

CITY OF FOLEY, MINNESOTA
CITY COUNCIL MEETING – April 7, 2026

The Foley City Council held its regular meeting at 5:30 p.m. on April 7, 2026, at Foley City Hall.

Members Present: Mayor Voit, Councilmembers Jeff Gondeck, Debra Mathiowetz, Gary Swanson, and Stephanie Lloyd

Members Absent: None

The pledge of allegiance was recited.

Motion by Swanson, seconded by Gondeck to approve the agenda.

Motion carried, unanimous.

Motion by Gondeck, seconded by Mathiowetz, to approve the consent agenda.

Consent Agenda:

- Approve minutes of March 10, 2026.
- Approve resignation of Stacy Graham effective April 3, 2026.
- Approve 2026 Benton County Fair Contract.
- Approve SRO Contract effective July 1, 2026.
- Approve disposal/sale of FD Tanker #3.
- Adopt Resolution #2026-14 Accepting Donations.
- Approve payment of bills.

Motion carried, unanimous.

- Approval of Agenda and Consent Agenda
 - The council approved the meeting agenda and the consent agenda with motions, seconds, and unanimous “aye” votes; no opposition was recorded.
 - Procedural items were completed efficiently before moving to the mayor’s comments and open forum.
- South-Side/Fairway Estates Development: Developer Involvement, Process, and Transparency
 - Concern was raised about a social media post by Hageman Homes suggesting they were “working with the city” before formal approvals. The mayor clarified

that Hageman Homes expressed interest in building in Foley but has no exclusive arrangement and cannot purchase lots until the formal process is followed.

- Multiple builders (five or six) have reached out over more than a year, and the city is using a first-come-first-serve approach for lot sales. Builders have been directed to obtain details from Sarah regarding timing, product, and contract obligations.
- The mayor emphasized this project has been discussed publicly for “three years,” with extensive meeting coverage and no concealed decisions.
- Funding Structure, ARPA Use, and Lot Pricing
 - Debra Olson, 600 Dewey Street, raised concerns that lot prices at “forty to fifty thousand dollars” and total proceeds would not cover total development costs cited as “one million ninety six.”
 - The mayor explained the city is using ARPA funds designated for infrastructure: “six hundred seventy five thousand dollars” plus previously purchased pipe also funded by ARPA. He summarized that “about nine hundred thousand dollars” of development is covered by ARPA dollars that must be used or lost.
 - The city plans to sell lots and potentially pursue additional grants and state/county funding for phase two, noting state-level funding awards are currently pending and uncertain.
 - Builder cost context noted a basic split-level home construction cost is typically not less than \$275,000 before additional costs. Lot price targets centered on \$50,000 per lot, with flexibility for less desirable lots (around \$45,000) and a threshold that going below \$40,000 would require returning to the council.
- Rationale for City-Led Development and Affordability Context
 - The mayor stated the city is undertaking development due to high costs and to address long-term stagnation (“twenty years behind”), aiming to increase property tax base and counter rising taxes and declining school enrollment.
 - “Affordable” was described as a loose term; homes under “four hundred thousand dollars” were cited as considered affordable in the current market. Multiple builders are expected to purchase a few lots each, with a goal to build homes “within two years” and then advance to phase two.
- Housing Types Policy: Manufactured, Modular, Mobile, Stick-Built, and Panelized

- Definitions debate included a challenge that city ordinances used “manufactured” and “mobile” synonymously; industry framing suggests manufactured/modular homes are factory-built, set on slab or basement, and become permanent structures. City representatives asserted “Manufactured homes are mobile homes” and can still be moved, even if axles are removed; the exchange remained unresolved.
- A resident questioned why manufactured or modular homes are excluded while mobile homes are clearly not allowed, citing cost advantages (“eighty-seven dollars, a square foot” vs. “two hundred and forty dollars, a square foot”) and compliance with state regulations.
- Council sentiment favored prioritizing stick-built homes; panelized homes received support as a possible compromise, being visually indistinguishable when completed and faster to erect. Modular homes require further research before inclusion due to concerns about neighborhood value impact and compatibility.
- Exclusions were recommended for modular, manufactured, or mobile homes in the South Fairway Estates development, given the city’s effective land discounting and desire to maximize long-term value and tax base. Stick-built and ICF homes are supported; panelized construction is viewed as acceptable and distinct from modular, with precise language to be drafted by the building official.
- Moving in pre-built/used homes is discouraged; homes should be built on site (stick or panelized), although building code allows inspection-based acceptance of used homes.
- Lot Sales Strategy, Buyer Eligibility, and Process
 - Preference was expressed for selling to builders who can close quickly and build promptly; a reverter clause was discussed for buyers who do not build within two years, acknowledging legal processes and fees.
 - Individual buyers may purchase if they already have a builder engaged and are ready to proceed (pre-approval, builder hired), provided lots are available.
 - Initial outreach will prioritize builders who have already expressed interest; if lots remain, outreach will broaden to others.
 - The team aligned on publicly advertising lots at “50,000 dollars” per lot, with flexibility to negotiate for unusual or “odd” lots. This is not an RFP for a single developer; any qualified builders may purchase lots, and multiple builders have asked to be notified when lots are available.

- Resolution and agreements will establish process parameters and authorize execution of documents, with potential amendments for state-imposed conditions to maintain grant eligibility.
- Mayor’s Statement on Public Criticism and Governance
 - The mayor addressed concerns about perceived conflicts with familial businesses and character attacks, emphasizing existing systems and processes and rejecting claims that family ties should bar business activity.
 - He clarified his role is volunteer-based with a small stipend and highlighted civic service involvement.
 - The mayor criticized misinformation and personal attacks on social media, urging civil, direct conversations via phone or in person, acknowledging diverse opinions, and emphasizing the need for development to manage water prices and property taxes. He discouraged “empty threats” tied to elections, stressing the limited number of people willing to serve.
- Foley Commercial Rehab Forgivable Loan Program (Legacy CDBG Funds)
 - Purpose and funding: Legacy Small Cities Development Program income from a 1999 initiative totals “eight hundred and fifty-nine thousand seven hundred dollars,” with a current fund balance of “eighty-eight thousand, four hundred and eighty dollars.” The proposed program offers forgivable, no-interest loans up to “forty thousand dollars” to improve small commercial business spaces in the downtown corridor.
 - Eligibility: For-profit or nonprofit businesses with a physical commercial address in the city; good standing with Minnesota Secretary of State; compliant with city codes; no delinquent city charges; property owners or tenants with owner permission; conforming to zoning and building codes. Ineligible applicants include those without a physical address, passive investment income, primarily gambling-based income, adult-oriented activities, and corporate chains.
 - Eligible uses: Exterior improvements, code/ADA compliance, sprinkler systems, masonry repairs, roofing, and HVAC replacement or upgrades.
 - Loan structure and federal requirements: One-time forgivable loan award not to exceed “forty thousand dollars,” funding split “eighty percent” Small Cities funds and “twenty percent” owner contribution (maximum Small Cities allocation “thirty thousand dollars”), interest rate “zero percent,” forgiveness upon

satisfactory completion; Davis-Bacon prevailing wage and environmental review apply to projects over “two thousand dollars.”

- Administration and process: The EDA reviewed the policy and recommended approval; the EDA would vet applications and recommend awards to the City Council. Likely first-come, first-served after about “a month” of advertising; once funds are depleted (“eighty-eight thousand”), the program ends.
- Council Q&A noted Davis-Bacon can add “twenty-five to thirty percent” to total project costs; some projects (like HVAC) may still be feasible as contractors already meet wage requirements. Alternatives considered included returning funds to the state, creating a revolving loan fund, or using them as match for a new Small Cities application; staff favored local distribution via forgivable loans.
- Police Department Monthly Update (March)
 - Call volume and trends: 400 calls for service in March (397 in 2025); increases in speed enforcement, thefts (including scam calls), and harassment (often via social media).
 - Operations and enforcement: Transition to a new records system is complete; additional administrative work identified. Nuisance enforcement to ramp up. Gun permits and civil matters (child custody exchanges) are up.
 - Investigations and community updates: Collaboration with Sherburne County led to a significant breakthrough on burglaries and thefts; cases are being worked toward resolution. Winter parking enforcement ended; 30-minute downtown parking enforcement remains. Bike Rodeo planning is underway.
 - Equipment status: Squads are in good shape; a 2025 squad will be sent for basic maintenance, with a spare squad visible during drop-off.
- 2026 Southside Fairway Estates: Construction Bids and Award
 - Ten bids received and opened on March 18, ranging from just under 1.1 million to about 1.8 million against an engineer’s estimate of 1.62 million.
 - Low bid: Northern Lines Contracting (Hanover, MN) at \$1,096,603.07. The engineer’s representative reported no concerns and recommended award. A motion was made, seconded, and approved unanimously.
- Public Works, Engineering, and Project Scheduling

- Street maintenance and summer work: Patching and related maintenance to begin soon; known issues will be addressed.
- Scout House siding project: Building condition is worse than expected; significant under-material replacement needed; about half completed. The building sits too low; bottom foot required removal of plywood and some 2x4s. Measures include flashing, higher siding placement, and landscaping to keep material off the structure (with potential Scout assistance). Materials around \$10,000 were previously purchased; labor will exceed initial expectations; staffing constraints may slow work.
- North Side walkthrough and LSL bids: Bid opening for the 2026 LSL is next Wednesday; a full North Side walkthrough (every street) will follow with staff and possibly county participation to capture concerns and coordinate with the contractor. Kuechle Construction anticipated to mobilize a couple of weeks after the walkthrough, possibly end of April or early May, depending on drying conditions due to snow and wet weather. 2025–2026 LSL is currently out; 2027 efforts focus on funding.
- Compost site operations and access: Open Tuesday, Thursday, Saturday, 9 am to 7 pm. Gate automation is in progress but delayed; considering additional days and swipe card/fob access similar to a nearby city; concern about “dumpers” if open too much. Tree trimmers have had access; site has often been open during wastewater testing.
- Public Works and Administration Updates
 - Old truck valuation: Rough estimate around “forty thousand,” acknowledged as uncertain and subject to market conditions; the truck is mechanically good but experiencing recurring body rust.
 - Training: Basic gun training completed; first responders completed oil awareness training.
 - Audit status and workload: Administration is heavily engaged in the audit, with in-person agenda items scheduled “tomorrow.” Work includes tracking many open capital projects, calculating retainage receivables, and posting entries. No federal single audit this year due to increased threshold; some checks still required. Staff (notably Monica and Sarah) are working extra hours to wrap the majority of audit work in the coming weeks.

- Scheduling, Workshops, and Transparency
 - Scheduling and meeting structure: The regular meeting will proceed as scheduled and not be postponed. A short meeting is planned on the 21st at 5:30pm.
 - Planning & Zoning transparency and participation: Meeting packets are public; the team will look into the status of posting minutes and making packets readily accessible. Decisions typically pass through multiple layers, with Planning & Zoning recommendations preceding council approvals. Multiple open seats are available; community members were encouraged to volunteer and attend. Viewers were directed to the last “36” council meetings on YouTube for detailed discussions on Fairway Estates.

- Response to Resident Email: Procurement, Conflicts, and Project Clarifications
 - “Welcome to Foley” Signs: General contractor Jen Steinkopf was selected after an approximately two-year public process including artist solicitations and public voting across multiple locations.
 - Fairway Estates bidding: No bids were submitted because the city is selling lots, not procuring a single builder via RFP. Lot sale documents were created and reviewed by a lawyer; any builders may purchase lots and build homes.
 - Conflict of interest: Any builder, including those with familial connections to officials, may purchase lots like anyone else. No award or pending acceptance exists for Hagmann Homes LLC or anyone with the last name Hegmann related to Fairway Estates. If Hagmann Homes pays “50,000 dollars” for a lot like any builder, that would be acceptable.
 - City vs. county roles: The city and county are separate entities with distinct decision-making bodies. The county’s government center project is not a city decision; Foley’s role as county seat brings benefits to the community.
 - Government center contracting: Hagmann Homes or anyone with the last name Hagmann is not involved in subcontracting or building the government center. Many local contractors are participating; this was framed as positive for the local economy.
 - Contractor licensing note: A state law requires a general contractor license for contractors performing two or more projects; Hagmann Homes previously operated as a concrete contractor and later obtained a general contractor license, but received no city bids or special treatment. Council members commended the handling of misinformation.

Motion by Gondeck, seconded by Lloyd, to adjourn.

Motion carried, unanimous.

Meeting adjourned 7:06 p.m.

A handwritten signature in cursive script that reads "Sarah A. Brunn".

Sarah A. Brunn, Administrator
(Minutes By: Sara Judson Brown, Administrative Assistant, using AI recording device)