

**City of Nashwauk
December 9, 2025
City Council Meeting**

Mayor Heyblom called the meeting to order at 5:30 p.m. in the Council Chambers of City Hall.
Mayor Heyblom led the Pledge of Allegiance.

Members present: Councilor David Bruns, Councilor Tom Martire, Councilor Sheila Jensen, Councilor Terry Sullivan, Mayor Greg Heyblom.

Also present: Administrator/Clerk April Kurtock, Police Chief Lee Longoria, Public Works & Utilities Lead Jason Martire, Attorney Jackie Simon.

Public Comment

Chris Meadows, 1st Street resident, stated that water runs down the alley at the overlook and it impacts his property at 113 1st Street because water goes against building and causes damage. He stated the sidewalks are also higher than the alley. He also shared a complaint about how the Street Department was plowing. He asked that the City look at the issues.

Adoption of Agenda

*Motion by Councilor Jensen, seconded by Councilor Sullivan to adopt the agenda of the December 9, 2025, City Council Meeting, with the revisions of adding a letter of support for Mesabi Metallics and removing the boiler quotes under Street Department.

Ayes: all present. Motion carried.

Approval of Consent Agenda

*Motion by Councilor Bruns, seconded by Councilor Jensen to approve the consent agenda as follows:

a. Approve the minutes of the November 25, 2025, City Council meeting and minutes of the November 24, 2025, City Council Work Session.

b. Approve claim register #1292025 Claim 1 in the amount of \$259,317.47.

Ayes: all present. Motion carried.

Unfinished Business

Small Cities Development Program

Contract Addendum

*Motion by Councilor Bruns, seconded by Councilor Sullivan to approve the addendum to the contract agreement for the Small Cities Development Program administrative services by and between the City of Nashwauk and CEDA extending the term of the contract through December 31, 2026, or until the project is complete, whichever comes first.

Ayes: all present. Motion carried.

East Itasca Joint Sewer Board Update

No update.

Public Works Building Update

City Administrator/Clerk Kurtock stated that the City was not awarded funding through the current round of Public Works grants from IRRRB. We can apply again in the future.

Hazardous Buildings

City Administrator/Clerk Kurtock stated that IRRRB moved the preliminary application on to the full application for the Commercial Redevelopment grant. The City also received notification that there was an active MPCA petroleum tank release investigation for the 302 1st Street property. The property will be part of their land auction in December, and the new owner will take on liability of a petroleum leak site and be required to give MPCA access. Because of this, the County doesn't anticipate that there will be interest in the property. Additionally, if the Council moves forward with demolition of the buildings on the property, nothing can be assessed while the property is in tax-forfeit status.

New Business

Administrative Assistant

*Motion by Councilor Jensen, seconded by Councilor Sullivan to approve the recommendation from Administrator/Clerk Kurtock to hire Lisa Mlakar as an Administrative Assistant for up to 20 hours per week at a rate of pay of \$20.00/hour.

Ayes: all present. Motion carried.

Letter of Support

*Motion by Councilor Bruns, seconded by Councilor Jensen to approve submitting a letter of support to the DNR regarding Mesabi Metallica permits amendments.

Ayes: all present. Motion carried.

Department & Committee Reports & Requests

Police Department

*Motion by Councilor Bruns, seconded by Councilor Sullivan to approve Ordinance No. 2025-07 an ordinance of the City of Nashwauk amending Nashwauk City Ordinances Chapter 70, section 71.13 entitled "Parking Prohibited."

Ayes: all present. Motion carried.

Police Cruiser & Equipping Quotes

Police Chief Longoria presented three quotes for police cruisers plus two quotes to equip the vehicles with lights and sirens. The quotes were: Nelson Auto Center for a 2025 Ford Police Cruiser with a state bid in the amount of \$45,492.00; Dodge of Burnsville for a 2026 Durango Pursuit AWD with the state bid in the amount of \$42,163; and M&M Auto Body for a 2024 Ford F-150 XLT that was already equipped with lights and sirens in the amount of \$67,000. Chief Longoria noted that the 2025 Ford cruiser and 2026 Dodge would need to be equipped with lights and sirens. Quotes for installation of lights and sirens were received from M&M Auto Body in the amount of \$17,107.12, and Enforcement Lighting, LLC in the amount of \$20,000.

*Motion by Councilor Martire, seconded by Mayor Heyblom to approve the quote from M&M Auto Body for a 2024 Ford F-150 XLT that was equipped with lights and sirens in the amount of \$67,500; Council acknowledged the quote was not the lowest one, but sited local and immediate availability of the vehicle.

Ayes: all present. Motion carried.

Street Department

Public Works & Utilities Lead Martire provided comment on the 113 1st Street issue saying the overlook is uphill and the building at the property is downhill, so when the snow melts or when it rains, water

runs toward the building. He stated the department doesn't push snow towards his building. Councilor Martire asked that the issue be looked at during the spring.

Mayor and Council Updates

Councilor Sullivan stated frustration with a claim that was to be paid to the school district for items the city purchased from the old school. He acknowledged that the claim was small but cited his frustration with the city providing frequent in-kind services to the district, but those in-kind services were never reciprocated.

Public Hearing for 2026 Budget

City Administrator/Clerk Kurtstock presented the 2026 budget. At the start of budget planning, the City faced major issues regarding revenue shortfalls. Correspondence was received from the DNR that they had miscalculated mineral rents and leases for 3 years and required that \$205,000 in funds be paid back. Council decided to remit payment back to the DNR over 5 years, which also added \$41,000 to the expenditures for 2026. Additionally, the DNR said they would not be remitting minerals and rents funds to the City in 2026, which created a shortfall of approximately \$150,000 in revenue. There was also a decrease to small cities aid, an 8.2% increase in health insurance premiums, various equipment and street repair needs, all which resulted in a preliminary budget with a \$340,000 deficit. Initially the proposed levy was 10%, but faced with these issues, Council was uneasy capping the levy at 10% and elected to adopt a 15% levy increase.

Over the past three months, the Council worked to reduce the deficit. They directed departments to reduce expenses and then reviewed other possible sources of funding, like utilizing existing funding sources, especially the economic development fund. After careful consideration, Council elected to remove \$60,000 in street repairs from the budget with the commitment to do the work, but to use economic development funds and special assessments. Additionally, removing some equipment purchase needs in favor of utilizing the equipment fund to make those purchases. After an optimistic, but conservative review of anticipated electrical consumption of Mesabi Metallics in 2026, expected franchise fee revenue figures will increase significantly, so that the funding levels for that revenue source were increased.

Noteworthy changes for the 2026 budget include budgeting more conservatively for anticipated rents and mineral leases, as the funding levels have been unreliable and varied greatly year to year; increased franchise fee revenue, utilizing existing funds within the economic development fund; reduction in police services revenue, as Calumet and Marble terminated their police service contracts. Related to expenses, with increased franchise fee revenue, the City also must pay out a proportionate share of franchise fees to outside entities, so those expenses increased; Council approved the hire of a part-time administrative assistant for the clerk's office; purchase of a police cruiser (which is fully funded by existing funds or the sale of assets), and a slight decrease to retiree benefits.

The budget presented at the public hearing was balanced and the deficit was eliminated. Through previous meetings, Council indicated no appetite for adopting a levy with a 15% increase, so percentage options were provided to them for consideration. The total budget for 2026 is \$2,267,325. Of that, the proposed levy, which was the 15% overall increase from 2025 was \$818,890, which includes \$778,890 for the general fund, \$15,000 for OPEB, and \$25,000 for the equipment fund. At the previous budget meeting, Council had indicated that reductions to the overall levy would be supplemented through the

economic development fund. So, although the 2026 budget session started out looking very dismal, the City worked diligently through the past months to ensure a minimal impact on the taxpayers.

The meeting was opened for public comment.

Dennis Harrington said he appreciated the work the City has done on the budget and asked what the final levy percentage would be. Council stated they hadn't made that determination yet but didn't want it above 5%.

Brian Gangl said he appreciates the work the Council has done but wanted to know what the City offers that makes young people want to come back to the area. He said it takes money to bring in new people. He referenced the survey the City did years ago, which revealed the aging population. There was nothing to draw in new people and he wanted the city to offer family-oriented amenities. He stated he was okay with increases in taxes to attract people to the area. Councilor Jensen recognized that as an issue and stated she was hopeful for additional income through the development of the mine to be able to do those things.

Resolution 2025-19

*Motion by Councilor Martire, seconded by Councilor Bruns to adopt Resolution 2025-19 Certifying the 2026 budget and establishing the levy at \$740,562, which was a 4% overall increase from the 2025 levy.

Roll call: Councilor Bruns, Councilor Martire, Councilor Jensen, Councilor Sullivan, Mayor Heyblom. Ayes: all. Resolution approved.

Closed Session

*Motion by Councilor Bruns, seconded by Councilor Jensen to convene to closed session at 6:27 p.m. as permitted by Minnesota Statute 13D.03 for the purpose of union negotiation strategizing.

Ayes: all present. Motion carried.

Council discussed an MOU regarding compensation for a duty assignment within the Street Department.

*Motion by Councilor Bruns, seconded by Councilor Martire to convene from closed session at 7:48 p.m.

Ayes: all present. Motion carried.

Adjourn

The meeting was adjourned at 7:48 p.m.

City Administrator/Clerk/Treasurer