

**Announcement of Meeting  
City Council  
Regular Meeting Minutes**

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**Tuesday, March 10, 2026**

**5:00 PM**

**Council Chambers**

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**A. CALL TO ORDER - ROLL CALL**

**Present:** Mayor Patrick Baustian, Council Member Caroline Thorson, Council Member Kevin Aaker, Council Member Dan Nath, and Council Member Marlin Kracht

**Additional :** Jessica Mead, Jill Wolf, and Tyler Reisch

**B. PLEDGE OF ALLEGIANCE**

**C. APPROVAL OF AGENDA**

With the addition of Luverne Baseball Association raffle, Lease Agreement with Minnesota West and Proposed Resolution No. 13-26 under the consent agenda. A motion was made by Council Member Thorson, seconded by Council Member Aaker, that the be approved as amended. The motion carried unanimously.

**D. APPROVAL OF MINUTES**

**D.1. [2026-14](#)** February 17, 2026 City Council Minutes

A motion was made by Council Member Aaker, seconded by Council Member Nath, that the Minutes be approved. The motion carried by a unanimous vote.

**E. RECOGNITION OF GUESTS**

Lori Sorenson, Mandy VanGrootheest and David Feilmeier. Remote: Christopher Hoodecheck and Brian Meyer.

**F. PUBLIC FORUM**

None.

**G. STAFF AND CONSULTANT REPORTS**

**G.1. [2026-9](#)** City Administrator Report

The city is preparing for tree removal along Highway 75, with the electric department conducting locates and installing meters at the airport. Water and wastewater staff are completing an inventory of manholes to plan for future lining projects and have set up samplers for PFAS testing, with no PFAS detections reported to date. Public works will be removing a total of 110 trees, including 50 ash trees

and 30 crab apple trees affected by disease, which will be replaced, along with 30 other varieties. A total of 120 new trees have been ordered for replacement. Twenty-five years ago, Luverne had approximately 2,500 ash trees; that number is now down to about 600, and removal will continue as the emerald ash borer disease moves closer to the city. Spring cleanup is scheduled for the week of April 20th, and staff are also discussing how far the emerald ash borer has progressed toward Luverne, taking a proactive approach by removing at-risk trees and diversifying the urban forest with a variety of new tree species.

## H. CONSENT AGENDA

A motion was made by Council Member Aaker, seconded by Council Member Kracht, to approve the consent agenda. The motion carried unanimously.

- H.1. [2026-4](#) December 2, 2025 Airport Board Minutes  
January 12, 2026 EDA Minutes  
January 14, 2026 HRA Minutes  
February 23, 2026 Fire Department Minutes
  
- H.2. [2026-5](#) Petty Cash Reconciliation as of February 28, 2026
  
- H.3. [2026-17](#) Claim Report for March 2026 (Check No. 167089 - 167248) for \$1,271,593.02.
  
- H.4. [2026-18](#) 2025 Donations List
  
- H.5. [2026-6](#) Temporary Liquor License for Luverne Brew Partners, LLC dba Take 16 Brewing Company on March 19, 2026 at 509 E Main Street for a Women's Giving Circle event.
  
- H.7. [2026-8](#) Private Use of Public Property Request for Luverne Area Chamber for Redbird Field, including partial closure of Redbird Road and East Warren Street on July 17, 2026 for Nutcrackerfest.
  
- H.8. [12-26](#) PROPOSED RESOLUTION AMENDING IRC SECTION 125 FLEXIBLE BENEFITS PLAN
  
- H.9. [2026-21](#) Application for Exempt Permit for Luverne Baseball Association to conduct a raffle on July 17, 2026 at Redbird Field.

## I. ITEMS PULLED FROM CONSENT AGENDA

- H.6. [2026-7](#) Commercial Refuse Collection License for Waste Management of Sioux Falls

Representing Waste Management of Sioux Falls, Dawit Belay submitted a commercial refuse collection license application for the City of Luverne. The license is effective through December 31, 2026. All required application materials and fees have been received and the application is complete.

A motion was made by Council Member Thorson, seconded by Council Member Nath, that this Motion be approved. The motion carried by a unanimous vote.

**H.10. 2026-25** Lease Agreement - Minnesota State as Tenant for Higher Education Purposes at 305 E Luverne Street.

The Council discussed the City of Luverne lease agreement with the State of Minnesota, on behalf of Minnesota West Community and Technical College, for use of space in the former City hospital building at 305 E. Luverne Street. The lease term runs from June 1, 2026, through May 31, 2033, for approximately 16,837 square feet to be used for higher education purposes, with total rent not to exceed \$459,099 over the term. The lease is structured as a gross lease, with the City responsible for building operations and maintenance, and the tenant reimbursing only for electrical usage. The lease is subject to statutory cancellation provisions and legislative funding availability.

A motion was made by Council Member Thorson, seconded by Council Member Kracht, that this Motion be approved. The motion carried by a unanimous vote.

**H.11. 13-26** PROPOSED RESOLUTION  
A RESOLUTION APPROVING LABOR AGREEMENT AND MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LUVERNE AND AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, COUNCIL 65

This proposed resolution authorizes a new labor agreement between the City of Luverne and AFSCME Council 65, the exclusive bargaining representative for certain City employees. The agreement covers the period from January 1, 2026, through December 31, 2028, and includes approval of a Memorandum of Understanding addressing paid family and medical leave. The resolution authorizes the Mayor and City Administrator to execute the agreement and directs the City to implement its terms.

A motion was made by Council Member Nath, seconded by Council Member Thorson, that this Resolution be adopted. The motion carried by a unanimous vote.

**J. NEW BUSINESS**

- J.1. [2026-10](#) Payment to Minnesota Department of Transportation for \$1,962,115.26 for the City portion of the Highway 75 Reconstruction Project.

This invoice is due and payable to the State of Minnesota for the City's portion of the Highway 75 2026 construction project for ADA, utility, lighting and aesthetic improvements.

A motion was made by Council Member Kracht, seconded by Council Member Aaker, that this Motion be approved. The motion carried by a unanimous vote.

- J.2. [2026-11](#) Luverne Municipal Airport - Quentin Aanenson Filed T-Hangar & Taxilane Project

The project involves the development of a 5 Unit T Hangar at the airport. Approximately 89 percent of the total project cost will be funded with available FAA and MnDOT grants. The airport has maintained a hangar rental waiting list for more than 15 years, demonstrating sustained and unmet demand. The project provides the opportunity to construct a long term, revenue generating airport asset with grant funding, strengthening the airport's financial position and improving its ability to operate in a more self-sustaining manner.

A motion was made by Council Member Nath, seconded by Council Member Aaker, that this Motion be approved. The motion carried by a unanimous vote.

- J.3. [10-26](#) PROPOSED RESOLUTION APPROVING INTERFUND LOAN FUND 408 RURAL FIRE EQUIPMENT FROM FUND 603 REFUSE FUND

This proposed resolution authorizes an interfund loan of up to \$320,000 from the refuse fund to the rural fire equipment fund to cover the upfront cost of a new pumper truck. The loan will be repaid over 10 years at 0 percent interest using future fire contract revenues, effective December 31, 2025.

A motion was made by Council Member Thorson, seconded by Council Member Kracht, that this Resolution be approved. The motion carried by a unanimous vote.

- J.4. [11-26](#) PROPOSED RESOLUTION APPROVING INTERFUND LOAN TO FUND 208 CHILDCARE FUND FROM FUND 101 GENERAL FUND

This proposed resolution authorizes a loan of up to \$278,000 from the general fund to the childcare fund to cover a temporary cash deficit created because only part of the \$1,000,000 in dedicated donations for the Kids Rock! Childcare Center remodel had been received by year-end 2025. The loan will be repaid as the remaining

donations are received at 0 percent interest, effective December 1, 2025.

A motion was made by Council Member Aaker, seconded by Council Member Nath, that this Resolution be adopted. The motion carried by a unanimous vote.

**K. COUNCIL REPORTS**

Aaker summarized the Economic Development Authority meeting from Monday morning; a new business Luv Modular has announced building an industrial facility to build modular units in our industrial park. Cable board will meet on March 19 at 5:00 p.m. to hear updates from Bluepeak regarding their upcoming fiber project.

**L. ADJOURNMENT**

A motion was made by Council Member Nath, seconded by Council Member Kracht, to adjourn the meeting at 5:51 p.m. The motion carried unanimously.

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Jessica Mead, Operations/HR Manager

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Patrick T. Baustian, Mayor