



CITY COUNCIL MEETING MINUTES

Tuesday, April 07, 2026 at 7:00 PM

Baxter City Hall, 13190 Memorywood Drive, Baxter, MN

CALL TO ORDER

Mayor Olson called the meeting to order at 7:00 p.m.

ROLL CALL

Mayor Darrel Olson and Council Members Connie Lyscio, Zach Tabatt, Patrick Sundberg, and Mark Cross were present.

City Administrator Brad Chapulis, Assistant City Administrator Kelly Steele, Finance Director Jeremy Vacinek, Police Chief Matt Maier, Community Development Director Josh Doty, and Public Works Director Trevor Walter were present

PLEDGE OF ALLEGIANCE

All have joined Mayor Olson in reciting the Pledge of Allegiance.

PRESENTATIONS

1. Annual Camp Ripley Presentation

Colonel Troy Fink provided an annual update on Camp Ripley's operations.

2. Dave Neiman Source Water Protection Award - MN Rural Water Association

City Administrator Chapulis explained the city is the recipient of Minnesota Rural Water Association 2026 Dave Neiman Source Water Protection Award. The city's public works department, particularly Assistant City Engineer Trevor Thompson, are congratulated for their work in achieving the award.

ADDITIONS OR CHANGES TO THE AGENDA

City Administrator Chapulis explained there are two items added to the consent agenda. The first item is to approve the appointment of seasonal park attendants, and the second item is to approve the purchase of six easements for the county road 48 trail project.

PUBLIC COMMENTS - *Comments received from the public may be placed on a future meeting agenda for consideration.*

Steve Schmid, Timberlane Drive, as Baxter resident and member of the 371 Visual Quality Advisory Committee, now is the time for the city to consider refreshing the city's branding and logo. Dr. Schmid provided the council with a proposed new logo design.

Dave Lang, Cherrywood, discussed the removal of a gate to access White Sand Lake and the resurfacing plan for Cherrywood.

City Administrator Chapulis explained the private property owner must have removed the gate.

CONSENT AGENDA - *The following items are considered non-controversial by staff and are recommended to be read and passed in one motion. Any council person, staff, citizen, or meeting attendee can request one or more items be pulled from the Consent Agenda and the item will be pulled and addressed immediately after the passage of the Consent Agenda; otherwise, the following items will be passed in one motion:*

3. Approve City Council Work Session Minutes from March 17, 2026
4. Approve City Council Minutes from March 17, 2026
5. Approve the Payment of Bills and Finance Report (Addendum A)
6. Approve the Issuance of an On-sale Intoxicating Liquor and On-sale Sunday Liquor License for Azteca's Mexican Bar and Grill
7. Approve Health Care Savings Plan Agreements between LELS Local 312, Teamsters Local 320, and Non-union Employees and Minnesota State Retirement System for the Period of 2026-2027
8. Approve the Software as a Service Agreement with Eckberg Lammers for their Policies 360 Subscription
9. Approve the Quality Flow Systems, Inc. Equipment Proposal in the amount of \$58,650.00 for the Lift Station 18 Control Panel, Pumps, Accessories and Hatches
10. Approve a Budget Transfer to Purchase MicroChlor Cells for the Water Treatment Plant
11. Approve the Budget Amendment for the Streets One Ton Dually Truck with Sign Board in the Additional Amount of \$6,478.74 for a Total Revised Budget of \$88,478.74
12. Approve the Kurita Three-Year Service Contract in the Amount of \$10,580.00 for the Aeration System and Backwash Blower
13. Adopt Resolutions 2026-013 and 2026-014 approving the preliminary and final plat of "Veterans First Addition" and PUD general and final plan, and Ordinance 2026-002 approving a rezone from C-2, Regional Commercial to PUD, Planned Unit Development for property located on the north side of Novotny Road west of 7180 Novotny Road.
14. Approve the Timber Ridge Baxter Senior Living Development Agreement
15. Approve the Timber Ridge Baxter Senior Living Construction Repair and Maintenance Agreement for Sanitary Sewer and Watermain
16. Approve the Permanent Access Easement for the Timber Ridge Baxter Senior Living Development
17. Approve Stormwater Facilities Maintenance Agreement with Access Rights and Covenants for the Timber Ridge Baxter Senior Living
18. Accept Memorial Park Bench donation of \$2,370.00 for a new memorial bench, and approve the engraving and proposed bench location

ADD: Approve Appointment to the Seasonal Position of Park Attendant.

ADD: Approve Purchase of Easements for Parcels 40110839, 40140741, 40130708, 40130709, 40130671, and 40130685 for the 2026 CSAH 48 Trail Connections Project.

MOTION by Council Member Tabatt, seconded by Council Member Lyscio to approve the consent agenda as amended. Motion carried unanimously.

PULLED AGENDA ITEMS

Mayor Olson asked to pull the appointment of the seasonal park attendants from the agenda as his grandson is an applicant.

MOTION by Council Member Cross, seconded by Council Member Lyscio to approve appointment to the seasonal position of park attendant. Motion carried with Council Members Lyscio, Tabatt, Sundberg and Cross voting yes. Mayor Olson abstained.

OTHER BUSINESS

19. Trident Development, LLC Timber Ridge of Baxter Senior Living Housing Tax Increment Financing (TIF) Request

- Financial Presentation of Proposed TIF Request

- Consider Resolution 2026-026, A Resolution for Proposed TIF District No. 16, Timber Ridge, Accepting the Recommended Terms of Tax Increment Financing Assistance, Authorizing Preparation of a Tax Increment Financing Plan and Directing Preparation of a Corresponding Development Agreement for City Council Consideration

City Administrator Chapulis explained Schane Rudlang from Ehlers is here to present findings and recommended terms of TIF financial assistance.

Mr. Rudlang explained the city has received a request of \$3,000,000 in TIF from Trident Development to construct an 80-unit, mixed income development with assisted living and memory care components. 20% of the residential units will be affordable at 50% of the area median income, consistent with the requirements for the project to qualify for a housing TIF district. The project is part of a larger development area that will include street and utility extensions around the site and immediate area.

The developer submitted financial information for the project for Ehlers to review on behalf of city. Ehlers entered that information into an Ehlers Proforma model and reviewed the financials in the context of similar projects and relevant market information. Ehlers then adjusts the proforma to stress test whether the requested assistance is warranted or whether a lower amount of assistance appropriate. Ehlers also calculates the amount of TIF that would be generated by the project using information from the county assessor.

The total cost per unit is \$332,750, which is in an acceptable range. The developer is providing 30% equity and financing the remainder with a traditional permanent loan and TIF. The operating expenses are approximately \$36,000 per unit per year, which is in line with similar projects. However, revenue and expenses for this type of project are highly variable, largely due to changing health care reimbursements. As such, Ehlers recommends a lookback on profitability to potentially adjust the TIF commitment.

The developer requested TIF in the amount of \$3,000,000 over 20 years. They estimated TIF based on valuation that turned out to be much higher than the valuation Ehlers received from the Crow Wing County Assessor. This lowers the estimated property taxes and TIF generated. Ehlers estimates that the TIF generated over 20 years will be \$1,100,000.

The lookback provisions in the development agreement allow the TIF amount to be adjusted if certain financial performance thresholds are exceeded.

Based on the review, the project would not reasonably be expected to proceed without \$1,100,000 of TIF assistance. The developer has indicated agreement with these terms in concept, subject to final documentation and city approval.

If the city decides to proceed, the next steps include drafting a development agreement to memorialize the terms and creating a TIF district. The public hearing for the TIF district is proposed to be held on June 2. Council consideration of approval of the development agreement is typically held at the same meeting as the public hearing.

City Administrator Chapulis explained the goal is to hold the TIF hearing on June 2, 2026.

MOTION by Council Member Lyscio, seconded by Council Member Tabatt to adopt 2026-026, A Resolution for Proposed TIF District No. 16, Timber Ridge, Accepting the Recommended Terms of Tax Increment Financing Assistance, Authorizing Preparation of a Tax Increment Financing Plan and Directing Preparation of a Corresponding Development Agreement for City Council Consideration. Motion carries unanimously.

20. Adopt Resolution 2026-024 Declaring Cost to Be Assessed and Ordering Preparation of Proposed Assessment for the 2026 Clearwater Road, North Lynndale Area, & Brentwood Circle Street & Utility Improvements Project, Municipal Project No. 4068

Neil Heinonen, SEH, explained there are two resolutions before the council for consideration. The first resolution is to declare the final amount to be assessed and direct staff to prepare the assessment roll. The second resolution sets the date to hold the assessment hearing.

Bids for the project were opened on March 10, 2026. The low bid was submitted by RL Larson Excavating Inc. in the amount of \$6,314,781. The low bid amount is higher than the construction budget identified in the feasibility report. The total project cost estimate has been updated based on the as-bid construction costs, additional quantities for surface related items from the North Lynndale project area that were not accounted for in the bid form, costs to date, and soft cost projections.

The feasibility study estimated the total project cost at \$7,360,473. The increased costs for the project are primarily under the street and sanitary sewer category. The assessment ERU is calculated at \$20,850.

City Administrator Chapulis explained the city's finance department has provided recommendations on how to finance the additional project costs and would have to review the timing of future projects.

MOTION by Council Member Tabatt, seconded by Council Member Lyscio Adopt Resolution 2026-024 Declaring Cost to Be Assessed and Ordering Preparation of Proposed Assessment for the 2026 Clearwater Road, North Lynndale Area, & Brentwood Circle Street & Utility Improvements Project, Municipal Project No. 4068. Motion carried unanimously.

21. Adopt Resolution 2026-025 Call For Hearing on Proposed Assessment for the 2026 Clearwater Road, North Lynndale Area, & Brentwood Circle Street & Utility Improvements Project, Municipal Project No. 4068

City Administrator Chapulis explained the adoption of this resolution is the next step after the adoption of the previous resolution. The assessment hearing will be held on May 4th.

MOTION by Council Member Tabatt, seconded by Council Member Lyscio to Adopt Resolution 2026-025 Call For Hearing on Proposed Assessment for the 2026 Clearwater Road, North Lynndale Area, & Brentwood Circle Street & Utility Improvements Project, Municipal Project No. 4068. Motion carried unanimously.

22. Adopt Resolution 2026-027 denying setback variances for property located at 7352 Glory Road

Community Development Director Doty explained the next three agenda items all relate to Five Below. The proposed resolution will deny the variance that was discussed during the March 17, 2026 council meeting. Five Below has made changes to their project as they would still like to proceed.

MOTION by Council Member Cross, seconded by Council Member Tabatt to Adopt Resolution 2026-027 denying setback variances for property located at 7352 Glory Road. Motion carried unanimously.

23. Adopt Resolution 2026-028 approving a conditional use permit amendment for joint access for property located at 7352 Glory Road

Community Development Director Doty explained the applicant is requesting approval of a conditional use permit amendment. The applicant would remove the existing parking stalls on the south side of the building to make room for the addition.

MOTION by Council Member Lyscio, seconded by Council Member Sundberg to Adopt Resolution 2026-028 approving a conditional use permit amendment for joint access for property located at 7352 Glory Road. Motion carried unanimously.

24. Approve Five Below Escrow Agreement for Inspection Services and Asbuilts

Community Development Director Doty explained the applicant's submittal includes civil drawings with site improvements for storm water, water service and sanitary sewer service.

MOTION by Council Member Tabatt, seconded by Council Member Sundberg, to approve Five Below Escrow Agreement for Inspection Services and Asbuilts. Motion carried unanimously.

COUNCIL COMMENTS

25. Connie Lyscio – Baxter resident Eric Pohlkamp is a finalist for the Hobey Baker Award.
26. Zach Tabatt – Suggested the council follow up with Mr. Schmid's proposed logo in a future work session.
27. Patrick Sundberg – Agreed with Council Member Tabatt as the city has an opportunity now to review our branding and logo.

28. Mark Cross – Explained the 371 Visual Quality Advisory Committee had a good meeting in which they developed a mission and vision statement and they did discuss city branding. The committee discussed what upgrades would be included and what would be city cost.
29. Darrel Olson – No report.

CITY ADMINISTRATOR'S REPORT

30. Closed Session Under Minnesota Statute 13D.05, Subd. 3(c), consideration of offers for the purchase of real property: PIDs 40140777, 40140740, 40140739, 40140738, and 40130673
31. City Council will meet in closed session pursuant to Minn. Stat. Section 13D.03 to discuss labor negotiations

City Administrator Chapulis has no report but asked the council to enter into a closed session as identified on the agenda.

MOTION by Council Member Lyscio, seconded by Council Member Tabatt to enter into a closed session at 8:13 p.m. Motion carried unanimously.

MOTION by Council Member Cross, seconded by Council Member Tabatt to return to an open session at 9:20 p.m. Motion carried unanimously.

MOTION by Council Member Tabatt, seconded by Council Member Sundberg to accept the counter offer for PID 40140738. Motion carried unanimously.

MOTION by Council Member Cross, seconded by Council Member Tabatt to authorize making offers for the remaining PIDs. Motion carried unanimously.

MOTION by Council Member Sundberg, seconded by Council Member Tabatt to accept the 2026-2027 Teamsters Collective Bargaining Agreement and Memorandum of Agreement. Motion carried unanimously.

CITY ATTORNEY'S REPORT

No report.

ADJOURN

MOTION by Council Member Cross, seconded by Council Member Tabatt to adjourn at 9:21 p.m. Motion carried unanimously.

Approved by:

Respectfully submitted,

Darrel Olson

Kelly Steele