

CITY OF BALATON
SPECIAL CITY COUNCIL MEETING

April 07, 2025 - 6pm

- 1) **CALL TO ORDER:** The regular meeting of the Balaton City Council was called to order at 6pm on Monday April 07, 2025, by Mayor Lonnie Lambertus
- 2) **ROLL CALL**
 - a) **Present:** Lonnie Lambertus, Council Members: Dylan Fricke, Tracy McCloud, Greg Erickson
 - b) **Absent:** Curt Paradis
- 3) **Also Present:** Kimberly Wall (City Clerk/Treasurer), Michael Wall, Charles Anderson, Sara Shingledecker, Theresa Zaske, Penni Spade, Lew Roberts, Scott Marquart, Lee Stafne and Brad Knudson by speaker phone.
- 4) A motion was made by Tracy McCloud and seconded by Greg Erickson to add to the agenda – question from Darci regarding the 2024 audit. Motion carried by all present.
- 5) **Borchert Challenge Discussion(s)**
 - a) Lonnie Lambertus advised that the meeting was called to get clarification of the Borchert Challenge goals and all the various entities that have donated to the City of Balaton. Brad Knudson informed all present that the He would like the meeting to lead Balaton to develop a long-term plan to maximize assets to Balaton. He would like the dialog (of Borchert Challenge) to be steppingstones to identify certain projects and goals. He would like to develop procedures and confidence so that grant funding can also be a part of the implementation of long-range plans and to also respect current recreational activities as well as to expand to fit Balaton’s needs. Brad informed all present that the Borchert Challenge started in 2021 in honor of Ron Borchert and through the City of Balaton, the Borchert Challenge was able to create a savings account and over the past four years have brought in approximately five thousand dollars (\$5,000) in which three thousand dollars (\$3,000) were used in 2024 to pay for a grant writer (Lisa Graphenteen) however it was unsuccessful. In May of 2023, the Borchert Challenge Endowment was established with Southwest Initiative Foundation. The purpose of the endowment fund is to generate annual revenue to establish and maintain high standards for the parks in Balaton. Brad stated that the Borchert Challenge’s goal is to produce fifty thousand (\$50,000) annually for the City of Balaton that would be distributed in the fall of each year. Brad advised that the first distribution of the endowment was seven hundred fourteen dollars (\$714.00) that were deposited into the Borchert Challenge savings account (City of Balaton savings account) for the city to decide how they would like to use the money. Brad would like the City of Balaton to conduct a long-range comprehensive study to develop a plan that is the right size and the right focus for the community.

Charles Anderson asked the council if there was a plan for the old football field and has there been conversations of what they are going to do with the eleven (11) acres at the Maple street park. Tracy McCloud advised the council that there is a disc-golf game located at Maple Street Park that is being used which was donated by the Balaton Area Community Foundation.

Lonnie advised the Borchert Challenge committee that the council will not spend money that has not been budgeted including the last grant that Borchert Challenge wanted to apply for (50/50 grant totaling \$50,000). Brad told Lonnie that with a matching grant, that’s when there needs to be some contributions from the city to provide the match and would hope that the annual distribution of the endowment fund would be used (also) to match grant dollars. At this time, the Borchert Challenge Endowment is growing slowly so there would need to be some fund raising at the local level through the various organizations and individuals that would support those efforts; the intent is to put no financial burden on the City of Balaton. Lonnie reiterated that the council wants no financial burden on the city regarding planning, engineering, design phase, etc.

Brad said what he would want is for the city (community) to identify what would be the desired objectives and projects for the city. To have the city council identify those things and the Borchert Challenge would rally around those initiatives and help fund raise. Brad would like a committee formed to gather ideas from the community and ultimately from the city council. Sara Shingledecker asked Lonnie why they called the meeting. Lonnie stated that as they read through the grant (Taylor Family Farm Foundation), there were contributors (partners) listed however it did not state who was matching the fifty/fifty (50/50) donation match. If the match was not met, the city would be responsible for the matching dollars to accept the grant. Brad stated that the list of contributors was listed in the draft of who should be recognized as contributors to the City of Balaton and secondly, those contributors become a natural group of people who are brought together for long-range planning for recreation for Balaton. Brad stated that what the Borchert Challenge brought to the city was a draft for the city to consider and to modify as the city felt as the Borchert Challenge was only the ghost writers and the 50/50 grant match was a surprise to them. Theresa Zaske addressed the council on behalf of the Balaton Area Community Foundation (BACF). Theresa advised that she was informed that the BACF was listed as a partner for the Borchert Challenge and stated that the BACF has no interest in working with the Borchert Challenge. Sara Shingledecker stated she was confused as to why they are at the meeting – was it more questions about the Borchert Challenge or more questions about the grant proposal and the resolution that was passed to submit the grant.

Greg Erickson stated that the grant that was proposed to the city on such short notice and the council had concerns that needed to be addressed regarding the matching funds for the grant. He also stated that they wanted to make sure the groups listed in the proposal were on board to help. Brad stated that it was in fact rushed, however it came out on the first of February and was due at the end of February and the 50/50 match was brand new to the Taylor Family Farm Foundation. Brad also stated they wrote a draft, and, in the draft, the Taylor Family Farm Foundation asked who the city collaborates with and/or who they work with. The listing of the organizations that were listed were not because they needed to make any commitment, but it was a documentation of the support that BACF and the Chet Johnson Foundation provides to Balaton. Sara Shingledecker stated that if there were questions, they could have been easily answered, and the grant still could have been submitted within the time limit. Sara also stated that she told the council in the March meeting that the Borchert Challenge is going after the matching funds (making calls) but needed to send in the application first and then try to get the matching funds. She stated that there was a resolution that was passed for the application to be submitted.

Theresa Zaske advised all present that she requested and received the proposal draft and pointed out that BACF was listed as a partner, not contributors. Marsha Wee stated that having written many grant proposals herself, all partners that are listed must be contacted prior to listing them on the proposed grant. Lonnie reiterated that the purpose of the meeting was to make sure there were no miscommunications between the council and the Borchert Challenge. Scott Marquardt stated that the Borchert Challenge does not have its own EIN therefore the City of Balaton and or the EDA must be the applicant of record and would need to submit any grant applications under the cities EIN. Scott advised that the fund agreement for the Borchert Challenge Endowment states that one hundred percent (100%) of the distributions go to the City of Balaton to help maintain and improve high standards for the parks of Balaton. He also stated that the Taylor Family Farm Foundation’s first round of grants was for EMS equipment, not parks.

Matt Gross suggested that the city implement a policy that all grants that require matching funds, the funds must be raised before the application is submitted. The council agreed to implement a policy requiring all matching funds must be collected prior to submitting grant applications that require matching funds. Brad suggested that there is a parks committee verses two council members assigned to the parks should be an idea for the monies raised through the Borchert Challenge. A park committee (including the residents) was brought up in discussion, however no one was appointed at this time.

Low Roberts spoke on behalf of the Balaton American Legion Post 237 – he stated that the Legion makes donations with the funds raised by charitable gaming. Low stated that all their donations are monitored and are limited to how the donations are distributed. Low stated at this time, with giving donations, there must be an end game and at this time, the Balaton American Legion will not be able to support the Borchert Challenge financially.

Lee Stafne spoke on behalf of the Chet Johnson Foundation. Lee stated he would rather give their money to the Balaton Area Community Foundation because they have more people on the board to decide how the money should be spent.

Lonnie stated that the community could create a committee to create a survey so everyone would have a chance to express their ideas. Brad suggested to Lonnie that he encourages the committee (if formed) that they speak with Jason Lockards (Southwest Regional Development Commission) from Slayton to ask how they would conduct city planning also the University of Minnesota.

Lonnie informed the council that Darci Anderson sent an email and would like to know the specifics for each budgeted capital outlay for each fund. Matt Gross stated that the council could amend the budget an add plans for the capital outlay funds. The council will speak with the department heads and determine what the money should be committed to.

ADJOURNMENT: With no further business, a motion to adjourn was made by Tracy McCloud and seconded by Greg Erickson. Motion was carried by all present. The meeting was adjourned at 7:17pm.

Kimberly Wall, City Clerk-Treasurer

Lonnie Lambertus, Mayor