

City Council Meeting

Monday, September 22, 2025 6:00 PM

Agenda

Pledge of Allegiance

1 Approve or Amend Agenda

2 Sheriff's Report

3 Consent Agenda

Those items on the Council Agenda which are considered routine or noncontroversial are included as part of the Consent Agenda. Unless a Councilmember specifically requests that an item on the Consent Agenda be removed and considered separately, items on the Consent Agenda are considered under one motion, second and vote. Any item removed from the consent agenda shall be placed at the end of General Business.

3.1 Approve Pay Estimate 1 for County Road 27 Bypass Lane Road Improvement Project

3.2 Approve Change Order 1 for the County Road 27 Bypass Lane Improvements

3.3 Approve Payment of Claims (Bills) and Transfer Requests as Presented.

4 Open Forum

The public forum is intended to afford the public an opportunity to address concerns to the Council. The public forum will be no longer than 30 minutes in length and each presenter will have no more than five (5) minutes to speak. Topics of discussion are restricted to local governmental topics rather than private or political agendas. The Council may discuss but will not take formal action on public forum presentations.

5 Presentation(s)

6 Public Hearing(s)

7 General Business

7.1 Minutes of the September 8, 2025 City Council Meeting

7.2 Minnesota Paid Leave Law

7.3 Resolution 2025-32 A Resolution Approving an Interim Use Permit to Establish an Accessory Dwelling Unit at 8056 165th Street East

7.4 2026 Preliminary Levy

8 Staff and Council Member Reports

9 Adjourn



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CITY COUNCIL AGENDA ITEM REPORT

DATE:	September 22, 2025
SUBMITTED BY:	Shane Nelson,Engineer
ITEM TYPE:	Agenda Report
AGENDA SECTION:	Consent Agenda
SUBJECT:	Approve Pay Estimate 1 for County Road 27 Bypass Lane Road Improvement Project
BACKGROUND:	The City previously approved the construction contract with Sitework Services. As a provision of the contract, the Contractor is entitled to progress payments. The attached progress payment represents payment for work completed to date.
FINANCIAL IMPACT:	The amount of the progress payment is \$186,058.85
SUGGESTED ACTION:	Approve the partial payment for work completed to date.
ALTERNATIVES:	We do not recommend any alternatives.
ATTACHMENTS:	CT336_PE No.1.pdf

Contractor's Application for Payment No.

1

To (Owner):	City of Credit River	Application Period:	6-27-2025 to 9-8-2025	Application Date:	September 9, 2025
Project:	County Road 27 Bypass Lane Road Improvement Project	From (Contractor):	SiteWork Services	Via (Engineer):	Hakanson Anderson

Application For Payment Change Order Summary

Approved Change Orders		
Number	Additions	Deductions
TOTALS	\$0.00	\$0.00
NET CHANGE BY CHANGE ORDERS	\$0.00	

1. ORIGINAL CONTRACT PRICE.....	\$	\$343,500.00
2. Net change by Change Orders.....	\$	\$0.00
3. Current Contract Price (Line 1 ± 2).....	\$	\$343,500.00
4. TOTAL COMPLETED AND STORED TO DATE	\$	\$195,851.42
5. RETAINAGE:	\$	
a. 5% X Work Completed.....	\$	\$9,792.57
b. 0% X Stored Material.....	\$	\$0.00
c. Total Retainage (Line 5.a + Line 5.b).....	\$	\$9,792.57
6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5.c).....	\$	\$186,058.85
7. LESS PREVIOUS PAYMENTS.....	\$	
8. AMOUNT DUE THIS APPLICATION.....	\$	\$186,058.85

Contractor's Certification

The undersigned Contractor certifies, to the best of its knowledge, the following:

- (1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment;
- (2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner at time of payment free and clear of all Liens, security interests, and encumbrances (except such as are covered by a bond acceptable to Owner indemnifying Owner against any such Liens, security interest, or encumbrances); and
- (3) All the Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

Contractor Signature

By: <i>Dan Rud</i>	Date: 9/15/2025
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ENGINEER: HAKANSON ANDERSON

Certification: We recommend payment for work and quantites shown.

	9-18-2025
(Engineer)	Date

OWNER: CITY OF CREDIT RIVER

(Owner)	Date

PAY ESTIMATE #1
City of Credit River
County Road 27 Bypass Lane Road Improvement Project

Base Bid

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	CONTRACT AMOUNT	USED TO DATE	EXTENSION
1	MOBILIZATION	1	LS	\$ 15,000.00	\$ 15,000.00	0.75	\$ 11,250.00
2	CLEARING	0.9	ACRE	\$ 12,600.00	\$ 11,340.00	0.9	\$ 11,340.00
3	GRUBBING	0.9	ACRE	\$ 5,775.00	\$ 5,197.50	0.9	\$ 5,197.50
4	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	1350	LF	\$ 4.20	\$ 5,670.00	670	\$ 2,814.00
5	REMOVE BITUMINOUS PAVEMENT	350	SY	\$ 2.10	\$ 735.00	220	\$ 462.00
6	SALVAGE E-911 SIGN AND POST	3	EA	\$ 26.25	\$ 78.75	2	\$ 52.50
7	SALVAGE SIGN AND POST	5	EA	\$ 36.75	\$ 183.75	1	\$ 36.75
8	SALVAGE WOOD POST	2	EA	\$ 262.50	\$ 525.00	0	\$ -
9	REMOVE MAILBOX SUPPORT	3	EA	\$ 105.00	\$ 315.00	1	\$ 105.00
10	REMOVE FENCE	962	LF	\$ 2.10	\$ 2,020.20	242	\$ 508.20
11	REMOVE PIPE CULVERTS	230	LF	\$ 21.00	\$ 4,830.00	142	\$ 2,982.00
12	SELECT GRANULAR BORROW (LV)	1000	CY	\$ 15.90	\$ 15,900.00	417	\$ 6,630.30
13	EXCAVATION - COMMON (EV)	3100	CY	\$ 3.15	\$ 9,765.00	1617	\$ 5,093.55
14	EXCAVATION - MUCK (EV)	1000	CY	\$ 8.40	\$ 8,400.00	885	\$ 7,434.00
15	COMMON EMBANKMENT (LV)	6440	CY	\$ 3.95	\$ 25,438.00	3726	\$ 14,717.70
16	3" MINUS STABILIZING AGGREGATE	150	TON	\$ 35.40	\$ 5,310.00	95	\$ 3,363.00
17	GEOTEXTILE FABRIC TYPE 5	2300	SY	\$ 2.10	\$ 4,830.00	1100	\$ 2,310.00
18	AGGREGATE BASE CLASS 5	1620	TON	\$ 18.20	\$ 29,484.00	719	\$ 13,085.80
19	SHOULDER BASE AGGREGATE CLASS 2	120	TON	\$ 28.67	\$ 3,440.40	72	\$ 2,064.24
20	BITUMINOUS MATERIAL FOR TACK COAT	200	GAL	\$ 8.15	\$ 1,630.00	100	\$ 815.00
21	TYPE SP 12.5 WEARING COURSE MIXTURE (2,C)	330	TON	\$ 103.45	\$ 34,138.50	116	\$ 12,000.20
22	TYPE SP 12.5 NON WEARING COURSE MIXTURE (2,C)	330	TON	\$ 93.65	\$ 30,904.50	218	\$ 20,415.70
23	TYPE SP 9.5 WEARING COURSE MIXTURE (2,B) 2.5" THICK	273	SY	\$ 32.95	\$ 8,995.35	245	\$ 8,072.75
24	CONNECT TO EXISTING STORM SEWER	2	EA	\$ 840.00	\$ 1,680.00	2	\$ 1,680.00
25	15" CM PIPE APRON	4	EA	\$ 1,575.00	\$ 6,300.00	0	\$ -

PAY ESTIMATE #1
City of Credit River
County Road 27 Bypass Lane Road Improvement Project

Base Bid

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	CONTRACT AMOUNT	USED TO DATE	EXTENSION
26	15" RC PIPE APRON	6	EA	\$ 2,520.00	\$ 15,120.00	6	\$ 15,120.00
27	18" CM PIPE APRON	1	EA	\$ 1,890.00	\$ 1,890.00	1	\$ 1,890.00
28	30" CP PIPE APRON	1	EA	\$ 2,625.00	\$ 2,625.00	1	\$ 2,625.00
29	15" CM PIPE CULVERT	110	LF	\$ 31.50	\$ 3,465.00	0	\$ -
30	15" RC PIPE CULVERT DESIGN 3006 CLASS V	184	LF	\$ 88.20	\$ 16,228.80	184	\$ 16,228.80
31	18" CM PIPE CULVERT	6	LF	\$ 315.00	\$ 1,890.00	6	\$ 1,890.00
32	30" CP PIPE CULVERT	25	LF	\$ 262.50	\$ 6,562.50	25	\$ 6,562.50
33	4" PERFORATED PIPE DRAIN	1300	LF	\$ 4.35	\$ 5,655.00	660	\$ 2,871.00
34	4" PRECAST CONCRETE HEADWALL	2	EA	\$ 525.00	\$ 1,050.00	1	\$ 525.00
35	GEOTEXTILE FILTER FABRIC TYPE 4	70	SY	\$ 8.70	\$ 609.00	70	\$ 609.00
36	RANDOM RIPRAP CLASS IV	30	CY	\$ 157.50	\$ 4,725.00	30	\$ 4,725.00
37	MAIL BOX SUPPORT (SWING AWAY)	3	EA	\$ 367.50	\$ 1,102.50	0	\$ -
38	BARBED WIRE FENCE	977	LF	\$ 3.15	\$ 3,077.55	0	\$ -
39	TRAFFIC CONTROL	1	LS	\$ 6,992.80	\$ 6,992.80	0.5	\$ 3,496.40
40	TRAFFIC CONTROL SUPERVISOR	1	LS	\$ 1.00	\$ 1.00	0.5	\$ 0.50
41	INSTALL E911 SIGNS	3	EA	\$ 52.50	\$ 157.50	0	\$ -
42	INSTALL SIGN AND POST	5	EA	\$ 603.75	\$ 3,018.75	0	\$ -
43	INSTALL WOOD POST	2	EA	\$ 525.00	\$ 1,050.00	0	\$ -
44	SILT FENCE, TYPE MACHINE SLICED	725	LF	\$ 2.10	\$ 1,522.50	375	\$ 787.50
45	CULVERT END CONTROLS	5	EA	\$ 84.00	\$ 420.00	2.5	\$ 210.00
46	SEDIMENT CONTROL LOG	545	LF	\$ 2.95	\$ 1,607.75	0	\$ -
47	EROSION CONTROL SUPERVISOR	1	LS	\$ 1.05	\$ 1.05	0.5	\$ 0.53
48	SELECT TOPSOIL BORROW	200	CY	\$ 42.00	\$ 8,400.00	140	\$ 5,880.00
49	SOIL BED PREPARATION	1.3	ACRE	\$ 210.00	\$ 273.00	0	\$ -
50	SEEDING	1.3	ACRE	\$ 367.50	\$ 477.75	0	\$ -

PAY ESTIMATE #1
City of Credit River
County Road 27 Bypass Lane Road Improvement Project

Base Bid

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	CONTRACT AMOUNT	USED TO DATE	EXTENSION
51	SEED, MIXTURE SB (25-131)	210	LB	\$ 6.30	\$ 1,323.00	0	\$ -
52	FERTILIZER TYPE 3 (SLOW RELEASE)	390	LB	\$ 1.05	\$ 409.50	0	\$ -
53	ROLLED EROSION PREVENTION CATEGORY 20	6340	SY	\$ 1.50	\$ 9,510.00	0	\$ -
54	WATERING TURF	25	MGAL	\$ 52.50	\$ 1,312.50	0	\$ -
55	6" SINGLE SOLID WHITE MULTI-COMPONENT GROUND IN	1222	LF	\$ 2.10	\$ 2,566.20	0	\$ -
56	4" DOUBLE SOLID YELLOW MULTI-COMPONENT GROUND IN	2590	LF	\$ 2.85	\$ 7,381.50	0	\$ -
57	10" DOTTED WHITE MULTI-COMPONENT GROUND IN	306	LF	\$ 3.15	\$ 963.90	0	\$ -
Total Base Bid					<u>\$ 343,500.00</u>		<u>\$ 195,851.42</u>



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CITY COUNCIL AGENDA ITEM REPORT

DATE:	September 22, 2025
SUBMITTED BY:	Shane Nelson,Engineer
ITEM TYPE:	Agenda Report
AGENDA SECTION:	Consent Agenda
SUBJECT:	Approve Change Order 1 for the County Road 27 Bypass Lane Improvements
BACKGROUND:	The Contractor has been delayed on this project by utility relocations and therefore it is necessary to revise the completion dates included in the contract. The original substantial completion date was August 29, 2025 and approval of the Change Order would revise it to October 17, 2025. The original final completion date was September 26, 2025 and approval of this Change Order would revise it to June 30, 2026 to allow for touch up seeding/restoration. Approval of this Change Order will also increase the mobilization by \$2,300 to compensate the Sub-Contractors for additional mobilization expenses due to the delay. In analyzing this request, we compared the request for additional mobilization of \$2,300 against the original mobilization expense included the bid - which was \$15,000. We also reviewed the original schedule submitted by the Contractor before the project started and confirmed that it showed the earthwork being completed in both areas simultaneously, paving completed simultaneously, and restoration completed simultaneously. We therefore concluded the Contractor's request was reasonable.
FINANCIAL IMPACT:	The financial impact is \$2300.
SUGGESTED ACTION:	Approve the Change Order
ALTERNATIVES:	We do not recommend any alternatives. We concur that the Contractor was delayed on this project due to circumstances outside of their control.
ATTACHMENTS:	CT336 Change Order 1.pdf

SECTION 00991 – CHANGE ORDER

No. 1

PROJECT: COUNTY ROAD 27 BYPASS LANE IMPROVEMENTS

DATE OF ISSUANCE: SEPTEMBER 10, 2025

EFFECTIVE DATE:

OWNER: CITY OF CREDIT RIVER

ENGINEER'S Project No.: CT336

CONTRACTOR: SITEWORK SERVICES, INC.

ENGINEER: HAKANSON ANDERSON

You are directed to make the following changes to the Contract Documents.

- A. The original substantial completion date was August 29, 2025 and final completion date was September 26, 2025. The project was delayed due to the relocation schedule of the utility companies. This Change Order will revise the substantial completion date to October 17, 2025 and will revise the final completion date to June 30, 2026 to allow for final touch-up of seeding.
- B. The Contractor's original schedule assumed the paving and restoration would be completed on both bypass lanes at the same time. Due to the schedule of the utility relocations, the Contractor was not able to complete the earthwork and utility work on the 210th Street E Bypass Lane simultaneous with the Broadview Drive Bypass Lane. This results in an additional mobilization for the paving sub-contractor and the restoration sub-contractor. The Prime Contractor has requested an additional mobilization in the amount of \$2,300 for these additional expenses.

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price	Original Contract Times
\$ 343,500.00	Substantial Completion: August 29, 2025 Ready for final payment: September 26, 2025
Net changes from previous Change Orders	Net changes from previous Change Orders
\$ 0	Substantial Completion: 0 Ready for final payment: 0
Net Increase of this Change Order	Net Increase of this Change Order
\$ 2,300.00	Substantial Completion (days): 49 Ready for final payment (days): 277
Contract Price with all approved Change Orders	Contract Times with all approved Change Orders
\$ 345,800.00	Substantial Completion: October 17, 2025 Ready for final payment: June 30, 2025

RECOMMENDED:

APPROVED:

ACCEPTED:

By: 
Engineer (Authorized Signature)

By: _____
Owner (Authorized Signature)

By: 
Contractor (Authorized Signature)

Date: 9-10-2025

Date: _____

Date: 9/15/2025

CHANGE ORDER
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CITY COUNCIL AGENDA ITEM REPORT

DATE: September 22, 2025

SUBMITTED BY: Sue Iverson, Finance

ITEM TYPE: Agenda Report

AGENDA SECTION: Consent Agenda

SUBJECT: Approve Payment of Claims (Bills) and Transfer Requests as Presented.

SUGGESTED ACTION: Approve Claims for Payments and Transfer Requests - See Attached.

ATTACHMENTS:

[Check Summary Council Meeting Sep 22 2025.pdf](#)

[Transfer Request Sep 22 2025.pdf](#)

CREDIT RIVER TOWNSHIP

09/19/25 9:14 AM

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*Check Summary Register©

Batch: 091825PAY

	Name	Check Date	Check Amt	
10100	Anchor Bank			
12850	AMAZON CAPITAL SERVICES	9/19/2025	\$60.73	Office supplies
12851	CITY OF LAKEVILLE	9/19/2025	\$2,768.00	August 2025 Blvd Mowing
12852	CliftonLarsonAllen LLP	9/19/2025	\$10,000.00	Placement Fee
12853	DAKOTA ELECTRIC ASSOCIATIO	9/19/2025	\$90.58	Intersection lighting - Natchez Ave
12854	ECM PUBLISHERS INC	9/19/2025	\$37.00	Sept 18 PH 8065 165th St E.
12855	ENGAGE/NCG, INC.	9/19/2025	\$137.00	Business cards
12856	GREENIX	9/19/2025	\$95.37	Quarterly Pest Control Service
12857	KRAEMER MINING& MATERIALS	9/19/2025	\$746.02	Purchase rock - 1" minus 48.13 ton
12858	MARKS BOBCAT SERVICE, INC.	9/19/2025	\$3,224.40	Mowing Parks and Town Hall grass
12859	MCFOA	9/19/2025	\$50.00	Membership renewal - Level: 01-Full (Active) M
12860	MORE IT	9/19/2025	\$916.11	IT support
12861	NATURAL SYSTEMS UTILITIES M	9/19/2025	\$1,200.00	STEP inspections - passed
12862	RITEWAY BUSINESS FORMS	9/19/2025	\$212.77	Utility billing postcards
12863	U.S. BANK EQUIPMENT FINANCE	9/19/2025	\$168.22	Copier contract payment
12864	VERIZON WIRELESS	9/19/2025	\$38.40	City Administrator phone
	Total Checks		\$19,744.60	

Transfer Request for September 22, 2025

Beginning Bank Balance - September 19, 2025	\$	327,235.39
Outstanding Checks		(\$56,349.92)
Outstanding Deposit	\$	62,427.46
Outstanding CC Payment	\$	-
Payroll and Benefits Outstanding	\$	-
Claims - 9/19/25	\$	(19,744.60)
Claims - 9/19/25 #2	\$	(186,058.85)
Net Balance	\$	127,509.48

Transfer from Savings to Checking **\$ 100,000.00**

Checking Balance 227,509.48

We approve the above transfer from Savings to Checking:

Chris Kostik

Bill Markert

Jay Saterbak

Leroy Schommer

Abe Zanto



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CITY COUNCIL AGENDA ITEM REPORT

DATE:	September 22, 2025
SUBMITTED BY:	Lynda Jirak,Clerk
ITEM TYPE:	Minutes
AGENDA SECTION:	General Business
SUBJECT:	Minutes of the September 8, 2025 City Council Meeting
BACKGROUND:	When the September 8, 2025 City Council packet was created, the resolution for General Business item 7.1, Resolution 2025-30: A resolution approving a .02-acre variance from the 10-acre minimum for home extended businesses, was duplicated in numbering. The City Attorney's office was made aware of this error and advised an error in numbering does not invalidate the action of the Council but should be corrected for the record. This resolution has been corrected in the minutes to reflect number 2025-30-A.
SUGGESTED ACTION:	Approve Minutes of the September 8, 2025 City Council Meeting
ATTACHMENTS:	09.8.2025 City Council Draft Minutes.docx

Present: Mayor Chris Kostik, Councilmembers Bill Markert, Jay Saterbak, Leroy Schommer and Abe Zanto

Absent: None

Also Present: City Administrator Steve Jelinski, City Finance Director Sue Iverson, City Attorney Peter Mikhail, City Planner Chris Janson (via Zoom), City Engineer Shane Nelson and City Clerk Lynda Jirak

The Mayor called the meeting to order at 6:00 pm.

Pledge of Allegiance

1. Approve or Amend Agenda

Motion to remove Consent Agenda item 3.1 (Minutes of the August 18, 2025 City Council meeting) to General Business item 7.8, by Councilmember Zanto

Second: Councilmember Saterbak

Motion passes 5-0

2. Sheriff's Report

None

3. Consent Agenda

Those items on the Council Agenda which are considered routine or noncontroversial are included as part of the Consent Agenda. Unless a Councilmember specifically requests that an item on the Consent Agenda be removed and considered separately, items on the Consent Agenda are considered under one motion, second and vote. Any item removed from the consent agenda shall be placed at the end of General Business.

~~**3.1 Minutes of the August 18, 2025 City Council Meeting**~~

~~**3.2 Approve Quote for Pothole on Casey Parkway**~~

~~**3.3 Approve Payment of Claims (Bills) and Transfer Requests as Presented**~~

Motion to approve the Amended Consent Agenda, by Councilmember Schommer

Second: Councilmember Zanto

Motion passes 5-0

4. Open Forum

The public forum is intended to afford the public an opportunity to address concerns to the Council. The public forum will be no longer than 30 minutes in length and each presenter will have no more than five (5) minutes to speak. Topics of discussion are restricted to local governmental topics rather than private or political agendas. The Council may discuss but will not take formal action on public forum presentations.

Clare Hoelderle, 19685 Oak Grove Ave, approached the podium to urge Councilmembers to prioritize transparency, accountability and respectful collaboration.

5. Presentation(s)

None



6. Public Hearing(s)

None

7. General Business

7.1 Resolution 2025-30-A: A Resolution Approving a .02-Acre Variance from the 10-Acre Minimum for Home Extended Businesses.

City Planner Janson presented a variance application and associated resolution to Council requesting a .02-acre variance from the 10-acre minimum for home extended businesses to operate two home extended businesses within an existing detached accessory structure at 18525 Texas Ave. The application went before the Planning commission on August 21, 2025. No members of the public commented and the Planning Commission unanimously recommended approval for the variance. Staff recommend approval of the resolution that grants variance with the stated conditions.

After Council and Staff discussion, Council approved a resolution approving a .02-acre variance from the 10-acre minimum for home extended businesses.

Motion to Approve Resolution 2025-30-A Approving a .02-Acre Variance from the 10-Acre Minimum for Home Extended Businesses by Councilmember Markert

Second: Councilmember Saterbak

Motion passes 5-0

7.2 Resolution 2025-31: A Resolution Approving an Interim Use Permit to Establish Two Home Extended Businesses at 18525 Texas Ave.

City Planner Janson presented an Interim use Permit (IUP) and associated resolution to Council requesting to operate two home extended businesses within an existing detached accessory structure at 18525 Texas Ave. The property owners sought to repurpose an existing shop building for the operation of a tattoo shop and a hair salon. Council is being asked to review and approve, with conditions, the IUP for the home-based tattoo studio and hair salon. The application went before the Planning Commission on August 21, 2025. No members of the public commented and the Planning Commission unanimously recommended approval of the IUP with conditions. Staff recommend approval of the resolution that approves an interim use permit with the stated conditions.

After no Council discussion, Council approved the resolution approving an interim use permit to establish two home extended businesses at 18525 Texas Ave.

Motion to Approve Resolution 2025-31 Approving an Interim use Permit to Establish Two home Extended Businesses at 18525 Texas Ave by Councilmember Saterbak

Second: Councilmember Schommer

Motion passes 5-0

7.3 Scott County Ditch 4 Abandonment Discussion

City Administrator Jelinski gave a brief background on Ditch 4 and mentioned that Scott County is considering the possibility of abandonment of the ditch. Jelinski updated the City Council on a recent meeting he attended with the County, which was in response to negotiations and questions the City Council asked at the August 18, 2025 City Council meeting. Jelinski explained that the County is willing to perform a final cleanup and maintenance of Ditch 4. To pay for this work, the County would assess the costs to all homeowners who benefit from the ditch. After completing the



cleanup using the collected funds, the County could transfer responsibility over to the City of Credit River and would ensure a positive balance left in the ditch's fund account. The County is looking for an answer from the City regarding the transfer of ownership before the upcoming September meeting. Jelinski further continued that if the City decides to take over responsibility, the City would have to pass a resolution at our next City Council meeting to make it official, however, the County would accept a verbal agreement.

Council and Staff included some discussions on understanding the assessment, understanding how a positive fund balance could be attained, understanding the benefitting homeowners, the possibility of damming the ditch, loss of easements, frustration of survey County sent out, lack of County maintenance in past years and concerns about utility/stormwater fees.

Motion for the City of Credit River to not take responsibility of Ditch 4 by Councilmember Markert

Second: Motion not seconded

Motion failed 1-4; lack of a second

Councilmembers and Staff continued discussions on Ditch 4. Council drafted contingencies to be presented to the County and directed Staff to negotiate the transfer of Ditch 4 responsibility to the City upon conditions of Scott County.

Motion to direct Staff to negotiate that Credit River is willing to negotiate transfer of Ditch 4 responsibility to the City contingent upon conditions of Scott County to:

- 1. Complete projects as outlined (Forecast a plan to clean out the ditch)**
 - 2. End with a positive fund balance**
 - 3. Disclosure of past complaints and action taken by the County**
 - 4. Release of any liability**
 - 5. Release any records of past actions the County has done on ditch**
- by Councilmember Schommer**

Second: Councilmember Zanto

Motion passes 4-1, Councilmember Markert dissenting

7.4 Settlement Agreement with CliftonLarsenAllen, LLC

City Administrator Jelinski reported that the City Council authorized Administrator Jelinski and the City Attorney to negotiate a resolution with CliftonLarsonAllen, LLC (CLA) regarding a Placement Fee related to the hiring of Sue Iverson. CLA Claimed that, under the terms of the contract, a Placement Fee was owed due to Ms. Iverson's transition from CLA to full-time employment with the City. During the negotiation, the City clearly stated that it did not believe any Placement Fee was owed under the terms of the contract. A settlement agreement was reached in which the City of Credit River agreed to pay CLA \$10,000 in full settlement of the Placement Fee dispute. Several Councilmembers expressed frustration with the need to make this payment and agreed that the City will not work with CliftonLarsonAllen, LLC in the future.

Motion to approve the Settlement Agreement with CliftonLarsenAllen, LLC by Councilmember Saterbak

Second: Councilmember Zanto

Motion passes 4-1, Councilmember Markert dissenting

7.5 Discussion to have a City Council Workshop on City Governance and Developing a Code of Conduct for Elected Officials

City Administrator Jelinski stated that Councilmember Markert requested discussion on holding



a City Council Workshop on City Governance for elected officials be placed on the agenda. Staff would look for a skilled facilitator to help work through these issues. Administrator Jelinski continued that the meeting would be used for city governance, rules/expectations, and effective use of and cost effectiveness of delegations of authority. City Attorney Mikhail advised the Council that typically this type of workshop is three or four workshops scheduled over a length of time for Council to come to a mutual understanding.

After Council discussion, Council directed Staff to research options in finding a facilitator and bring back to Council for further discussion.

Councilmember Zanto mentioned that two major future events that divide Council are the following:

1. Water and sewer
2. City Hall and Public Works

Zanto continued that, in his opinion, these issues need to be facilitated and may need additional workshops.

Councilmember Saterbak questioned if this topic should be budgeted for in next year's final budget. Mayor Kostik reminded Council that Staff, at this time, is looking at options to bring back to a future Council Meeting for discussion.

Motion to direct Staff to research finding a facilitator and bring back options to Council for further discussion by Mayor Kostik

Second: Councilmember Markert

Motion passes 5-0

7.5 Quotes for Ditch Mowing Services

City Administrator Jelinski stated that Council directed Staff to request quotes for ditch mowing service. Jelinski clarified that a resolution was drafted for Councilmember Schommer's rate of pay and realized this should not have been included. This contract should be a separate vendor set up like any other service with the City. The City received three quotes, one coming in after the deadline. Leroy Schommer's bid coming in the lowest at \$140.00 an hour. Staff recommended approving the quote from Leroy Schommer at \$140/hour for ditch mowing services for 2025 and 2026.

Council discussion included a certificate of insurance is on file with the City.

Councilmember Schommer abstained from discussion and voting.

Motion to hire Leroy Schommer at \$140 per hour for mowing the 35 miles of road ditch twice per year, June and September for by Councilmember Saterbak

Second: Councilmember Zanto

Motion passes 4-0, Councilmember Schommer abstained

7.6 Discussion about City of Credit River Apparel

City Administrator Jelinski mentioned that most cities have logoed apparel for employees to wear at the office, at City events, at conferences and trainings. Staff is looking for direction from Council to consider purchasing logoed apparel for Staff and possibly Councilmembers.

After Council discussion, Council directed Staff to explore options for City logoed apparel.



Motion to direct Staff to research options for Credit River apparel by Councilmember Saterbak
Second: Mayor Kostik
Motion passes 5-0

7.8 Minutes of the August 18, 2025 City Council Meeting
(Agenda amended to move this item from Consent Agenda Item 3.1)

Councilmember Zanto requested this item be moved from the Consent Agenda to discuss removing the second sentence of the first paragraph for the Krueger Properties lease agreement.

Motion to Approve the Amended Minutes of the August 18, 2025 City Council Meeting with the removal of the second sentence of the first paragraph for the Krueger Properties Lease Agreement by Councilmember Zanto
Second: Councilmember Saterbak
Motion passes 5-0

8. Staff and Council Member Reports

Councilmember Schommer: stated he looked at park equipment after receiving two complaints. He also mentioned that the catch basin on needs repair.

Councilmember Saterbak: reminded residents and Staff that Councilmembers will be at Meeting in the Park – Casey Addition on Tuesday, September 9 at 6:00 pm.

Mayor Kostik: also stated a reminder of the meeting in the park and asked City Administrator Jelinski to send out an email notice.

Councilmember Markert: reminded Council that there is a Scale meeting on Friday, September 12th and the joint meeting with GCCAC and Council on September 16th. Markert further mentioned that he will be attending the County meeting regarding Ditch 4.

City Engineer Nelson: provided an update on micro surfing, striping and the bypass lanes.

9. Adjourn

Motion to Adjourn, by Councilmember Zanto
Second: Councilmember Schommer
Motion passes 5-0

Meeting adjourned at 7:34 pm.

Recorded by:

Approved by:

Lynda Jirak, City Clerk

Chris Kostik, Mayor





Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE: September 22, 2025

SUBMITTED BY: City Admin,Administrator

ITEM TYPE: Agenda Report

AGENDA SECTION: General Business

SUBJECT: Minnesota Paid Leave Law

BACKGROUND: A new Minnesota law will create a state-administered mandatory paid family and medical leave insurance program beginning Jan. 1, 2026. Minnesota will be the 13th state to launch a statewide paid leave program.

- The program will provide job protections and partial wage replacement per benefit year up to a maximum of 20 weeks for family and medical leave funded through a payroll tax applied to all employers. For each program leave type (broadly categorized as family/caregiving leave and medical leave) an employee can take 12 weeks of leave, up to a combined total of 20 weeks under the program.
- The program will be administered by the Minnesota Department of Employment and Economic Development (DEED).

The law provides paid family and medical leave to employees who apply for the benefits and meet eligibility requirements.

The following types of leave qualify under state law are similar to, but not an exact match, to the federal Family and Medical Leave Act (FMLA). Due to the differences between FMLA and Minnesota Paid Leave, an employee may qualify for paid leave, even if they do not qualify for FMLA leave. Employer policies can require that leave taken under paid leave runs concurrently with leave taken for the same purpose under FMLA.

- Bonding after birth, adoption, or foster parenting.
- A “qualifying exigency,” such as a need associated with a military member’s active-duty service or has been notified of

an impending call or order to active duty in the Armed Forces.

- Safety leave, which is leave from work because of domestic abuse, sexual assault, or stalking when the leave is associated with seeking medical, victim services, psychological, or legal assistance, as well as relocation due to the event.
- A serious health condition of self or family member.

A family member is defined as:

- A spouse or domestic partner.
- A child, including a biological, adopted, or foster child, a stepchild, a child of a domestic partner, or a child to whom the applicant stands in loco parentis, is a legal guardian, or is a de facto custodian.
- A parent or legal guardian of the applicant.
- A sibling.
- A grandchild.
- A grandparent or spouse's grandparent.
- A son-in-law or daughter-in-law.
- An individual who has a personal relationship with the applicant that creates an expectation and reliance that the applicant care for the individual without compensation, whether or not the applicant and the individual reside together.

The benefit amount of paid leave is progressive and will vary based on an employee's weekly wages, such that lower-income employees will receive a higher percentage of income with a sliding scale of lower percentages as employees earn more. Generally, employees will receive:

- Up to 90% of the portion of their weekly wages that is less than or equal to 50% of the state's average weekly wage ([the state's average weekly wage is posted by DEED annually](#)). That amount changes each year, and is \$1,423 for the start of Minnesota Paid Leave, plus:
- 66% of the portion of their weekly wages that is more than 50% of the state average weekly wage but not 100% weekly wage, plus:
- 55% of the portion of their weekly wages that exceed 100% of the state average weekly wage.

Benefits will begin the Sunday of the calendar week in which a benefit application is filed.

The total number of weeks that an employee may take benefits in a single benefit year for a serious health condition is the lesser of 12, or 12 weeks minus the number of weeks that the employee received benefits for bonding, safety leave, family care, and qualifying exigency within the same benefit year, for a maximum of 20 weeks.

The City will need to include and update this Paid Leave Law in the Personnel Handbook for 2026. Once a premium percentage for employer/employee is established, staff will be able to come back with language for the updated Policy.

FINANCIAL IMPACT:

The program is funded in large part by employer premiums and, in some cases, employee contributions. DEED will collect quarterly electronic premium payments, in the form of a percentage of payroll taxes, from Minnesota employers.

Beginning January 2026, employers will contribute a minimum of 50% of the total premium, though they may choose to pay up to 100% of the premium. Employers may, in some cases, deduct the remainder from employees' pay, up to a maximum 50% of the premium, but such cost sharing likely requires negotiation for represented employees. The first payroll deductions begin on Jan. 1, 2026, with premiums due to DEED by April 30, 2026, based on wage detail reported between Jan. 1, 2026, and March 31, 2026.

On Feb. 21, 2025, DEED posted on its website, the premium rate for 2026 will be 0.88%. Premiums are capped at the Old-Age, Survivors and Disability Insurance (OASDI) limit (\$176,100 for 2025); the same wage used by the Social Security program. Effective Aug. 1, 2025, there is a cap of 1.1% of taxable wages on the premium rate in the paid leave law. Prior to 2025, this cap was 1.2% but was reduced to 1.1% in the 2025 special session.

Because the premiums are based on actual wages submitted, which can vary for hourly employees, we can only estimate an amount at this time. If the City chooses to pay the minimum percentage, an estimated amount would be approximately \$2200.00. If the City chose to cover the full premium percentage for employees, that total would be \$4400.00. The City will need budget at least the 50% premium total but can choose up to 100%.

SUGGESTED ACTION:

Discuss and/or approve a premium percentage for the Paid Leave Law.

ATTACHMENTS:



Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE:	September 22, 2025
SUBMITTED BY:	Matt Holzworth,Planning
ITEM TYPE:	Agenda Report
AGENDA SECTION:	General Business
SUBJECT:	Resolution 2025-32 A Resolution Approving an Interim Use Permit to Establish an Accessory Dwelling Unit at 8056 165th Street East
BACKGROUND:	The applicant/property owner is requesting an Interim Use Permit to establish an accessory dwelling unit (ADU) within an existing detached accessory structure at 8056 165th St E (PID: 049040053). According to the submitted narrative, the property owner added an addition onto the north side of his pole barn in May 2025 and is now seeking to finish the addition with a bedroom, kitchen, and bathroom for his parent's use in the summer. Exterior modifications to the building and property are minimal, as the project would only require the interior buildout of the pole barn addition. • This lot is zoned UER (Urban Expansion Reserve) and the northern portion of the property is located within the Shoreland Overlay District. • The lot measures approximately 9.87 acres, per Scott County's GIS data. • The applicant is proposing to establish an accessory dwelling unit on his property, which is an allowed interim use in the UER District. The property currently contains an existing single-family home and accessory buildings (including the subject pole barn with the 900 ft² addition for proposed use as an ADU). • Access to the home is off of 165th Street East. • There are mature trees along the west and north side of the pole barn, generally shrouding it from public view. According to the applicant, "the new addition is barely visible from the street and likely only visible from our west neighbor when the leaves fall" and that it "matches the existing structures with walls, trim and roof." • The property is served by a well and individual sewage treatment system, which will be upgraded to "comply with a 6-bedroom system necessary for Scott County approval."

Planning staff recommends approval of the requested Interim Use Permit (with conditions) because the proposed detached ADU appears to meet all requirements for Interim Use Permits and accessory dwelling units in Credit River.

The Credit River Planning Commission held a public hearing and considered the applicant's IUP request at its regular meeting on September 18, 2025. During the public hearing, the applicant provided additional information about the project but otherwise there was no public comment. The Planning Commission unanimously voted to recommend approval of the IUP request with the conditions listed in this staff report.

SUGGESTED ACTION:

Staff recommends that the City of Credit River City Council:

- Adopt the staff report into the record;
 - Accept the application, testimony, exhibits, and other evidence presented into the record;
 - Approve Resolution 2025-32 Resolution 2025-32 A Resolution Approving an Interim Use Permit to Establish an Accessory Dwelling Unit at 8056 165th Street East; and
 - Approve the request for an Interim Use Permit to establish a detached accessory dwelling unit at 8056 165th Street East with the following conditions:
1. The accessory dwelling unit shall comply with all necessary City, County, State and Federal regulations, including building and fire codes. The Interim Use Permit does not void other requirements not explicitly listed in the conditions.
 2. The project shall be completed and maintained according to submitted plans, specifications and narrative unless modified by a condition or amendment of this IUP.
 3. The applicant must obtain approval for the Individual Sewage Treatment System (ISTS) from Scott County Environmental Services prior to issuance of the Interim Use Permit. No individuals shall occupy the detached accessory dwelling unit until the septic system is fully installed, inspected, and approved.
 4. An accessory dwelling unit shall not be subdivided nor otherwise segregated in ownership from the principal single-family dwelling.
 5. There shall be an annual verification that the persons living in the accessory dwelling unit are family members as defined in Section 1-6 of the Zoning Ordinance.
 6. All kitchen appliances and/or plumbing equipment shall be removed once the accessory dwelling unit is no longer occupied by a family member.
 7. In accordance with Sections 2-7-3, 7-3-5, and 8-2-5 of the City's zoning ordinance, this Interim Use Permit will expire upon the occurrence of the following events:
 - a. The date specified in the Interim Use Permit;
 - b. Re-subdivision of the property;
 - c. Rezoning of the property (including to a zoning district in which accessory dwelling units are not specified as an allowable use);

- d. Changes or amendments to the Comprehensive Plan that affect the property on which a home extended business exists; or
 - e. The operator or owner or the use changes; or
 - f. The ADU is no longer occupied by a family member as defined in Section 7-4-4; or
 - g. All kitchen appliances and/or plumbing equipment are removed, and the unit no longer meets the definition of a dwelling unit.
8. Any violation of these conditions may result in the revocation of this Interim Use Permit.

ALTERNATIVES:

- The City Council could deny the Interim Use Permit request and provide relevant findings of fact
- The City Council could table the application and request additional information.

ATTACHMENTS:

[Res. 2025-32 IUP Resolution_8056 165th St E.docx](#)

[CC PACKET_8056 165th St E IUP staff report.pdf](#)

**CITY OF CREDIT RIVER
SCOTT COUNTY, MINNESOTA
RESOLUTION NO. 2025-32**

**A RESOLUTION APPROVING AN INTERIM USE PERMIT TO ESTABLISH
AN ACCESSORY DWELLING UNIT AT 8056 165TH STREET EAST**

WHEREAS, the City of Credit River is a Minnesota Municipal Corporation, duly organized and authorized to conduct its affairs under the laws of the State of Minnesota; and

WHEREAS, Jake Johnston (the “Applicant”) submitted an application for an Interim Use Permit for certain real property located in the City of Credit River, identified as:

8056 165th Street East, Prior Lake, Minnesota 55372 (PID: 049040053)

(the “Subject Property”); and

WHEREAS, the Applicant has requested an Interim Use Permit to establish an accessory dwelling unit within an existing detached accessory structure at the Subject Property; and

WHEREAS, the Planning Commission of the City did on September 18th, 2025, conduct a public hearing in relation to the Applicant’s request for an Interim Use Permit; and

WHEREAS, the Planning Commission of the City did on September 18th, 2025, recommend approval of the Interim Use Permit to the City Council; and

NOW, THEREFORE, BE IT RESOLVED, the City Council has considered the proposed application for an Interim Use Permit and it makes the following **findings of fact**:

1. The property is in the UER (Urban Expansion Reserve) zoning district and contains a single-family home and accessory buildings.
2. The surrounding area consists of single-family homes or undeveloped property, all zoned UER.
3. The applicant is proposing to establish a detached accessory dwelling unit (ADU) on his residential property. ADUs are permitted in the UER district with an Interim Use Permit.
4. The proposed use appears to align with all City requirements for Interim Use Permits (Section 2-7-1) and Accessory Dwelling Units (Section 7-3).
5. The proposed ADU would be located within an existing accessory structure. No exterior modifications will occur besides upgrades to the septic system.
6. The use will not create an excessive burden on public facilities and utilities which serve or are proposed to serve the area.

7. The use will be sufficiently compatible with, and adequately screened from, adjacent residential land uses. There is not anticipated to be any deterrence to the enjoyment or development of adjacent properties as a result of this Interim Use Permit.
8. Adequate measures have been taken to provide ingress and egress so designed as to minimize traffic congestion, provide adequate access to public roads, and provide sufficient on-site parking.
9. Adequate water supply, erosion control and stormwater management are provided in accordance with applicable standards.
10. The use is consistent with the purposes of the Ordinance and the purposes of the zoning district in which the applicant intends to locate the proposed use.
11. The use is not in conflict with the Comprehensive Plan.

BE IT FURTHER RESOLVED, the Interim Use Permit request to establish a detached accessory dwelling unit at 8056 165th St E is approved subject to the following conditions:

1. The accessory dwelling unit shall comply with all necessary City, County, State and Federal regulations, including building and fire codes. The Interim Use Permit does not void other requirements not explicitly listed in the conditions.
2. The project shall be completed and maintained according to submitted plans, specifications and narrative unless modified by a condition or amendment of this IUP.
3. The applicant must obtain approval for the Individual Sewage Treatment System (ISTS) from Scott County Environmental Services prior to issuance of the Interim Use Permit. No individuals shall occupy the detached accessory dwelling unit until the septic system is fully installed, inspected, and approved.
4. An accessory dwelling unit shall not be subdivided nor otherwise segregated in ownership from the principal single-family dwelling.
5. There shall be an annual verification that the persons living in the accessory dwelling unit are family members as defined in Section 1-6 of the Zoning Ordinance.
6. All kitchen appliances and/or plumbing equipment shall be removed once the accessory dwelling unit is no longer occupied by a family member.
7. In accordance with Sections 2-7-3, 7-3-5, and 8-2-5 of the City's zoning ordinance, this Interim Use Permit will expire upon the occurrence of the following events:
 - a. The date specified in the Interim Use Permit;
 - b. Re-subdivision of the property;
 - c. Rezoning of the property (including to a zoning district in which accessory dwelling units are not specified as an allowable use);
 - d. Changes or amendments to the Comprehensive Plan that affect the property on which a home extended business exists; or
 - e. The operator or owner or the use changes; or
 - f. The ADU is no longer occupied by a family member as defined in Section 7-4-4; or
 - g. All kitchen appliances and/or plumbing equipment are removed, and the unit no longer meets the definition of a dwelling unit.
8. Any violation of these conditions may result in the revocation of this Interim Use Permit.

Adopted and approved by the City Council of the City of Credit River effective on the 22nd day of September 2025.

Approved:

Chris Kostik, Mayor

Attested:

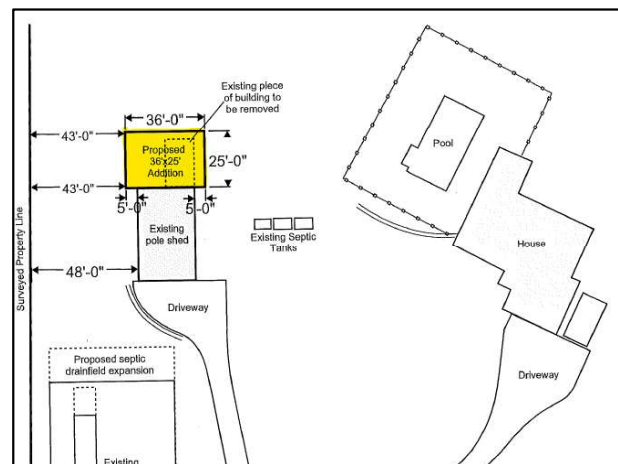
Lynda Jirak, City Clerk

To: City of Credit River City Council
CC: Steve Jelinski, City Administrator
From: Emily Herold, Planner
Date: September 19, 2025



60-Day Deadline: September 12, 2025 (extended to November 11, 2025)

Re: Interim Use Permit Application for Accessory Dwelling Unit at 8056 165th St E (PID: 049040053)



Background and Summary of Request

The applicant/property owner is requesting an Interim Use Permit to establish an accessory dwelling unit (ADU) within an existing detached accessory structure at 8056 165th St E (PID: 049040053). According to the submitted narrative, the property owner added an addition onto the north side of his pole barn in May 2025 and is now seeking to finish the addition with a bedroom, kitchen, and bathroom for his parents' use in the summer. Exterior modifications to the building and property are minimal, as the project would only require the interior buildout of the pole barn addition.

- This lot is zoned UER (Urban Expansion Reserve) and the northern portion of the property is located within the Shoreland Overlay District. The lot measures approximately 9.87 acres, per Scott County's GIS data.
- The applicant is proposing to establish an accessory dwelling unit on his property, which is an allowed interim use in the UER District.
- The property currently contains an existing single-family home and accessory buildings (including the subject pole barn with the 900 ft² addition for proposed use as an ADU).
- Access to the home is off of 165th Street East.
- There are mature trees along the west and north side of the pole barn, generally shrouding it from public view. According to the applicant, "the new addition is barely visible from the street and likely only visible from our west neighbor when the leaves fall" and that it "matches the existing structures with walls, trim and roof."
- The property is served by a well and individual sewage treatment system, which will be upgraded to "comply with a 6-bedroom system necessary for Scott County approval."

Planning staff recommends approval of the requested Interim Use Permit (with conditions) because the proposed detached ADU appears to meet all requirements for Interim Use Permits and accessory dwelling units in Credit River, as outlined in the following sections.

IUP Request Compliance with Credit River City Code

30-1 UER (Urban Expansion Reserve) Purpose

This district is to preserve land in those areas of Credit River identified in its Comprehensive Plan for logical future extension of urban land uses served by public utilities. This zoning district is intended to preserve these areas in very low rural development densities or clustered residential developments that may be compatibly integrated with future urban development. This district is also meant to perform the following functions:

- 1. To conserve land in a viable economic status until such time as public utilities may be extended and urban development densities may be supported.*
- 2. To reduce the possibility of urban/rural land use conflicts in both the use of the land and future extension of public utilities and other infrastructure items.*

2-7-1 Criteria for Granting Interim Use Permits

The City may authorize an interim use of a property by means of an interim use permit. These interim uses may be utilized in a temporary manner as approved by the City Council. In reviewing the interim use permit application, the City will establish a specific date or event that will terminate the use of the property. In granting an interim use permit, the City Council shall consider the effect of the proposed use upon the health, safety, and general welfare of occupants of surrounding lands. Among other things, the Planning Commission and City Council shall make the following findings where applicable:

- 1. The use will not create a burden on public facilities and utilities which serve or are proposed to serve the area.*
The property is served by private well and septic, and the pole barn has its own meter for electricity, so no impact to public utilities is anticipated as a result of this use.
- 2. The use will be sufficiently compatible with, or separated by sufficient distance from, or screened from adjacent agricultural or residential land uses so that there will be no deterrence to the use or development of adjacent land and uses.*
The pole barn appears to be adequately screened from neighboring residential properties. The proposed ADU will not impede the enjoyment or development of surrounding properties.
- 3. If improvements are made, they shall be so designed and constructed that they are not unsightly in appearance to the extent that it will hinder the orderly and harmonious development of the district wherein proposed.*
The pole barn addition was intentionally designed to match the existing structure with walls, trim, and roof materiality. No further exterior modifications are being proposed to support this proposed use other than upgrades to the septic system.
- 4. Adequate measures have been taken to provide ingress and egress so designed as to minimize traffic congestion, provide adequate access to public roads, and provide on-site parking.*
The proposed ADU will only be utilized by one couple, which will not generate significant traffic to and from the site. The pole barn is served by its own branch of the driveway to provide sufficient on-site parking for the residents.
- 5. Adequate water supply, individual sewage treatment system facilities, erosion control and stormwater management are provided in accordance with applicable standards.*

The site is served by private well and septic system. The applicant intends to upgrade the septic system to accommodate the extra bathroom added to the pole barn addition to serve the ADU. Regarding erosion control and stormwater management, the applicant indicated in the submitted narrative that the addition project “removed an old pole barn office and did not require any digging for the new slab on grade. All stormwater runoff and management should be unchanged from the previous setting prior to the new addition.”

6. *All buildings/structures must meet the intent of the State Building Code and/or fire codes.*
As submitted by the applicant: “To date we have had the current project inspected for footings, framing and mechanical and we would obviously continue to build in order to meet all State Building and Fire Codes.”

7-3 Criteria for Accessory Dwelling Units

The purpose of this Section is to allow accessory dwelling units to provide additional housing opportunities for large or extended families, family members infirmed or with disabilities, and/or elderly family members with a need for semi- independent living situations. Accessory dwelling units have been found to be a compatible secondary or subordinate use to Single Family Dwellings that under certain performance standards will not negatively alter the character of the surrounding neighborhood. An accessory dwelling unit is not designed nor intended to conflict with the purpose and intent of a specific zoning district or act as an alternative to increase residential dwelling density.

7-3-3 Eligibility

1. *Any lot proposed for an accessory dwelling unit shall contain a principal single-family dwelling.*
This property contains an existing single-family home.
2. *The principal single-family dwelling on the lot shall be owner-occupied.*
The applicant, Jake Johnston, owns and occupies this property, per Scott County tax records.
3. *Minimum Lot Size for Detached Accessory Dwelling Units. The lot on which a detached accessory dwelling unit is located shall be at least five (5) acres in size.*
The proposed ADU would be located within an existing detached accessory building. The property is nearly 10 acres in size.

7-3-4 Performance Standards

1. *Not more than one (1) accessory dwelling unit shall be allowed on a lot.*
The proposed ADU would be the only ADU on the property.
2. *Occupancy of the accessory dwelling unit is limited to family members related by blood, marriage, or adoption. There shall be an annual verification that the persons living in the accessory dwelling unit are family members as defined herein.*
According to the submitted narrative, the proposed ADU is only intended to host the applicant’s parents, who typically live in Florida but return to Minnesota in the summer to spend time with family.
3. *Size. In no case shall the habitable square footage of an accessory dwelling unit be more than forty (40) percent of the habitable area of the principal single-family dwelling, nor more than eight hundred (800) square feet, nor less than three hundred (300) square feet. For the purposes of accessory dwelling units within or attached to a garage, only the habitable portion shall be calculated for accessory dwelling unit size requirements.*
The square footage of the existing primary dwelling is approximately 2,114 ft². While the pole barn addition is 900 ft², the habitable area of the proposed ADU would be approximately 780 ft² or less when the bathroom, closet, and mechanical are subtracted from the total square footage. The ADU’s habitable square footage would not exceed 40% of the home’s habitable square footage or 800 ft² total.

Definition of Habitable Space (Section 1-6): *A space in a building for living, sleeping, eating, or cooking. Bathrooms, toilet rooms, closets, halls, storage or utility spaces and similar areas are not considered habitable spaces.*

4. *Amenities. An accessory dwelling unit shall not contain more than one (1) bathroom, one (1) kitchen (with or without eating area), one (1) utility room, two (2) bedrooms, and one (1) living/multi-purpose room.*
Based on the submitted layout, the proposed ADU would contain the allowed number and type of rooms.
5. *Sewage treatment shall be provided for the accessory dwelling unit in accordance with the Scott County Individual Sewage Treatment System Ordinance No. 4.*
The applicant has indicated that the existing septic system will be upgraded to “comply with the 6-bedroom system necessary for Scott County approval. The plans are attached [to the application] and Kuiken Services, Inc. would be applying for that permit.”
6. *Off-Street Parking. In addition to the parking spaces required for the principal single-family dwelling on the lot, two (2) off-street parking spaces shall be provided for the accessory dwelling unit.*
The pole barn is served by its own branch of the driveway to provide sufficient on-site parking for the residents.
7. *Driveway. An accessory dwelling unit and its supporting parking area shall be served by the same driveway and access that serves the principal single-family dwelling.*
The pole barn and driveway are served by two separate branches of the same driveway/access point off of 165th Street East.
8. *Detached Accessory Dwelling Unit Setbacks. In addition to meeting principal building setbacks, the detached accessory dwelling unit shall be located in the side or rear yard of the principal single-family dwelling and be separated by at least ten (10) feet from the principal single-family dwelling, but not more than one hundred fifty (150) feet.*
The proposed detached ADU is located in the side yard of the principal dwelling, set back behind the front of the house. It is located approximately 120 feet away from the house.
9. *Design and Appearance.*
 - a. *The exterior design of an accessory dwelling unit shall incorporate a similar architectural style, roof pitch, colors, and materials as the principal single-family dwelling on the lot.*
The pole barn addition was intentionally designed to match the existing structure with walls, trim, and roof materiality.
 - b. *Attached accessory dwelling units shall be designed so that, to the degree reasonably feasible, the appearance of the building remains that of a single-family dwelling.*
N/A
 - c. *Detached accessory dwelling units shall be situated in such a way as to minimize its visibility from adjacent streets and properties.*
According to the applicant, “the new addition is barely visible from the street and likely only visible from our west neighbor when the leaves fall.”
 - d. *All related aesthetic matters including architecture and landscaping shall be subject to review by the Zoning Administrator.*

The aesthetic qualities of the pole barn addition and proposed ADU appear to comply with applicable design requirements.

10. *An accessory dwelling unit shall not be subdivided nor otherwise segregated in ownership from the principal single-family dwelling.*

This has been included as a recommended condition of IUP approval.

11. *All kitchen appliances and/or plumbing equipment shall be removed once the accessory dwelling unit is no longer occupied by a family member.*

This has been included as a recommended condition of IUP approval.

12. *The accessory dwelling unit shall comply with all other local and state regulations.*

This has been included as a recommended condition of IUP approval.

13. *Additional conditions may be imposed to ensure that the proposed use is compatible with the surrounding land uses.*

See the "Recommended Conditions" section for additional recommended conditions of IUP approval.

Findings of Fact

1. The property is in the UER (Urban Expansion Reserve) zoning district and contains a single-family home and accessory buildings.
2. The surrounding area consists of single-family homes or undeveloped property, all zoned UER.
3. The applicant is proposing to establish a detached accessory dwelling unit (ADU) on his residential property. ADUs are permitted in the UER district with an Interim Use Permit.
4. The proposed use appears to align with all City requirements for Interim Use Permits (Section 2-7-1) and Accessory Dwelling Units (Section 7-3).
5. The proposed ADU would be located within an existing accessory structure. No exterior modifications will occur besides upgrades to the the septic system.
6. The use will not create an excessive burden on public facilities and utilities which serve or are proposed to serve the area.
7. The use will be sufficiently compatible with, and adequately screened from, adjacent residential land uses. There is not anticipated to be any deterrence to the enjoyment or development of adjacent properties as a result of this Interim Use Permit.
8. Adequate measures have been taken to provide ingress and egress so designed as to minimize traffic congestion, provide adequate access to public roads, and provide sufficient on-site parking.
9. Adequate water supply, erosion control and stormwater management are provided in accordance with applicable standards.
10. The use is consistent with the purposes of the Ordinance and the purposes of the zoning district in which the applicant intends to locate the proposed use.
11. The use is not in conflict with the Comprehensive Plan.

Planning Commission Decision

The Credit River Planning Commission held a public hearing and considered the applicant's IUP request at its regular meeting on September 18, 2025. During the public hearing, the applicant provided additional information about the project but otherwise there was no public comment. The Planning Commission unanimously voted to recommend approval of the IUP request with the conditions listed in this staff report.

Staff Recommendation

Staff recommends that the City of Credit River City Council:

- Adopt the staff report into the record;
- Accept the application, testimony, exhibits, and other evidence presented into the record; and
- **Approve** the request for an Interim Use Permit to establish a detached accessory dwelling unit at 8056 165th Street East with the following conditions.

Alternative Actions:

- The City Council could deny the Interim Use Permit request and provide relevant findings of fact; or
- The City Council could table the application and request additional information.

Recommended Conditions

The following conditions shall apply to the Interim Use Permit for the proposed detached accessory dwelling unit:

1. The accessory dwelling unit shall comply with all necessary City, County, State and Federal regulations, including building and fire codes. The Interim Use Permit does not void other requirements not explicitly listed in the conditions.
2. The project shall be completed and maintained according to submitted plans, specifications and narrative unless modified by a condition or amendment of this IUP.
3. The applicant must obtain approval for the Individual Sewage Treatment System (ISTS) from Scott County Environmental Services prior to issuance of the Interim Use Permit. No individuals shall occupy the detached accessory dwelling unit until the septic system is fully installed, inspected, and approved.
4. An accessory dwelling unit shall not be subdivided nor otherwise segregated in ownership from the principal single-family dwelling.
5. There shall be an annual verification that the persons living in the accessory dwelling unit are family members as defined in Section 1-6 of the Zoning Ordinance.
6. All kitchen appliances and/or plumbing equipment shall be removed once the accessory dwelling unit is no longer occupied by a family member.
7. In accordance with Sections 2-7-3, 7-3-5, and 8-2-5 of the City's zoning ordinance, this Interim Use Permit will expire upon the occurrence of the following events:
 - a. The date specified in the Interim Use Permit;
 - b. Re-subdivision of the property;
 - c. Rezoning of the property (including to a zoning district in which accessory dwelling units are not specified as an allowable use);
 - d. Changes or amendments to the Comprehensive Plan that affect the property on which a home extended business exists; or
 - e. The operator or owner or the use changes; or
 - f. The ADU is no longer occupied by a family member as defined in Section 7-4-4; or
 - g. All kitchen appliances and/or plumbing equipment are removed, and the unit no longer meets the definition of a dwelling unit.
8. Any violation of these conditions may result in the revocation of this Interim Use Permit.

Attachments

1. Project Narrative
2. Annotated Site Plans
3. Proposed ADU Floor Plan
4. SSTS Design Plans

In May 2025 we were issued permit #B25-000007 to put an addition (mancafe) on the north side of our pole barn, bringing in water for a bathroom, converting the pole barn from Propane to natural gas, new cement floor with in-floor heat, proper insulation, etc. Today I am requesting an interim use permit to finish that space with a bedroom (ADU). My parents (ages 74 and 68) reside in Florida but typically spend summer months back in MN. They have 3 kids (including myself) with 2 living in Prior Lake and myself in Credit River, with a total of 6 grandkids. Having the interim use permit to finish with a bedroom, kitchen and bathroom would allow them to spend a few summer months close to family, not to mention be much more feasible than buying a 2nd home or renting.

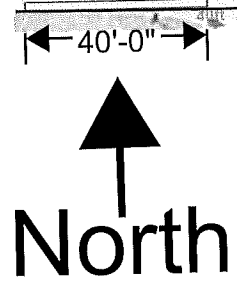
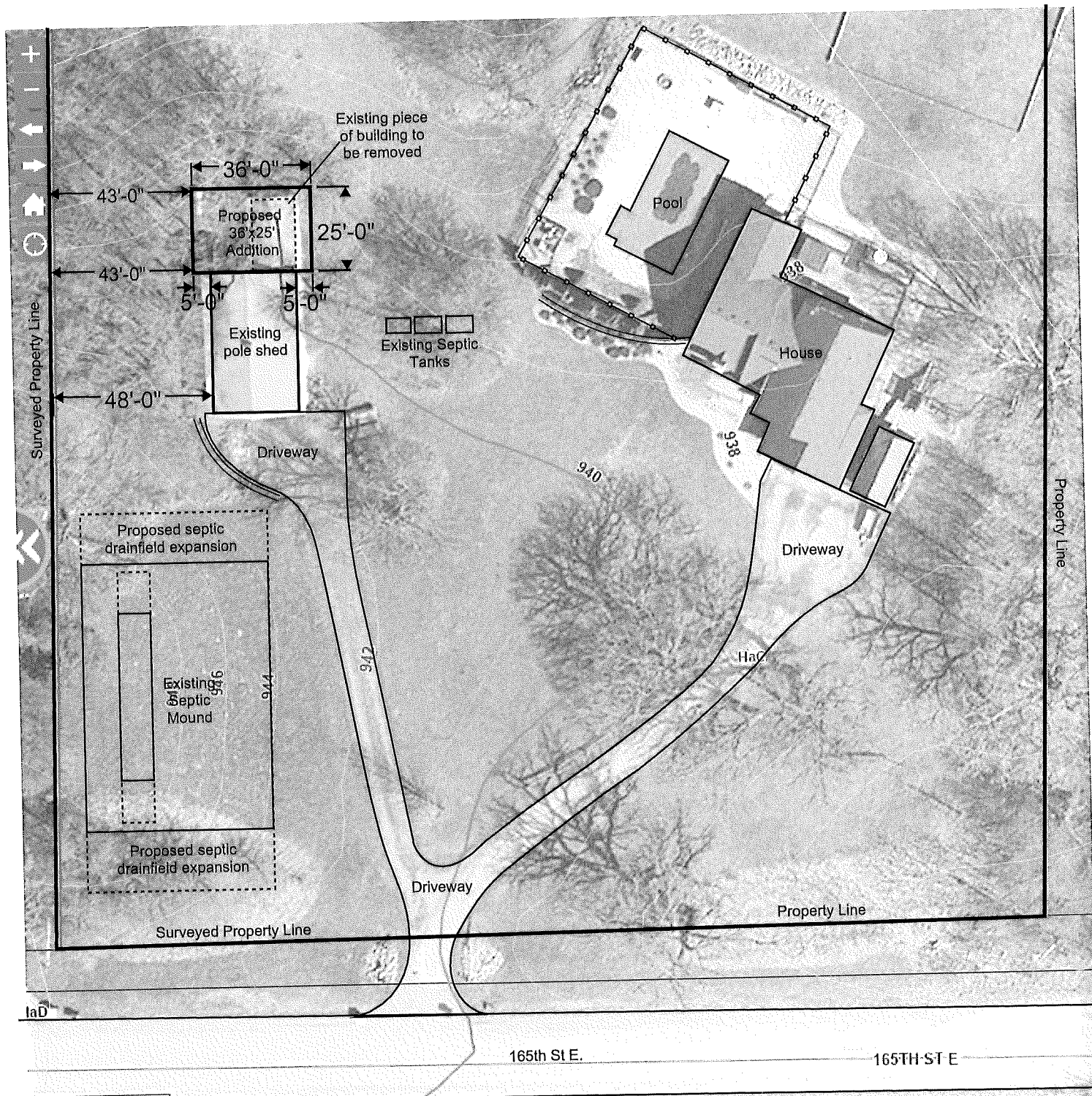
Criteria for Granting Interim Use Permits explanations:

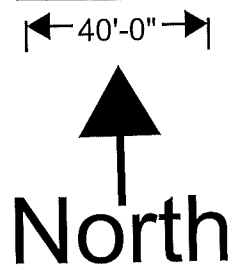
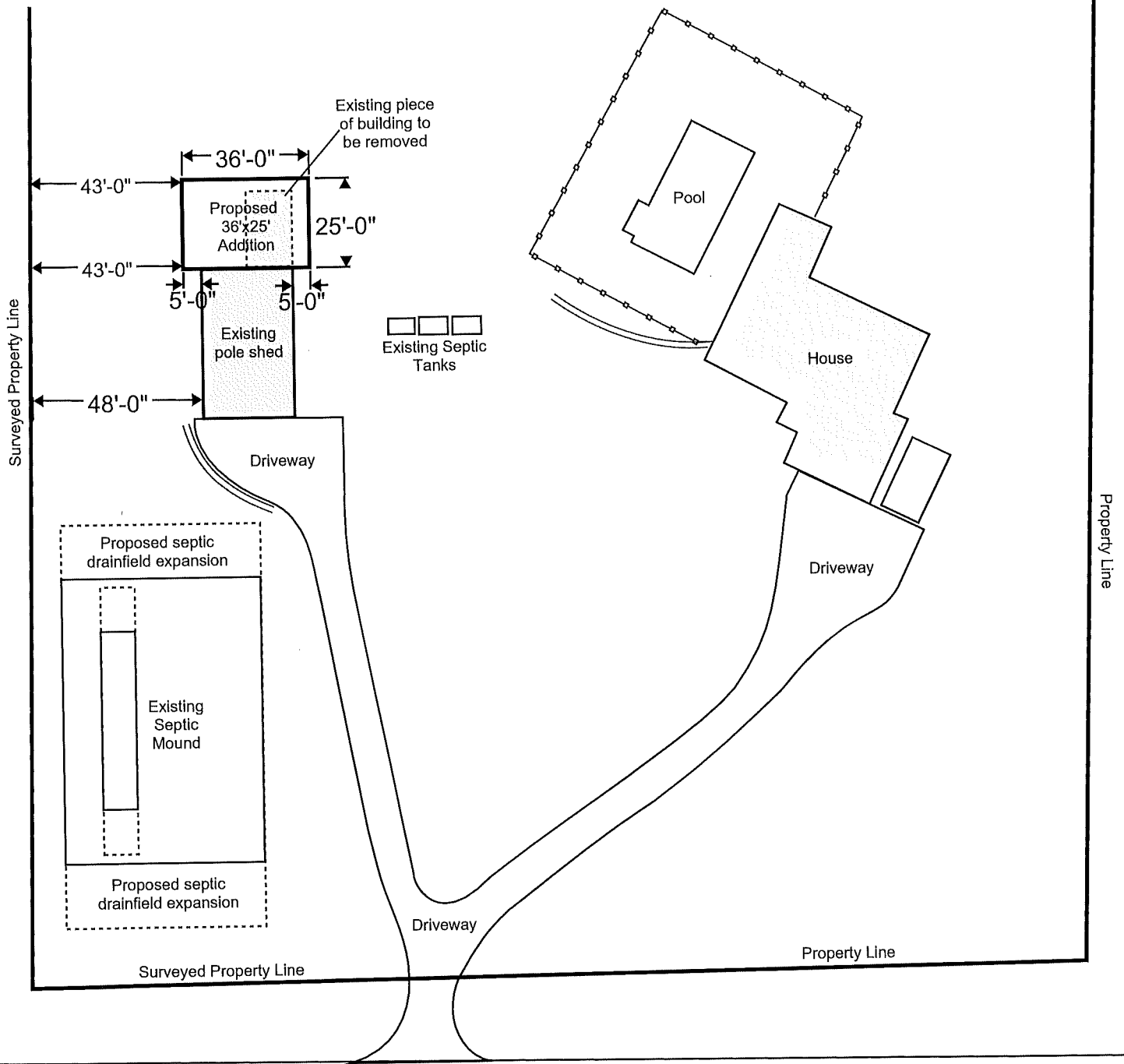
1. We live on 10 acres with private well and septic so that will not impact public water or sewage. Not to mention Centerpoint Energy was happy to convert our pole barn from propane to natural gas for a new service. The pole barn already has it's own meter for electricity so there should be no burden on public facilities or utilities.
2. Our neighboring properties are a minimum of 5 acres (non-agricultural) and there should be no deterrence from current land uses.
3. The new addition is barely visible from the street and likely only visible from our West neighbor when the leaves fall. We have made sure that it's cosmetically appealing and matches the existing structure with walls, trim and roof.
4. There will be plenty of room to park their vehicle in the Pole Barn driveway and one couple will have minimal traffic effect on an otherwise quiet dirt road surrounded by many acreage properties.
5. We have a well on site with adequate water supply and will be upgrading our septic system to comply with a 6 bedroom system necessary for Scott County approval. The plans are attached and Kuiken Services, Inc would be applying for that permit. For the addition we had actually removed an old pole barn office and did not have to do any digging for the new slab on grade. All stormwater runoff and management should be unchanged from the previous setting prior to the new addition.
6. To date we have had the current project inspected for footings, framing and mechanical and we would obviously continue to build in order to meet all State Building and Fire Codes.

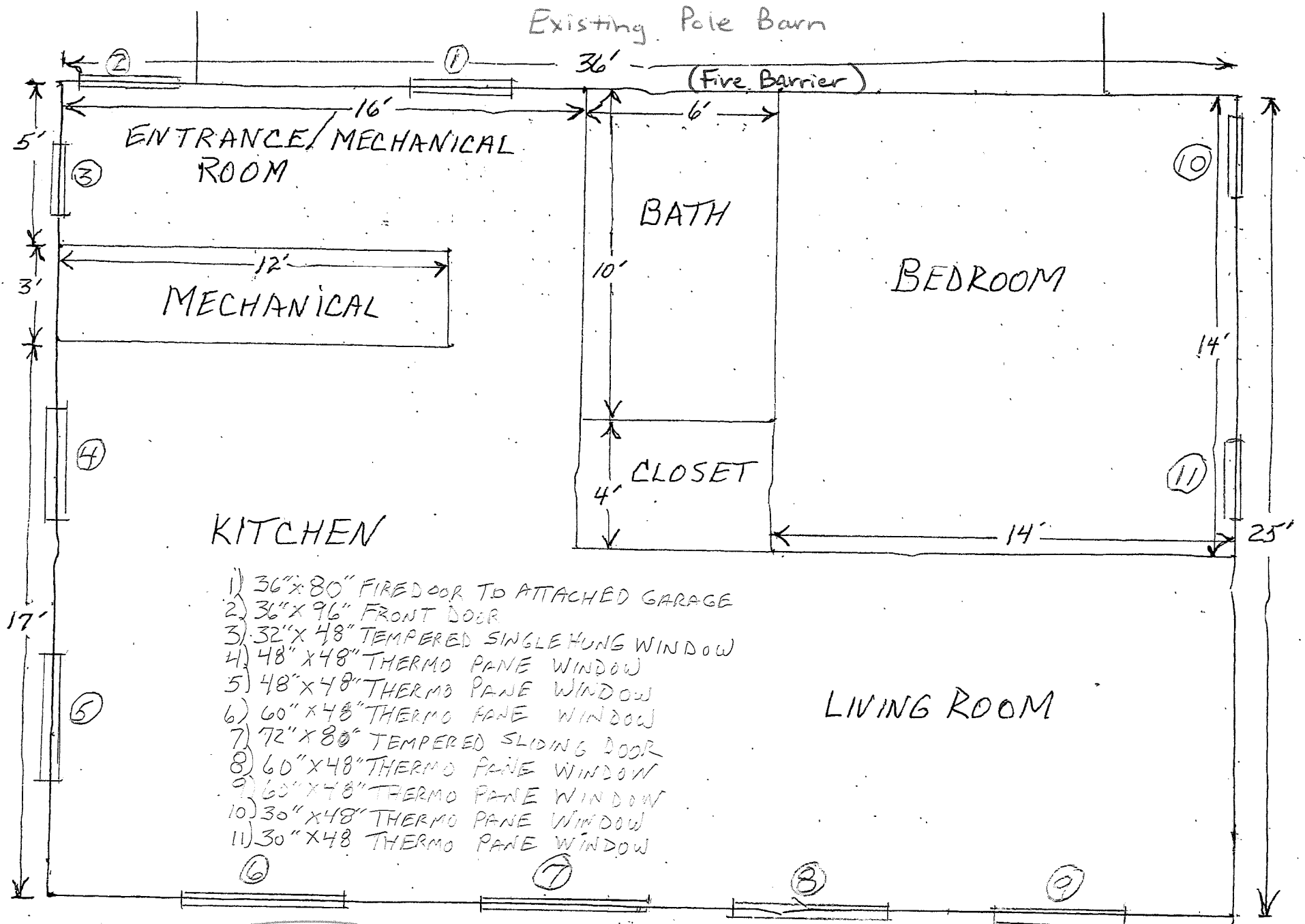
Thank you,



Jake Johnston







- 1) 36"X80" FIREDOOR TO ATTACHED GARAGE
- 2) 36"X96" FRONT DOOR
- 3) 32"X48" TEMPERED SINGLE HUNG WINDOW
- 4) 48"X48" THERMO PANE WINDOW
- 5) 48"X48" THERMO PANE WINDOW
- 6) 60"X48" THERMO PANE WINDOW
- 7) 72"X80" TEMPERED SLIDING DOOR
- 8) 60"X48" THERMO PANE WINDOW
- 9) 60"X48" THERMO PANE WINDOW
- 10) 30"X48" THERMO PANE WINDOW
- 11) 30"X48" THERMO PANE WINDOW

Updated Interior





SSTS DESIGN

DATE: 5/30/2025

PREPARED FOR: Jake Johnston

ADDRESS: 8056 165th St E Prior Lake MN 55372

PHONE: 612-245-5395

Email: jjohnston@newmarketbank.com

SITE LOCATION: 8056 165th St E Prior Lake MN 55372

PID: 049040053

SSTS DESIGN

DESIGN CRITERIA

New 6 BR, Type 1 System.

WATER USAGE

900 gallons per day maximum.

SEPTIC TANK

Install 2 - 1500 gallon septic tank. Tank to be constructed of concrete.

NOTE – Tank requires pumping every 3 years.

PUMP CHAMBER

Install 1500 gallon pump tank with a pump that delivers at least 32 GPM and 31.4' of total head.

DRAINFIELD

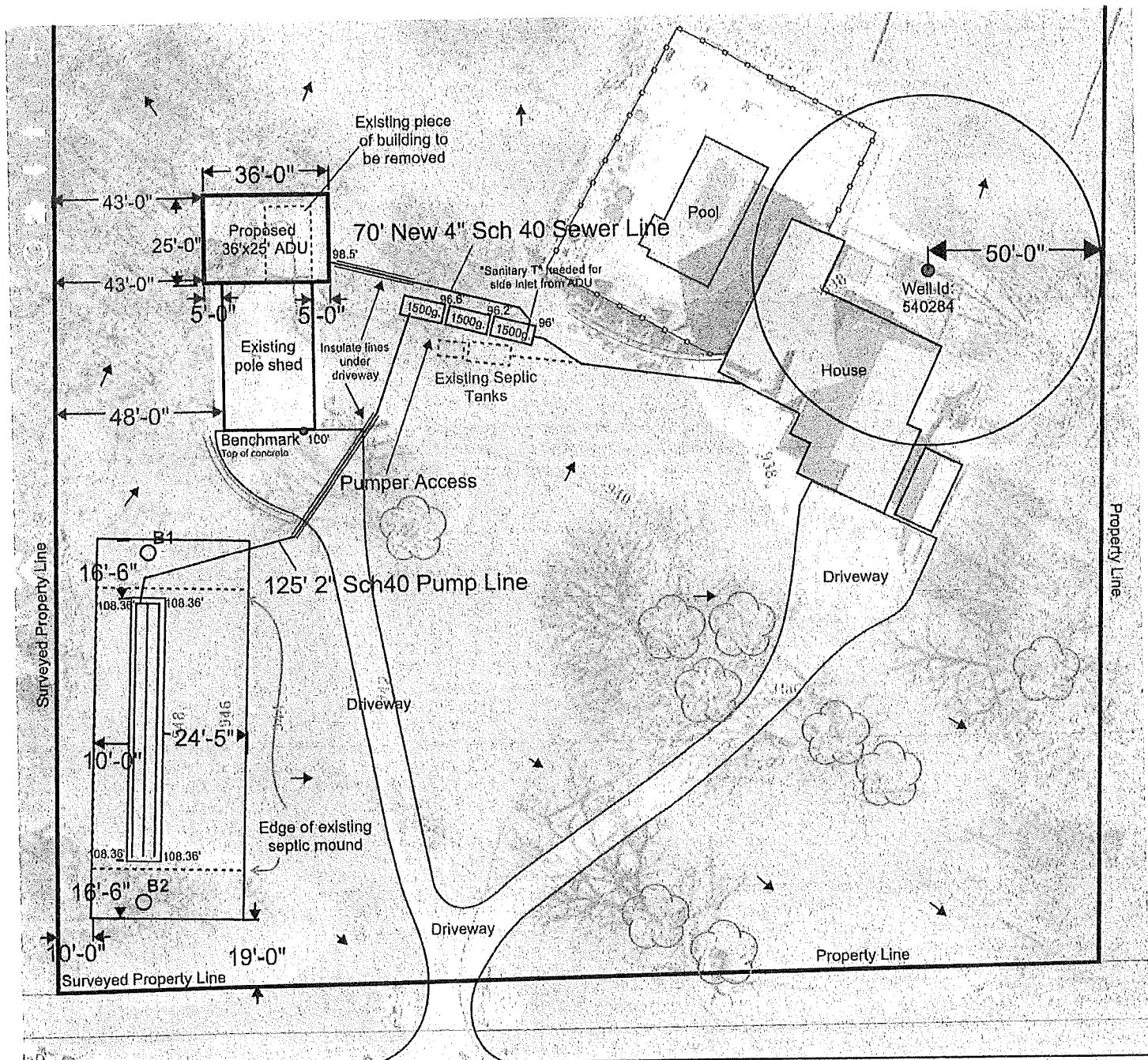
Mound with pressure distribution required. Located on 8% slope. Mound total area of 44.4' x 108.07' and dispersal bed measuring 10' x 75'.

GENERAL CONSTRUCTION PRACTICE

Divert all surface water away from installed tanks. HAVE UTILITIES MARKED BEFORE DIGGING. If there are any questions regarding the design, please contact Mark Westman at 952-495-4485.

Summary of work:

- Proposed design would be adding 2 bedrooms on to existing 4 bedroom mound (10'x50') to make the rock bed 10'x75' total.
- Installer to remove existing rock covering pipe, relevel rock bed and add new clean washed sand on each end of existing rock bed, followed by 9" of washed mound rock to match elevation of existing rock bed.
- If installer digs into mound and discovers a thick biomat has developed at the sand/rock interface, the installer at that time should use their judgement on whether the entire rock bed and 3" of sand below it should be replaced with clean washed rock and 3" of new clean washed sand.
- Existing tanks to be abandoned, crushed and filled in place. Three new 1500g. tanks to be installed adjacent to existing tanks.



165th St E.

Elevations: BM:100'
 House Building outlet: 89.4'
 ADU Building outlet: 98.5'
 Existing rock bed: 108.36'
 Manifold: 108.1'

Ground level Tank 1: 96
 Invert #1 Septic Tank 1500g.: 89.4'
 Ground level Tank 2: 96.2
 Invert #1 Septic Tank 1500g.: 88.9
 Ground level Pump Tank: 96.6
 Invert #3 Pump Tank 1500g.: 88.4
 Pump Out 85.9

Total Lift- 22.2'
 Total feet of head: 31.4

Mound Dimensions

Rock Bed: 10'x75'
 Absorption Bed: 20'x75'
 Total Mound: 108'x45'

Laterals

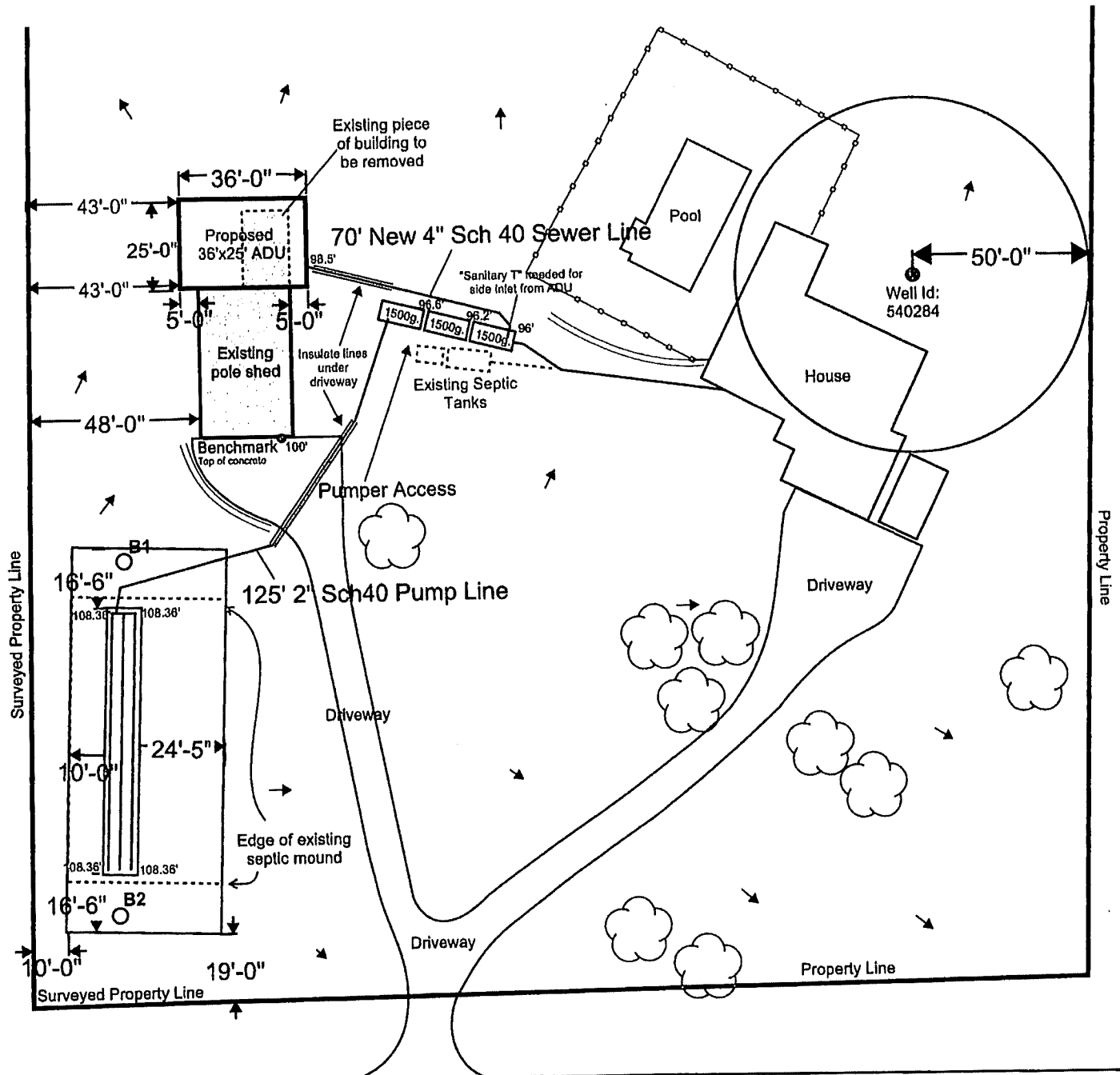
3- Laterals @ 73' of 2" SCH40
 Spacing- 3', Drilled Holes 3/16"

*Existing tank to be abandoned per
 MN Rules 7080

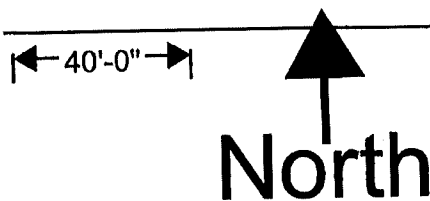
*Scarify entire mound footprint

- Sanitary T will be needed if side inlet is used for sewer line inlet from ADU
- Pump line and ADU sewer line under access road will need to be insulated/protected under driveway

North



165th St E.



Elevations: BM:100'
 House Building outlet: 89.4'
 ADU Building outlet: 98.5'
 Existing rock bed: 108.36'
 Manifold: 108.1'

Ground level Tank 1: 96
 Invert #1 Septic Tank 1500g.: 89.4'
 Ground level Tank 2: 96.2
 Invert #1 Septic Tank 1500g.: 88.9
 Ground level Pump Tank: 96.6
 Invert #3 Pump Tank 1500g.: 88.4
 Pump Out 85.9

Total Lift- 22.2'
 Total feet of head: 31.4

Mound Dimensions

Rock Bed: 10'x75'
 Absorption Bed: 20'x75'
 Total Mound: 108'x45'

Laterals

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 Spacing- 3', Drilled Holes 3/16"

*Existing tank to be abandoned per MN Rules 7080

*Scarify entire mound footprint

- Sanitary T will be needed if side inlet is used for sewer line inlet from ADU
 - Pump line and ADU sewer line under access road will need to be insulated/protected under driveway



Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE: September 22, 2025

SUBMITTED BY: Sue Iverson, Finance

ITEM TYPE: Agenda Report

AGENDA SECTION: General Business

SUBJECT: 2026 Preliminary Levy

BACKGROUND:

At its September 8, 2025, worksession, the City Council asked staff to summarize the preliminary governmental funds 2026 budget and preliminary tax levy with the changes discussed at the workshop for consideration of adopting a 2026 Preliminary Tax Levy.

The City Council is required by law to adopt a Preliminary Levy for 2026 for Certification to Scott County by September 30, 2025. Once this levy is adopted and certified, it cannot be increased, however it may be decreased before the final adoption and certification in December.

The City Council and staff will need to schedule work sessions to continue discussions on the budgets, long-range plan, and the final tax levy. Would the council like these prior to City Council meetings or separate meetings?

A TNT (Truth-In-Taxation) Hearing must be scheduled before the adoption on the final tax levy and budget. All counties, cities over 500 population, school districts and metropolitan special taxing districts are required to hold a regularly scheduled meeting at which the budget and levy will be discussed and the public allowed to speak. Staff has included this in the attached resolution for December 15, 2025, at 6:00 pm during its regular City Council meeting.

FINANCIAL IMPACT:

- The 2026 preliminary tax rate is proposed to increase 1.104% to 16.895%
- The total 2026 preliminary tax levy is proposed to \$422,531 from 2025.
- Factors relating to this increase include an increase in public safety contracts, increased costs for insurance premiums, 2026 is an election year so there are increased costs in that department, City Hall repairs, street improvements as microsurfacing and sealcoating of roads were put on hold for 2-3 years, and there is currently no fund balance being proposed to balance the budgets as was done in 2025.
- Staffing
- The preliminary budget shows a 3% increase for COLA, 12% increases for insurance premiums, and a permit technician to replace the city planner.
- Some items that were previously budgeted in the Capital levy were moved to the General Fund levy as they are operating costs as opposed to capital costs such as road maintenance items. These will be further evaluated in the October and November worksession discussions. This shifted funds from the Capital levy to the General Fund levy.
- The Debt levy will decrease by \$38,000 as the 2015A Bond is now fully collected and will be paid off in February of 2026.

SUGGESTED ACTION:

1. Set Workshop dates for October and November
2. Adopt Preliminary Tax levy and Public Hearing date
3. Adopt Resolution 2025-33, Approving the Preliminary 2025 Property Tax Levy for Collection in 2026 and Setting the Public Hearing Date for the 2026 Budget and the 2025 Property Tax Levy Collected in 2026 for Monday, December 15, 2025, at 6:00 pm

ALTERNATIVES:

- Amend and then adopt Resolution 2025-33, Approving the Preliminary 2025 Property Tax Levy for Collection in 2026 and

- Setting the Public Hearing Date for the 2026 Budget and the
2025 Property Tax Levy Collected in 2026 for Monday,
December 15, 2025, at 6:00 pm
- Do not adopt Resolution 2025-33.

ATTACHMENTS:

[Preliminary Levy Adoption Memo 9.22.25.docx](#)

[Res. 2025-33 Res to Set Preliminary Tax Levy and TNT Hearing Date.docx](#)

STAFF REPORT

To: Mayor and City Council
From: Sue Iverson, Finance Director
Subject: Preliminary 2025 Budget, Tax Levy, and TNT Hearing Dates
Date: September 22, 2025

Introduction & Background

At its September 8, 2025, worksession, the City Council asked staff to summarize the preliminary governmental funds 2026 budget and preliminary tax levy with the changes discussed at the workshop for consideration of adopting a 2026 Preliminary Tax Levy.

The City Council is required by law to adopt a Preliminary Levy for 2026 for Certification to Scott County by September 30, 2025. Once this levy is adopted and certified, it cannot be increased, however it may be decreased before the final adoption and certification in December.

Budget Summary

In addition to reviewing the city's operating needs for 2026, an initial review of budgeted projects was completed to determine required levies to support those initiatives. This will continue to be reviewed in further detail with the City Council during October and November budget worksessions.

Key items in this year's budget:

- The 2026 preliminary tax rate is proposed to increase 1.104% to 16.895%
- The total 2026 preliminary tax levy is proposed to \$422,531 from 2025.
 - Factors relating to this increase include an increase in public safety contracts, increased costs for insurance premiums, 2026 is an election year so there are increased costs in that department, City Hall repairs, street improvements as microsurfacing and sealcoating of roads were put on hold for 2-3 years, and there is currently no fund balance being proposed to balance the budgets as was done in 2025.
- Staffing
 - The preliminary budget shows a 3% increase for COLA, 12% increases for insurance premiums, and a permit technician to replace the city planner.
- Some items that were previously budgeted in the Capital levy were moved to the General Fund levy as they are operating costs as opposed to capital costs such as road maintenance

items. These will be further evaluated in the October and November worksession discussions. This shifted funds from the Capital levy to the General Fund levy.

- The Debt levy will decrease by \$38,000 as the 2015A Bond is now fully collected and will be paid off in February of 2026.

Tax Levy Summary

Overall, the property tax levy includes levies for general operations, capital equipment and improvements, and debt service. The 2025 actual and 2026 proposed property tax levies are listed below:

	2025 Levy	2026 Levy	Increase (Decrease) from 2025
General Levy	\$ 2,100,347	\$ 2,921,878	\$ 821,531
General	\$ 1,092,061	\$ 1,308,314	\$ 216,253
Public Safety	1,008,286	1,119,524	111,238
Public Works - prev in Capital Levy		494,040	494,040
Capital Levy	450,000	88,000	(362,000)
Government Buildings & Maintenance	25,000		(25,000)
General Equipment	7,500		(7,500)
Planning & Enterprise	7,500		(7,500)
Street Improvements	215,000	88,000	(127,000)
Public Works Equipment	185,000	-	(185,000)
Stormwater	10,000	-	(10,000)
Debt Levy	193,000	156,000	(37,000)
2015 GO IMPROVEMENT BONDS	38,000	-	(38,000)
2018 GO IMPROVEMENT BONDS	63,000	61,000	(2,000)
2021 GO IMPROVEMENT BONDS	92,000	95,000	3,000
Total Levy	\$ 2,743,347	\$ 3,165,878	\$ 422,531
Fiscal Disparity Levy Reduction	\$ (104,834)	\$ (86,020)	18,814
Net Tax Capacity	\$ 16,746,990	\$ 18,268,212	\$ 1,521,222
City Tax Rate*	15.76%	16.86%	1.10%

* From What If Projection received from Scott County

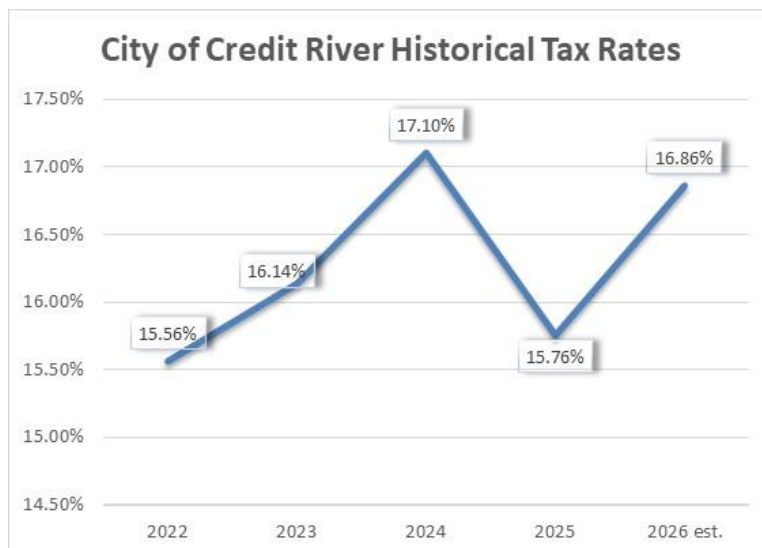
Scott County provides forecasting tools to calculate the potential impact on residential property owners of their taxes payable as determined by their property valuation. Below is a summary based upon the preliminary proposed levy for 2026 compared to the prior year (modified by adding the effect of market value and fiscal disparity changes, before any City levy increase.)

% Value Range Inc/Dec	# of affected Properties	Net Payable 2025	Net Payable 2025	Net Inc/Dec 2025 vs 2026	Change Due to Market Value and Fiscal Disparity	Change Due to City Levy
+15.01+%	49	\$ 1,244.14	\$ 1,562.62	\$ 318.48	\$ 216.06	102.43
+10.01-15.00%	191	\$ 1,244.14	\$ 1,524.07	\$ 279.93	\$ 180.03	99.90
+5.01-10.00%	1333	\$ 1,244.14	\$ 1,446.97	\$ 202.83	\$ 107.99	94.85
+0.01-5.00%	348	\$ 1,244.14	\$ 1,369.87	\$ 125.73	\$ 35.94	89.79
No Change	3	\$ 1,244.14	\$ 1,331.32	\$ 87.18	\$ (0.09)	87.26
-0.01-5.00%	2	\$ 1,244.14	\$ 1,292.76	\$ 48.63	\$ (36.11)	84.74
-5.01-10%	0	\$ 1,244.14	\$ 1,215.66	\$ (28.48)	\$ (108.16)	79.68
-10.01-15%	0	\$ 1,244.14	\$ 1,138.56	\$ (105.58)	\$ (180.21)	74.63
-15.01+	1	\$ 1,244.14	\$ 1,100.01	\$ (144.13)	\$ (216.23)	72.10
Total	1,927					

Below is a historical view of the City's tax rates.

City of Credit River Historical Tax Rates:

2022	15.56%
2023	16.14%
2024	17.10%
2025	15.76%
2026 est.	16.86%



Governmental Funds Budget Summary

Summarized budgets for the City's governmental funds are shown in the chart below, summarized by type and/or function. Detailed budget reports by account line item, as well as the draft budgeted projects plan will be presented and reviewed at the October and November worksessions with the City Council.

CITY OF CREDIT RIVER 2026 GOVERNMENTAL FUNDS BUDGET SUMMARY

		Special Revenue Funds			Debt Service Funds			Capital Projects		2026	2025
	100	202	203	204	330	340	350	401	440	Total	Total
				Turn Lane Fees	2015 Bonds	2018 Bonds	2021 Bonds	Capital Impr.	2021 Road Projects	Governmental Funds	Governmental Funds
	General	Park	Lot Fees								
Revenues											
Property taxes	\$ 2,921,878	\$ -	\$ -	\$ -	\$ -	\$ 61,000	\$ 95,000	\$ 88,000	\$ -	\$ 3,165,878	\$ 2,743,347
Franchise fees	23,000	-	-	-	-	-	-	-	-	23,000	23,000
Licenses and permits	443,000	1,000	-	-	-	-	-	-	-	444,000	442,800
Intergovernmental	110,000	-	-	-	-	-	-	488,576	-	598,576	404,394
Charges for services	13,550	-	-	-	-	-	-	-	-	13,550	12,850
Special Assessments		-	-	-	-	47,616	30,758	115,557	-	193,931	226,693
Interest earnings	140,000	8,500	-	-	-	8,000	12,000	80,000	-	248,500	269,440
Total Revenues	3,651,428	9,500	-	-	-	116,616	137,758	772,133	-	4,687,435	4,122,524
Expenditures											
Mayor & Council	\$ 45,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,480	\$ 45,480
Administration	675,972	-	-	-	-	-	-	-	-	675,972	719,265
Elections	29,436	-	-	-	-	-	-	-	-	29,436	1,000
Assessor	60,000	-	-	-	-	-	-	-	-	60,000	57,600
Planning	338,742	-	-	-	-	-	-	-	-	338,742	391,370
City Hall	53,325	-	-	-	-	-	-	-	-	53,325	19,900
Public Safety	1,124,524	-	-	-	-	-	-	-	-	1,124,524	1,008,286
Public Works	1,255,949	-	-	-	-	-	-	-	-	1,255,949	578,290
Parks	18,000	-	-	-	-	-	-	-	-	18,000	27,000
Capital Outlay	50,000	-	-	-	-	-	-	576,576	-	626,576	801,973
Debt Service	-	-	-	-	147,388	150,625	149,615	-	-	447,628	460,453
Total Expenditures	3,651,428	-	-	-	147,388	150,625	149,615	576,576	-	4,675,632	4,110,617
Excess Revenues (Expenditures)	-	9,500	-	-	(147,388)	(34,009)	(11,857)	195,557	-	11,803	11,907
Other Financing Sources (Uses):											
Transfers In:											
Transfer from Fund 100 of unspent levy		-						-		-	179,915
Transfer from Fund 100 of unspent levy										-	-
Transfer from Fund 203								-		-	294,726
Transfers Out:											
Transfer of unspent levy to Fund 401	-									-	(159,915)
Transfer of unspent levy to fund 202	-			-						-	(314,726)
	-	-	-	-	-	-	-	-	-	-	-
Total Change in Fund Balance and Balance	-	9,500	-	-	(147,388)	(34,009)	(11,857)	195,557	-	11,803	
Beginning of Year, Estimated*	3,021,430	222,210	-	-	160,186	336,999	684,991	2,887,653	-	7,313,469	
End of Year, Estimated	3,021,430	231,710	-	-	12,798	302,990	673,134	3,083,210	-	7,325,272	

Primary factors of significant variations in the budgets include:

- Municipal State Aid for road construction
- Elections in 2026
- City Hall repairs
- Road Maintenance Repairs

Some information from 2025 for comparison purposes:

Net Tax Capacities, Rates & Values for Scott County Payable for 2025

CITIES	TAXABLE LOCAL NET TAX CAPACITY	TAX CAPACITY RATE	TAXABLE MARKET VALUE	REF MARKET VALUE	MARKET VALUE RATE
Belle Plaine	9,759,170	93.4583	879,648,198	886,878,400	0.00464
Elko New Market	7,024,269	46.7981	674,520,009	684,142,110	
Jordan	9,346,358	56.7866	821,385,377	834,444,000	
New Prague	6,992,189	44.8813	609,706,246	618,825,500	
<i>w/Cross County</i>	<i>11,945,023</i>		<i>unknown</i>	<i>1,086,577,200</i>	
Prior Lake	62,470,420	30.5017	5,682,110,817	5,653,472,300	
Savage	63,816,531	40.5334	5,467,982,849	5,513,053,310	
Shakopee	109,713,760	27.7680	8,285,219,487	8,319,340,532	
Credit River	16,944,753	15.7551	1,538,038,688	1,497,903,830	

Example of Effective Tax Rates for Scott County Cities without Special Districts in 2025

Belle Plaine	141.1577
Elko New Market	94.0792
Jordan	112.7165
New Prague	92.1624
Prior Lake	76.7384
Savage	86.7701
Shakopee	82.0992
Credit River	61.9918

Fiscal Impact

The proposed budgets and tax levy will help support necessary city services to be provided in 2026. In addition, consideration of the impact of decisions made today will help the City plan for the future with the goal of sound fiscal management.

Future Worksessions and Public Hearing

The City Council and staff will need to schedule worksessions to continue discussions on the budgets, long-range plan, and the final tax levy. Would the council like these prior to City Council meetings or separate meetings?

A TNT (Truth-In-Taxation) Hearing must be scheduled before the adoption on the final tax levy and budget. All counties, cities over 500 population, school districts and metropolitan special taxing districts are required to hold a regularly scheduled meeting at which the budget and levy will be discussed and the public allowed to speak. Staff has included this in the attached resolution for December 15, 2025, at 6:00 pm during its regular City Council meeting.

Action Required

1. Set Workshop dates for October and November
2. Adopt Preliminary Tax levy and Public Hearing date
- **Options:**
 1. Adopt Resolution 2025-33, Approving the Preliminary 2025 Property Tax Levy for Collection in 2026 and Setting the Public Hearing Date for the 2026 Budget and the 2025 Property Tax Levy Collected in 2026 for Monday, December 15, 2025, at 6:00 pm.
 2. Amend and then adopt Resolution 2025-33, Approving the Preliminary 2025 Property Tax Levy for Collection in 2026 and Setting the Public Hearing Date for the 2026 Budget and the 2025 Property Tax Levy Collected in 2026 for Monday, December 15, 2025, at 6:00 pm.
 3. Do not adopt Resolution 2025-33.

**CITY OF CREDIT RIVER SCOTT
COUNTY, MINNESOTA
RESOLUTION NO. 2025-33**

A RESOLUTION TO SET THE PRELIMINARY 2025 LEVY FOR COLLECTION IN 2026

WHEREAS, the Credit River City Council and City staff have done preliminary analysis of the demands for goods, services and other debt obligations to be provided to the City in 2025; and

WHEREAS, the City of Credit River is required by Minn State § 275.065 to approve a resolution setting forth a preliminary property tax levy on or before September 30th of each year.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Credit River as follows:

1. The City Council hereby approves the preliminary property tax levy, collectible in 2026, which shall not exceed \$3,165,878.
2. The levy funds are proposed to be used as follows:

General Fund	\$2,921,878
Debt Service Fund	\$ 156,000
Capital Improvement Fund	<u>\$ 88,000</u>

Total	\$3,165,878
-------	-------------

The total Debt Service payment for 2026 is expected to be \$437,745 which will be made by a combination of levied funds and assessment payments. The City Council acknowledges adequate funds are available to meet this obligation.

3. The Finance Director is hereby instructed to transmit a certified copy of this Resolution to the County Auditor of Scott County, Minnesota.

BE IT FURTHER RESOLVED, that the City Council has decided to present the Budget and Tax Levy to the public for information and to receive public input at the regular City Council meeting at 6:00 p.m. on December 15, 2025.

Adopted and approved by the City Council of the City of Credit River effective on the 22nd day of September 2025.

Approved:

Chris Kostik, Mayor

Attested:

Lynda Jirak, City Clerk