K-12 Charter School at 128 8th Avenue NW

Planning Manager Harry Davis explained Jonathan Starr with support from Todd Nelson of T Nelson Properties LLC, requested approval of a conditional use permit (CUP) amendment to expand the Surad Academy K-12 school at 128 8th Avenue NW. The CUP amendment proposed by Surad Academy will expand the school into the former daycare part of the building. The part they currently occupy is approximately 13,000 square feet and the expansion is approximately 6,000 square feet. Although Surad Academy is increasing its space, the number of staff is not expected to increase significantly. The total number of students (250) and staff (25) from the original CUP is not changing, as the expansion is needed to facilitate meeting the original limit. The property has significantly more parking spaces than required by City Ordinance and the school has operated since 2023 with an acceptable plan for pick up and drop off.

The proposal met the criteria for granting a CUP amendment. The expansion is a reasonable request and helps facilitate Surad Academy continuing operations in Faribault. Staff are not aware of any issues with current traffic to the property and don't anticipate further issues as they continue building to full capacity. The parking lot can accommodate more than the minimum number required for this use. More details on the criteria and findings may be found in the associated Resolution.

At the Planning Commission public hearing on December 1, 2025, Commissioners unanimously forwarded the proposal with a recommendation for approval to City Council. No public comments were heard at the meeting or submitted to City Staff.

Motion Thiele, seconded Resolution 2025-344 Approve Conditional Use Permit Amendment for a K-12 Charter School at 128 8th Avenue NW

Ordinance 2025-17 Approve a Zoning Text Amendment to P/I Public Institutional Zoning Requirements

Planning Manager Harry Davis requested approval of a zoning text amendment to Chapter 13 regarding P/I, Public Institutional zoning requirements. The request reinstates requirements for setbacks and district area for the P/I zoning district. In January of 2022, City Council reviewed and passed Ordinance 2022-3, which integrated P/I into the UDO and included requirements for the size of contiguous area zoned to P/I and setbacks for structures in Sec 13-560. Later in 2022, City Council passed an Ordinance approving a comprehensive code rewrite for MS4-related reasons, but it used an earlier version of the Ordinance, thereby overwriting Sec 13-560. Since the summer of 2022, the City rezoned several properties to P/I, but the minimum requirements for area and setbacks were technically not enforceable as they were removed from the UDO. Staff continues to determine that the requirements adopted are applicable; however, they are confusing to applicants and in administering development requirements.

Davis believed the changes will help with code administration and development or redevelopment clarity of properties zoned P/I. The changes meet the criteria for a zoning text update and are supported by the Comprehensive Plan.

At the Planning Commission public hearing on December 1, 2025, the Commissioners recommended approval of and forwarded this request to City Council with a unanimous vote. No members of the public spoke about the request and none submitted comments prior to the meeting.

Motion by Ross, seconded by Barnes to approve Ordinance 2025-17 Approve a Zoning Text Amendment to P/I Public Institutional Zoning Requirements

Roll Call Vote:
Aye: Councilor Barnes, Doumbouya, Ross, Rowan, van Sluis, Thiele, Mayor Spooner
Nay:
Motion carried 7:0

Resolution 2025-345 Approve Axon Services Agreement Extension
Police Chief John Sherwin explained that the Faribault Police Department uses a suite of Axon Enterprise technologies to support core law enforcement functions. Axon equipment includes body-worn cameras, squad car cameras, less-lethal Taser devices, and the department's digital evidence management system, Evidence.com. Axon software also supports officer oversight, compliance and risk-management functions, and serves as the operational platform for the department's drone program.

The department has partnered with Axon since entering into a five-year services agreement in 2018. In 2022, one year before that agreement was set to expire, the department renewed and expanded the contract to secure updated technology at 2022 pricing. Under terms of the renewed 2022 agreement, newly developed Axon products are provided as part of the existing annual subscription, without additional cost. Over the past three years, the 2022 renewal has allowed the department to deploy new Tasers, updated squad car cameras, virtual-reality training tools, and Axon's latest generation of body-worn cameras. The 2022 extension also allowed the department to implement Axon Standards, an agency-specific internal reporting and tracking program to manage citizen/internal complaints, use of force reporting, pursuit reporting, officer coaching, awards, and other performance management measures. Thus, increasing oversight and reducing liability.

The 2022 contract fixed the department's annual cost at approximately $128,000 per year for the 5-year term. In evaluating the current contract and licensing structure, the department is short seven Taser and body camera licenses. The original 2018, and subsequent 2022 contracts, did not envision full staffing, nor the need for Community Service Officers and Police Command Staff to utilize body cameras. Given current staffing levels and the nature of police work, adding seven additional licenses is a need. Purchasing these products à la carte, would add at least $35,000.00 to the contract in 2026, with an escalating price thereafter based on undetermined pricing.

When discussing these additional licenses with Axon, the department also explored the option of a five-year contract extension. The quote incorporates seven new licenses and fixes the department's annual cost at $162,694 annually through 2030. By locking in pricing at the 2026 rate, Axon estimates projected savings of approximately $455,000 over the life of the contract when compared to an annual renewal. The department has budgeted for the increased annual cost in our 2026 budget and believes extending the agreement for five years is a fiscally responsible approach that secures essential technology while mitigating long-term cost escalation.

Chief Sherwin showed the Council how the body cameras work and how they can track each officer's location.

Councilor Ross asked if there would be any annual increases, Chief Sherwin stated that there would not be. He also asked if the storage of digital evidence is included in the quote and how long we keep it, Chief Sherwin explained that the storage is included and keeping of the data follows the retention schedule. Councilor Barnes supported the additional licenses to allow all officers to have cameras, Chief Sherwin stated that the officers want to wear the cameras. Mayor Spooner asked what would happen to digital evidence if we were to change companies, Chief Sherwin explained that they would probably have to pay for storage, but they would still have access to it.

Motion by Ross, seconded by Doumbouya to approve Resolution 2025-345 Approve Axon Services Agreement Extension and carried unanimously.

Resolution 2025-348 Professional Service Contract for Police-Related Towing, Impounding, and Vehicle Storage

Police Chief John Sherwin informed the Council that Department's current professional service contract for towing, impounding, and storage of vehicles expires at the end of the year. In anticipation of this expiration, the department issued a Request for Proposals (RFP) for towing services on November 12, with publication on the city's website. Public notice was also given through the Faribault Daily News on November 15 and 22. The deadline for submitting proposals was the close of business on December 1. In addition, two service providers who had previously expressed interest, were personally contacted by the Police Chief.

The department received two proposals, from Glenn's Service LLC and Dean's Towing. Both companies meet the minimum qualifications as outlined in the RFP. A proposal review committee was established. The proposals were evaluated and scored as written based on the following factors: experience/reputation, services available, tow/business hour availability, and proposed fees.

Based on their review, the committee recommended the 2026-2030 contract for towing, impounding, and storage of vehicles be awarded to Glenn's Service LLC. Sherwin concurred with their findings and recommended the City Council approve a professional services contract with Glenn's Service LLC.

Motion by Thiele, seconded by Rowan to approve Resolution 2025-348 Professional Service Contract for Police-Related Towing, Impounding, and Vehicle Storage and carried unanimously.

Resolution 2025-346 Approve Airport Management and Operating and Airport Maintenance Agreement Extension with Quality Aviation Inc.

Public Works Director Travis Block explained that Quality Aviation, Inc. has been the airport manager/fixed base operator (FBO) for Faribault Municipal Airport since February 18, 2000, managing both operations and maintenance under two separate agreements.

During that time, they have done an excellent job with positive comments from airport users.

The current management agreement expires December 31, 2025. The proposed management agreement is for five years with compensation of $17,850.00 annually with the option to renew for an additional five years by mutual agreement of both parties.

The current maintenance agreement expires December 31, 2025. The proposed maintenance agreement is for five years with compensation of $26,250.00 annually with the option to renew for an additional five years by mutual agreement of both parties.

The agreements have been reviewed by the Airport Advisory Board and the City Attorney Councilor van Sluis asked if there were other companies that provided this service, Block stated that there are very limited companies out there.

Motion by Ross, seconded by van Sluis to approve Resolution 2025-346 Approve Airport Management and Operating and Airport Maintenance Agreement Extension with Quality Aviation Inc.

Resolution 2025-350 Approve Managerial Services Agreement with the Housing and Redevelopment Authority
City Administrator Jessica Kinser explained that the City has done direct billing to the HRA for staff time starting in 2024, related to Robinwood, Scattered Sites housing, and the HRA tax levy. In discussions with the HRA board about this billing, a flat fee for service was brought up versus staff tracking of time. In 2026, Robinwood will no longer be part of the HRA's portfolio and require any work, leaving the management of the HRA tax levy funds and board activity and the Scattered Sites. The proposed agreement has been drafted for a one-year period that can be automatically renewed for an additional year to allow the City to bill the HRA $50,000 for services defined in the agreement related to the tax levy fund and board coordination. The billing for scattered sites will still be done on an hourly basis with staff tracking time to better understand the obligations the HRA is taking on without a property manager in place. The total estimated revenue in the Community and Economic Development Fund 240 for these billings is $100,000.

Motion by Barnes, seconded by Doumbouya to approve Resolution 2025-350 Approve Managerial Services Agreement with the Housing and Redevelopment Authority and carried unanimously.

Resolution 2025-351 Approve Managerial Services Agreement with the Economic Development Authority
City Administrator Jessica Kinser explained that the 2026 budget includes a payment from the EDA tax levy funds to the Community and Economic Development Fund 240 of $50,000 for the overall management and oversight the City provides for the EDA's operations. This work is completed through the Community and Economic Development Department, mostly by the Economic Development Coordinator, with assistance from the CED Director and CED Administrative Assistant. The EDA is somewhat unique in that the enabling resolution provides a comprehensive scope of work that did not require much

elaboration in the agreement. The agreement is for the calendar year 2026, but could be extended by one year if no changes or termination comes forward from each party.

Motion by Thiele, seconded by Ross to approve Resolution 2025-351 Approve Managerial Services Agreement with the Economic Development Authority and carried unanimously.

Mighty Fine Coffee Addition/123 14th St NW - Developer's Agreement, Encroachment Agreement

Leslie McGillivray-Rivas, Planner I, explained that Jessica Swink and Jordan Brennan request approval of the Development Agreement and the Encroachment Agreement related to the Final Plat approval of the Mighty Fine Coffee Addition. On May 27, 2025, the City Council approved resolutions and an ordinance related to the project, a walk-up and drive-through coffee shop. These Council actions included a Comprehensive Plan Amendment, Zoning Map Amendment, Conditional Use Permit, and variances related to the project. An Early Construction Agreement was approved by the City Council on October 14, 2025, to allow the project to begin construction before the Mighty Fine Coffee Addition plat was recorded. The developer's platting agreement brings them one more step forward to advance the project. The developer's platting agreement is a standard agreement for platting new property within city limits.

McGillivray-Rivas stated that the Encroachment agreement is needed to support the new lot and support redevelopment. The encroachment agreement is for the existing building located south of 14th St NW which will encroach on the 10' drainage and utility easement created with the Mighty Fine Coffee Addition plat. The building is permitted to remain and be adapted and reused for the walk-up and drive-through coffee shop.

Moton by Thiele, seconded by Barnes to approve Resolution 2025-353 Authorize Execution of Mighty Fine Coffee Addition Development Agreement and carried unanimously.

Moton by Doumbouya, seconded by van Sluis to approve Resolution 2025-354 Authorize Execution of an Encroachment Agreement Related to Mighty Fine Coffee and carried unanimously.

Bids

Resolution 2025-339 Accept Bid for Well Sealing Project

Public Works Director Travis Block explained that on Tuesday, November 25, 2025, bids were received for the Well Sealing Project. The project includes drilling out the casing and removing debris from the two abandoned wells, pouring in grout to fully seal the wells to prevent future contamination of the aquifer/groundwater and restoring the area.

One bid was received from Traut Companies, St. Joseph, MN for $421,890.00. Traut's bid includes a $10,000.00 contingency. It is recommended to award the bid to Traut Companies.

The total project costs are as follows:

Construction	$421,890.00
Engineering Design	$ 23,500.00
Construction Administration	$ 18,200.00
Total	$ 463,590.00

Based on the low bidder's price, the estimated funding will be split between a state grant of $250,000.00 and the water fund paying $213,590.00

Construction on the project is scheduled to begin in the spring of 2026 and be substantially completed by the end of December.

Councilor Ross asked how big of an issue this is. Block stated that they are doing this at the direction of the Department of Health as no records exist showing the wells were sealed decades ago. Ross stated that he was concerned that only one bid was received for the project. Block stated that if they wait, they may not get the grant again. Councilor Rowan asked if the Department of Health was creating this problem; Block stated that preventing possible contamination into the aquifer is important.

Motion by Ross, seconded by Doumbouya to approve Resolution 2025-339 Accept Bid for Well Sealing Project and carried unanimously.

Boards and Commissions Reports, Announcements and Project Updates
City Administrator Jessica Kinser stated that the Council Chat is tomorrow at the Paradise Center for the Arts at 6:00 pm. There is a Chamber all boards meeting on Friday, Barnes and Theile stated that they would attend. Councilor Barnes stated that the Paradise is still showing The Sound of Music, and a Very Merry Christmas will be on December 16. You can shop for gifts at the Paradise. Mayor Spooner gave a shoutout to all of the staff that worked with the Winterfest Celebration.

Adjournment
Motion by Ross, seconded by Barnes to adjourn the City Council meeting and carried unanimously.

The City Council meeting was adjourned at 7:17 pm.

Respectfully Submitted,

Signed by:
Heather J. Slechta
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Heather Slechta
City Clerk