

A regular meeting was held in person and virtually with the meeting originating at City Hall, Canby Minnesota on April 22<sup>nd</sup>, 2026, at 6pm.

Members: Nancy Bormann, Susan Cram, Diana Fliss

Absent: Rick Bueltel, Marisa Kack

Visitors: Bonnie Merritt, City Administrator  
Thalia Sik, Administrative Secretary  
Gerald Boulton, City Attorney  
John Meyer  
Brian Meyer  
Gene Flieder  
Dave Verhelst  
Robin Heiden  
Brian Rosenau  
Jake Erickson  
Chad Doose

Virtually Attending:  
Josh Van Klompenburg  
Rick Bueltel

The regular Council meeting was called to order.

The agenda was reviewed. A motion was made by Fliss and seconded by Cram to approve the agenda as presented. All voted in favor. None voted against. The motion was carried.

The Board of Appeal and Equalization Hearing was opened.

Brian Rosenau, Yellow Medicine County Assessor, shared some information regarding property sales in Canby. He stated that there were 19 good sales for Canby which resulted in a 5% residential market value drop for Canby and the commercial rate stayed the same.

Dave Verhelst with the Canby Sportsman's Club was present to discuss the market value of the building. The building has a current market value of \$834,800.00 and after discussing the value with the Yellow Medicine County Assessor's office, they found some of the condition factors were high. After some adjustments were made, the County Assessor's office suggested a new market value of \$700,300.00. After discussion, a motion was made by Fliss and seconded by Cram to approve the new market value of \$700,300.00. All voted in favor. None voted against. The motion was carried.

The council minutes from the April 8<sup>th</sup> meeting were reviewed. A motion was made by Cram and seconded by Fliss to approve the minutes. All voted in favor. None voted against. The motion was carried.

Brian Meyer with DGR Engineering was present to discuss the Canby Airport lighting project and Resolution 2026-04-22-1. There were 3 good bids received. The lowest bid was around 32%

higher than the estimate which was received from Aerotech Companies. After speaking with the FAA regarding the shortfall, they were able to provide extra funding to cover the shortfall. The total project cost will be \$975,758.53 and the City's share would be 2.5% with a total of \$24,393.96. DGR Engineering recommended a conditional award (conditional on receiving a grant) to be awarded to Aerotech Companies. After discussion, a motion was made by Cram and seconded by Fliss to approve Resolution No. 2026-04-22-1 and award the conditional award to Aerotech Companies. All voted in favor. None voted against. The motion was carried.

**RESOLUTION NO. 2026-04-22-1**

**RESOLUTION APPROVING PLANS, SPECIFICATIONS, ACCEPTING CONTRACTOR BID, APPROVING CONSTRUCTION PHASE ENGINEERING AGREEMENT, AUTHORIZING SUBMITTAL OF GRANT APPLICATION, AND ADOPTING THE 5-YEAR 2027 AIRPORT CAPITAL IMPROVEMENT PROGRAM**

**City of Canby, Minnesota**

Moved by \_\_\_\_\_ and seconded by \_\_\_\_\_ that the following resolution be adopted:

WHEREAS, the City of Canby, Yellow Medicine County, Minnesota has published notices and conducted a bid letting for the Reconstruct Runway 12/30 Lighting, PAPIs, REILs, Wind Cone, and Beacon project at the Canby Municipal Airport, Canby, Minnesota, anticipated Federal Aviation Administration (FAA) Airport Improvement Program Grant Project No. IJJA 3-27-0144-023-2026 and AIP 3-27-0144-024-2026, herein referred to as the Project, and

WHEREAS, plans, specifications and cost estimates have been prepared by DGR Engineering for the project, and

WHEREAS, a bid letting was held on April 7, 2026, at 3:00 PM at the City Offices, Canby, Minnesota, and

WHEREAS, as a condition of receiving Federal Aviation Administration (FAA) airport grant aid for the Canby Municipal Airport, the following provisions must be met:

1. Adoption of an Approved Five-Year Airport Capital Improvement Program.
2. Certification that the local match will be available if an airport grant is awarded.
3. Authorization to submit the proposed projects for Federal and/or State Grants as indicated; and

WHEREAS, the Federal Fiscal Year (FFY) 2027 Five-Year Airport Capital Improvement Program is attached listing projects deemed to be in the best interests to the Canby Municipal Airport.

NOW, THEREFORE, BE IT RESOLVED that the City of Canby, Minnesota:

1. Approves the plans, specifications, form of contract, and cost estimates prepared for the project.
2. The bid of **Aerotech Companies of Hudson, Wisconsin** in the amount of **\$837,558.53** for the construction of the Project as described in the plans and specifications, is hereby accepted,

conditional upon the receipt of an FAA grant, the same being the lowest responsive bid received for said work. The bid acceptance includes the Base Bid full amount.

3. Certifies the availability of local matching funds.
4. Authorizes the Mayor to prepare, sign, and submit FAA grant application documents for the project, and authorizes the Mayor to execute the FAA Grant Agreement.
5. Authorizes the Mayor to sign the Notice of Conditional Award contingent upon receipt of an FAA grant.
6. Authorizes the Mayor to execute the construction phase engineering agreement, Task Order No. 11, with DGR Engineering. The Task Order was previously reviewed by the Federal Aviation Administration.
7. Authorizes the Mayor to execute the construction contract accepted above, contingent upon the execution of the FAA Grant Agreement for the construction of the Project and to issue a Notice to Proceed.
8. Authorizes the submittal of the attached FFY 2027 Five-Year Capital Improvement Program for the Canby Municipal Airport for possible State and Federal Aviation Administration Grants, authorizes the Mayor to sign and submit required grant documents and to execute grant related documents and agreements and certifies that the local match will be available for the projects if a grant is awarded.

Passed and approved this 22th day of April, 2026.

**City of Canby**

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Mayor

ATTEST:

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City Administrator

The Board of Appeal and Equalization Hearing was closed.

A motion was made by Fliss and seconded by Cram to adopt Ordinance No. 337 Sale of Real Property. All voted in favor. None voted against. The motion was carried.

ORDINANCE NO. 337

AN ORDINANCE PROVIDING FOR THE CONVEYANCE OF REAL PROPERTY  
OWNED BY THE CITY OF CANBY

WHEREAS, The City of Canby is the owner of the following described real estate in the County of Yellow Medicine, State of Minnesota, described as:

See Exhibit A

AND WHEREAS, it is in the best interest of the City to offer said property for sale at private or public sale, to be sold by separate portions thereof as determined by the City County and on such terms and conditions favorable to the public interest,

NOW THEREFORE:

THE CITY OF CANBY DOES HEREBY ORDAIN:

That the above described real estate be sold by separate portions, or combinations thereof, at public or private sale and on such terms and conditions as may be determined by the City Council. The Mayor and the City Administrator are hereby authorized and directed to execute and deliver sufficient instruments of conveyance and other appropriate documents in accordance with this Ordinance.

Passed by the Council this 22<sup>nd</sup> day of April 2026.

\_\_\_\_\_  
Mayor

ATTEST

\_\_\_\_\_  
City Administrator

John Meyer was present to discuss Resolution 2026-04-22-3 Tax Abatement Policy. A motion was made by Cram and seconded by Fliss to approve the policy. All voted in favor. None voted against. The motion was carried.

CITY OF CANBY, MINNESOTA  
RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING AND ADOPTING A TAX ABATEMENT POLICY FOR THE  
CITY OF CANBY

WHEREAS, the City of Canby is authorized under Minnesota Statutes, Sections 469.1812 through 469.1815, as amended, to consider the use of property tax abatement as an economic development and redevelopment tool; and

WHEREAS, tax abatement may be used by the City to encourage desirable development, redevelopment, housing, public infrastructure, job creation, tax base preservation or expansion, blight removal, and other public purposes authorized by law; and

WHEREAS, the City Council desires to establish a written policy to guide the review, evaluation, and approval of future tax abatement requests; and

WHEREAS, the adoption of a tax abatement policy will assist the City in applying consistent standards, protecting public funds, encouraging private investment, and ensuring that any tax abatement request provides public benefits at least equal to or greater than the cost of the proposed assistance; and

WHEREAS, the City recognizes that adoption of this policy does not approve any specific tax abatement project, and that each proposed tax abatement shall be reviewed separately and approved only after compliance with all applicable statutory requirements, including public hearing and notice requirements; and

WHEREAS, the City Council has reviewed the proposed City of Canby Tax Abatement Policy, attached hereto as **Exhibit A** and incorporated herein by reference.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CANBY, MINNESOTA, AS FOLLOWS:

1. **Approval of Policy.** The City Council hereby approves and adopts the City of Canby Tax Abatement Policy attached as Exhibit A.
2. **Purpose.** The purpose of the policy is to establish criteria and procedures for evaluating tax abatement requests in a manner that promotes sound public finance, community development, housing, redevelopment, job creation, tax base growth, historic preservation, blight removal, and public infrastructure improvements.
3. **No Entitlement Created.** The adoption of this policy does not create a right or entitlement to tax abatement assistance. The City retains full discretion to approve, deny, modify, or condition any request for tax abatement.
4. **Case-by-Case Review.** Each proposed tax abatement shall be reviewed on a case-by-case basis, considering the public benefit, financial need, project feasibility, statutory requirements, consistency with City goals, and the impact on City finances and services.
5. **Separate Project Approval Required.** No specific tax abatement shall be granted unless and until the City Council adopts a separate project-specific abatement resolution after satisfying applicable legal requirements, including notice, public hearing, findings, and any required agreement.
6. **Business Subsidy Compliance.** To the extent a proposed tax abatement constitutes a business subsidy under Minnesota law, the City shall comply with applicable business subsidy statutes, criteria, reporting, hearing, and agreement requirements.
7. **Effective Date.** This resolution and the City of Canby Tax Abatement Policy shall be effective immediately upon adoption.

Adopted by the City Council of the City of Canby, Minnesota, this \_\_\_\_ day of \_\_\_\_\_, 2026.

Mayor \_\_\_\_\_

ATTEST:

City Administrator \_\_\_\_\_

A motion was made by Fliss and seconded by Cram to allow John Meyer to publish the tax abatement hearing and set the abatement hearing date to May 19<sup>th</sup>, 2026. All voted in favor. None voted against. The motion was carried.

John Meyer provided an update for the Canby Theater project and the Small Cities Development Grant project.

An administrator's report was provided.

A motion was made by Cram and seconded by Fliss to adjourn the meeting. All voted in favor. None voted against. The motion was carried.

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Nancy Bormann, Mayor

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Bonnie Merritt, City Administrator