

Pursuant to due call and notice thereof, the Regular Meeting of the Crosby City Council was held on Monday, January 26, 2026, at 6:00 p.m.

Members Present: Mayor Diane Cash; Members Jim Traylor, Paul Heglund, Vern Lewis and Shawn Jarvela

Staff Present: Trish Harren; City Administrator, Bernie Erickson, Deputy Clerk; Jason Forbord, Deputy Treasurer; Phil Martin, City Engineer; Mitch Hinnenkamp, Zoning Administrator.

1. Call Regular Meeting to Order

The regular meeting of the Crosby City Council was called to order by Mayor Cash at 6:00 p.m.

2. Pledge of Allegiance

Mayor Cash led the Pledge of Allegiance

3. Approval of Agenda

Mayor Cash stated item 6 will be removed due to it already being completed at the planning and zoning meeting last week.

MEMBER HEGLUND MOVED TO APPROVE THE AGENDA. MEMBER LEWIS SECONDED THE MOTION. THE MOTION PASSED BY A VOTE OF 5-0.

4. Approve Consent Agenda

MEMBER TRAYLOR MOVED TO APPROVE THE CONSENT AGENDA. MEMBER HEGLUND SECONDED THE MOTION. THE MOTION PASSED BY A VOTE OF 5-0.

5. Public Comments—None.

6. Old Business---

A. Consider Approval of MacQueen Purchase Agreement for Pierce Saber TM Pumper Truck

City Administrator Harren reported that the purchase of a new fire truck had been previously discussed at council meetings and work sessions and is included in the city's 2026A Equipment Certificate General Obligation Bond. Administrator Harren presented the purchase agreement for the Pierce Saber TM Pumper Truck and recommended approval of the purchase agreement, contingent upon the successful sale of the city bonds.

Council Member Heglund inquired if the fire truck was still available. Fire Chief Shayne Jacobs confirmed that the vehicle would be held until the end of the month. Chief Jacobs further stated that payment would not be due until 30 days after delivery. He also noted that MacQueen would contribute \$2,000 toward custom graphics to display "City of Crosby" on the truck and that the upgrade process would take approximately one month to complete.

Mayor Cash requested that the motion approved include a condition that the purchase is subject to the successful sale of the bonds. Mayor Cash also asked that MacQueen be informed that if the bond sale does not proceed, the city will be unable to complete the purchase of the fire truck.

**MEMBER HEGLUND MOVED TO APPROVE PURCHASE OF PIERCE SABER
TM PUMPER TRUCK WITH MACQUEEN WITH CANCELLATION
CHANGES. MEMBER TRAYLOR SECONDED THE MOTION. THE MOTION
PASSED BY A VOTE OF 5-0.**

7. New Business---

- A. Consider Approval of Ordinance Amendment to Create Downtown Mixed-Use District

Mitch Hinnenkamp, Planning and Zoning Administrator, provided a summary of the proposed Downtown Mixed-Use Area ordinance. He explained that the district is intended to support a combination of residential housing and commercial mixed-use development in the designated downtown area. Mr. Hinnenkamp outlined the specific area proposed to be included under the ordinance and reviewed the purpose and intent of the district regulations.

Correspondence was received from the Minnesota Department of Natural Resources (DNR) stating that the agency does not have jurisdiction or authority to review the proposed ordinance, as the area does not fall within the Shoreline Overlay District. However, the DNR noted that during its previous review of the Shoreline Overlay District, certain insufficiencies were identified. The DNR expressed interest in the possibility of meeting with the Council to further discuss those findings.

**MEMBER LEWIS MOVED TO APPROVE 2026-01-0126 ORDINANCE
AMENDMENT TO CREATE DOWNTOWN MIXED-USE DISTRICT. MAYOR
CASH SECONDED THE MOTION. THE MOTION PASSED BY A VOTE OF 5-0.**

- B. Consider Approval of Ordinance Amendment to Land Use Classification Chart

Mayor Cash summarized the request brought forward by Council Member Traylor explaining the proposed amendment to the ordinance would revise Line 5 to allow automobile repair establishments as a conditional use within the applicable district.

MEMBER LEWIS MOVED TO APPROVE 2026-02-0126 ORDINANCE AMENDMENT TO LAND USE CLASSIFICATION CHART. MEMBER JARVELA SECONDED THE MOTION. THE MOTION PASSED BY A VOTE OF 5-0.

C. Consider Approval of Ordinance Amendment Clarifying Language

Mitch Hinnenkamp, Planning and Zoning Administrator, summarized the proposed ordinance amendment. He explained that the amendment would clarify language to allow a 10-foot setback for fencing, including along property lines adjacent to alleys, providing adequate access for emergency personnel and utility or road crews and to prevent conflicts with property lines. The amendment also reorganizes the existing language to improve clarity and ease of interpretation.

Mr. Hinnenkamp noted that the 10-foot setback aligns with the required rear yard setback for structures and matches the existing alley setback requirement for structures. He further clarified that the provision would apply to all fencing and that the language specifically references developed alleys when identifying the setback requirement.

Council Member Traylor asked whether property owners would still be permitted to construct fences, provided they are set back 10 feet from the alley. Mr. Hinnenkamp confirmed that this is correct and stated that the 10-foot setback was identified as a potential solution to ensure improved access for emergency responders and road crews, particularly in new construction areas.

Council Member Traylor commented that he would prefer a 3-foot setback due to the small size of lots and wanted to ensure property owners have full use of their lots.

MEMBER TRAYLOR MOVED TO APPROVE 2026-03-0126 ORDINANCE AMENDMENT CLARIFYING LANGUAGE WITH SECTION 154.180 ITEM E ELIMINATED. MEMBER HEGLUND SECONDED THE MOTION. THE MOTION PASSED BY A VOTE OF 5-0.

D. Consider Approval of SSTS Ordinance Amendment

Mitch Hinnenkamp, Planning and Zoning Administrator, stated that the proposal is to adopt the Crow Wing County Subsurface Sewage Treatment Systems (SSTS)

Ordinance by reference. He explained that adoption of the County's ordinance would bring the City into compliance with applicable state requirements.

MEMBER LEWIS MOVED TO APPROVE 2026-04-0126 SSTS ORDINANCE AMENDMENT. MEMBER JARVELA SECONDED THE MOTION. THE MOTION PASSED BY A VOTE OF 5-0.

- E. Consider Approval of Publication of Ordinance Amendments 2026-01 through 2026-04

Mitch Hinnenkamp, Planning and Zoning Administrator, stated that the document presented is a publication summary outlining all revisions and changes associated with the approved ordinance amendments.

MEMBER TRAYLOR MOVED TO APPROVE PUBLICATION OF ORDINANCE AMENDMENTS 2026-01 THROUGH 2026-04. MEMBER LEWIS SECONDED THE MOTION. THE MOTION PASSED BY A VOTE OF 5-0.

- F. Consider Approval of Resolution 2026-06-0126, Authorizing Sale of GO Equipment Certificates.

City Administrator Harren provided a summary of the previously discussed equipment purchase plan and the proposed issuance of equipment bonds. She stated that the Council has reviewed various term options for the bond certificates and that the current recommendation is a 10-year term in the approximate amount of \$2,335,000. Administrator Harren noted that the city is required to levy at 105% of annual debt service to account for delinquent tax payments.

MEMBER TRAYLOR MOVED TO APPROVE RESOLUTION 2026-06-0126, AUTHORIZING SALE OF GO EQUIPMENT CERTIFICATES. MEMBER HEGLUND SECONDED THE MOTION. THE MOTION PASSED BY A VOTE OF 5-0.

- G. Consider Approval of Payroll Changes for Fire Fighter Classification

City Administrator Harren provided a summary regarding the proposed increase to the firefighter hourly rate of pay from \$13.00 to \$15.00 per hour. Administrator Harren compared the compensation rates among neighboring communities and noted that the proposed adjustment would maintain the City's competitiveness in the region. Administrator Harren explained that to continue to be able to attract and retain qualified firefighters it is important to approve the payroll changes.

MEMBER HEGLUND MOVED TO APPROVE PAYROLL CHANGES FOR FIRE-FIGHTER PAY FROM \$13 PER HOUR TO \$15 PER HOUR. MEMBER TRAYLOR SECONDED THE MOTION. THE MOTION PASSED BY A VOTE OF 5-0.

- H. Consider Resolution 2026-07-0126, Authorizing an Increase in Fire Fighter Annual Pension Contribution

City Administrator Harren provided a summary regarding a proposed increase to the firefighter pension benefit to remain comparable with surrounding municipalities. She reported the current annual pension contribution levels for neighboring departments are as follows: Deerwood – \$2,800; Ironton – \$1,000; Crosslake – \$10,000; and Brainerd – \$10,000. The City is currently set at \$2,700 annually per firefighter.

Administrator Harren noted that she supports an increase to \$3,000. The city wants to attract and retain part-time firefighters. The firefighter pension is key to this. However, when preparing the council action, she discovered that the City incurred \$152,000 in pension fund deficit when they increased the annual pension from \$2,400 to \$2,700 in 2022. Through a repayment plan, the City has retired \$100,000 of that debt but has \$52,000 remaining. Increasing the pension by another \$300 per year, since it is retroactive, will add additional debt that the city needs to plan for in its annual budget. Administrator Harren recommended not increasing the pension benefit until the existing debt has been retired.

Fire Chief Shayne Jacobs stated that the pension benefit is one of the most valued incentives for firefighters and is a key factor in retaining veteran members. He noted that while actuarial calculations assume all firefighters could be paid out at once, in practice only one to two firefighters retire each year, and many members continue their service long term. He further explained that firefighters are not vested in the pension program during their first year of service and become 50 percent vested after ten years.

Mayor Cash requested that the discussion be tabled to obtain additional financial information before deciding.

MAYOR CASH TABLED THE DISCUSSION

- I. Consider Resolution 2026-08-0126, To Seek Legislative Approval to Impose Half Cent Local Sales Tax to Fund Specific Capital Improvement Projects

City Administrator Harren stated that Todd Hagen of Ehlers & Associates, who was retained to assist the City with the process of pursuing a local one-half percent sales tax, was present to provide an update.

Mr. Hagen summarized the proposed local one-half percent sales tax, stating that the City is projected to receive approximately \$115,000 annually, totaling an estimated \$2.3 million over a 20-year period, not inclusive of anticipated inflation. He explained that the revenue would be designated to fund four identified capital improvement projects, including updates to City Hall, Memorial Park, Jesse F Hallett Memorial Library and the Hallett Center of Crosby.

Administrator Harren clarified that the resolution under consideration is not final with respect to the specific projects and that project details may be further refined as the process moves forward. The resolution must be presented to the Senate Tax Committee Chairs no later than January 31st.

MEMBER LEWIS MOVED TO APPROVE RESOLUTION 2026-08-0126, TO SEEK LEGISLATIVE APPROVAL TO IMPOSE HALF CENT LOCAL SALES TAX TO FUND SPECIFIC CAPITAL IMPROVEMENT PROJECTS. MEMBER JARVELA SECONDED THE MOTION. THE MOTION PASSED BY A VOTE OF 5-0.

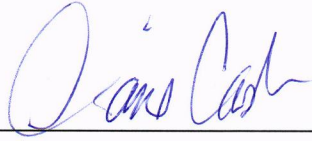
8. Reports

- A. City Engineer-** submitted report. He is attending the 1st council meeting in February.
- B. Planning and Zoning Administrator-** submitted report. Mitch Hinnenkamp stated that there are two items to address regarding the proposed zoning change to the Mixed-Use District. He explained that special notices will be sent to affected property owners to ensure transparency throughout the process.

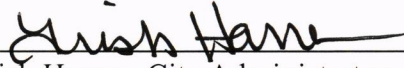
City Administrator Harren stated that while it is the responsibility of the City to complete the required mailings for zoning changes, Sourcewell has agreed to cover the associated costs. She noted that this will help ensure all property owners impacted by the proposed zoning change are properly informed. Mr. Hinnenkamp added that the official zoning map will be updated to reflect the new district designation if approved.

On behalf of the City Council, appreciation was expressed to Sourcewell and Mr. Hinnenkamp for their work on the matter. The Council also indicated it is open to further discussion with the Minnesota Department of Natural Resources regarding potential adjustments and proposed inviting the DNR to attend a work session in March for further discussion.

**MEMBER LEWIS MOVED TO THE MEETING. MEMBER JARVELA
SECONDED THE MOTION. THE MOTION PASSED BY A VOTE OF 5-0.**



Diane Cash, Mayor



Trish Harren, City Administrator