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.

MOVED AND SECONDED BY COUNCIL MEMBERS CZECZOK AND YEAGER, DULY CARRIED, TO APPROVE THE AGENDA.

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

A. **Approval of Bills**
B. **Approval of Minutes**
C. **Department Activity Reports**
D. **Approve MN Lawful Gambling Application Submitted by Lakes Area Habitat for Humanity for an Event to be held on October 30, 2025, at 415 8th Ave NE**
E. **Approve Event/Street Closure Application- First Lutheran Rally Sunday**
F. **Approve Event/Street Closure Application- Fire Department Open House**
G. **Approve Event/Street Closure Application- BHS Homecoming Parade**
H. **Accept CSO Jackson Flett's Resignation Effective August 28, 2025, and Authorize Staff to Backfill the Position**
I. **Accept Retirement of Billing Representative Kelly Dean Effective August 29, 2025**
J. **Accept Resignation of Wastewater Operator Eric Klein Effective September 19, 2025**
K. **Accept Resignation of Firefighter Anthony Moberg effective September 30, 2025**

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.

Council Committee Reports

Personnel and Finance Committee

Accept 2026 Long-Term Disability and Ancillary Benefits Proposals

Committee Chair Johnson stated that overall this proposal will save the City and HRA $1,676 per year based on 2025 data.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND STUNEK, DULY CARRIED, TO ACCEPT THE LONG-TERM DISABILITY INSURANCE PROPOSAL FROM MADISON NATIONAL EFFECTIVE JANUARY 1, 2026, AT $.135 PER $100 OF PAYROLL; FURTHER TO ACCEPT METLIFE'S DENTAL, ACCIDENT, CRITICAL ILLNESS AND HOSPITAL PLAN PROPOSALS EFFECTIVE JANUARY 1, 2026.

Approve Change Order- Library Project HVAC

Committee Chair Johnson stated that in 2025 the City Council increased the Library levy by 2% and approved a $400,000 capital project for the Library. The HVAC systems were creating a humidity issue. This change order will fix that. He hopes everyone will support the Library.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND BEVANS, DULY CARRIED, TO APPROVE CHANGE ORDER FOR AN ADDITIONAL $1,651; MAKING THE COMPLETE HVAC CHANGE ORDER REQUEST TOTALING $8,386.

Adopt Resolution Relating to Finance Transferring Certain Funds to and From Bond Funds 315 and 317

Committee Chair Johnson stated that there are bond funds that need to be closed out. The net positive balance will be moved to the Capital Equipment and Facility Fund.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND STUNEK TO ADOPT RESOLUTION RELATING TO FINANCE TRANSFERRING CERTAIN FUNDS TO AND FROM BOND FUNDS.

RESOLUTION 60:25

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.

Discussion of HRA 2026 Levy Request

Committee Chair Johnson asked Member Yeager to guide discussion.

Member Yeager stated that there was robust discussion regarding the levy at the HRA Board meeting. One of the large drivers for the 2026 levy request is personnel costs.

Member Czeczok asked for clarification on the increase.

Chair O'Day asked for clarification about "other income".

HRA Executive Director Charpentier stated that wage and benefits is something that the HRA continues to battle with in consideration of peer groups. The increase would decrease the peer gap to about 10%. The other driver for the increase is funding housing projects in the City. The "other income" reflects a reduction in the number of rehab projects the HRA is proposing for 2026. The income decrease is also a decrease in the expenditure for the same reason.

Member Bevans asked about the increase, considering only 12% of the increase is for salaries he questioned the purpose of the other 19% of the increase and the cash balance of the HRA.

HRA Executive Director Charpentier stated that the HRA historically reserves eight months of operations.

MOVED AND SECONDED BY COUNCIL MEMBERS CZECZOK AND ERICKSON TO TABLE THE DISCUSSION OF THE HRA 2026 LEVY REQUEST TO SEPTEMBER 15TH, 2025 AT 7:30 P.M. TO ENABLE STAFF TO PROVIDE MORE INFORMATION.

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

Discussion of Library 2026 Levy Request

Committee Chair Johnson stated that this is an increase of $3,056 (2%) to the Library levy over 2025. He stated that the request is not an unfair request. However, The Friends of the Library placed an ad in 2024 that did not specify it was targeting Crow Wing County stating that an increase has not been received for the Library. He stated that he voted no in committee because the ad discounted the City's increase to the Library levy in 2025.

Member Bevans quoted Member Johnson stating that "we hope everybody supports the Library". He understands the radio ads were concerning, but they really were targeted towards the County. The Library does a lot of good things. There is an increase in contribution to Kitchigami, and the Library is also dealing with increased personnel costs.

Member Czeczok stated that he agrees with Member Johnsons view. He asked about the amount spent on the advertisement.

Member Johnson stated that the Friends of the Library took out the ad, so the information is not public information.

Chair O'Day asked about the County's levy for the Library.

Member Johnson stated that the County levies the bare minimum, the City levies about 40% more than the bare minimum.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND STUNEK TO SET THE 2026 LIBRARY PRELIMINARY LEVY AT $155,840 AS REQUESTED.

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

Direction on PILOT Contribution from BPU

Committee Chair Johnson stated that the Committee is requesting more information from staff before a decision is made.

Member Czeczok thanked Administrator Broyles for sending the conversation with Finance Manager Loch. He requested that the spreadsheet also be sent out to Council Members. He is concerned that revenues and upcoming capital projects. He asked about the process in approving this policy.

Administrator Broyles stated that the policy could be updated by the City Council with or without the Commission's recommendation.

Attorney Langel will continue to research implementation.

Member Johnson stated that he hopes that the spreadsheet that will be sent out isn't something that will confuse people. The funds being discussed are from the electrical funds, not water or wastewater.

Safety and Public Works Committee

Approve Change Order #1 - Imp 21-13 - Beech/Oakridge Reconstruction Project

Committee Chair Erickson stated that the subcontractor for the contract needs to be replaced per MnDOT. Staff requested a proposal from Landwehr Construction to find a suitable and acceptable replacement subcontractor to perform on the bituminous paving portion of the work. Change Order and proposal from Landwehr Construction shows a requested unit price adjustment of $6.75 per ton increase to replace the subcontractor. The estimated total cost for this adjustment is $18,981, although the cost is based on the estimated tonnage of bituminous mix needed on the project.

Member Johnson asked about the percent increase by changing the subcontractor.

Public Works Director Habighorst stated that staff will form a response from Council Member questions and send via e-mail.

MOVED AND SECONDED BY COUNCIL MEMBERS ERICKSON AND CZECZOK, DULY CARRIED, TO APPROVE CHANGE ORDER #1 IN THE AMOUNT OF $18,981.

Approve Change Order #2 - Improvement 23-13 - TH 371B/Willow Street Roundabout Project

Committee Chair Erickson stated that Change Order and proposal from Landwehr Construction show a requested unit price adjustment of $21.32 per ton increase to replace the subcontractor. The estimated total cost for this adjustment is $29,123.12, although the cost is based on the estimated tonnage of bituminous mix needed on the project.

Member O'Day asked about the difference in the per-ton increase and difference between the projects.

Member Erickson stated that this adjustment was due to the project size.

Public Works Director Habighorst stated he will add this question to the response to be provided by staff.

Member Czeczok stated that this is a really unfortunate deal all around. There isn't much choice for the City.

Member Erickson stated that the Committee would like staff to review our contracts with contractors to further protect the City in these types of situations in the future.

Member Yeager stated that he questions whether the general contractor should be taking the issue to the sub-contractor instead of to the City.

Attorney Langel stated that the contract and statute are both factors on the impact of this project.

MOVED AND SECONDED BY COUNCIL MEMBERS ERICKSON AND CZECZOK, DULY CARRIED, TO APPROVE CHANGE ORDER #2 IN THE AMOUNT OF $29,124.

Approval of Agreement Between the City and Wolf Track Energy for Rotary Park Solar Project

Committee Chair Erickson stated that staff communicated that the company would like to make further changes to the contract before its final approval.

Public Works Director Habighorst stated that the company bid the project for half of the bond amount. The Public Utilities Commission and Park Board will need to approve the amended contract again prior to the Council's approval.

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**

New Business

Consider Variance Request for the Placement of a Garden Shed in the Front Yard - 722 Mississippi Dr

Community Development Director Kramvik gave an overview of the variance.

MOVED AND SECONDED BY COUNCIL MEMBERS CZECZOK AND YEAGER, DULY CARRIED, TO APPROVE THE VARIANCE REQUEST FOR THE CONSTRUCTION AND PLACEMENT OF A GARDEN SHED AT 722 MISSISSIPPI DRIVE AS PRESENTED.

Consider Variance Request to Expand a Non-Conformity (Side Yard Setback) for a Vertical Addition - 703 7th St N

Community Development Director Kramvik gave an overview of the variance.

MOVED AND SECONDED BY COUNCIL MEMBERS BEVANS AND YEAGER, DULY CARRIED, TO APPROVE THE VARIANCE REQUEST AT 703 7TH ST N TO EXPAND A NON-CONFORMING SIDE YARD SETBACK TO ALLOW FOR THE CONSTRUCTION OF A VERTICAL ADDITION TO THE HOME AS PRESENTED.

Staff Reports

Finance Director Hillman stated that our Worker's Comp Experience Mod for 2026 is estimated at .75. The current 2026 budget has a .9 experience mod for worker's compensation, With updating the experience mod, this is a reduction in expenditures of about $54,000 to the working funds or a .76% decrease in the proposed preliminary levy.

Public Works Director Habighorst stated that the transit consultant has finalized their recommendation. There will be a formal presentation to TAC and City Council.

Community Development Director Kramvik gave an overview of the EDA agenda for Thursday, September 4th.

Administrator Broyles stated that Charter Commission met on August 20th. The Charter Commission requested another meeting within thirty days to discuss specific language that will be drafted by the City Attorney.

Mayor's Report

Mayor Badeaux congratulated the Warrior Football team on their victory over Buffalo. He was disappointed that there were not booms when there was a touchdown.

Council Member Reports

Member Czeczok asked whether the Front Street Café is open. Transit dispatching system is really remarkable.

Members confirmed that Front Street Café is open.

Member Bevans emphasized the importance of the Charter Commission and encouraged the community to apply for the vacancies.

Member Yeager stated that he and Mr. Barrows met with the City and County in funding the Airport. The controlling document may be updated in the near future.

Member Johnson welcomed all students of Brainerd back to school. He stated that the meeting about the Airport was very productive. There is a willingness to talk about the ordinance that governs the Airport. Finally, he did the math on the change orders, Beech is an 8% increase and the roundabout was an 18% increase by changing subcontractors.

Member Erickson stated that he will attend Planning and the Region 5 meeting.

Chair O'Day stated that it is great to see the kids get back to school. He is hoping that the construction on the streets concludes so that we can get streets open and have less congestive traffic. He commented on the Safe Routes to School project at Lowell, he thinks it turned out great.

Adjourn

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

The Chair adjourned the meeting at 8:13 p.m.

Nicholas W. Broyles
City Administrator