

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: Bevans, Czeczok, Johnson, Stunek, Yeager, Erickson (virtually), and O'Day. Mayor Badeaux was also noted as present.

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

Member Johnson requested moving the Interim Use Permit for 1926 S 7<sup>th</sup> St below the presentations.

Member Czeczok requested to add an item to Safety and Public Works regarding parking on Front Street and removing the task manager from the consent calendar.

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

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

MOVED AND SECONDED BY COUNCIL MEMBERS CZECZOK AND BEVANS TO APPROVE THE CONSENT CALENDAR WITH THE REMOVAL OF THE TASK MANAGER.

**Approval of Bills**

Approved as on file in the Administrator's Office.

**Approval of Minutes**

Approved March 16, 2026 and March 26, 2026 minutes as presented.

**Department Activity Reports**

Approved reports as presented.

**Hiring - Summer Temporary Employees**

Approved the hiring of the 2026 Summer Temporary employees as presented.

**Promotion - Sergeant Derek Pallansch to Deputy Police Chief**

Approved the promotion of Derek Pallansch to Deputy Police Chief effective May 1, 2026, at Step 5 of the Deputy Police Chief Wage Grid (\$59.35 per hour); to approve the updated Sergeant job description as presented; and to authorize Staff to begin the internal hiring process to backfill the Sergeant position.

**Designation of Excess Utility Department First Aid Supplies and Authorize Sale of Surplus Items**

Deemed deem these excess first aid supplies as surplus and authorize their sale in accordance with applicable Minnesota Statutes governing the disposal of municipal property.

**MN Lawful Gambling Application - American Legion**

Approved MN Lawful Gambling Application to Conduct Offsite Gambling Submitted by the Brainerd American Legion for an Event to be held on May 6, 2026 at 1115 Wright Street.

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

**Task Manager**

Member Czeczok asked to have the request to Baxter for either the letter or council minutes referencing the Wastewater Treatment Facility property annexation that Member Bevans referenced at the 3/2/26 meeting added to the task manager.

MOVED AND SECONDED BY COUNCIL MEMBERS CZECZOK AND JOHNSON TO APPROVE THE TASK MANAGER WITH THE REQUEST TO ADD AN ADDITIONAL ITEM.

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

### **Public Forum**

The Chair opened the public forum at 7:34 p.m.

No one came forward.

The chair closed the public forum at 7:35 p.m.

### **Presentations**

#### **Camp Ripley Annual Update**

Colonel Fink, Camp Ripley Garrison Commander, gave the annual community brief for Camp Ripley.

Member Czeczok asked about morale after finding the downed airman and about the wildfire that recently affected camp.

Colonel Fink stated that morale is a personal matter and the wildfire origination is undetermined.

#### **Bridges of Hope**

Jana Shogren, Executive Director – Bridges of Hope, gave an overview of the Bridge on 7<sup>th</sup>'s commitment to strengthening the approach to positively impacting the lives of unhoused people by including partners and actively collaborating with law enforcement.

Bill Wear, Shelter Manager, outlined data on the guests of the shelter. The shelter provided 4435 nights of sleep, 53% of those stays were less than 30 days.

Samantha Barron, Program Director, gave a real-life story of guests of the shelter.

Member Czeczok thanked Ms. Shogren for her email responses. He stated that there were previously a lot of pushbacks and negativity from the organization. He asked about the closest shelters to Brainerd and stated that due to geography the City is now a centralized location for homeless people. He stated that there were opinion pieces that stated that the City Council was inhumane and amoral. He asked about the hotel rooms made available through the grant provided by the State last summer. He asked about the amount of the grant, and whether she saw a correlation between passing the camping ordinance and the number sheltered.

Ms. Shogren stated that the service area of Bridge on 7<sup>th</sup> is Crow Wing County and surrounding communities. She cannot take responsibility for community members' statements. The hotel rooms were made available for the most vulnerable folks. Bridges of Hope was not involved in deciding who was served and who wasn't. They were only involved in staffing the hotel as they had experience in supervising individuals. She stated that the grant from the state is \$180,000 bi-annually. The shelter utilizes the grant by reimbursement per bed while it is open.

She cannot determine whether there is a direct correlation with the camping ordinance and the number of guests at the shelter. She stated that the number of guests has steadily increased year after year.

### **Interim Use Permit Amendment (IUP) – Year-Round Warming Shelter – 1926 S 7<sup>th</sup> Street**

Community Development Director Kramvik gave an overview of the interim use permit and conditions. The Planning Commission unanimously recommended the approval of the interim use permit.

Member Johnson thanked Chief Davis for all of the work he has done working with Bridges of Hope to put together an acceptable request. He asked Chief Davis how he feels about the proposed public safety plan and if it is sufficient to move forward.

Chief Davis stated that he was very clear about his concerns as far as a year-round shelter. Since that time, the organizations have worked closely with law enforcement to address concerns. The plan has not necessarily alleviated all his concerns, but the plan is reasonable enough to support a one year, year-round interim use permit.

Member Yeager asked whether ordinance 1521 allows for warming shelters, whether Bridges on 7<sup>th</sup> meets the definition of warming shelter as described in ordinance 1521, and whether they meet the requirements of ordinance 1521.

Community Development Director Kramvik confirmed that ordinance 1521 does allow for warming shelters, Bridges on 7<sup>th</sup> is meeting the definition of a warming shelter, and they meet all of the requirements.

Member Czeczok asked about the variation of 3-5 days the plan includes is for guests to seek services through Lighthouse Beginnings.

Chair O'Day stated that the goal is to have people working towards a solution, some people don't need to have three to five days to find a resolution.

Ms. Shogren stated that she agrees with Chair O'Day and stated that the range was to accommodate for the potential of multiple new guests on one day and allowing partners time to process their intake and pathways plan.

Member Czeczok asked about the term "disorderly manner". He also asked about the outdoor camping ordinance and whether anyone has been convicted for being in violation of the camping ordinance.

Chief Davis stated that there may not be strict definition of the term disorderly manner. However, the Police Chief will continually work with Bridges of Hope throughout the year and observing calls and responses would provide firsthand knowledge. If situations start to become alarming the department could bring the matter before Council. He stated that the department has dealt with several violations of the camping ordinance, but he is proud to say that they have worked with community partners in addressing the underlying issues and citations have not been issued. The department has been directing individuals to Bridges of Hope or the Crow Wing County response team.

Mayor Badeaux asked about the letter from the law firm of Bridges of Hope. He asked how quickly an interim use permit can be revoked.

Attorney Langel stated that there is flexibility with an interim use permit and the City has a process for revoking the permit.

Member Johnson commented that he would like to see the adhering to the pathways plan as a condition for approval. He commended Police Chief Davis & Jesse Jones from Lighthouse Beginnings for their work making the plan. Whether or not he trusts Bridges of Hope is irrelevant, he trusts Jesse Jones. If the Police Chief is happy and there are public safety components, then he agrees with the one-year permit.

Member Erickson commented that he appreciates the history provided by Bridges of Hope. At the time, he supported the seasonal shelter but still has concerns about creating a permanent culture of independence for at risk populations to come to Brainerd for services. The responses from the organization previously were indignant in the denial of the yearlong permit. He thanked Ms. Shogren and Police Chief Davis for their dedication to creating a plan and acknowledging the concerns of the Council. He does not think this could have moved forward without acknowledging and addressing concerns by residents, law enforcement, and the City Council.

Mayor Badeaux echoed the comments of Member Johnson of Lighthouse Beginnings. When people are honest about true outcomes and fight through a tough space, there can be progress. He asked Chief Davis whether prior to the camping ban, the situation was unstable. This is a service that has a great responsibility, the tough conversations weren't being had but now are with Bridges of Hope. From a city standpoint, there are safeguards with the IUP if situations arise.

Chief Davis stated that the situation was alarming. Since the camping ordinance has been in place the situation has improved.

Chair O'Day thanked all those who contributed to the plan before the Council. There wasn't structure during the day, which was the main concern. We have a duty to take care of our most vulnerable citizens.

MOVED AND SECONDED BY COUNCIL MEMBERS BEVANS AND STUNEK TO APPROVE THE APPROVE THE INTERIM USE PERMIT AMENDMENT CONTINGENT UPON THE FOLLOWING CONDITIONS: 1) INTERIM USE PERMIT SHALL EXPIRE ON APRIL 30TH, 2027 2) IF THE BRAINERD POLICE DEPARTMENT DETERMINES THAT THE FACILITY HAS BEEN USED IN A DISORDERLY MANNER OR IS NOT FOLLOWING THE PATHWAYS PLAN AS PRESENTED AND UPON THE RECOMMENDATION OF THE POLICE CHIEF, THE INTERIM USE PERMIT SHALL BE BROUGHT BEFORE THE CITY COUNCIL FOR REVIEW AND CONSIDERATION FOR SUSPENDING OR REVOKING THE PERMIT AT THE NEXT AVAILABLE CITY COUNCIL MEETING. 3) SHELTER STAFF SHALL PROVIDE A REPORT TO CITY COUNCIL EACH YEAR PRIOR TO SEPTEMBER 1ST.

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

## **Council Committee Reports**

### **Safety and Public Works Committee**

#### **Construction Contract and Bid - Nor-Son Construction for Fire Station Renovation**

Committee Chair Erickson stated that the original estimate was \$5.5 million. He asked Chief Holmes to give the high points of his presentation from the committee meeting.

Chief Holmes stated that the current project cost reflects necessary adjustments to the estimate are driven on the long-term usefulness of the station and mitigates further maintenance costs in the short-term. Addressing the needs of the station now is significantly more cost

effective than managing as a separate project. There has been an 8% increase in steel and 20-30% increase in copper as of the beginning of 2026. He remains diligent looking for funding opportunities.

Public Utilities Director Sandy stated that construction prices are very volatile, especially those with petroleum products. The pressures are seen in this bid cost. There is no end in sight. In working with Chief Holmes, he believes that they have done a great job trying to reduce the cost.

Member Czczok stated that the committee couldn't discuss this item fully. He believes that items like these should be presented to the full Council to avoid repetition.

Member Johnson stated that he opposes the contract based on two factors. One, \$5.5 million dollars was not the estimate, it was the budgeted amount. Adding half a million dollars to the budget that isn't planned for isn't a small thing. Two, he doesn't know if it's legal to add or remove items after a bid.

Member Yeager stated he had questions about deferred maintenance and when that maintenance would have been done. He doesn't like rolling a bunch of deferred maintenance in when there is a capital plan. He also asked about long-term warranty on shiny objects. It will cost about \$160,000 per year to do the maintenance on the objects in the long term.

Member Erickson stated that he understands this is not insignificant dollar amounts. However, he sees the value in renovating the current station. He sees the "shiny objects" as really nuts and bolts items. He asked Finance Director Hillman to clarify bonding details.

Finance Director Hillman stated the station was in the budget for \$5.5 million, but the City needed to be under contract with Widseth in order to get a better estimate. The City was planning on issuing bonding about \$5,160,000 and use some cash on hand. The cost of issuance would need to be added to this amount. The rough estimate came in very high and has come down considerably. The City is now looking at bonding about \$5,654,238.

Chair O'Day asked how much this would change the levy.

Finance Director Hillman stated that she hasn't figured that out completely. Assumptions could be made from the YMCA request. Assuming the City would authorize using the rent amount charged to the service area, and that the bonds would be for 20 years, estimated at 4-5% in the levy.

Member Czczok stated that changing the bid after solicitation is concerning to him. He stated he would have appreciated seeing the e-mail Finance Director Hillman sent to Member Erickson. He stated that the Council all agreed at the retreat at the Library that the Fire Station was a priority and now here we sit with questions that should have been addressed before now.

Mayor Badeaux stated that he loves the Fire Department, however, he will push back on the substantial increase to the budget as he would with any other department.

Member Bevans stated that he can't agree more with everything other Members have said, but if the City doesn't do this today it will cost more tomorrow.

Member Stunek told a story about saving the City money the wrong way that he saw while serving 43 years in the Fire Department. The Council cannot keep kicking the can down the road for someone else to fix the right way.

Member Erickson stated that Member Johnson brings up a good point with the bidding. The gordian process was used. He asked if that process allows certain changes to scope.

Engineer Dehn stated that the process is not uncommon in the area. The process works with a set value of costs, identifying the items needed, and they put the contract together based on those figures.

Chair O'Day stated that maybe if the city had used a different process, it would have been a more manageable amount. He reminded the Council that this Fire Station is within the city limits unlike options the Chief provided for stations in Baxter.

Member Yeager asked about reducing the scope of work.

Chief Holmes stated that there may be more value engineering abilities. However, they don't want to not do something that will need to be done in three to five years just to reduce the contract now.

Member Johnson commended the Fire Department for including everything it needs and is aware that the prices go up every year. However, the Council needs to hold its departments accountable to the budget.

Member Czczok asked Member Johnson what he would propose if the contract isn't accepted.

Member Johnson stated that he would expect that the contract be reviewed more to bring the cost into budget.

MOVED AND SECONDED BY COUNCIL MEMBERS ERICKSON AND CZECZOK TO APPROVE THE CONSTRUCTION CONTRACT WITH NOR-SON CONSTRUCTION AND APPROVE TOTAL PROJECT COST OF \$5,994,282.76.

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

### **Review Classification - Non-Conservation Tax Forfeit Parcels**

Committee Chair Erickson gave an overview of the properties. Staff is recommending maintaining PID41250756 due to municipal utilities being present within the parcel. The City can concur with the non-conservation status later.

Member Yeager stated that the main is a site condition. He questioned why the City would retain one of the properties just due to the utility.

MOVED AND SECONDED BY COUNCIL MEMBERS ERICKSON AND CZECZOK TO CONCUR WITH THE NON-CONSERVATION OF PARCEL 41241606 SO IT MAY BE PLACED ON THE COUNTY TAX FORFEIT LAND SALE AND DISAPPROVE WITH THE CLASSIFICATION OF NON-CONSERVATION FOR PARCEL 41250756 DUE TO THE PRESENCE OF MUNICIPAL UTILITIES WITHIN THE PARCEL.

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

### **Proposals - 2026 Sanitary CIPP Lining**

Committee Chair Erickson gave an overview of the proposals. There was \$100,000 budgeted for the project. Replacing these pipes would be very expensive and potentially impossible.

Member Johnson stated that as pointed out, the budget for the project is \$100,000. He asked if the bid alternate would have been presented if the project cost had been over \$100,000.

Chair Erickson stated that staff proposed the add. There are other manholes that will need the same repair and doing it at the same time of the repair will be more efficient.

Member Czczok asked about the cost of the add on. He also asked about the funds available in the sanitary sewer fund.

City Engineer Dehn stated that if you waited to do the add on it would be more and the City would be accessing private property twice. The cost for the lining was budgeted for in the sanitary budget. The lining projects are included in the current rate study.

Member Johnson asked for balance of the sanitary sewer fund. He further asked if the balance was above or below zero. He would guess below zero.

Finance Director Hillman stated that she could not provide the number off the top of her head.

Member Czczok stated that the City is constantly in arrears for sanitary sewer because they won't spend the money to fix things when a solution is available. He believes that not approving the bid alternate is kicking the can down the road for someone else to deal with.

MOVED AND SECONDED BY COUNCIL MEMBERS ERICKSON AND CZECZOK TO AWARD THE PROPOSAL FOR SANITARY CIPP LINING TO VEIT IN THE AMOUNT OF \$97,565 INCLUDING THE BID ALTERNATE FOR MANHOLE LINING IN THE AMOUNT OF \$14,400, TOTALING \$111,965.

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

### **Proposal - College Drive Guardrail Repair**

Committee Chair Erickson stated the guardrail on College Drive was recently struck and is in need of repair for safety.

Member Yeager stated that the bid excludes many services, staff has assured him that the City will not need to utilize the excluded services and the amount of the bid is final.

Chair O'Day asked about the driver paying for the liability.

City Engineer Dehn stated that the driver fled the scene, so the City is not able to file a claim against their insurance. The guardrail is now a safety hazard and a liability to the City.

Member Johnson asked which fund the cost would come out of.

City Engineer Dehn stated that the intention was to use the streets repair operating and maintenance line item.

MOVED AND SECONDED BY COUNCIL MEMBERS ERICKSON AND CZECZOK TO APPROVE THE PROPOSAL FROM ERICKSON INFRASTRUCTURE IN THE AMOUNT OF \$15,625 TO REPLACE THE COLLEGE DRIVE BRIDGE GUARDRAIL.

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

### **Vacant Building Fee - 224 N 5th Street**

Committee Chair Erickson gave an overview of the property. The Committee recommends taking no action. The property is to be sold this month and staff can work with the future property owner on the proposed pending assessment.

Community Development Director Kramvik stated that the property owner had the opportunity to speak at the public hearing to contest the assessments that are currently on the property. They did not speak at the hearing. The \$7,000 was assessed to the property in 2025 for pay year 2026. The new owners will have the opportunity to work with staff or contest the proposed pending assessment for 2026 at the public hearing which will be held this October. He stated that the assessment that is currently certified to the parcel will need to be paid at the time of closing for which the current owner and new owner need to agree upon who will pay it.

Member Yeager stated that he understands the current assessment against the property will be paid at the time of closing. He is open to the new owner working with staff to redevelop the property.

Member Johnson agreed with Member Yeager stating that Council has forgiven assessments in the past with other new property owners who have chosen to work with staff to improve the property.

MOVED AND SECONDED BY COUNCIL MEMBERS ERICKSON AND CZECZOK TO TAKE NO ACTION.

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

### **Proposal - Professional Services Agreement with SEH for the Development of City Standard Details and Specifications**

Committee Chair Erickson gave an overview of the agreement.

Public Utilities Director Sandy gave an overview of the benefits of the standard details and specifications document. He gave an example that it would have been helpful for the Kueper's project. It will reduce staff time and assist developers. The Public Utilities Commission has approved use of unbudgeted funds for the project. The payment for the agreement would be \$10,000 from the City Construction Fund, \$10,000 from the BPU Water Distribution Enterprise fund, \$10,000 from the City Sanitary Sewer Collection Enterprise Fund, \$5,000 from the City Stormwater Enterprise fund, and \$5,000 from the BPU Wastewater Lift Station / Forcemain Enterprise fund.

Member Johnson stated that this is one of the goals Paul stated he had in his job interview. He's glad to see the item so soon.

MOVED AND SECONDED BY COUNCIL MEMBERS ERICKSON AND CZECZOK TO APPROVE SEH'S PROPOSAL, IN AN AMOUNT NOT-TO-EXCEED \$40,000, AND AUTHORIZATION TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH SEH.

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

### **Event Application – American Legion (added item)**

Committee Chair Erickson gave an overview of the application. Four parking spaces will be closed in front of the American Legion each Thursday during the school year.

MOVED AND SECONDED BY COUNCIL MEMBERS ERICKSON AND CZECZOK TO APPROVE THE EVENT APPLICATION SUBMITTED BY THE AMERICAN LEGION.

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

### **Personnel and Finance Committee**

#### **Retirement - Business Office Supervisor Jana Pernula**

Committee Chair Johnson stated that Ms. Pernula has worked with the City for 32 years. They appreciate the early notice of her retirement so that staff can be onboarded and work with Ms. Pernula for a month before her retirement.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND STUNEK TO ACCEPT THE RETIREMENT OF BUSINESS OFFICE SUPERVISOR JANA PERNULA EFFECTIVE AUGUST 7, 2026; TO APPROVE THE UPDATED BUSINESS OFFICE SUPERVISOR JOB DESCRIPTION AS PRESENTED; AND TO AUTHORIZE STAFF TO CONDUCT AN EXTERNAL HIRING PROCESS TO BACKFILL THE POSITION.

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

#### **Resolution - Amendment to DLP Investments (Royal Tire) Redevelopment Agreement**

Committee Chair Johnson stated that Council previously directed staff to amend the redevelopment agreement. This resolution will do so.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND BEVANS TO ADOPT RESOLUTION APPROVING THE FIRST AMENDMENT TO CONTRACT FOR PRIVATE REDEVELOPMENT WITH DLP INVESTMENTS, LLC.

#### **RESOLUTION 24:26**

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

#### **Request for Parks Long-Term Maintenance Funds - Epoxy Floor Coatings**

Committee Chair Johnson stated that the Park Board is requesting the use of long-term maintenance funds to maintain the longevity of the floors.

Mayor Badeaux stated that this is for concessions which is a requirement to have epoxy floors, and bathrooms where it is needed to reduce the smell. There was potential for sponsors for the floors so they may not have to use the funds.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND STUNEK TO APPROVE \$14,786.60 FROM THE PARKS LONG-TERM MAINTENANCE FUNDS FOR THE EPOXY FLOOR COATING.

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

## **Unfinished Business**

### **Committee Resignation – Jeremy Powell from the Planning Commission and Declare Vacancy Expiring 2027**

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND STUNEK TO ACCEPT JEREMY POWELL'S RESIGNATION FROM THE PLANNING COMMISSION AND DECLARE VACANCY EXPIRING 2027.

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

#### **Call for Applicants – Informational:**

##### **Mayor Recommended: (terms to expire on 12/31 of said year)**

Charter Commission – 2 terms (Expire 2029) 2 terms (Expire 2026)

Economic Development Authority-- 1 term (Expire 2028) 1 term (Expire 2031)

Library Board-- 1 term (Expire 2027)

Transportation Advisory Committee- 1 term (Expire 2026) 2 terms (Expire 2027)

##### **Council President Recommended: (terms expire on 12/31 of said year)**

Airport Commission -- 1 term (Expire 2028)

Planning Commission—1 term (Expire 2027) 1 term (Expire 2028)

Water Tower Committee—2 terms

#### **YMCA Community Pool Funding**

Finance Director Hillman stated that at the February 17, 2026, council meeting, the Council authorized Staff to enter into agreement with Baker Tilly to perform a financial analysis for the proposed YMCA community pool. The City could finance the YMCA pool by issuing tax-exempt general obligation tax abatement bonds. Since there is not a revenue stream to offset the annual principal and interest payments, the total estimated annual debt payment would need to be part of the City's annual debt levy.

Chris Hogan, Municipal Advisor - Baker Tilly, gave an overview of the funding analysis. She noted that the cost of issuance is limited to 2% of the cost of the bonds as the YMCA is a 501(c)3.

Member Johnson asked what the impact would be on the tax rate. He was expecting to see the debt service and amortization schedule. He asked the assumed interest rates.

Ms. Hogan stated that she did not do a tax impact but did do a debt service financing estimate. She could come back to Council with the tax impact. Baker Tilly assumed current interest rates at 10, 15, and 20 years.

Shane Riffle, CEO - YMCA, stated that the number is large, but the opportunity is big for the City of Brainerd. He sees the new pool as if it were a new park. It is a generational investment which he believes will spur business development.

Member Czeczok stated that he really struggles with this decision, especially with discussions earlier in the meeting about being over budget. One thing about parks, is that in 2023 or 2024, the Council highly praised the Park Board for all the work put in to preserving our current parks. He asked what the citizens would have to do to show residency. He also asked the details of the aquatic center as the City has not seen specifics, if there are firm commitments on \$30-\$34 million that the Y is seeking, and asked whether 501(c)3 in Brainerd have the intention to do good work.

Mr. Riffle stated that they would utilize addresses to determine whether or not visitors live in the city. He gave the details of the aquatic center, activities, and other services. The \$30-\$34 million needed to complete the project has not been secured. He has submitted a grant to Sourcewell and there is a fundraising committee to secure the rest of the funds. He stated that he was surprised at the process that the Council would go through to contribute to this project. He is supportive of finding out more information. The monthly cost to each household would only be about \$4-\$6. He believes the community loves the YMCA.

Member Czczok stated that he loves the YMCA too, but he must look out for the taxpayers. He referenced Member Erickson's statement from a previous meeting regarding picking and choosing which 501(c)3 to support. He had heard this statement also in Charter Commission when they were discussing the arboretum. He questioned the \$52 million economic impact statements Mr. Riffle made. He stated that the letters of support from businesses that have been being received by Council Members have been from businesses outside of the city. We're talking about Brainerd taxpayers supporting the project. He asked multiple questions about whether there is a policy regarding transgender participants in locker rooms and activities.

Mr. Riffle stated that the future locker rooms will be private locker rooms and declined to answer Member Czczok's question about a policy on transgender participants.

Member Johnson stated that the speed of government may, in this case, be faster than the private sector. The City of Brainerd does not need to be the first on the board for this project. Once more funding sources are lined up, it's better determined what the discounts and opportunities for citizens would be, and what the building would look like, the City could further explore the funds. This is a sticker shock but the City should continue working with the YMCA to get details.

Member Yeager asked about conduit debt.

Mr. Riffle stated that conduit debt didn't seem like it would help. The YMCA needs an anchor partner. This is where the community can do something to make the lives better for its community members. He hopes to take the time to further explore the project.

Member Johnson stated that he supports the project, has sticker shock on the number, but there is no need for a yes or no tonight.

Member Bevans asked about timing.

Mr. Riffle stated that there is a timeline to get funding secured due to one of the funding sources or to submit for a referendum if needed.

Mayor Badeaux asked staff to research the timing of a referendum.

Member Erickson stated that he spent the earlier part of this meeting getting beat up over recommending guardrail repairs, cost overruns to sanitary sewers, and the fire station remodel project. He has a hard time justifying the cost of the YMCA project with the infrastructure and maintenance needs the City has. He thanked Mr. Riffle for reaching out to him they had a great conversation. He's glad to hear others talking about a referendum.

Chair O'Day stated that he supports continuing to explore possibilities for the project. It is a sticker shock especially with having the fire station renovation this year as well.

Member Czczok stated that he doesn't understand the term "sticker shock" here. The number Mr. Riffle has been proposing since the beginning has been \$4 million.

Member Bevans asked whether the YMCA pays property tax.

Mr. Riffle stated that they do not.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND STUNEK TO TAKE NO ACTION AT THIS TIME AND CONTINUE WORKING WITH THE YMCA.

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

### **Annexation Discussion — Riverside Drive**

Community Development Director Kramvik gave an overview of the next steps for the Orderly Annexation and the City's options.

City Engineer Dehn stated that the amount of the connection charge could be revisited to provide clarity to property owners who have been requesting the details.

Member Johnson stated that this is how he saw the original orderly annexation agreement working out. He thinks it is a good agreement. The City should go back to the County and explain the City's needs, they may have better understanding.

Chair O'Day stated that he understands that the connection charge is a limiting factor. He believes addressing the charge at some time is needed. When a property needs to connect to utilities, that's when they need to annex.

Member Czczok asked how this agreement changes the process that we have today.

Community Development Director Kramvik stated that currently if you are connected to municipal utilities, it is difficult to annex. If there is no orderly annexation agreement for the area, it presents considerable difficulty for the City and homeowner.

Member Erickson stated that he supports the option from a city standpoint. However, having heard from residents in the unorganized territory and his own neighbors he will not be supporting the motion.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND CZECZOK TO DIRECT STAFF TO AMEND THE ORDERLY ANNEXATION AGREEMENT (OAA) WITH THE FOLLOWING ANNEXATION ELIGIBILITY: PROPERTY OWNER INITIATED ANNEXATION. EACH SEPARATELY DEFINED "PARCEL" WITHIN THE OAA SHALL BECOME ELIGIBLE FOR ANNEXATION BY PROPERTY OWNER PETITION IF THE PARCEL ABUTS THE CITY'S MUNICIPAL BOUNDARY LINE. OR CITY INITIATED ANNEXATION. AT ANY TIME, THE CITY MAY INITIATE ANNEXATION OF A PARCEL OR PARCELS WITHIN THE OAA THAT ARE CONNECTED TO "PUBLIC UTILITIES".

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

### **New Business**

#### **Public Hearing and Resolution - 2026-2030 Capital Improvement Plan**

Finance Director Hillman stated that staff has been working on the spring bond issue. As part of the debt issue, the City plans on issuing CIP bonds for the fire station remodel. The final dollar amount for the bonds will be set at a separate meeting. A super majority is required to issue CIP bonds.

Chair O'Day opened the public hearing at 10:04 p.m.

No one came forward.

Chair O'Day closed the public hearing at 10:05 p.m.

Member Johnson asked about a timeline to adopt this. He stated that he will vote no, this would codify him approving the plan to overspend on the budget, when he already stated at this meeting to go back to the drawing board to see if costs can be under \$5.5 million for the renovation.

Finance Director Hillman stated that the public hearing needed to be held, the capital improvement plan needs to be adopted, and the resolution to provide approval for the issuance of bonds could be held off.

MOVED AND SECONDED BY COUNCIL MEMBERS CZECZOK AND BEVANS TO ADOPT 2026-2030 CAPITAL IMPROVEMENT PLAN.

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

Finance Director Hillman clarified that the City Council is not adopting the amount to be bonded. That will happen within the next thirty days.

MOVED AND SECONDED BY COUNCIL MEMBERS BEVANS AND CZECZOK TO ADOPT RESOLUTION ADOPTING THE CAPITAL IMPROVEMENT PLAN AND PROVIDING APPROVAL FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS THEREUNDER.

#### **RESOLUTION 25:26**

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

#### **Public Hearing and Resolution - Order Improvement and Order Preparation of Plans - 2026 Resurfacing Projects**

City Engineer Dehn stated that the City held an informational meeting on March 26<sup>th</sup>.

Chair O'Day opened the public hearing at 10:08 p.m.

Robert Morris, 416 Fairview Ln, wonders when the project will take place. The townhomes would like to resurface their driveway after the construction.

Steve Johnson, 2601 S 11<sup>th</sup> St, stated that the City should be paying for the improvement on south 11<sup>th</sup> street as the graders and plow trucks use it the most.

Bob Palmer, 1919 Birchridge Dr, asked about the project plans. He is in favor of Spruce Drive.

Chair O'Day closed the public hearing at 10:16 p.m.

MOVED AND SECONDED BY COUNCIL MEMBERS CZECZOK AND BEVANS TO ADOPT RESOLUTION WHICH ORDERS THE IMPROVEMENT AND PREPARATION OF THE PLANS FOR IMPROVEMENT 25-06 – BRAINERD RESURFACING.

#### **RESOLUTION 26:26**

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

**Conditional Use Permit Amendment - Dermatology Clinic 1410 & 1424 Thiesse Drive**

Community Development Director Kramvik gave an overview of the CUP allowing the applicant to exceed the maximum number of parking spaces.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND CZECZOK TO APPROVE THE CONDITIONAL USE PERMIT AMENDMENT THAT ALLOWS FOR 90 OFF-STREET PARKING SPACES AT 1410 & 1424 THIESSE DRIVE.

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

**Conditional Use Permit - Exceed Maximum Lot Size - 1017 Bluff Ave**

Community Development Director Kramvik gave an overview of the CUP to exceed the maximum lot size.

MOVED AND SECONDED BY COUNCIL MEMBERS BEVANS AND STUNEK TO APPROVE THE CONDITIONAL USE PERMIT AS PRESENTED THAT ALLOWS FOR THE CONSOLIDATION OF THREE LOTS WITH A TOTAL AREA OF 11,808 SF.

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

**Variance - Non-Conforming Side Yard Setback - 1513 Pennsylvania Ave.**

Community Development Director Kramvik gave an overview of the variance to replace an existing garage.

MOVED AND SECONDED BY COUNCIL MEMBERS BEVANS AND CZECZOK TO APPROVE THE VARIANCE REQUEST FOR THE CONSTRUCTION OF A 14' X 26' ACCESSORY STRUCTURE AT 1513 PENNSYLVANIA AVE WITH THE CONDITION THE APPLICANT INSTALL GUTTERS ON THE STRUCTURE DIRECTED AWAY FROM THE NEIGHBORING PROPERTY.

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

**Policy - Facility Use**

Administrator Broyles stated that to his knowledge the City doesn't currently have a public facility use policy. Facilities exist to conduct city business and to collaborate with partners and intergovernmental uses. Entities not associated with the City have had instances that have caused issues. The City Attorney has reviewed the policy.

Member Johnson stated that he wholly disagrees with the statement as to why City facilities exist. City facilities are built for the community.

Chair O'Day stated that he sees the point as there are liabilities with allowing certain groups and not others. He would like to see the policy come back to refine the needs of facilities and the community.

MOVED AND SECONDED BY COUNCIL MEMBERS CZECZOK AND JOHNSON TO BRING THE POLICY BACK WITH A REFINED SCOPE.

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

### **Staff Reports**

City Engineer Dehn stated that the Oak Street PMT met to discuss goals and desired objectives as well as planning stakeholder and public meetings. The Highway 210 meetings were held by MnDOT to answer questions about construction and detours. The details of the project are linked to the Engineering page on the website. There is work happening for the private utilities, they are prepping for a May 1 start.

Community Development Director Kramvik gave an overview of the Planning Commission workshop and the Planning Commission regular meeting agenda.

Public Utilities Director Sandy stated that the facility tours will be this week for the Wastewater and Water Distribution facility tours. He encouraged members to watch the lengthy Public Utilities Commission meeting.

### **Mayor's Report**

Mayor Badeaux stated that the meeting had a lot of really good business tonight. He thanked the staff for their hard work even though sometimes the Council needs to put the thumb down on the budget.

### **Council Member Reports**

Member Czeczok thanked everyone for the robust discussion tonight. He stated that he is getting fed up with the side discussions going on when people are talking.

Member Stunek stated that he encourages the Council to have an open mind to hold the Council Meetings at 6:00 or 6:30 p.m.

Member Yeager extended his deepest sympathies to the chair of the Airport Commission on the loss of his son.

### **Adjourn**

MOVED AND SECONDED BY COUNCIL MEMBERS STUNEK AND BEVANS, DULY CARRIED, TO ADJOURN TO CLOSED SESSION PER MN STATUTES 13D.05, SUB. 2(B) FOR PERLIMINARY CONSIDERATION OF ALLEGATIONS AGAINST AN INDIVIDUAL SUBJECT TO THE COUNCIL'S AUTHORITY.

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

The Chair adjourned the meeting to closed session at at 10:33 p.m.

The Council took a five-minute break prior to the closed session.

The Council went into closed session at 10:38 p.m.

The Chair reconvened the meeting at 11:11 p.m.

MOVED AND SECONDED BY COUNCIL MEMBERS BEVANS AND STUNEK TO  
ADJOURN THE MEETING TO THE UTILITY FACILITY TOURS ON APRIL 9, APRIL 10, AND  
APRIL 16.

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

The Chair adjourned the meeting at 11:11 p.m.



Nicholas W. Broyles  
City Administrator