

**BIG LAKE CITY COUNCIL
REGULAR MEETING MINUTES
JANUARY 21, 2026**

1. CALL TO ORDER

Mayor Paul Knier called the meeting to order at 6:30 p.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

3. ROLL CALL

Council Members present: Ken Geroux, Ken Halverson, Paul Knier, Kim Noding, and Paul Seefeld. Also present: City Administrator Hanna Klimmek, City Clerk Gina Wolbeck, Finance Director Deb Wegeleben, City Engineer Layne Otteson, Community Development Director Marie Popp, Acting Police Chief Sam Olson, and Big Lake Student Liaison Adelyn Gosewisch.

Mayor Knier gave an invocation to start the meeting off.

4. OPEN FORUM

Mayor Knier opened the Open Forum at 6:31 p.m.

Dave Nelson, 20473 Junegrass Drive – Introduced himself as the President of the Becker/Big Lake Ice Association. Nelson noted he isn't at the meeting to talk about hockey, he is here as a citizen of Big Lake and a parent. His family moved to Big Lake in 2017 believing it would be a great place to grow and raise their children. Since then he has coached multiple sports, served on youth sports association boards, attended school and city board meetings and participated in numerous community events. After 8 years here, one thing has remained the same, families who want the best for their kids are leaving, whether it is for better schools, better sports, or both. This city has so much potential, our parks are beautiful, the lakes are fantastic, and the small business owners are incredible people who care deeply about this community's success. Big Lake should be a place people want to move to, not away from. Currently, the Council plans to pass a \$35M Bond for City Hall, Police Station and Library, raising our taxes by 20% within two years without meaningful taxpayer input. He dislikes taxes as much as anyone, but he is far more willing to support them if they help our community thrive and if they strengthen local businesses, and help our kids grow

academically, physically and emotionally. If they give the community pride besides gas stations, banks, and storage units. He understands the importance of land value and infrastructure, but why can't we invest in a field house, ice arena, or a community center that includes these amenities, noting it probably wouldn't cost much more than the \$35M Bond being proposed. Nelson stated we don't need a Taj Mahal, we can do something that help's the city's future. This would benefit so many and it is sad it wasn't even considered or seriously looked into. Instead, we are going to overpay for something that isn't going to fix a major problem this city is facing. For those who oppose the taxes because they don't have kids or believe it doesn't affect them, he asked who paid for things in the community when they were kids. Whether we like it or not, that is how society works. Investing in the future benefits everyone. You don't just pay for what helps you, you pay for what helps your community grow. Big Lake is no longer a small town whether we like it or not. We either grow and succeed, or we keep applying bandaids and scraping by. Families who want excellence shouldn't be the ones who are leaving. Nelson noted he grew up in a city where sports teams went to state tournaments and families filled the stands whether they had children playing or not. It was something to be proud of. Ask your neighboring cities what that means to them. Sadly, some of their success comes from kids who live here but play elsewhere. Youth sports builds communities. Families move to cities for strong programs which increases school enrollment and strengthens education. Nelson stated this message is for everyone in the room and anyone who influences Big Lake's future, noting our priorities are misplaced. Right now this city strives for mediocrity which should never be the goal. Unless something changes, school enrollment will continue to decline, quality families will keep leaving, and Big Lake will remain stuck in a downward trend. We have businesses that are struggling to stay open. Right now is our opportunity to do something that will truly benefit the city's future. He asked the city to reconsider what they are doing. Our residents and business owners deserve better, and most of all our kids deserve better.

No one else came forward. Mayor Knier closed the Open Forum at 6:34 p.m.

5. PROPOSED AGENDA

Council Member Noding motioned to adopt the proposed Agenda as presented. Seconded by Council Member Geroux, unanimous ayes, Agenda adopted.

6. CONSENT AGENDA

Council Member Geroux motioned to approve the Consent agenda as presented. Seconded by Council Member Seefeld, unanimous ayes, Consent Agenda approved. The Consent Agenda consisted of: 6A. Approve List of Claims, 6B. Approve Council Workshop Minutes of December 10, 2025, 6C. Approve Regular Council Meeting Minutes of December 10, 2025, 6D. Approve Special Council Meeting Minutes of January 12, 2026, 6E. Approve City Computer, Social Media, and Device Policies, 6F. Approve 2026 AIS Watercraft Inspection Agreement with WaterGuards, LLC, 6G. Accept Resignation of Chief of Police

John Kaczmarek, 6H. Approve Lift Station No. 6 Quote from Total Control Systems, Inc., 6I. Approve 2026 Planning Commission and BLEDA Officer Appointments, 6J. Accept Project and Approve Final Payment for the 2024 Street and Utility Improvement Project No. ST2024-1, 6K. Approve Resolution No. 2026-02 Accepting 2025 Donations, and 6L. Approve Resolution No. 2026-03 approving the Cobblestone Second Addition Final Plat and Development Agreement.

7. BUSINESS

7A. Issuance and Sale of Big Lake Economic Development Authority (BLEDA) Lease Revenue Bonds, Series 2026A, and Authorize Execution and Delivery of a Lease Agreement with BLEDA

Tammy Omdahl from Northland Securities presented information on the issuance and sale of Big Lake Economic Development Authority Lease Revenue Bonds, Series 2026A. Proceeds from the Bonds will be used to finance the construction of a new municipal building to be used as a city hall, police facility and possibly a library, to be leased by the City of Big Lake from the Big Lake Economic Development Authority (EDA) and to pay costs associated with the issuance of the Bonds. Omdahl reviewed the finance plan, explaining the Bonds have been structured to result in lower payments of approximately \$1,873,000 over the first five years, followed by relatively level annual debt service payments of approximately \$2,793,000 over the remaining 20 years. The sole security will be from rental payments from the City to the EDA. Omdahl also reviewed the redemption period for the Bonds, noting the Bonds are callable on February 1, 2033. The EDA or the City may elect to refinance the Bonds prior to the call date by issuing taxable advance refunding bonds, all pursuant to statutory requirements. The EDA or the City may elect to refinance the Bonds by issuing tax exempt refunding bonds, all pursuant to statutory requirements, as early as 90 days prior to the call date or anytime thereafter. The Bonds were underwritten by Northland Securities, Inc. The S&P rating assigned its "AA-" to the Bonds and affirmed its "AA" rating on the City of Big Lake's general obligation debt outstanding. The S&P affirmation of the City's rating reflects their view of the combination of the City's ongoing maintenance of extremely strong available reserves, strong growth in the City's economic base, market value in particular, and the adoption of the most robust financial policies and practices, which reflects a "strong" Financial Management Assessment and very strong overall management. The final maturity date is February 1, 2052.

Mayor Knier discussed the AA- bond rating, asking what level that is at. Omdahl explained it is one notch below the City's rating of AA. The difference is because there isn't a general obligation pledge. This is very common in what they see for Lease Revenue Bonds, especially for essential facilities. Knier asked what it takes a city to get to a higher rating, and Omdahl responded getting to a AAA rating would require an increase in the level of reserves the city maintains. Omdahl encouraged the Council to read the rating report provided.

Council Member Halverson asked if the difference in the City and EDA ratings is why we are paying \$2M more in interest. Omdahl reviewed a Lease Revenue Bond without the general obligation pledge performs similar to what we saw in the market yesterday for a AA rating, and that has to do with the credit and that this is for an essential facility. An investor's view is it is less likely a city would choose not to appropriate to make payments on those bonds because it is for a city hall and police station which are regarded as essential facilities. Halverson asked if we are paying a higher interest rate because we are going through BLEDA as a Lease Revenue Bond than if we would be going through a CIP through the City. Omdahl responded that is generally correct, but a comparable sale from yesterday rated at the AA, that this price without that GO pledge that CIP bonds would have had, is similar to that issuance from yesterday. In general, when there is that full faith credit pledge, the interest you pay on those bonds is typically less.

Council Member Noding noted it was mentioned the interest rates could be renegotiated before the call date. If it can be renegotiated, what would be advantageous to do that and how often is this looked at and evaluated to see if it would be worth it and what will it cost. Omdahl discussed if Council approves these bonds tonight, these bonds are sold so there isn't a renegotiating of these bonds. What she referenced earlier is there is the ability if interest rates were to drop to a point where it made financial sense, the City or the EDA can determine to issue new bonds to refund the current bonds to pay off the remaining principal in order to achieve a lower overall interest rate. This is reviewed quarterly with the City's existing debt to see if there are any opportunities for refunding savings. The city would have this opportunity if it is more than 90 days before the call date, which would be February 1, 2033 and it would have to be a taxable advance refunding under federal law, but if it is within that 90 days then it could be tax exempt. Knier discussed if we are going to do it prior to nine years, you have to do it with taxable bonds, which generally have a higher interest rate than municipal bonds which we have now. The chances of that happening would be pretty small. At nine years, you can do it with municipal bonds if the interest rates are lower at that time. Omdahl noted it is less likely, but there have been periods of times, including within the last decade, where taxable rates had fallen, that many cities in Minnesota including in Big Lake, did issue taxable bonds to refinance tax exempt bonds. It would solely depend on market conditions and whether or not those savings would be there.

Council Member Geroux motioned to approve Resolution No. 2026-04 approving the issuance by the Big Lake Economic Development Authority, Minnesota of its \$35,380,000 Lease Revenue Bonds, Series 2026A (City of Big Lake, Minnesota lease with option to purchase project) and authorizing the execution and delivery of a Lease Agreement and Continuing Disclosure Undertaking. Seconded by Council Member Seefeld. Mayor Knier asked for any further discussion.

Council Member Halverson stated he is kind of depressed about this \$35M Bond. He is depressed the City is financing \$1.6M into this Bond to pay for the first interest payment in 2027 because he thinks it is a misjustice to the taxpayers because we finance the \$1.6M into it which means the

taxpayers are paying interest on it but as we get farther down in the meeting, we are going to talk about how we are going to pay cash for a road that will go across private property. He stated that yes, the landowners are going to pay back the money, but he would have rather borrowed it on a ten-year deal for the road than a 20-year deal on this Bond and the taxpayers have to pay 4.68% for 20-years on the same \$1.6M. He is pretty depressed we didn't take our cash and use it on this \$1.6M and finance that on a ten-year deal and save the taxpayers money.

Motion passed with a vote of 4:1 with Council Members Geroux, Knier, Noding and Seefeld voting aye, and Council Member Halverson voting against. Motion carried.

7B. Request Great River Regional Library to Conduct a Space Needs Assessment

Hanna Klimmek reviewed the possibility of the Big Lake Library relocating to the future Public Safety Facility. The first step in determining the need for this relocation is for the City to request the Great River Regional Library to conduct a space needs assessment for newly constructed space within the Big Lake Public Safety Facility. The assessment will evaluate whether the space could appropriately support future library services based on demonstrated community need, operational sustainability, and fiscal responsibility. The results will be reviewed by the Public Building Planning Committee before any decisions are made regarding the future use of the space.

Council Member Seefeld motioned to approve Resolution No. 2026-05 requesting the Great River Regional Library conduct a space needs assessment for newly constructed space within the Big Lake Public Safety Facility. Seconded by Council Member Halverson, unanimous ayes, motion carried.

7C. CMAR Contract with Bradbury Stamm Update

Hanna Klimmek reviewed, during the September 24, 2025 Council Workshop, the City Council provided consensus in support of the Public Building Planning Committee's recommendation to move forward with a Construction Manager at Risk (CMAR) delivery method for the Big Lake Public Safety Facility Project. Since that time, the Public Building Planning Committee has completed the following, which complies with state statute for a CMAR delivery method: 1. Prepared and issued a Request for Qualifications (RFQ) solicitation for entities interested in performing as CMAR for the Project, 2. Reviewed, evaluated, and ranked all RFQ responses, 3. Determined a shortlist of RFQ respondents to be invited to submit a response to a Request for Proposal (RFP), 4. Prepared and issued the RFP to the shortlisted respondents, 5. Reviewed, evaluated, and ranked all RFP responses and interviewed respondents, and 6. Selected Bradbury Stamm Construction as the CMAR. Klimmek discussed the City Attorney is currently reviewing all legal documents associated with the CMAR Agreement, noting this Agreement, along with all supporting documents, will be included on the February 18, 2026 City Council meeting agenda.

7D. Concept Plan Review for Parcel No.'s 10-00122-1115, 10-00122-1117, and 10-00122-1116

Kendra Lindahl reviewed the Concept Plan application submitted by Mary Christenson, of MC Land Holdings, LLC, for a residential Shoreland PUD development on 50-acres consisting on three existing lots located in Big Lake Township. The property is located north of the Hudson Woods housing development across 201st Avenue NW. The applicant has also submitted a partial annexation request which will be considered by the City Council at their meeting on March 18, 2026. Lindahl reviewed annexation will be required prior to any development application on this site. The existing properties are currently farmed on the south side of the properties and wooded along the Elk River. There are structures on the site, and the applicant has indicated the eastern home would be preserved as part of the plat on Lot 24, Block 1. The parcels are split by the Elk River, and most of the 8-acre portion north of the river is within the shoreland overlay and shown as an undeveloped outlot in the proposed concept.

Lindahl noted the Planning Commission reviewed this item at their January 5, 2026 meeting, and a representative of the applicant spoke at the meeting. The applicant indicated they intend to comply with the R-1 zoning standards following clarification that both the R-1 standards and the shoreland standards do apply to the lots within the shoreland. The applicant also clarified they will develop the property and sell lots to builders for custom homes. The Planning Commission discussed there is no need for a mid-block pedestrian connection for the site (as required on blocks more than 900 feet long) and they were generally supportive of the concept overall.

The subject application is for a residential development concept with 79 single family home lots on varying lot widths (70 feet to 80 +/- feet) and ranging from 10,178 sq. ft. to 83,952 sq. ft. in size. Of those 79 lots, 15 lots are shown as abutting up to the Elk River. The proposed gross density of the development is approximately 2.45 units per acre. The existing 20-acre area is currently two farmsteads and farmland. There are two homes across the three lots on the site. There is a larger wooded area and some wetlands present on site. The applicant will need to request a rezoning as a part of any development application on the site. No development would be approved or processed by the City until the annexation has been completed. Development applications will be required from the applicant, including 1. Annexation into the City of Big Lake, 2. A Comprehensive Plan Amendment for the area currently guided "Agriculture and Semi-Rural Housing" to "Low Density Housing", which anticipates 2.5 to 4 housing units per gross acre, 3. Rezoning from "Agriculture" to either R-1 or R-2 following annexation, 4. Preliminary Plat, and 5. Final Plat. Lindahl reiterated the annexation must receive approval before the other applications. The Comprehensive Plan Amendment, Preliminary Plat and rezoning may be processed together, and if approved, the applicant could proceed with the Final Plat.

Council Member Halverson asked if this is a developer driven project and questioned which builder the lots will be sold to.

Todd Christenson, representing MC Land Holdings, discussed they have riparian rights with river frontage, noting this is a large project that is based on tiering. He noted they haven't done a lot of engineering on the project yet other than ponding in the center, which they understand will lose some lots to. They thought it would be better to go with larger lots, with some affordable housing, which is dependent on City fees. They anticipate construction of housing will start at \$375,000 to \$475,000, with the pricing becoming more expensive along the river. They mostly work with local builders to get customized homes that have protective covenants to have a nicer looking subdivision.

7E. Receive Preliminary Engineering Report and Call for a Public Hearing for the 2026 Street and Utility Improvement Project No. ST2026-1

Layne Otteson reviewed the Preliminary Engineering Report for the 2026 Street and Utility Improvement Project No. ST2026-1, which includes segments on 172nd Street from US 10 to Prairie Drive, Minnesota Avenue 300 feet west of CR 43 to CR 43, County Road 43 to 180th Street, and 176th Street to 177th Street. Five open houses were held where comment was received from residents. Four residents from 172nd Street and none from the areas adjacent to Minnesota Avenue attended the open houses. Two of the four were from properties within the corporate limits of the City. Also, in attendance were several Township Supervisors. Residents were most interested in assessment cost, yard impacts and timing of the work, and all attendees concurred the street is in rough shape. Otteson discussed the projected cost of the improvements is estimated at \$1.96M and will be partially supported by special assessments of approximately \$1.776M as well as possible funding from the Local Road Improvement Program (LRIP) and reimbursement from Big Lake Township in the amount of \$90,000 for their portion of the 172nd Street construction. The remaining balance would be funded from CIP Fund 196, which is supported by annual transfers and assessment repayments. Otteson noted if successful, the LRIP grant will cover all construction costs except watermain and sanitary sewer. The results of the LRIP grant will likely be revealed after the Public Hearing. The current fund balance of CIP Fund 196 cannot meet the cost obligation of the full length of Minnesota Avenue across the field, without the LRIP grant. If funding from the State is unsuccessful, Council can then reduce the scope to match funding availability. Staff would bring back a reduced scope for the Minnesota Avenue Extension to construct the western 500-foot segment required for the future Public Safety Facility. This scope reduction would reduce the cost and maintain a CIP Fund 196 balance. Removing a portion of the proposed project at a later date does not impact schedule of the Chapter 429 process but does require Council action and notification to affected properties. Otteson noted the adjacent property owner on the west side of CR 43 has petitioned the City to construct the full segment of this section of Minnesota Avenue and assess per State Statute Chapter 429.

Otteson reviewed Big Lake Township approached the City to consider a joint project as both City

and Township have corporate limits that share the segment. The City corporate limits border about 41% of the 1,050-foot-long street under consideration on 172nd Street. The street has substandard lane widths of 11' feet and pedestrians walk along the edge. Several areas are found to have poor drainage and trees/shrubs within the right of way. The street pavement is observed to be in generally poor condition with a low rating. The street will have a full depth reclamation, 2' widening (12' lanes), shouldering, new four-inch asphalt pavement, tree removal and minor grading in boulevards. This process will likely produce excess reclaim material that can be reused for base construction onsite and elsewhere. This will require a Joint Powers Agreement addressing responsibilities, cost share and reimbursement procedures. The total cost of construction and engineering is estimated to be \$160,000 and the City portion is approximately \$70,000. Otteson stated staff finds the work to be cost-effective and recommends moving forward with design and agreement.

Mayor Knier asked when we will find out whether we are successful on the LRIP grant application or not, and Otteson responded the State of MN has indicated awards will be known sometime in late March.

Council Member Noding asked what our chances are for being awarded funds from the LRIP grant program. The State has identified approximately \$47M to compete for. 230 applications were submitted to get a piece of that funding. The average cost of each application is \$1.5M. This will fund about 30 out of the 230 applications, which amounts to a 1 in 8 odds of being awarded funding. Otteson noted our application has some critical components that should score better, including building a connector road between an industrial area and a school area, as well as a newer school that was built out here. Otteson was also able to talk to a MNDOT District Engineer, who provided a letter of support as it provides safety by removing traffic from US Highway 10. Those three or four points might give us a leg up from other projects. We will be competing with other projects that might have a little more bedazzle than we have, so when we compete for grants, we really have to do a good job of turning over every leaf of benefit and share that with the State to score more points. Noding asked if this is an all or nothing grant, and Otteson indicated it is.

Council Member Seefeld stated he is not a fan of option B due to accidents near the Industrial Park. Seefeld asked if it would be possible to just grade it and have a dirt connection if we don't get awarded the LRIP funding. Otteson responded if Council directs staff to build a section of the road to a rural standard that is not within our engineering standards, we will do that.

Council Member Halverson discussed everyone talks about there being two accidents out there, but look at the airport road, noting there are stop lights at this intersection and we still have accidents at this intersection. He isn't downplaying the accidents at the Industrial Park, but if we have stop lights at 10/81 and continue to have accidents each year, putting in stop lights isn't

always the way to fix driver habits. Seefeld commented we know we have MNDOT's j-turn plan in the future so we won't have stoplights in the future, but an emergency access in this area would benefit the Industrial Park which will allow for a faster response from emergency services. All of these reasons come into why he wants Minnesota Avenue completed. Mayor Knier agreed there are many reasons to have it there, especially by taking some traffic off Highway 10 which will be a good thing. There are lots of reasons to finish Minnesota Avenue, but we have to be able to pay for it. Let's hope and pray we get the grant.

Council Member Noding asked if we can allow for a gravel material to be used as a stop gap until we can reapply for the next round of LRIP grant funds. Council Member Halverson stated the landowner would need to authorize this. Otteson discussed there is a right of way across the field that the City owns, so putting in a gravel road built to township standards would be allowed. Otteson also noted Big Lake Township does not have any gravel roads in their jurisdiction.

Mayor Knier noted the project area is subject to 429 assessments so we will eventually get a majority of the cost back from Minnesota Avenue through assessment payments or sold properties.

Council Member Seefeld motioned to approve Resolution No. 2026-06 receiving the Preliminary Engineering Report and Calling for a Public Hearing for the 2026 Street and Utility Improvement Project No. ST2026-1 on February 18, 2026 at 6:30 pm. Seconded by Council Member Noding, unanimous ayes, motion carried.

7F. City Personnel Policy Amendments

Deb Wegeleben reviewed needed Personnel Policy changes due to changes in MN State Law. Currently there has been changes to the Earned Sick and Safe Leave, Minnesota Paid Leave Program, and meal breaks, which the City needs to amend the Personnel Policy to be in compliance. In addition, staff brought forward to the Council during the November workshop other staff-recommended clarifications or improvements to the policy. Wegeleben discussed the consensus of the Council at the December 2025 workshop was to leave the weapons section of the City Personnel Policy as it is currently written.

Council Member Halverson motioned to approve amendments to the City of Big Lake Personnel Policy. Seconded by Council Member Geroux. Mayor Knier asked for any further discussion.

Council Member Seefeld noted we are keeping the dangerous weapon language, and he is convicted that he thinks anyone should have the right to carry a firearm under the Second Amendment, but all with all the work we have done and the great discussions we have had, he will be voting for our policies, but he just wanted this to be on the record.

Motion passed with a unanimous vote. Motion carried.

8. ADMINISTRATOR'S REPORT

City Administrator Hanna Klimmek discussed as of January 5th, the Northstar Commuter Rail was suspended, and a replacement and enhanced bus service was implemented. Klimmek noted it sounds like there will be no changes to the Big Lake station platform as it's in the BNSF Main Line Right-of-Way. Klimmek also discussed Marie Popp, Community Development Director, will be representing Big Lake during the Economic Development Association of MN's Winter Conference this week, and Mayor Knier will be presenting a State of the City at the Chamber Membership Meeting on January 27. Klimmek reviewed staff will be going to the annual Ehler's Public Finance Seminar, which is scheduled for February 4th through the 6th. Klimmek recognized Police Officer Chris Hoard who is celebrating 20 years of service within the Big Lake Police Department. Klimmek thanked him for his dedication to public safety and to the residents of Big Lake.

Council Member Halverson asked, now that the train has stopped, will the city get the vacated parking lot or the lot by Casey's. Klimmek explained Met Council is working with Metro Transit on an agreement to convey the parking lot from Met Council to Metro Transit. The parking lot by Casey's is owned by Sherburne County.

9. MAYOR & COUNCIL REPORTS and QUESTIONS/COMMENTS

Mayor Knier: reviewed the recent Fire Board and BLEDA meetings, as well as the annual Joint City/County/Township/School meeting held on January 15. Mayor Knier stated he left that meeting feeling we are in a strong position in the region.

Council Member Geroux: discussed the January BLEDA Meeting.

Council Member Halverson: reviewed the January BLBYR Meeting.

Council Member Noding: discussed the BLCLA Meeting and the January Fire Board Meeting.

Council Member Seefeld: reviewed the January Planning Commission Meeting.

10. OTHER – No other.

11. ADJOURN

Council Member Seefeld motioned to adjourn at 7:37p.m. Seconded by Council Member Noding, unanimous ayes, motion carried.

Gina Wolbeck
Clerk

02.18.26
Date Approved by Council