COUNCIL PROCEEDINGS

Tuesday, December 16, 2025

CALL TO ORDER

This meeting is officially called to order at 5:30 pm on December 16, 2025. This meeting is being presided over by Mayor Mike Lorenson.

PLEDGE OF ALLEGIANCE

ROLL CALL

The following councilmembers were present: Aarestad, Pream, McCraw, Lorenson, Narverud, Bolduc and Langness. Alrt was absent. Lorenson chaired the meeting.

PUBLIC HEARING

RESOLUTION NO. : Tax Abatement Hearing

> Ricahrd Baker reviewed the property owners eligible and who have applied for tax abatement. There was no discussion from the public. Mayor Lorenson closed the public hearing at 5:39.

PUBLIC FORUM

Several business property owners were in attendance. Budget and Levy were agenda items (9.1, 9.2)and could not be addressed during public formum in accordance to council regulations. There were no audience members who addressed the Council.

PRESENTATIONS/PROCLAMATIONS/PUBLIC INFORMATION ANNOUNCEMENTS

The newly appointed GM for the hockey league, Shawn Jones, addressed the council regarding the upcoming 2026 hockey season. He noted TRF has been selected to host showcase games between Kansas and Indiana March 27 & 28, 2026. Tickets will be sold for $12-$14. Jones noted this league is a step (or two) below NHL level hockey and will bring a higher level of game and excitement to the Ralph Engelstad Arena. He noted the name has been selected as MN Northern Lights (colors electric green, purple and white). He thanked the community and the council for their work to get the team here and looks forward to what the league will do for the city.

APPROVE AGENDA

Councilmember Scott Pream motioned being seconded by Councilmember Jason Aarestad to approve the agenda.

On vote being taken, the resolution was unanimously passed.

CONSENT AGENDA

RESOLUTION NO. : Approval of December 2, 2025 Council Proceedings

Presented as part of the Consent Agenda, Councilmember Jason Aarestad introduced RESOLUTION, being seconded by Councilmember Steve Narverud, that:

THEREFORE BE IT RESOLVED, by the City Council, to approve the December 2, 2025 council proceedings.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. : City of Thief River Falls Bills and Disbursements

Presented as part of the Consent Agenda, Councilmember Jason Aarestad introduced RESOLUTION, being seconded by Councilmember Steve Narverud, that:

THEREFORE BE IT RESOLVED, by the City Council, to authorize payment of bills and disbursements in the total amount of $1,434,824.86. A printout of the approved payments and disbursements are attached hereto and made a part hereof.

On vote being taken, the resolution passed unanimously.

NEW BUSINESS

RESOLUTION NO. : Adopt the City of Thief River Falls Final 2026 Budget

Following discussion, Councilmember Steve Narverud introduced Resolution, being seconded by Councilmember Michele McCraw, that:

THEREFORE, BE IT RESOLVED By the City Council, to adopt the City of Thief River Falls Final 2026 Budget. A summary of the 2026 revenue and expenditures is as follows:

	2026 REVENUE	**2026 EXPENSE**	**F R**
General Fund	$ 11,797,766.00	$ 11,811,766.00	$
Liquor Dispensary	$ 5,011,100.00	$ 5,500,601.00	$
Electric Utility Fund	$ 17,893,000.00	$ 17,947,331.00	$
Storm Water Utility Fund	$ 422,000.00	$ 422,000.00	$
Water Utility Fund	$ 3,112,342.00	$ 3,252,534.00	$
Wastewater Utility Fund	$ 1,213,150.00	$ 1,223,244.00	$
Police Relief Pension Fund	$ 12,585.00	$ 14,197.00	$
Debt Service Fund	$ 1,873,816.00	$ 1,850,073.00	$
TOTALS	**$ 41,335,759.00**	**$ 42,021,746.00**	**$**

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. : Approval of 2026 Tax Levy

Following discussion, Councilmember Steve Narverud introduced Resolution, being seconded by Councilmember Jason Aarestad, that:

WHEREAS, On September 16, 2025 the City of Thief River Falls set the 2026 preliminary tax levy at $4,762,282 which represented a 21.82% increase

THEREFORE, BE IT RESOLVED By the City Council, to certify the City of Thief River Falls 2026 Tax Levy at $4,666,302 to the Pennington County Auditor, representing a 19.36% increase from the 2025 Tax Levy. This 19.36% increase also produced an increase in the City of Thief River Falls' proposed tax rate. The breakdown of the 2026 Tax Levy is as follows:

General Fund Levy	$3,258,795
Bonded Debt Levy	$1,407,507
Net Tax Levy	$4,666,302

On vote being taken, the resolution was unanimously passed.

<u>RESOLUTION NO. : Restricted Fund Balance Reserve</u>

Following discussion, Councilmember Scott Pream introduced Resolution, being seconded by Councilmember Michele McCraw, that:

WHEREAS, In 2025 the City had approved for a switch gear testing project to be paid from 690-4850-62350 for Revolt Electrical Services to complete. The project will be unable to be completed in 2025 and is scheduled for the beginning of 2026.

THEREFORE, BE IT RESOLVED authorize the City Administrator to transfer $15,892 into a restricted fund balance reserve for the Electrical Department.

On vote being taken, the resolution was unanimously passed.

<u>RESOLUTION NO. : Approve the Northland Securities resolution calling for the redemption of the outstanding Electric Revenue Bonds, Series 2018A.</u>

Following discussion, Councilmember Michele McCraw introduced Resolution, being seconded by Councilmember Kelly Langness , that:

WHEREAS, A. The City Council of the City of Thief River Falls, Minnesota issued $3,870,000 Electric Revenue Bonds, Series 2018A, dated April 3, 2018; and

B. All of said bonds maturing or subject to mandatory redemption on February 1, 2027 through 2038, inclusive, are subject to redemption, in whole or in part, and prepayment at the option of the City on February 1, 2026, and on any date thereafter at par plus accrued interest, all as provided in the resolution of the City authorizing the issuance of said bonds; and

C. The City deems it desirable and in the best interest of the City to call $2,600,000 of the outstanding bonds maturing or subject to mandatory redemption in the years 2027 through 2038, inclusive, for redemption on February 1, 2026, in accordance with said resolution authorizing the issuance of said bonds.

THEREFORE, BE IT RESOLVED approve the City Council of the City of Thief River Falls, Minnesota as follows:

1. $2,600,000 of the Electric Revenue Bonds, Series 2018A, dated April 3, 2018, of the City of Thief River Falls, Minnesota, maturing or subject to mandatory redemption in the years 2027 through 2038, inclusive, shall be redeemed and prepaid on February 1, 2026, at 100% of their principal amount plus accrued interest for each such bond called.

2. Northland Bond Services, a division of First National Bank of Omaha, in Minneapolis, Minnesota, the bond registrar and paying agent for the principal and interest on the Bond, is hereby authorized and directed to cause the Notice of Call for Redemption attached hereto as Exhibit A to be given in accordance with the provisions of the Prior Resolution.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. : Approval of electric rate increase

WHEREAS, There are 10 components to the city's wholesale electric rate structure. There are four coincidental demand components. Each year, new demands are set and the city pays for those over the next 12 months. This year no wholesale rate change is expected.

Demand amounts change from year to year, it is recommended that the city set the customer charge and usage rates as per attached from the Dave Berg study for years 2026 - 2029. City reserves right to change rates within this time frame based on city needs.

- The bonds with the Northern Municipal Power Agency, NMPA, require member cities to have rates that maintain an average coverage ratio that sufficiently covers the wholesale cost, and all department bonds and expenses.

THEREFORE, BE IT RESOLVED Adopt a resolution, setting the 2026-2029 electric rates effective with the February 1, 2026 bill.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. : Approve year-end accounts payable through December 31, 2025

Following discussion, Councilmember Scott Pream introduced Resolution, being seconded by Councilmember Michele McCraw, that:

WHEREAS, Annually, the City Council can authorize payment of year-end bills to simplify the year-end accounting.

THEREFORE, BE IT RESOLVED By the City Council, to authorize staff to process year-end accounts payable with payment on December 31, 2025. Staff will email a report to the Council prior to payment with Council invited to contact City Administrator Angela Philipp if they see something they question.

On vote being taken, the resolution was unanimously passed.

<u>RESOLUTION NO. : Approve Appliation to Conduct Off-Site Gambling - TRFAHA</u>

Following discussion, Councilmember Jason Aarestad introduced Resolution, being seconded by Councilmember Julie Bolduc, that:

WHEREAS, TRFAHA conducts their Mega Raffle every year as a fundraiser for their program. The drawing will be held February 5, 2026 at the American Legion.

WHEREAS, Council must approve by resolution the application so it can be sent to the MN Gambling Control Board for final approval.

THEREFORE, BE IT RESOLVED To approve Thief River Falls Amateur Hockey Association's application to conduct an off-site gambling raffle.

On vote being taken, the resolution was unanimously passed.

<u>RESOLUTION NO. : Approve Uncollectible Utility Account Write-offs.</u>

Following discussion, Councilmember Scott Pream introduced Resolution, being seconded by Councilmember Michele McCraw, that:

WHEREAS, Collection of delinquent accounts is done each month rather than wait until year end. The attached is a summary of what has been done with those delinquent accounts.

WHEREAS, Most delinquents are turned over to the Minnesota Revenue Recapture program to be taken from the customers' State tax withholdings and end up being paid. A few are turned over to the Credit Bureau. If the customer who incurred the bill owned the property, we can certify it to the County for collection with taxes.

THEREFORE, BE IT RESOLVED Accept a Utility Committee recommendation to approve write-off of uncollectible utilities accounts for the previous 12-month period. $10,065.78 has been turned over to the Credit Bureau; $38,795.30 has been submitted to the MN Revenue Recapture program, $375.50 in small direct write-offs and $31,753.86 turned over to tax roll, for a total of $80,990.44.

On vote being taken, the resolution was unanimously passed.

<u>RESOLUTION NO. : Approval to Designate the Ralph Englestad Arena as the City of Thief River Falls polling place for all 2026 precinct elections</u>

Following discussion, Councilmember Julie Bolduc introduced Resolution, being seconded by Councilmember Kelly Langness , that:

WHEREAS, Minnesota Election Law section 204B.16 requires the city council of every municipality to designate a place for holding an election for each precinct every year. The designated polling place remains the polling place for these precincts throughout the calendar year unless: Polling place becomes unavailable or an emergency occurs after the deadline to designate a polling place but before the polls close on election day.

THEREFORE, BE IT RESOLVED by the city council, to designate the Ralph Englestad Arena, 525 Brooks Ave N, Thief River Falls, as the City of Thief River Falls designated polling place for all precincts within the City limits for 2026 elections.

On vote being taken, the resolution was unanimously passed.

<u>RESOLUTION NO. : Approval Tobacco Ordinance Update - First Reading</u>

Councilmember Scott Pream motioned, being seconded by Councilmember Steve Narverud to call for the first reading of an ordinance of:

WHEREAS, In 2020, Minnesota changed the tobacco age requirement to 21 years old. This law aims to reduce youth tobacco use and prevent addiction, aligning with federal regulations that raised the minimum age for tobacco sales from 18 to 21. When the law changed, the city ordinance did not update. This approval allows the ordinance to be published in The Times and sent for codification to be update in our City Code.

THEREFORE, BE IT RESOLVED to approve the first reading and forgo the second reading of the age requirement update to Chapter 112 (all sections) from 18 years old to 21 years old.

On vote being taken, the resolution was unanimously passed.

<u>RESOLUTION NO. : Approve Tobacco Ordinance Chapter 112 update</u>

Following discussion, Councilmember Michele McCraw introduced Resolution, being seconded by Councilmember Julie Bolduc, that:

WHEREAS, In 2020, Minnesota changed the tobacco age requirement to 21 years old. This law aims to reduce youth tobacco use and prevent addiction, aligning with federal regulations that raised the minimum age for tobacco sales from 18 to 21. When the law changed, the city ordinance did not update. This approval allows the ordinance to be published in The Times and sent for codification to be update in our City Code.

THEREFORE, BE IT RESOLVED to approve the age requirement update to Chapter 112 (all sections) from 18 years old to 21 years old.

On vote being taken, the resolution was unanimously passed.

<u>RESOLUTION NO. : Approval of the Joint Powers Agreement for the Pine to Prairie Drug and Violent Crime Task Force</u>

Following discussion, Councilmember Scott Pream introduced Resolution, being seconded by Councilmember Jason Aarestad, that:

WHEREAS, The Thief River Falls Police Department currently has one officer that is a half time member with the Pine to Prairie Drug and Violent Crime Task Force and will be for the calendar year of 2027.

THEREFORE, BE IT RESOLVED To approve the renewal of the Pine to Prairie Drug and Violent Crime Task Force for the calendar year of 2027.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. : 2026 Water Treatment Plant Chemical Bids

Following discussion, Councilmember Michele McCraw introduced Resolution, being seconded by Councilmember Julie Bolduc, that:

WHEREAS, The City of Thief River Falls Water Systems Department solicits bids annually for Chemicals used in the Water Treatment Plant to provide budget stability throughout the next twelve months.

WHEREAS, Inflation across the board has significantly increased bids for 2026. The budget has been adjusted accordingly.

THEREFORE, BE IT RESOLVED Approve the low water treatment plant chemical bids for calendar year 2026 as presented.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. : 2026 Building Permit and Inspection Fee Schedule

Following discussion, Councilmember Kelly Langness introduced Resolution, being seconded by Councilmember Steve Narverud, that:

WHEREAS, The City of Thief River Falls has not increased its Building Permit and Inspection Fees in 10 years. The fees collected should cover the administrative costs the city incurs to enforce the building codes, issuing building permits, inspections, plan reviews, administrative services, and required reporting. A comparison of current Building Permit Rates for the City of Thief River Falls to the suggested rates by the Department of Labor and Industry shows our current rates are approximately 33% lower. This proposed rate structure is based on a 20% increase in Building Permit and Inspection fees. In my research, I believe that the last time rates were adjusted was 2015 and are based off the Department of Labor and Industry's rates from 1994.

WHEREAS, • One of the key issues with our current fee structure is the lower fee ranges. $21.00 for $1 to $500 and $62.50 for $501 to $2000 of project costs do not come close to covering our Building Inspector's cost of labor. Which is why the proposed fee schedule begins at $120.00 for anything between $1 to $5,000 in value.
• Per the 2020 Minnesota Building Codes 1300.0160 FEES, fees established by the municipality must be by legal means and must be fair, reasonable, and proportionate to the actual cost of the service for which the fee is imposed. Minnesota State Statute 326B.153 also governs Building Permit Fees.

THEREFORE, BE IT RESOLVED Approve the 2026 Building Permit and Inspection fee schedule.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. : Approval of Single Family Residential Tax Abatement

Following discussion, Councilmember Scott Pream introduced Resolution, being seconded by Councilmember Steve Narverud, that:

WHEREAS, This program was established to spur development of new single family homes.

WHEREAS, The homeowner must submit a copy of their property tax statement and proof of payment. There are two new properties eligible for abatement this year. There are two existing properties in the second year, one in the third year, and one in the fifth year of the abatement program. This program expired December 31, 2020. Any homes meeting the qualifications with building permits issued prior to December 31, 2020 will be honored. The abatement program was reinstated January 1, 2022 and will terminate December 31, 2026.

THEREFORE, BE IT RESOLVED MOTION TO: Approve Tax Abatement for the following properties:

First Year

- 415 Robson Court. Robson First Addition Lot-014 Block-001. Parcel Number 25.09701410 – Kia B & Vatchara Vichaikul. Total estimated abatement is $2580.12.
- 109 Eastwood Drive. South Eastwood Addition Lot-003 Block-001. Parcel Number 25.11100310 – Abbey Halvorson Trustee. Total estimated abatement is $1016.20.

Second Year

- 619 Evergreen Street. Noreen's First Addition West 68' of Lot 14 & Lot 15 less the West 54' Blk-006. Parcel Number 25.06208700 – Richard & Mary Merrill. Total estimated abatement is $804.76.
- 2016 Nelson Drive. MMCDC's Greenwood Neighborhood Addition Lot-019 Block-001. Parcel Number 25.12101910 – Davis Mills. Total estimated abatement is $1061.26.

Third Year

- 2006 Nelson Drive. MMCDC's Greenwood Neighborhood Addition Lot-024 Block-001. Parcel Number 25.12102410 - Haven Kuehn. Total estimated abatement is $1065.73.

Fifth Year

- 2004 Nelson Drive. Lot 5, Block 1, MMCDC'S Greenwood Neighborhood Addition Lot-025 Block-001. Parcel number 25.121.025.10 - Lori Alvarado. Total estimated abatement is $631.10.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. : MPCA Local CLimate Action Grant

Following discussion, Councilmember Michele McCraw introduced Resolution, being seconded by Councilmember Steve Narverud, that:

WHEREAS, The City of Thief River Falls has been awarded a local climate action planning grant with the Minnesota Pollution Control Agency. Engineering services are required for project objectives to be delivered. The City of Thief River Falls needs to enter into an agreement for services to be provided, and reimbursement funds released.

THEREFORE, BE IT RESOLVED To authorize the City Administrator to enter a contract for engineering services with Moore Engineering in the amount not to exceed $50,000.00 for services related to local climate planning. The project objective would be to identify and prioritize projects that the City of Thief River Falls, MN may undertake to increase resiliency.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. : Approval of Certification of Unpaid Grass Mowing/Weed Trimming Charges to Property Owners' 2026 Property Tax

Following discussion, Councilmember Scott Pream introduced Resolution, being seconded by Councilmember Kelly Langness , that:

WHEREAS, Grass mowing/weed trimming removal charges remain unpaid to the City of Thief River Falls.

THEREFORE, BE IT RESOLVED To approve certification of unpaid grass mowing/weed trimming charges to property owner's 2026 property taxes in the total amount of $5,230.27.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. : Engineering Services

Following discussion, Councilmember Steve Narverud introduced Resolution, being seconded by Councilmember Michele McCraw, that:

WHEREAS, The City of Thief River Falls uses an external consultant to provide engineering services for municipal street and utilities improvement projects, state required bridge inspections and municipal state aid processes. The City of Thief River Falls has a long-term successful relationship with Widseth engineering in working together with city staff to complete these tasks.

WHEREAS, Each year the success of the relationship is evaluated, and an appointment made. The Public Works Committee discussed the services provided and determined it be in the City's best interest to reappoint Widseth engineering firm. This is a multidisciplined firm with expertise in many areas. They have a strong relationship with the MnDOT State Aid office and specialize in municipal projects. There is great value to utilize a firm that has been involved in long term projects that often span several years from inception through completion.

THEREFORE, BE IT RESOLVED Approve the reappointment of Widseth, Inc as the city engineering firm, and Rich Clauson as the Engineer of Record for the 2026 calendar year.

On vote being taken, the resolution was unanimously passed.

COUNCIL BOARDS AND COMMISSIONS REPORTS

- Jason Aarestad thanked the Budget Committee and Angie for their work this year on the budget. He suggests business owners contact their legislature regarding mandated changes the city and county must follow.
- Steve Narverud noted he's received a lot of trail questions in regards to clearing/plowing them. He noted it's very expensive to keep them plowed and the MEC trail has snowmobile usage that would damage the trail if cleared. Greenwood trails has been cleared at this time and Public Works will monitor it throughout the season but it is a low priority. Steve requested Greenwood Trails be removed from the cross-country ski list literature/advertising.

UPCOMING MEETINGS

RESOLUTION NO. :

- City Council 1/6/2026 at 5:30 pm
- Public Utilities Committee 1/12/2026 at 7 am
- Public Safety Committee 1/12/2026 at 4:30 pm
- Administrative Committee 1/13/2026 at 4:30 pm
- Public Works Committee 1/14/2026 at 4:30 pm
- City Council 1/20/2026 at 5:30 pm

INFORMATIONAL ITEMS

RESOLUTION NO. :

- Investment Summary
- Holiday Hours: City Offices will closed 12/25/2025 for Christmas and 1/1/2026 for New Years. There will be no garbage pickup.
- The Municipal City Liquor Store will close at 4:30 pm on Christmas Eve and will be closed on 12/25 for Christmas. It will be open normal business hours (8am - 9pm) on New Year's Eve 12/31/2025 and closed New Year's Day 1/1/2026.
- Mayoral Update
    - Mike noted he will continue walking with legislatures and wants to go attend Day

at the Capital.
- Mike noted the State of the City Address will be in the beginning of 2026 and reminded Dept. Heads to prepare statements.
- Mike noted he is continuously working with on the water intake challenge concerns from Agassiz Wildlife Refuge. He wants to take a trip there in the spring (wants Michele McCraw to attend) to tour the situation.
- Mike reviewed committee assignments and Ad Hocs with the Council. There were no changes or requests. He would like a Strategic Planning meeting in the beginning of 2026. Scott Pream requested to be removed from the NW Regional Library board. Mike requested to be removed from the Red River Basin Committee.
- Mike requested feedback from the council on Planning & Zoning Committee. He would like P&Z to be brought to the Strategic Planning meeting to discuss process and procedures and recommendations to be brought to the 1/20/26 Council meeting. He also stated notifications should be printed in the Times and the City Website regarding applications for P&Z appointments.

ADJOURNMENT

There being no further discussion, Councilemember Scott Pream motioned being seconded by Councilmember Kelly Langness to adjourn at 7:01 pm. On vote being taken, the Chair declared the motion unanimously carried.

____ Mayor Mike Lorenson

Attest: City Administrator, Angela Philipp

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