

**Lanesboro City Council
Special Meeting Minutes
Wednesday, January 14, 2026 – 6:00 p.m.
Lanesboro Community Center – City Council Chambers**

Present Members:

☒ Mindy Albrecht-Benson ☒ Chase Bakke ☒ Joe Cullen ☒ Alicia Pearson ☒ Kathryn Wade

Staff:

☒ Mitchell Walbridge ☒ Darla Taylor ☐ David Haugen ☐ Mark Lawstuen ☐ Jerod Wagner
☐ Michelle Marotzke ☒ Joseph O’Koren

Guests: *Via Zoom:* Sheila Walbridge, Chase Wark, Charlie, Brian Malm, Nathaniel Ajouri

Call to Order: Mayor Pearson called the special meeting to order at 6:00 p.m.

- A. Agenda Approval:** Member Albrecht-Benson entered a motion to approve the agenda as presented; Member Wade seconded the motion. Motion carried with all in favor.
- B. Consider Mediated Settlement Agreement with Wapasha Construction Company, Inc.:** Nathaniel Ajouri, legal counsel with Maslon LLP, summarized the mediation held on December 5, 2025, and presented the resulting Settlement Agreement. He reported that the final negotiated payment amount was \$125,000, with mutual release of claims, except for claims arising under warranty provisions of the general contract. Ajouri recommended a technical revision to the draft agreement prior to execution. Specifically, in Part A of the Recitals, he advised revising the phrase “existing facility in Lanesboro, Minnesota” to “Wastewater Treatment Facility Improvements to the new facility in Lanesboro, Minnesota” to eliminate ambiguity. Mayor Pearson entered a motion to approve executing the Settlement Agreement with the recommended change in wording to Section A of the Recitals; Member Albrecht-Benson seconded the motion. Motion carried with all in favor.
- C. Consider Resolution 2026-18 – Authorizing the Approval of Appraised Values, Easement Acquisition for the MN TH250 Road/Utility Improvement Project, and Offers of Compensation:** City Administrator Walbridge reported that appraisals for temporary and permanent easements required for the project are nearing completion and that the City Council must approve the certified appraisal values. Following completion, compensation offers will be presented to affected property owners. Brian Malm, Bolton & Menk, Inc., explained that it is standard practice for the City Council to designate an individual, typically a staff member, to present offers and negotiate within an authorized range in the event of counter offers or appraisal disputes. Council discussion focused on establishing an appropriate negotiation threshold. Members referenced the City’s Expenditure of Funds Policy, which authorizes the City Administrator to expend up to \$10,000 in unbudgeted funds, and generally agreed that this amount was appropriate for easement negotiations. Member Albrecht-Benson entered a motion to adopt Resolution 2026-18 as drafted; Member Wade seconded the motion. Motion carried with all in favor. Member Albrecht-Benson entered a motion to allow the City Administrator and City Attorney to negotiate easement acquisition offers that do not exceed \$10,000 of the certified appraised value of any parcel; Member Wade seconded the motion. Motion carried with all in favor.
- D. Consider Resolution 2026-19 – Authorizing Submittal and Completion of DNR Application for Easement Across State Land:** Administrator Walbridge explained that a DNR easement is required for work near the Root River Trail crossing at Parkway Avenue and Elmwood Street. Brian Malm, City Engineer, added that adoption of a resolution is required as part of the DNR application process.

Approved 02/02/2026

Mayor Pearson entered a motion to adopt Resolution 2026-19; Member Albrecht-Benson seconded the motion. Motion carried with all in favor.

E. Consider Utilizing Warranty Bond for Unresolved Warranty Items – 2022 Street/Utility Project:

Administrator Walbridge reported that defects remain in the 2022 Street/Utility Project and require correction. In accordance with the contract with Generation X Construction, LLC, the City issued a Notice of Defects to both the contractor and the bond company by letter dated July 31, 2025. Although the correction period expired in August 2025 and corrective work was anticipated in October 2025, no work was completed.

Brian Malm provided additional explanation regarding the warranty bond process and the company's bond role in covering defect correction costs.

Mayor Pearson entered a motion to utilize the warranty bond to get defects corrected; Member Bakke seconded the motion. Motion carried with all in favor.

F. Consider Street/Parking Closure Application – The Filthy 50 – October 10, 2026: A street and parking closure application was submitted for October 10, 2026, from 9:00 a.m. to 5:00 p.m., to close portions of Parkway Avenue and Coffee Street West as part of the established race route. Administrator Walbridge noted that the applicant obtained signatures from most affected property owners indicating awareness and support.

Member Wade entered a motion to approve the street and parking closure application; Mayor Pearson seconded the motion. During discussion, Member Bakke commended the cooperation extended to the City to make the event successful as well as minimizing disruptions to the downtown businesses. The motion carried with all in favor.

G. Consider Resolution 2026-20 – Indicating Approval of a General Local Sales and Use Tax to be Authorized by the Legislature of the State of Minnesota: Administrator Walbridge presented a draft resolution identifying two potential projects for a local option sales tax: (1) the TH250 Road/Utility Project, and (2) improvements to Sylvan Parking, including the municipal campground. He explained that road and utility improvements generally fall outside the statutory scope for local sales tax authorization, presenting a risk of legislative denial, though compelling circumstances could result in approval for the TH250 project.

Administrator Walbridge recommended continuing coordination with Taft Law, consulting with Representative Greg Davids, and soliciting proposals for lobbyist services before bringing the resolution forward for Council action. Council members concurred, noting that a special meeting would be required to consider the resolution. Administrator Walbridge further noted that sales tax resolutions must be submitted to the House and Senate Tax Committee chairs no later than January 31.

Member Albrecht-Benson entered a motion to table Resolution 2026-20 until it is ready for consideration at a special meeting; Member Wade seconded the motion. Motion carried with all in favor.

Mayor Pearson adjourned the special meeting at 6:42 p.m.

Respectfully submitted,

Mitchell Walbridge
City Administrator/Clerk