Pursuant to due call and notice thereof, the regular meeting of the Brainerd City Council was called to order at 7:30 P.M. by Council President O'Day.

Upon roll call the following Members were noted as present: Johnson, Stunek, Yeager, Erickson, Bevans, Czeczok, and O'Day. Mayor Badeaux was also noted as present.

Chair O'Day led the Pledge of Allegiance to the flag.

Member Czeczok stated that he would like to add the Crow Wing County letter regarding the Airport levy to the agenda as a discussion item. He clarified that it would be moved from the communications section to new business as an item for discussion.

MOVED AND SECONDED BY COUNCIL MEMBERS CZECZOK AND ERICKSON, DULY CARRIED, TO APPROVE THE AGENDA WITH THE ADDITION OF DISCUSSION OF THE CROW WING COUNTY LETTER REGARDING THE AIRPORT LEVY.

MOVED AND SECONDED BY COUNCIL MEMBERS CZECZOK AND BEVANS TO APPROVE THE CONSENT CALENDAR.

- **A. Approval of Bills**
- **B. Approval of Minutes**
- **C. Department Activity Reports**
- **D. Approve Event/Street Closure- First Lutheran Church Night Out**
- **E. Ratify Hiring Jacob Engebretson as Lineworker effective August 11, 2025, at Step 4 of the Lineworker Wage Grid ($49.98 per hour)**
- **F. 2024 Tax Increment Financing (TIF) Report Summary - Informational**

Upon roll call, Council Members Johnson, Stunek, Yeager, Erickson, Bevans, Czeczok, and O'Day voted "aye". No member voted "nay". The Chair declared the motion carried.

Public Forum

The Chair opened the public forum at 7:33 p.m.

No one came forward.

The chair closed the public forum at 7:33 p.m.

Presentation

Brainerd Lakes Regional Airport Essential Air Service and Budget Presentation

Neil Planzer, Interim Airport Director, gave an overview of the proposals received by the Airport Commission for Essential Air Service (EAS). The Commission received proposals from Denver Air Connection and Delta/Skywest. The Commission recommends opting for Delta/Skywest. The commission is requesting a letter of support that will go to the US Department of Transportation to confirm their choice and receive enough federal grants as it was the more expensive proposal. The Commission cited continuity of service, network connectivity, economic impact, inclusion of a morning flight, and community preference.

MOVED AND SECONDED BY COUNCIL MEMBERS BEVANS AND CZECZOK, DULY CARRIED, TO DIRECT COUNCIL MEMBER YEAGER TO WORK WITH STAFF TO DRAFT A

LETTER TO THE DEPARTMENT OF TRANSPORTATION REGARDING THE BRAINERD LAKES REGIONAL AIRPORT COMMISSION'S RECOMMENDATION OF DELTA/SKYWEST AS ITS ESSENTIAL AIR SERVICE (EAS) CHOICE.

Darryl Palmer, Airport Commission Chair, gave an overview of the budget outlook in regard to the airport reserve fund policy. The target balance is 3-6 months of the annual operating expense. A reserve fund is vital for operating the airport it is the responsibility of the City Council and Crow Wing County to ensure that it can do so. The Airport Commission will likely be requesting $215,000 appropriation from both the City and Crow Wing County.

Council Committee Reports

Safety and Public Works Committee

Approve Final Pay Request - Imp 21-15 - Buffalo Hills Gully Remediation Project

Committee Chair Erickson stated that a majority of the project was completed in 2024, the final pay is for the planting of live stakes.

MOVED AND SECONDED BY COUNCIL MEMBERS ERICKSON AND CZECZOK, DULY CARRIED, TO APPROVE THE FINAL PAY REQUEST IN THE AMOUNT OF $64,572.

Approve Bids and Award Contract - Imp 24-08 - M Street Outfall Replacement Project

Committee Chair Erickson stated that staff is recommending selecting the low bid. The bid is the lowest in large part due to savings on mobilization.

MOVED AND SECONDED BY COUNCIL MEMBERS ERICKSON AND CZECZOK, DULY CARRIED, TO APPROVE THE BIDS AND AWARD OF THE CONTRACT TO TRETTER EXCAVATING IN THE AMOUNT OF $116,141.

Authorize South Brainerd Sewer Study

Committee Chair Erickson stated that the study will focus on South Brainerd sanitary sewer regarding whether the sanitary sewer could handle large developments in the area if and when they are proposed.

MOVED AND SECONDED BY COUNCIL MEMBERS ERICKSON AND CZECZOK, DULY CARRIED, TO APPROVE THE PROPOSAL FROM SEH FOR THE SANITARY SEWER STUDY IN THE AMOUNT OF $15,710.

Approve 10-Year CIP (2026-2035)

Committee Chair Erickson stated that staff recommended $50,000 annually for a sewer lining program, the committee felt $100,000 would help the City achieve its goal.

Member Czeczok stated that he requests the Council approve the additional money recommended by the committee. The funding for any lining costs will come from the sanitary sewer rates. He would like to see the sanitary sewer rates be reevaluated and more information provided about where the need is for lining.

Member Johnson asked about the construction plan funding. There is about $1.5 million per year proposed to come out of the construction fund. He asked whether the plan is on schedule financially with the amount of debt coupled with the amount levied for the construction fund and whether there would be a significant increase in the debt levy.

Finance Director Hillman stated that the Council will likely see a large increase in 2025 as there are many projects going on. However, the plan does provide for a static $2 million in bonding year over year.

Chair O'Day asked about the lining program whether planning $100,000 each year would help the City to catch up in regards to sewer collapses.

City Engineer Dehn stated that the impact varies, depending on the line. He believes that over time coupled with reconstruction projects, that conducting sewer lining would help the City better maintain sewer lines and catch up.

MOVED AND SECONDED BY COUNCIL MEMBERS ERICKSON AND CZECZOK, DULY CARRIED, TO APPROVE THE DRAFT 10-YEAR CAPITAL IMPROVEMENT PLAN WITH $100,000 DESIGNATED TO ANNUAL SEWER LINING PROGRAM.

MOVED AND SECONDED BY COUNCIL MEMBERS CZECZOK AND ERICKSON, DULY CARRIED, TO DIRECT STAFF TO PROVIDE MORE INFORMATION ON THE USE OF SANITARY SEWER FUNDS AND WHERE THEY ARE MOST NEEDED.

Direction on Active Code Enforcement

MOVED AND SECONDED BY COUNCIL MEMBERS ERICKSON AND CZECZOK, DULY CARRIED, TO FINE THE PROPERTY AT 523 GROVE STREET $300 CITATION EVERY MONTH UNTIL THE STRUCTURE IS COMPLIANT.

Personnel and Finance Committee

Approve 2025 Fire Department Relief Association Annual Report

Committee Chair Johnson stated that with the increase in level of benefit, the Relief Association is still funded at 107%.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND STUNEK, DULY CARRIED, TO AUTHORIZE STAFF TO SIGN THE ANNUAL REPORTS AND INCREASE LEVEL OF BENEFIT TO $16,750 PER YEAR OF SERVICE.

Authorize Sale of Retired Police Squad #432.

Committee Chair Johnson stated this is one of two squads that the City still owns, all other squads are a part of the lease program.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND BEVANS, DULY CARRIED, TO AUTHORIZE THE SALE OF RETIRED POLICE SQUAD #432 UTILIZING ENTERPRISE FLEET MANAGEMENT.

Consider Requesting 2026 Health Insurance Proposals

Committee Chair Johnson stated that there is some risk of going out for proposals as the City is leaving the guaranteed rate cap of 15%. The loss ratio for the City is at 76% for the last 12 months, which should provide a favorable outcome in going out for proposals.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND STUNEK, DULY CARRIED, TO AUTHORIZE NORTH RISK PARTNERS AND STAFF TO CONDUCT AN RFP FOR OUR 2026 HEALTH INSURANCE POLICY.

Discuss the Purchase of Perform and NextRequest Software

Committee Chair Johnson stated that the committee wants to ensure that the City is not doubling up on software and then discuss Perform and NextRequest once more is known about the City's current software.

Member Czeczok asked whether there are a significant number of duplicate data requests where the same data is being requested.

Administrative Assistant Toni Gage stated that City Hall has been tracking requests since the end of 2023, and the Police Department has always tracked requests. As far as data requests that are tracked at City Hall, there are an insignificant number of data requests that are made for similar content.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND BEVANS, DULY CARRIED, TO DIRECT STAFF TO PROVIDE CITY COUNCIL WITH A COMPREHENSIVE LIST OF ALL OF THE SOFTWARE THAT THE CITY IS SUBSCRIBED TO AND THEIR UTILIZATION.

Discussion of Annual Budget Timeline and Set Workshop

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND STUNEK, DULY CARRIED, TO SET A COUNCIL WORKSHOP FOR MONDAY, AUGUST 25TH AT 6:00 P.M. IN THE COUNCIL CHAMBERS.

Unfinished Business

Call for Applicants – Informational:

Mayor Recommended: (terms to expire on 12/31 of said year)
Charter Commission – **2 terms** (Expire 2025) **2 terms** (Expire 2026)
Library Board-- **1 term** (Expire 2027)
Public Utilities Commission—**1 term** (Expire 2028)
Transportation Advisory Committee- **2 terms** (Expire 2025) **1 term** (Expire 2026)
Council President Recommended: (terms expire on 12/31 of said year)
Planning Commission- 1 term (Expire 2027)
Water Tower Committee—**2 terms**

Approve Payment Breakdown for Water and Sewer Extension to Country Manor Project

Public Works Director Habighorst stated that Country Manor has indicated that the project cost to extend the water and sewer lines to the as built plans for their project is $56,000. In an effort to make sure the cost of the additional work is not split 50/50 staff is requesting direction to appropriately track sewer and water costs so that the cost for each utility is shared fairly.

Member Johnson stated that the City Engineer should look at past construction projects and base the decision on a typical project breakdown cost.

Member Czeczok stated that he told the Public Utilities Commission that he would ensure that the cost of the project is shared appropriately. If the City is going to suggest paying all or part of the cost, it should be appropriate.

Chair O'Day asked about evaluating the project based on past projects.

City Engineer Dehn stated that staff can put something together as a point of reference. He stated that a lot of the cost is associated with the cost of remediating the street. Comparing and tracking these expenses for their engineer would be difficult due to how the proposal was framed.

MOVED AND SECONDED BY COUNCIL MEMBERS CZECZOK AND JOHNSON, DULY CARRIED, TO DIRECT STAFF TO TRACK AND DIFFERENTIATE BETWEEN WATER AND SANITARY SEWER COSTS ON THE PROJECT AND MAKE SURE THEY ARE APPROPRIATELY APPLIED.

Public Hearing and Adopt Resolution Approving Reapportionment of Assessment - Beaver Dam Road

City Engineer Dehn gave an overview of the reapportionment.

The Chair opened the public hearing at 8:33 p.m.

Debra Lind, 7986 Island Rd, Eden Prairie, stated that she is the trustee for the Kenneth R Lind Revocable Trust. She stated that the property has been on the market for two years, there was an offer accepted which was to close on June 30th. The buyer backed out of the purchase prior to the closing. The property has about $163,000 of assessments. She is requesting that the City provide her with documentation that states that the deferral remains until the property is subdivided.

The Chair closed the public hearing at 8:34 p.m.

Chair O'Day asked for clarification on the deferral, whether if the property were to remain whole, the deferral would ever need to be paid.

City Engineer Dehn stated that the assessment will remain deferred until the property is subdivided by plat of a portion up to 50% of the original parcel.

Member Bevans asked if assessments are typically paid upon sale.

City Engineer Dehn stated that the balance of assessments for other reconstruction projects is typically paid upon sale of property. The Beaver Dam reconstruction assessment resolution specifically stated that the assessment would be deferred until subdivided by plat. For all current and future projects the assessment balance is due upon sale. If this particular property is subdivided by plat, the owner would need to make a request to the City Council to pay the assessment over time as Country Manor did.

Member Bevans does not like the fact that the assessment is deferred, but that is the deal that was made.

MOVED AND SECONDED BY COUNCIL MEMBERS BEVANS AND CZECZOK TO ADOPT RESOLUTION THAT REAPPORTIONS THE ASSESSMENT ON THE TWO PROPERTIES 41330756 AND 41330757 ACCORDINGLY; FURTHER, TO NOTE THAT THE ASSESSMENT ON THE PROPERTY WILL BE DEFERRED PURSUANT TO MINNESOTA

STATUTES 429.061, SUBD 2 AND THE ASSESSMENT WILL REMAIN DEFERRED UNTIL THE PROPERTY IS SUBDIVIDED BY PLAT.

RESOLUTION 57:25

Upon roll call, Council Members Johnson, Stunek, Yeager, Erickson, Bevans, Czeczok, and O'Day voted "aye". No member voted "nay". The Chair declared the motion carried.

Consider Development Agreement with St. Francis

City Engineer Dehn gave an overview of the development agreement with St. Francis.

Member Czeczok asked whether the Ivy Street diagonal parking will be public parking maintained by St. Francis. He also asked whether any of these spaces will be designated as handicap parking.

City Engineer Dehn stated that the Ivy Street parking is being treated as a private improvement in the public right of way. St. Francis will be responsible for striping and maintaining signage approved by the City along the street. The public will be able to utilize the spaces with oversight from St. Francis. The spaces will likely not be handicapped accessible as it is difficult to adhere to ADA standards with diagonal on-street parking and it also wouldn't be a practical spot for accessible stalls.

Member O'Day asked about maintenance of a vacated street. As the street is now vacated, he questioned whether the City would continue to maintain the street by plowing and filling potholes. He didn't see any details in the agreement. He is concerned about the timetable for closing the street and the street not being maintained.

Member Johnson clarified that the street must be removed within one year of closing or blocking off the street.

City Engineer Dehn stated that the City and St. Francis could draft a separate maintenance agreement. The City will likely continue plowing the street just for continuity. He clarified the intent of the requirement to remove the street once it is blocked off is an expectation for execution. Vacating a street is not street closure.

Member Bevans referenced Ivy Street near the hospital stating that the street is vacated and deteriorating because they don't intend to develop any time soon. He is concerned about vacating streets and not giving a timeline for removal.

Community Development Director Kramvik stated that a five-to-ten-year timeline for the project is likely. The Church will focus first on the rectory and fundraising.

Member Bevans requested that the City Council add a provision to the agreement that would require the portion of North 9th St be maintained while it remains open, and that St. Francis has a period of up to five years to close the street.

Father Garry, St. Francis, stated that a five-year timeline is manageable and the goal is to have the street removed within two years.

City Attorney Representative Sullivan requested that the Council direct staff to work with the City Attorney to draft language and return at a future meeting for final approval by the City Council. The Council is looking at highlights of the agreement and changing the terms of the agreement on the fly is not suggested.

Member Bevans clarified his motion to direct staff to work with the City Attorney on the language regarding the timeline of the project in the agreement and bring it back to Council for final approval.

MOVED AND SECONED BY COUNCIL MEMBERS BEVANS AND STUNEK TO DIRECT STAFF TO WORK WITH THE CITY ATTORNEY TO DRAFT THE AGREEMENT TO INCLUDE LANGUAGE THAT WOULD REQUIRE THE STREET TO BE MAINTAINED AND OPEN FOR A PERIOD OF NO MORE THAN FIVE YEARS AND RETURN THE AGREEMENT TO THE CITY COUNCIL FOR FINAL APPROVAL.

Council Members Johnson, Stunek, Erickson, Bevans, Czeczok, and O'Day voted "aye". Member Yeager voted "nay". The Chair declared the motion carried.

Consider a Resolution Stating City Council's Interpretation of Chapter 5 (Public Utilities Commission), Section 4 of the Brainerd City Charter

Administrator Broyles stated that staff were directed to draft a resolution stating the City Council's interpretation of Chapter 5 of the Charter. The resolution was vetted by the City Attorney, who is online if the Council has any questions. Staff is asking Council to consider the resolution, consider directing staff to convene the Charter Commission, and consider the updating the job description for the Public Utilities Director.

Member Czeczok requested that Council add "exclusive" to the operation authority that the Public Utility Commission holds. He stated that exclusive is a more definitive word, and he wants to ensure that the Public Utilities Commission has exclusive operational authority over the public utilities.

City Attorney Representative Sullivan stated that the rest of the Charter would need to be reviewed before adding "exclusive" to this section of the resolution to ensure that language is consistent.

Member Johnson stated that he doesn't support "exclusive" as an addition to the resolution. He doesn't even like that the resolution states that it has operational authority over BPU. In the charter, the Commission has operational authority over the plants and the pipes. He doesn't like the resolution but will support it so that the process to hire a Public Utility Director can continue.

Member O'Day stated that "operations" is a part of the ambiguity in the Charter.

MOVED AND SECONDED BY COUNCIL MEMBERS CZECZOK AND BEVANS TO ADOPT RESOLUTION STATING THE CITY COUNCIL'S INTERPRETATION OF CHAPTER 5.

RESOLUTION 58:25

Upon roll call, Council Members Johnson, Stunek, Yeager, Erickson, Bevans, Czeczok, and O'Day voted "aye". No member voted "nay". The Chair declared the motion carried.

Administrator Broyles stated that the Charter Commission will meet to discuss Chapter 5, Section 4, the authority over sanitary sewer lines, and any other issues the Charter Commission deems necessary for review.

MOVED AND SECONDED BY COUCNIL MEMBERS CZECZOK AND BEVANS, DULY CARRIED, TO CONVENE THE CHARTER COMMISSION TO REVIEW CHAPTER 5 AND ANY OTHER APPLICABLE AREAS OF THE CHARTER.

MOVED AND SECONDED BY COUNCIL MEMBERS CZECZOK AND JOHNSON, DULY CARRIED, TO DIRECT STAFF TO MODIFY THE PUBLIC UTILITIES DIRECTOR JOB DESCRIPTION AND PRESENT THE REVISED JOB DESCRIPTION AT THE AUGUST 18TH MEETING.

New Business

Consider Conditional Use Permit to Allow for the Construction of a Fellowship Hall (Worship Center) - NW 3rd Street PID 41040783

Community Development Director Kramvik gave an overview of the permit request.

MOVED AND SECONDED BY COUNCIL MEMBERS CZECZOK AND BEVANS TO APPROVE THE CONDITIONAL USE PERMIT REQUEST FOR PARCEL 41040783 TO CONSTRUCT A FELLOWSHIP HALL.

Council Members Stunek, Yeager, Erickson, Bevans, and Czeczok voted “aye”. Member Johnson voted “nay”. The Chair declared the motion carried.

Consider Variance Request to Allow for a 6' Fence to be Installed in Front Yard - 14721 Riverside Dr

Community Development Director Kramvik gave an overview of the variance request.

Member Yeager asked how the front and side yard for this property were determined.

Community Development Director Kramvik stated that corner properties could be considered to have two front yards.

Member Czeczok questioned how the City will know that the owner worked with Crow Wing County.

Community Development Director Kramvik stated that staff will check with Crow Wing County previous to issuing the fence permit.

Mayor Badeaux stated that he doesn’t want the goal of this variance to be that everyone will apply for six foot fences just because the residential road is busy. This is a specific and unique situation.

MOVED AND SECONDED BY COUNCIL MEMBERS CZECZOK AND BEVANS, DULY CARRIED, TO APPROVE THE VARIANCE REQUEST WITH THE CONDITION OF WORKING WITH THE CWC HIGHWAY DEPARTMENT PRIOR TO INSTALLATION.

Consider Conditional Use Permit for a Fire Hall Addition and Variance Request for Impervious Surface and Bluff Setbacks - 23 Laurel St Brainerd Fire Department

Community Development Director Kramvik gave an overview of the variance request.

Mayor Badeaux asked staff to consider adding a sidewalk all the way to Laurel Street along East River Road when building plans are being considered. It would be great to continue a walking path that already exists on the south side of East River Road.

MOVED AND SECONDED BY COUNCIL MEMBERS STUNEK AND BEVANS, DULY CARRIED, TO APPROVE THE CONDITIONAL USE AND VARIANCE REQUESTS FOR 23

LAUREL STREET FOR AN ADDITION TO THE BRAINERD FIRE HALL; FURTHER TO IMPLEMENT CONSTRUCTION TIME NOISE RESTRICTIONS.

First Reading - Proposed Ordinance 1591 to Amend Section 515-3 Allowed Uses; Appendix A Table of Uses

Community Development Director Kramvik gave an overview of the ordinance.

MOVED AND SECONDED BY COUNCIL MEMBERS BEVANS AND CZECZOK, DULY CARRIED, TO CONDUCT THE FIRST READING OF ORDINANCE 1591 AND DISPENSE WITH THE ACTUAL READING.

Conditional Approval of LoonFest

Public Works Director Habighorst gave an overview of the event and conditions for approval.

Chief Davis stated that Deputy Chief Runde sent updates to Public Works Director Habighorst regarding police presence.

Member Erickson asked about positioning of speakers concerning noise.

Member Czeczok asked about the entertainment.

Member Yeager asked about the Park Board approval stating he is concerned about the damage to the field and who is responsible for managing the event.

Ron Beattie and Devon Walstead, Event Organizers, answered Council's questions and provided the event plan to the City Council. Mr. Walstead's staff will be conducting cleanup.

Public Works Director Habighorst stated that the organizer and the City will do a walk through before and after the event. The organizers will be responsible for any damage. The City Attorney is still reviewing the event approval conditions.

MOVED AND SECONDED BY COUNCIL MEMBERS CZECZOK AND JOHNSON, DULY CARRID, TO APPROVE THE EVENT WITH CONDITIONS AND PROVIDE COMPLETED DOCUMENTATION THAT MUST BE SUBMITTED BY AUGUST 11, 2025.

Discussion of the Crow Wing County Airport Letter (added item)

MOVED AND SECONDED BY COUNCIL MEMBERS CZECZOK AND JOHNSON, DULY CARRIED, TO DIRECT STAFF TO DRAFT A LETTER TO THE COUNTY THANKING THEM FOR ADDRESSING THE AIRPORT LEVY CONCERNS OF THE CITY OF BRAINERD.

Staff Reports

Public Works Director Habighorst stated that the Transit app is now available, the City is working through ironing out details with the software company.

Community Development Director Kramvik stated that 614 Front Street has applied for building permits to repair structural damage it sustained from the recent fire.

City Engineer Dehn stated that the detour has gone in place for the South 6th Street and Willow roundabout. He requested that citizens take care through the detour as it is in a residential area.

Mayor's Report

Mayor Badeaux stated that the Police versus Fire Softball Showdown took place at Mills Field. The Police Department was once again victorious. Movies in the Park will show Jumanji on August 8^{th} and Cars on August 15^{th}. If there is rain on either night, the movie will be shown on Saturday.

Council Member Reports

Member Czeczok stated that he read in the Fire Chief's report the game was mentioned by the report didn't mention that the Police's bats were "on fire" at the game. He thanked Administrator Broyles for how he took care of the Front Street fire.

Member Bevans stated that the First Lutheran Church National Night Out will be on August 5^{th} on Norwood Street between 7^{th} and 8^{th} Street at 5:30 p.m. The Lakes Area Music Festival will hold it's free concert at Lyman P. White on August 6^{th} at 7:30 p.m.

Member Yeager thanked the Council for taking the time to hear the Airport Commission's presentation.

Member Johnson stated that at the Arbitration with the Teamsters, the City's lawyer presented our case very well, the Arbitrator has 60 days to present their ruling.

Adjourn

MOVED AND SECONDED BY COUNCIL MEMBERS STUNEK AND ERICKSON, DULY CARRIED, TO ADJOURN THE MEETING.

The Chair adjourned the meeting at 9:40 p.m.

Nicholas W. Broyles
City Administrator