



CITY COUNCIL MINUTES

COUNCIL CHAMBERS

TUESDAY, MARCH 24, 2026

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 Theile. Also in attendance were City Administrator Jessica Kinser, City Clerk Heather Slechta, Community and Economic Development Director Dave Wanberg, Police Chief John Sherwin, Parks and Recreation Director Rochelle Anderholm-Parsch, Economic Development Coordinator Jacob Wiensch, City Engineer Mark DuChene, Human Resource Director Kevin Bushard, Finance Director Kindra Papenfus and City Attorney Scott Riggs.

Approve Agenda

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

Presentations/Introductions

Mayor Spooner acknowledged the Southern Minnesota Initiative Foundation Day Proclamation, stating that they will be celebrating 40 years of service.

Approve minutes of the March 10, 2026, City Council Meeting and the March 17, 2026 Special City Council Meeting-Closed Session

Motion by Ross, seconded by Thiele to approve the Minutes of the March 10, 2026, City Council Meeting and the March 17, 2026, Special City Council Meeting - Closed Session and carried unanimously.

Requests to be Heard

Amy Stadler, 1728 Havel Place, spoke to the Council regarding the restructuring plan in the Finance Department that was approved at the March 13, 2026, City Council Work Session. Stadler informed the Council on how the change will affect her financially and the position duties that are assigned to her. She requested the Council reconsider.

Gail Burke, 717 Spring Road, requested that the Council adopt an ordinance to include the humane trapping and transferring of felines.

Consent Agenda

- A. Claims List
- B. Resolution 2026-081 Approve Fourth of July Fireworks Contract with RES Pyro
- C. Resolution 2026-083 Approve Participation in the 2026 Wyland National Mayor's

- Water Challenge
- D. Resolution 2026-084 Authorizing the Execution of a Contract with PAAPE Companies, Inc.
 - E. Resolution 2026-086 Authorizing the Submission of T-Mobile Hometown Grant Application for Viaduct Park Phase 2 Pavilion Lighting
 - F. Resolution 2026-087 Approve Hiring Paid On-Call Firefighters
 - G. Resolution 2026-088 Accept Donations to the Parks and Recreation Department
 - H. Resolution 2026-089 Establish the City of Faribault Authorized Community Festivals within the City and Provide for the Terms and Conditions for Alcohol Service and Consumption at Community Festivals
 - I. Resolution 2026-093 Approve Memorandum of Understanding with McKinstry for a Preliminary Energy Evaluation
 - J. Resolution 2026-094 Approve LELS Police Captains 2026 Labor Agreement
 - K. Resolution 2026-098 Amending the 2026 Adopted Budget for the Finance Department Restructure
 - L. Resolution 2026-100 Approve 2026 Consumption and Display Permit Renewal

Councilor Doumbouya questioned the alcohol service part of Consent Agenda item H. Resolution 2026-089 Establish the City of Faribault Authorized Community Festivals within the City and Provide for the Terms and Conditions for Alcohol Service and Consumption at Community Festivals, City Clerk Heather Slechta explained that this allows for current licensed establishments to serve alcohol if requested by the sponsoring organization to do so without additional licensing.

Councilor Ross requested that Consent Agenda item K. Resolution 2026-098 Amending the 2026 Adopted Budget for the Finance Department Restructure be removed for further discussion.

Motion by Thiele, seconded by van Sluis to approve Consent Agenda items A-J and L and carried unanimously.

Resolution 2026-098 Amending the 2026 Adopted Budget for the Finance Department Restructure

Councilor Ross had concerns regarding this item, City Administrator Jessica Kinser explained that this is to allow for the resolution allows for the restructure of the finance department, and a savings across all funds.

Motion by Ross, seconded by Rowan to table Resolution 2026-098 Amending the 2026 Adopted Budget for the Finance Department Restructure to the April 7, 2026, City Council Work Session and carried unanimously.

Public Hearings

Ordinance 2026-04 Amend the Charter of the City of Faribault, Minnesota, Section 3.05 Procedure on Ordinances (First Reading)

City Administrator Jessica Kinser explained that City staff has encountered delays in approving ordinances due to the two (2) reading requirements set forth in City Charter

Section 3.05. Most cities in Minnesota only read an ordinance once prior to adoption pursuant to Minnesota Statutes Chapter 412. It was proposed that the charter be amended to remove the two separate reading requirement and to require only one reading of a proposed ordinance to be consistent with statutory cities. An amendment to Section 3.05 does not change the City's status as a charter city in any way.

Looking back at the last three years, the City has considered 62 ordinances. Only one ordinance has failed April 9, 2024, which was to allow mobile food units to operate at a location for no more than 21 days). The Council has not repealed an ordinance in any of the years that was adopted in the years presented, meaning what the Council has approved has stood as the law of the City once adopted. Of the ordinances approved, 34 are related to planning and zoning or easement vacations and could or did have an impact on a specific applicant or business who applied for the change. Other ordinances also impacted the economic conditions of the community, like those related to mobile food trucks, cannabis businesses, and more.

The last Charter changes that were approved were in 2023, when the Council adopted four ordinances that amended special assessment requirements, removed the requirement of an ordinance to sell real property, amended the oath of office, and allowed for administrative fines/citations to be created. Charter amendments are different from other ordinances in that there is a 90-day period after publication before the change can go into effect.

Motion by Ross, seconded by van Sluis to open the public hearing and carried unanimously. The public hearing was opened at 6:18 pm.

Nate Cunningham, spoke in support of the Charter amendment, he stated that current practices cost them \$40,000 in revenue.

Motion by Thiele, seconded by Ross to close the public hearing and carried unanimously. The public hearing was closed at 6:21 pm.

Councilor Ross appreciated the Charter Commission bringing this forward, this change follows the correct path. Councilor Rowan stated that the Council can reverse ordinances at future meetings. Councilor Doumbouya asked if we are the only ones with the 30-day delay, Kinser explained that all statutory cities do not do two readings. Other Charter Commissions have changed to one reading as two readings slows down the process. Mayor Spooner stated that most of these items have already gone through the Planning Commission or HPC, it could be a 2–3-month process.

Motion by Thiele, seconded by Barnes to approve Ordinance 2026-04 Amend the Charter of the City of Faribault, Minnesota, Section 3.05 Procedure on Ordinances (First Reading)

Roll Call Vote:

Aye: Councilor Barnes, Ross, Rowan, van Sluis, Thiele and Mayor Spooner

Nay: Councilor Doumbouya

The motion failed due to the required unanimous vote to approve all Charter amendments.

Resolution 2026-099 Adopting a Modification to the Development Program for Development District No. 1; and Establishing Tax Increment Financing District No. 20: Riverchase II Herein and Adopting a Tax Increment Financing Plan Therefor; Authorizing Interfund Loan

Economic Development Coordinator Jake Wiensch explained that under the direction of the City Council, Staff has continued to implement the Downtown Master Plan, including the development of City-owned land south of the viaduct. This area has been identified as a key opportunity site for residential development that could serve as a catalyst for additional private investment downtown. The City acquired this strategically located property recognizing its long-term redevelopment potential and has actively worked to partner with a qualified developer.

The proposed project, Riverchase II, is being advanced by Riverchase Faribault II LLC, an entity associated with Hamilton Real Estate Group, who will manage the development. The project will be constructed on approximately 2.69 acres of City-owned land, which the developer has under control through a purchase agreement with the City, with an anticipated April closing date.

The Developer intends to construct a four-story and roughly 76-unit market-rate apartment building with a mix of studio, one-bedroom, and two-bedroom units. The development will include 102 parking spaces, consisting of tuck-under garages, detached garages, and surface parking. Amenities will include a fitness center, community room, outdoor patio space with seating, grills, and a fire feature, as well as modern unit finishes such as in-unit laundry, stainless steel appliances, 9-foot ceilings, and private decks.

The total development cost is estimated at approximately \$13.38 million, with a projected market value upon completion of approximately \$13.4 million. Construction is anticipated to begin in Spring/Summer 2026, with completion expected in Spring/Summer 2027.

The Developer applied for Tax Increment Financing (TIF) assistance to support the project. As with most multi-family housing developments, the costs associated with land acquisition, site preparation, public infrastructure, construction, and financing—combined with current market conditions—create a financial gap that prevents the project from being feasible without public assistance. The development has demonstrated that “but for” the use of TIF, the project would not meet required return thresholds for equity and debt financing.

Wiensch stated that as with all TIF requests, the City worked with its financial advisor Ehlers to analyze the project and the requested assistance. The proposed district is being structured as an Economic Development–Workforce Housing TIF District, consistent with state statute and the City’s housing and economic development goals, and consistent with the Riverchase I TIF. To facilitate this development, the City is proposing a modification to Development District No. 1 to include the project area and the

establishment of Tax Increment Financing District No. 20: Riverchase II. The Faribault Economic Development Authority (EDA) is scheduled to review the proposed TIF Plan and consider approval of the resolution on March 24, 2026, and staff anticipates approval.

Wiensch stated that if approved, the EDA will enter a Contract for Private Development with the Developer outlining the specific terms and conditions of the TIF assistance. The resolution also authorizes the use of an interfund loan, which provides flexibility for the City or EDA to advance funds for eligible project costs and be reimbursed from future tax increments generated by the development.

Motion by Doumbouya, seconded by van Sluis to open the public hearing and carried unanimously. The public hearing was opened at 6:33 pm.

No comments from the public were received. A representative from Hamilton stated that they want to be a partner with the City, this would be their third project in Faribault. He also stated that they cannot do this project without support.

Motion by Thiele, seconded by van Sluis to close the public hearing and carried unanimously. The public hearing was closed at 6:34 pm.

Councilor Rowan asked about letters of support, Wiensch stated that KGP and Jenni-O sent letters of support for the project. Ross asked if nine years was a set amount of time, Wiensch stated that it is nine years or \$725,000.00 whichever comes first. Ross also asked if there is only one entrance into the site, Wiensch explained that the next step is to work through the platting. Ross requested that a turn lane be looked at from Willow Ave.

Motion by Ross, seconded by Doumbouya to approve Resolution 2026-099 Adopting a Modification to the Development Program for Development District No. 1; and Establishing Tax Increment Financing District No. 20: Riverchase II Herein and Adopting a Tax Increment Financing Plan Therefor; Authorizing Interfund Loan and carried unanimously.

Items for Discussion

Resolution 2026-092 Approve Plans and Specifications and Establish Bid Date for 2026 Sewer Lining Project

City Engineer Mark DuChene explained that Resolution 2026-092 approves the construction plans and specifications for the proposed 2026 Sewer Lining Project - Contract 2026-08 project including lining of existing sanitary sewer and storm sewer pipes with a cured-in-place pipe (CIPP) liner. The installed liner restores the existing pipe to an almost like new condition while eliminating cracks and defects in the pipe that contribute to infiltration into the sewer pipes, thereby reducing the chances of future failures and backups.

The preliminary total estimated cost of the improvements, including engineering fees and contingencies, is \$1,217,600.00. The proposed funding for the project is from the Sanitary Sewer Enterprise fund.

The resolution also establishes a bid date of April 22, 2026, for the project. Construction start date is dependent on the contractor, but all work is scheduled to be completed by November 30, 2026.

Councilor van Sluis asked if this would be pushed through the manhole, DuChene stated that it would, van Sluis also asked if traffic would be down to one lane, DuChene stated that traffic would get around the project, there is minimal impact.

Motion by van Sluis, seconded by Rowan to approve Resolution 2026-092 Approve Plans and Specifications and Establish Bid Date for 2026 Sewer Lining Project and carried unanimously.

Viaduct Park- Phase 2; Resolution 2026-085 Approve Authorizing Competitive Sealed Bid for the Site Work for Viaduct Park Construction Project Phase 2; Resolution 2026-097 Approve Authorizing Competitive Sealed Bid for the Storage Garage for Viaduct Park Construction Project Phase 2 and Resolution 2026-082 Resolution Calling for Public Hearing on Abatement

Parks and Recreation Director Rochelle Anderholm-Parsch explained that on August 26, 2025, the City Council approved Resolution 2025-208, authorizing up to \$3.6 million for Phase 2 improvements at Viaduct Park. Phase 2 includes several key components, including construction of a covered refrigerated ice sheet, pavilion structure, supporting storage facilities, and associated site improvements.

As project planning and design have progressed, staff have continued to evaluate procurement strategies to ensure fiscal responsibility while maintaining project momentum and alignment with established project timelines.

The Phase 2 project requires significant site work improvements including grading, utility installation, grading and groundwork, paving, and other foundational improvements necessary to support construction of the refrigerated ice sheet, pavilion structure, and related amenities. These improvements represent a critical early construction phase that must be completed to allow subsequent vertical construction activities to proceed.

Consistent with City Purchasing Policy and the Uniform Municipal Contracting Law, staff reviewed available procurement pathways and determined that issuing a competitive sealed bid for the site work improvements will provide the most cost-effective and efficient project delivery approach. The total cost of the site work improvements is estimated to be \$600,000 and is included within the previously authorized Phase 2 project funding.

Anderholm-Parsch also presented Resolution 2026-097 to Approve Authorizing Competitive Sealed Bid for the Storage Garage for Viaduct Park Construction Project Phase 2. The Phase 2 project requires the construction of the ice resurfacer storage garage, and related utilities, also to include an add alternative of the construction of a monument sign.

Anderholm-Parsch requested Council approval of Resolution 2026-085 Authorizing Staff to

Advertise and Solicit Competitive Sealed Bids for the Viaduct Park Phase 2 Site Work Improvements and Resolution 2026-097 Authorizing Staff to Advertise and Solicit Competitive Sealed Bids for the Construction of the Storage Garage for Viaduct Park Phase 2. Upon approval, the bids will be advertised on March 25, 2026, with bid openings scheduled for April 22, 2026, in accordance with all applicable Minnesota State procurement requirements and project timeline needs.

Finance Director Kindra Papenfus explained that the City is proposing to issue General Obligation Tax Abatement Bonds, Series 2026A, in the estimated principal amount of \$3,815,000 to finance the design and construction of the Viaduct Park project's Phase II. On August 26, 2025, the City Council adopted Resolution No. 2025-208, declaring the City's official intent to reimburse certain project expenditures from bond proceeds in accordance with IRS Treasury Regulation § 1.150-2.

Papenfus explained tax abatement bonds are a financing tool authorized under Minnesota Statutes § 469.1812–469.1815 that allow a city to capture a portion of the property taxes generated by identified parcels and redirect those revenues toward debt service on bonds issued for a public improvement. Unlike tax increment financing (TIF), tax abatement does not require a finding of blight or the creation of a special district. The city retains the ability to levy taxes as normal, and the abatement simply designates a share of tax revenue from specific parcels to repay the bonds. Importantly, property owners within the abatement area do not pay any additional taxes as a result of the abatement — their tax obligations remain unchanged.

The City identified approximately 230 parcels located within 1,600 feet of Viaduct Park to serve as the abatement area for this financing. These parcels represent a combined net tax capacity of approximately \$640,000. The parcels are primarily residential in nature. Participating in the abatement area does not increase taxes for residents within that area — the abatement redirects a portion of existing tax revenue that would otherwise flow to the City's general levy.

The preliminary bond structure, prepared by Northland Securities, Inc., reflects an estimated average coupon rate of approximately 4.00% and an average life of 9.4 years, with the bonds maturing between 2027 and 2041. Debt service will be supported through a combination of tax abatement revenues and a property tax levy, with the first payment due December 15, 2026. Part of the bond proceeds will be used to make the first payment in 2026.

Papenfus explained that before the City may levy a tax abatement to support the bonds, Minnesota law requires the City to hold a public hearing. The purpose of the hearing is to provide residents with an opportunity to comment on the proposed tax abatement and the financing plan for the Viaduct Park Phase II project. The public hearing will be held on Tuesday, April 28, 2026, City Council meeting.

Motion by Ross, seconded by Thiele to approve Resolution 2026-085 Approve Authorizing Competitive Sealed Bid for the Site Work for Viaduct Park Construction

Project Phase 2 and carried unanimously.

Motion by Ross, seconded by van Sluis to approve Resolution 2026-097 Approve Authorizing Competitive Sealed Bid for the Storage Garage for Viaduct Park Construction Project Phase 2 and carried unanimously.

Motion by van Sluis, seconded by Barnes to approve Resolution 2026-082 Resolution Calling for Public Hearing on Abatement and carried unanimously.

Twin Oaks Housing Development; Resolution 2026-095 Approve Amendment No. 1 to the Twin Oaks Subdivision Development Agreement and Resolution 2026-096 Approve a Use and Cooperation Agreement with the Rice County Housing and Redevelopment Authority for Statewide Affordable Housing Aid

City Administrator Jessica Kinser stated that Resolution 2026-095 is for an amendment to the Development Agreement approved in 2024 as part of the Twin Oaks Subdivision. Twin Oaks is a new affordable, single-family subdivision developed by the Rice County Housing and Redevelopment Authority (HRA) to increase homeownership opportunities for families at or below 115 percent of the area median income. As part of the original agreement the HRA was to dedicate a lot of parkland for the subdivision. A small lot was also platted and ownership remains with the Rice County HRA for a monument to be placed at the entrance of the subdivision. To build the playground and place the monument, an amendment is being proposed to the original development agreement to add in these items as developer requirements.

With the inclusion of the monument and completing the playground as development requirements, these now become part of the development of the Twin Oaks subdivision, and the City can utilize Statewide Affordable Housing Aid (SAHA) to support the costs of these projects through Rice County HRA. Resolution 2026-096 is an agreement for SAHA that spells out the scope of work to be completed at an amount not-to-exceed \$113,000.

Motion by Ross, seconded by Doumbouya to approve Resolution 2026-095 Approve Amendment No. 1 to the Twin Oaks Subdivision Development Agreement and carried unanimously.

Motion by van Sluis, seconded by Rowan to approve Resolution 2026-096 Approve a Use and Cooperation Agreement with the Rice County Housing and Redevelopment Authority for Statewide Affordable Housing Aid and carried unanimously.

Bids

Resolution 2026-090 Accept Bids for 2026 MSA Street Overlay Improvements – Contract 2026-02

City Engineer Mark DuChene explained that on Wednesday, March 18, 2026, bids were received for the proposed 2026 MSA Street Overlay Improvements project Contract 2026-02, including curb and gutter replacement, concrete sidewalk construction/replacement, storm sewer repairs, casting adjustment/ replacement, watermain construction, pavement

milling, bituminous paving, pavement markings, and related improvements on the following streets:

Lincoln Ave. NW (TH 60 (4th Street NW) to 7th Street NW)
30th Street NW (TH 21/Lyndale Avenue to Western Avenue)
Western Avenue (30th Street NW to Village Drive)

The bids are tabulated as follows:

Crane Creek Asphalt, Faribault, MN	\$480,442.10
Bituminous Materials LLC., Faribault, MN	\$497,443.00

The Engineer's Estimate was \$415,347.55.

Based on the low bidder's prices, the estimated funding for the project is as follows (includes contingencies and engineering fees):

MSA Street Construction Fund	\$560,050.00
Water Utility Fund	\$ 3,900.00
Sanitary Sewer Utility Fund	\$ 16,300.00
Total	\$580,250.00

Although the bids exceed the engineer's estimate, it was recommended to award the contract to the low bidder, Crane Creek Asphalt. The low bidder indicated that a big reason for the increase in the project costs is due to the current uncertainty regarding oil prices and costs are unlikely to come down in the near future, so delaying the project and rebidding is unlikely to result in better prices. This project is primarily funded through the City's MSA construction account and the account has adequate reserves to cover the project costs. Construction on the project is scheduled to begin in June and be substantially completed by August 15, 2026.

Councilor Ross stated that things are going to continue to come in higher, can we look at delaying some projects, DuChene stated that all projects come to the Council for approval, if there is something you want to delay let me know.

Motion by Barnes, seconded by Doumbouya to approve Resolution 2026-090 Accept Bids for 2026 MSA Street Overlay Improvements – Contract 2026-02 and carried unanimously.

Resolution 2026-091 Reject Bids for 2026 Deer Pedestrian Bridge Replacement - Contract 2026-05

City Engineer Mark DuChene explained that on Wednesday, March 4, 2026, bids were received for the 2026 Deer Pedestrian Bridge Replacement - Contract 2026-05 project including removal of the existing timber bridge, replacement of the bridge with a new prefabricated steel bridge and related components, restoration of the existing bituminous trail and other related improvements.

The bids are tabulated as follows:

Redstone Construction, LLC	\$789,522.25 (31.3% Over)
ICON Constructors, LLC	\$880,571.00 (46.5% Over)
Urban Companies, LLC	\$920,954.60 (53.2% Over)

The Engineer's Estimate was \$601,055.00

All the bids received exceeded the City's approved budget and estimates and after reviewing the bids, discussing with bidders and the design engineers, and reviewing options with the City Council at the March 17, 2026, work session, the Council's direction was to reject all bids at this time and pursue alternative design options.

Motion by Thiele, seconded by van Sluis to approve Resolution 2026-091 Reject Bids for 2026 Deer Pedestrian Bridge Replacement - Contract 2026-05 and carried unanimously.

Boards and Commissions Reports, Announcements and Project Updates

Mayor Spooner read the two-year evaluation of City Administrator Jessica Kinser; The City Council has conducted a 2-year 360 performance review of Jessica L. Kinser, as City Administrator for the City of Faribault. As part of the evaluation process, the City Council and Leadership Team evaluated Jessica in several areas of performance which include leadership and supervision. The process reached the following conclusions: Jessica L. Kinser's performance has an average score that is meeting or exceeding expectations in all areas. Goals, objectives and areas to focus on were given to Jessica to work towards. As per Jessica's employment agreement with the City of Faribault, by meeting and exceeding expectations, she will receive a one-step increase in wages to Grade V Step 11, under the Non-Union Compensation Plan 2026 and receive 4 days of administrative leave. This will be effective on her anniversary date of employment, April 1, 2026. Thank you, Jessica!

Adjournment

Motion by Thiele, seconded by van Sluis to adjourn the City Council meeting and carried unanimously.

The meeting was adjourned at 6:58 pm.

Respectfully Submitted,

DocuSigned by:

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Heather Slechta
City Clerk