Kenyon: the public record on the administrator, KMU, and the cannabis facility at 551 Engel Drive

Prepared for Marco Rivero Luna, Faribault Daily News · October 22, 2026 · kenyonminnesota.com

Summary

KMU. City Administrator Scott Lehner led the change in how Kenyon Municipal Utilities is run. From February 2025 he reported on a "KMU Process," and on May 13, 2025 he presented the five City-KMU agreements the council approved 5-0, among them the Administrative Staff Supervision Agreement that puts KMU staff under the administrator. He then reported KMU's move into the city's banking, the closing of the KMU checking account, and a $350,000 KMU loan to the city.

The cannabis facility. Kenyon's cannabis ordinance, adopted at Lehner's first council meeting, makes the City Administrator the official who certifies a cannabis business for its state license. The EDA minutes place him on the sale of Block 3, Lot 1 (551 Engel Drive) through all three cannabis buyers: he was to "collaborate with Corgi Canna on a communication plan" (April 2025); "Scott and Todd will provide further update" on Sweet Cut Grow, later Firebird (August 2025); and he attended the Firebird public hearing and the EDA's Firebird and Falcon updates of November 25, 2025, January 27, 2026, and August 25, 2026. He did not present the Firebird agreement to the council; Attorney Riggs did.

Power for the facility. At the Firebird hearing on November 13, 2025, with Lehner present, the minutes record that the city's utilities "confirmed that the anticipated utility demand will remain within the city's current capabilities." On January 20, 2026, with Lehner present, the KMU Commission minutes record that "KMU will purchase and install the transformer for Firebird LLC." On October 13, 2026, Lehner told the council that transformers "we probably should have ordered a couple years ago" were needed and that he was hearing about it "for the first time" the week before.

Every entry is taken from the City of Kenyon's published council packets, which also carry EDA and KMU Commission minutes, or from the city's YouTube recordings. Packets carry the minutes of earlier meetings, so each entry is dated by the meeting the minutes record.

Power for the facility, in the record's own words

November 13, 2025 · EDA public hearing on the Firebird sale · Lehner present

"The City of Kenyon Utilities and Public Works Department have been included in discussions to verify that this facility's addition will not exceed existing infrastructure capacity. Both departments have confirmed that the anticipated utility demand will remain within the city's current capabilities." EDA minutes, packet p.274

December 9, 2025 · Firebird purchase and development agreement, approved by the council

"The Authority represents that primary electric distribution infrastructure is installed and is available." December 9, 2025 packet, p.55

January 20, 2026 · KMU Commission · Lehner present

“KMU will purchase and install the transformer for Firebird LLC, as KMU does not want the company installing its own transformer. If a purchase agreement is executed, Firebird plans to begin construction in mid-summer, at which time a temporary service would be needed.” KMU minutes, packet p.75

October 13, 2026 · Lehner to the council

“there’s things like transformers that um according to them, this is not coming from me. Um but this is uh a transformers that we probably should have ordered a couple years ago” … “That’s how I looked last week and today when I was hearing it for the first time.” video 39:05 · 41:41

Timeline

Highlighted rows concern the cannabis facility and its power.

DATE	RECORD	WHAT IT SAYS	SOURCE
January 14, 2025	City Code	Kenyon City Code §1140.05, adopted 5-0 at Lehner’s first council meeting: “The City Administrator is authorized to certify whether a proposed Cannabis Business complies with the City’s zoning ordinances” and, where applicable, fire and building code, for the state license (Minn. Stat. §342.13).	p.43
February 11, 2025	Council	Lehner reports he will draft a recommended KMU organizational chart and revised City-KMU agreements.	p.9
March 11, 2025	Council	Lehner reports he has reviewed the contracts and organizational chart with Attorney Riggs.	p.9
April 22, 2025	EDA	First cannabis buyer for Block 3, Lot 1 (551 Engel Drive): “Kieffer and Administrator Lehner will collaborate with Corgi Canna on a communication plan.” Purchase price $212,782. (Corgi Canna fell through in June 2025 after bank financing was denied; Lehner attended that meeting.)	p.175
May 13, 2025	Council	Under “Process to Correct the Relationship Between the City and KMU,” Lehner reports the KMU Commission signed the five City-KMU contracts on April 23, 2025.	p.10
August 26, 2025	EDA agenda	Second cannabis buyer, Sweet Cut Grow of Kalamazoo, MI (later Firebird, LLC): offer and counteroffer on the lot; “Scott and Todd will provide further update.”	p.79
November 13, 2025	EDA	EDA public hearing on the Firebird sale, Lehner in attendance. The minutes record that the city’s utilities and public works “confirmed that the anticipated utility demand	p.274

		will remain within the city's current capabilities." Firebird estimated 5,000-7,000 kWh a day; a resident asked whether the city could handle the electricity demand. Approved 4-1.	
December 9, 2025	Council	Attorney Riggs presents the Firebird purchase and development agreement; the council approves 4-0, Lehner present, the mayor absent. The agreement states that "primary electric distribution infrastructure is installed and is available."	p.19
January 13, 2026	Council	Lehner reports KMU accounts are moving into the city banking system.	p.9
January 20, 2026	KMU Commission	KMU Commission, Lehner present: "KMU will purchase and install the transformer for Firebird LLC, as KMU does not want the company installing its own transformer." Construction expected mid-summer, needing temporary service.	p.75
March 10, 2026	Council	Lehner invites the council to the KMU electric rate study.	p.38
March 24, 2026	EDA	The lot goes to Falcon Investments instead: signing set for March 26, 2026; $212,000 price, $193,990 net to the city.	p.140
June 9, 2026	Council	Lehner reports that the KMU checking account was officially closed.	p.13
August 25, 2026	EDA	Falcon has begun excavation for the cannabis facility. Lehner will ask KMU for a $350,000 internal loan for the Hinderaker land; "Previously, the EDA intended to use the funds generated from the sale of an industrial park lot, but this was not possible."	p.328
September 8, 2026	Council	Lehner reports the KMU Commission agreed to lend the city $350,000 at 2% over ten years for land south of town.	p.12
September 21, 2026	Council	Joint council and KMU meeting: Lehner hands out the packet on KMU Superintendent Randy Eggert's performance. Commissioner Houglum: "it all started two years ago at the first KMU meeting that Lehner attended. He was against Eggert from the start." Eggert says he felt pressured to sign.	p.16

In his own words: meeting video

> “We were hoping that by selling the land in the industrial park that was going to give us some seed money to be able to put towards uh being able to purchase that. Well, there’s been some changes along those lines.”

Administrator Lehner, council meeting Sep 8, 2026, at 34:34 (YouTube automatic captions): https://www.youtube.com/watch?v=KndZTNtidPM&t=2074s

> “when we had our initial meeting last week, um, with Compass, that was the first that they were hearing that any of that information was going on.”

Administrator Lehner, council meeting Oct 13, 2026, at 38:09 (YouTube automatic captions): https://www.youtube.com/watch?v=-Bgdap4p7fg&t=2289s

> “there’s things like transformers that um according to them, this is not coming from me. Um but this is uh a transformers that we probably should have ordered a couple years ago”

Administrator Lehner, council meeting Oct 13, 2026, at 39:05 (YouTube automatic captions): https://www.youtube.com/watch?v=-Bgdap4p7fg&t=2341s

> “also told that we had a contract that was sent out on July 2nd of this year um with no response and no signatures and nothing being brought back.”

Administrator Lehner, council meeting Oct 13, 2026, at 39:26 (YouTube automatic captions): https://www.youtube.com/watch?v=-Bgdap4p7fg&t=2366s

> “we need to be able to take a look at a substation. That substation just in itself, it’s probably about 3 years out ... We’re talking $3 to 5 million”

Administrator Lehner, council meeting Oct 13, 2026, at 41:16 (YouTube automatic captions): https://www.youtube.com/watch?v=-Bgdap4p7fg&t=2476s

> “So, some of you are looking at me like you’re hearing this for the first time. That’s how I looked last week and today when I was hearing it for the first time.”

Administrator Lehner, council meeting Oct 13, 2026, at 41:41 (YouTube automatic captions): https://www.youtube.com/watch?v=-Bgdap4p7fg&t=2501s

Quotes are from YouTube’s automatic captions, trimmed where marked; the linked timestamps play the passage.

551 Engel Drive: the sale, buyer by buyer

- **Corgi Canna**, spring 2025: $212,782 purchase agreement for Block 3, Lot 1; Lehner and Kieffer to handle communications. Lost in June 2025 when the buyer’s bank financing was denied (EDA minutes, June 25, 2025; Lehner present).
- **Sweet Cut Grow / Firebird, LLC** (Kalamazoo, MI), July 2025 to early 2026: offer and counter; EDA hearing November 13, 2025 (approved 4-1); council approval December 9, 2025; purchase agreement dated January 28, 2026.
- **Falcon Investments LLC**, March 2026: signing set for March 26, 2026 at $212,000, $193,990 net to the city. No council-approved assignment from Firebird appears in the packets. Excavation under way by

August 2026; Goodhue County issued building permit 26-K024 on August 19, 2026.

- August 25, 2026: the EDA records that it “intended to use the funds generated from the sale of an industrial park lot, but this was not possible,” and that Lehner would seek a $350,000 KMU loan instead.

Records requested and not yet received

Data requests under Minn. Stat. ch. 13 went to the City of Kenyon and to Goodhue County on October 15, 2026. Neither has acknowledged them; both received follow-ups on October 22. Requested from the city: the July 2 contract described on October 13, CMPAS correspondence since January 2026, any transformer or substation estimates, the KMU load application and specification agreement for 551 Engel Drive, KMU and EDA minutes, the Falcon agreement and any assignment, and the administrator’s employment agreement. From the county: the permit 26-K024 file, including any electrical load calculation. Not yet requested: any state cannabis license certification the city issued for 551 Engel Drive under §1140.05.

The passages

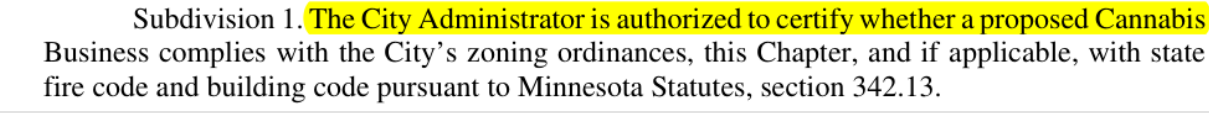
Each image is cut from the city's published PDF with the key line highlighted. The link opens the same page.

January 14, 2025 · City Code

Kenyon City Code §1140.05, adopted 5-0 at Lehner's first council meeting: "The City Administrator is authorized to certify whether a proposed Cannabis Business complies with the City's zoning ordinances" and, where applicable, fire and building code, for the state license (Minn. Stat. §342.13).

Kenyon City Code: Ordinance No. 112, §1140.05, adopted January 14, 2025

City packet 1-14-25_council_packet_(1).pdf, page 43



1140.05 Pre-License Certification of Cannabis Businesses

Subdivision 1. The City Administrator is authorized to certify whether a proposed Cannabis Business complies with the City's zoning ordinances, this Chapter, and if applicable, with state fire code and building code pursuant to Minnesota Statutes, section 342.13.

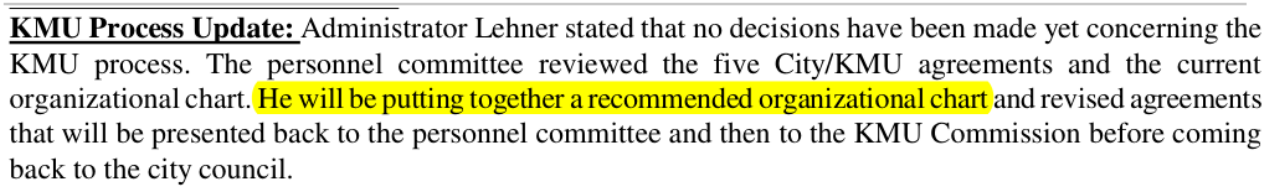
City of Kenyon packet 1-14-25_council_packet_(1).pdf, page 43: https://cityofkenyon.gov/vertical/Sites/%7B40F804C2-1863-4E5D-8960-FBA2FD36555A%7D/uploads/1-14-25_council_packet_%281%29.pdf#page=43

February 11, 2025 · Council

Lehner reports he will draft a recommended KMU organizational chart and revised City-KMU agreements.

Kenyon City Council minutes, February 11, 2025

City packet 3-11-25_council_packet_(1).pdf, page 9



KMU Process Update: Administrator Lehner stated that no decisions have been made yet concerning the KMU process. The personnel committee reviewed the five City/KMU agreements and the current organizational chart. He will be putting together a recommended organizational chart and revised agreements that will be presented back to the personnel committee and then to the KMU Commission before coming back to the city council.

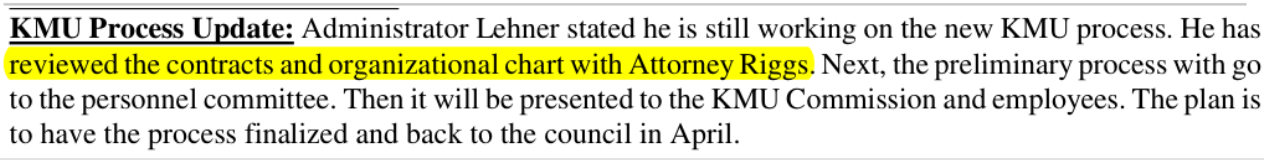
City of Kenyon packet 3-11-25_council_packet_(1).pdf, page 9: https://cityofkenyon.gov/vertical/Sites/%7B40F804C2-1863-4E5D-8960-FBA2FD36555A%7D/uploads/3-11-25_council_packet_%281%29.pdf#page=9

March 11, 2025 · Council

Lehner reports he has reviewed the contracts and organizational chart with Attorney Riggs.

Kenyon City Council minutes, March 11, 2025

City packet 4-8-25_council_packet.pdf, page 9

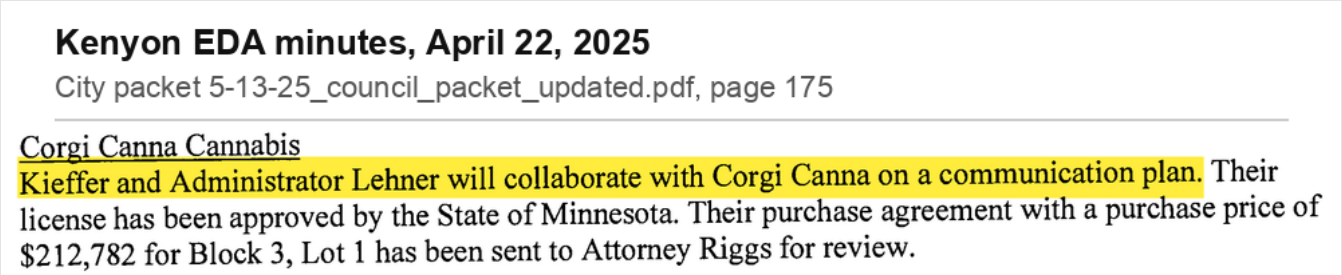


KMU Process Update: Administrator Lehner stated he is still working on the new KMU process. He has reviewed the contracts and organizational chart with Attorney Riggs. Next, the preliminary process with go to the personnel committee. Then it will be presented to the KMU Commission and employees. The plan is to have the process finalized and back to the council in April.

City of Kenyon packet 4-8-25_council_packet.pdf, page 9: https://cityofkenyon.gov/vertical/Sites/%7B40F804C2-1863-4E5D-8960-FBA2FD36555A%7D/uploads/4-8-25_council_packet.pdf#page=9

April 22, 2025 · EDA

First cannabis buyer for Block 3, Lot 1 (551 Engel Drive): “Kieffer and Administrator Lehner will collaborate with Corgi Canna on a communication plan.” Purchase price $212,782. (Corgi Canna fell through in June 2025 after bank financing was denied; Lehner attended that meeting.)



Kenyon EDA minutes, April 22, 2025

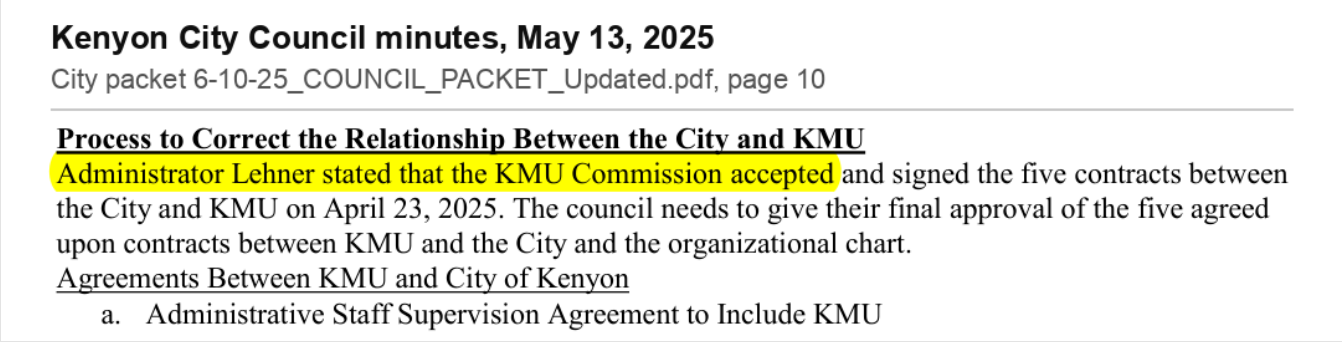
City packet 5-13-25_council_packet_updated.pdf, page 175

Corgi Canna Cannabis
Kieffer and Administrator Lehner will collaborate with Corgi Canna on a communication plan. Their license has been approved by the State of Minnesota. Their purchase agreement with a purchase price of $212,782 for Block 3, Lot 1 has been sent to Attorney Riggs for review.

City of Kenyon packet 5-13-25_council_packet_updated.pdf, page 175: https://cityofkenyon.gov/vertical/Sites/%7B40F804C2-1863-4E5D-8960-FBA2FD36555A%7D/uploads/5-13-25_council_packet_updated.pdf#page=175

May 13, 2025 · Council

Under “Process to Correct the Relationship Between the City and KMU,” Lehner reports the KMU Commission signed the five City-KMU contracts on April 23, 2025.



Kenyon City Council minutes, May 13, 2025

City packet 6-10-25_COUNCIL_PACKET_Updated.pdf, page 10

Process to Correct the Relationship Between the City and KMU
Administrator Lehner stated that the KMU Commission accepted and signed the five contracts between the City and KMU on April 23, 2025. The council needs to give their final approval of the five agreed upon contracts between KMU and the City and the organizational chart.
Agreements Between KMU and City of Kenyon
a. Administrative Staff Supervision Agreement to Include KMU

City of Kenyon packet 6-10-25_COUNCIL_PACKET_Updated.pdf, page 10: https://cityofkenyon.gov/vertical/Sites/%7B40F804C2-1863-4E5D-8960-FBA2FD36555A%7D/uploads/6-10-25_COUNCIL_PACKET_Updated.pdf#page=10

May 13, 2025 · Council

The council approves the five agreements 5-0, including the Administrative Staff Supervision Agreement to Include KMU.

Kenyon City Council minutes, May 13, 2025 (continued)

City packet 6-10-25_COUNCIL_PACKET_Updated.pdf, page 11

b. Building/Property Control Agreement
c. Personnel Utilization Agreement
d. Billing Agreement
e. Municipal Project Agreement
f. Organizational Chart

Motion by Helgeson seconded by Kirchmann to approve items a-f. between the City and KMU. Motion carried 5-0-0.

City of Kenyon packet 6-10-25_COUNCIL_PACKET_Updated.pdf, page 11: https://cityofkenyon.gov/vertical/Sites/%7B40F804C2-1863-4E5D-8960-FBA2FD36555A%7D/uploads/6-10-25_COUNCIL_PACKET_Updated.pdf#page=11

August 26, 2025 · EDA agenda

Second cannabis buyer, Sweet Cut Grow of Kalamazoo, MI (later Firebird, LLC): offer and counteroffer on the lot; “Scott and Todd will provide further update.”

Kenyon EDA agenda, August 26, 2025

City packet 9-9-25_Council_Packet.pdf, page 79

Industrial Park Update – DEED Grant 2019

1. Sweet Cut Grow – Cannabis Cultivator
    1. https://sweetcutgrow.com
    2. Kalamazoo, MI – Bruce, WI
2. Currently their real estate agent from MN is negotiating with Realty Growth, Matt Gove and Bucky Beeman.
3. Purchase agreement offer was made and Kenyon did reply with a counter.
4. Scott and Todd will provide further update.

City of Kenyon packet 9-9-25_Council_Packet.pdf, page 79: https://cityofkenyon.gov/vertical/Sites/%7B40F804C2-1863-4E5D-8960-FBA2FD36555A%7D/uploads/9-9-25_Council_Packet.pdf#page=79

November 13, 2025 · EDA

EDA public hearing on the Firebird sale, Lehner in attendance. The minutes record that the city's utilities and public works "confirmed that the anticipated utility demand will remain within the city's current capabilities." Firebird estimated 5,000-7,000 kWh a day; a resident asked whether the city could handle the electricity demand. Approved 4-1.

Kenyon EDA minutes, November 13, 2025 (Firebird public hearing)

City packet 12.9.25_Council_Agenda_and_Packet_Updated.pdf, page 274

Others in Attendance: EDA Coordinator Todd Kieffer, City Administrator Scott Lehner, Mark Jauernek-Firebird LLC remote presenter, Alex Samardzich-Firebird LLC

The EDA special meeting was held at City Hall. The meeting was called to order at 8:30 a.m.

PUBLIC HEARINGS/COMMENTS

Chairman Mortensen called the public hearing to order at 8:40 am.

Mortensen stated that this public hearing was to receive public input on the proposed sale of land in the Kenyon Business Park to Firebird, LLC.

Mark Jauernek, Director and Owner of the Kalamazoo, MI facility, shared a PowerPoint presentation outlining the standard process for growing, harvesting, and preparing cannabis for transport to distribution centers. The Kalamazoo operation utilizes a **hydroponic system**, whereas the proposed facility in Kenyon will implement an **aeroponic design,** where plant roots are suspended in air rather than grown in soil. Although the initial investment in aeroponics is higher, the system's efficiency in water and energy use will lead to significantly lower long-term operating **costs** once production begins.

Mark's presentation then addressed two primary areas of concern: **odor control during harvest** and whether **Kenyon's utilities** could meet the facility's operational requirements.

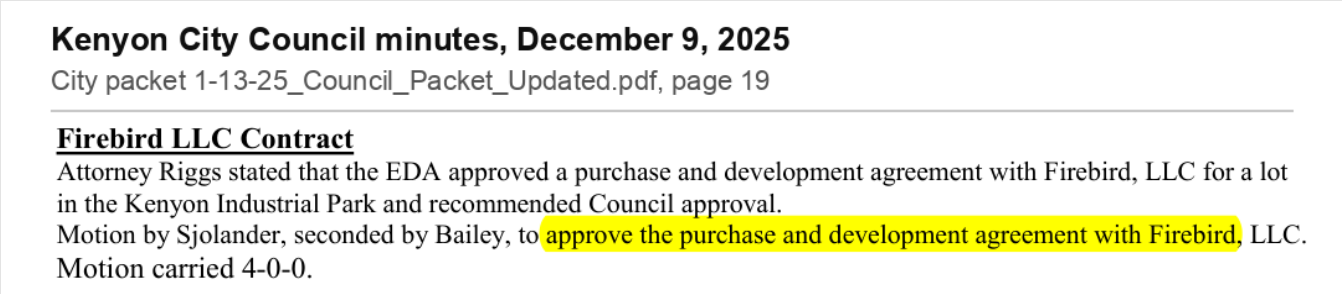
Firebird, LLC will utilize **air-chilled coolers** in combination with **carbon filtration systems** for ventilation. Each room will have independent ventilation designed to continuously refresh the air, while the use of carbon filters will effectively remove odor particles. Because the system does not rely on outdoor ventilation units or a constant intake of external air, **the** leakage of odors will be significantly reduced—and potentially eliminated entirely.

The **City of Kenyon Utilities** and **Public Works Department** have been included in discussions to verify that this facility's addition will not exceed existing infrastructure capacity. Both departments have confirmed that the anticipated utility demand will remain within the city's current capabilities.

City of Kenyon packet 12.9.25_Council_Agenda_and_Packet_Updated.pdf, page 274: https://cityofkenyon.gov/vertical/Sites/%7B40F804C2-1863-4E5D-8960-FBA2FD36555A%7D/uploads/12.9.25_Council_Agenda_and_Packet_Updated.pdf#page=274

December 9, 2025 · Council

Attorney Riggs presents the Firebird purchase and development agreement; the council approves 4-0, Lehner present, the mayor absent. The agreement states that “primary electric distribution infrastructure is installed and is available.”



Kenyon City Council minutes, December 9, 2025

City packet 1-13-25_Council_Packet_Updated.pdf, page 19

Firebird LLC Contract

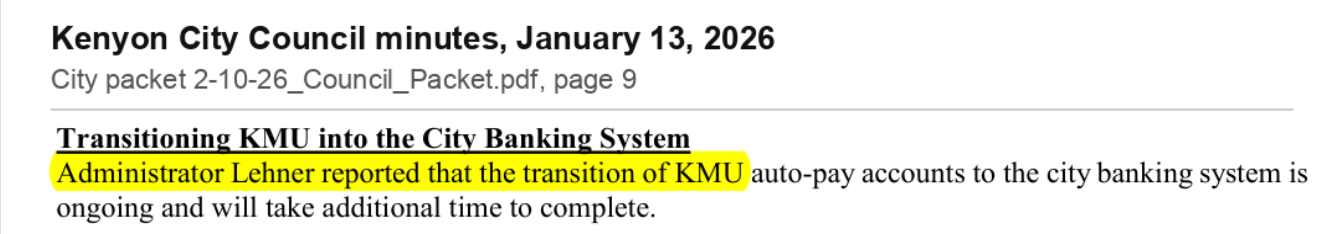
Attorney Riggs stated that the EDA approved a purchase and development agreement with Firebird, LLC for a lot in the Kenyon Industrial Park and recommended Council approval.

Motion by Sjolander, seconded by Bailey, to approve the purchase and development agreement with Firebird, LLC. Motion carried 4-0-0.

City of Kenyon packet 1-13-25_Council_Packet_Updated.pdf, page 19: https://cityofkenyon.gov/vertical/Sites/%7B40F804C2-1863-4E5D-8960-FBA2FD36555A%7D/uploads/1-13-25_Council_Packet_Updated.pdf#page=19

January 13, 2026 · Council

Lehner reports KMU accounts are moving into the city banking system.



Kenyon City Council minutes, January 13, 2026

City packet 2-10-26_Council_Packet.pdf, page 9

Transitioning KMU into the City Banking System

Administrator Lehner reported that the transition of KMU auto-pay accounts to the city banking system is ongoing and will take additional time to complete.

City of Kenyon packet 2-10-26_Council_Packet.pdf, page 9: https://cityofkenyon.gov/vertical/Sites/%7B40F804C2-1863-4E5D-8960-FBA2FD36555A%7D/uploads/2-10-26_Council_Packet.pdf#page=9

January 20, 2026 · KMU Commission

KMU Commission, Lehner present: “KMU will purchase and install the transformer for Firebird LLC, as KMU does not want the company installing its own transformer.” Construction expected mid-summer, needing temporary service.

Kenyon KMU Commission minutes, January 20, 2026

City packet 2-10-26_Council_Packet.pdf, page 75

The following were present: Commissioners: Jim Malloy, Doug Henke and Jerry Houglum
Also Present: KMU Superintendent Randy Eggert, Administrative Assistant Holli Gudknecht, City Administrator Scott Lehner, John Lee, Josh Johnson, Don Kirchmann

The meeting was called to order by Commissioner Malloy.

CITIZEN COMMENTS

AGENDA
Motion by Houglum seconded by Henke to approve the agenda. Motion Carried 3-0-0.

CONSENT AGENDA
Motion by Henke seconded by Houglum to adopt the consent agenda and the approval of checks #42909-42918 and 8980E-8995E. Motion Carried 3-0-0.

OLD BUSINESS
Generation report
Eggert reported that Alex Martin of CMPAS has been working on installing the automatic start capabilities on the generators. Generator No. 3 is fully set up for automation; however, the automatic start will not be activated until all three generators are completed.

CMPAS Update
Eggert reported that he will attend a CMPAS meeting in Eden Prairie tomorrow. At the meeting, the CEO and President are expected to sign refinancing documents for the bonds, resulting in savings. CMPAS may offer electric utility training for CMPAS employees and commissioners in late March or early April.

Safety Report
The December safety training consisted of a safety trivia review on the year’s training topics.

Firebird LLC Update
Eggert reported that KMU will purchase and install the transformer for Firebird LLC, as KMU does not want the company installing its own transformer. If a purchase agreement is executed, Firebird plans to begin construction in mid-summer, at which time a temporary service would be needed.

City of Kenyon packet 2-10-26_Council_Packet.pdf, page 75: https://cityofkenyon.gov/vertical/Sites/%7B40F804C2-1863-4E5D-8960-FBA2FD36555A%7D/uploads/2-10-26_Council_Packet.pdf#page=75

March 10, 2026 · Council

Lehner invites the council to the KMU electric rate study.

Kenyon City Council minutes, March 10, 2026

City packet 4-12-26_Council_packet_(1).pdf, page 38

Administrator Lehner invited the Council members to the KMU Commission meeting on Tuesday, March 17 to hear the results of the electric rate study. He also thanked Sue Dodds for all her help in the office over the past few months. Her willingness to come out of retirement to help us was appreciated. He also welcomed Rachel and Heather.

City of Kenyon packet 4-12-26_Council_packet_(1).pdf, page 38: https://cityofkenyon.gov/vertical/Sites/%7B40F804C2-1863-4E5D-8960-FBA2FD36555A%7D/uploads/4-12-26_Council_packet_%281%29.pdf#page=38

March 24, 2026 · EDA

The lot goes to Falcon Investments instead: signing set for March 26, 2026; $212,000 price, $193,990 net to the city.

Kenyon EDA minutes, March 24, 2026

City packet 4-12-26_Council_packet_(1).pdf, page 140

Falcon Investments Update

The purchase agreement signing date is scheduled for March 26, 2026.

$212,000	Sale Price
$ 16,960	Realty Growth Realtor Commission
$ 1,050	Associated Fees
$193,990	Net funds to be received by the City of Kenyon

City of Kenyon packet 4-12-26_Council_packet_(1).pdf, page 140: https://cityofkenyon.gov/vertical/Sites/%7B40F804C2-1863-4E5D-8960-FBA2FD36555A%7D/uploads/4-12-26_Council_packet_%281%29.pdf#page=140

June 9, 2026 · Council

Lehner reports that the KMU checking account was officially closed.

Kenyon City Council minutes, June 9, 2026

City packet 7.14.26_Council_Packet_Updated.pdf, page 13

KMU Bank Account Closure

Administrator Lehner stated that the KMU checking account was officially closed last week.

City of Kenyon packet 7.14.26_Council_Packet_Updated.pdf, page 13: https://cityofkenyon.gov/vertical/Sites/%7B40F804C2-1863-4E5D-8960-FBA2FD36555A%7D/uploads/7.14.26_Council_Packet_Updated.pdf#page=13

August 25, 2026 · EDA

Falcon has begun excavation for the cannabis facility. Lehner will ask KMU for a $350,000 internal loan for the Hinderaker land; “Previously, the EDA intended to use the funds generated from the sale of an industrial park lot, but this was not possible.”

Kenyon EDA minutes, August 25, 2026

City packet 9-8-26_Council_Packet.pdf, page 328

Kenyon Industrial Park Update (Falcon’s Investments)

Kieffer stated that Falcon has begun excavation work. Mallery questioned where emissions will be released on the lot. Kieffer contacted Falcon’s Investments for an answer to this question. They stated that this facility will be utilizing the most up-to-date process for growing cannabis. Hydroponics will reduce the amount of water and waste in production. An advanced ventilation system is expected to filter and eliminate normal emissions from older conventional processes that were used in the past.

Housing Development Update

Kieffer stated that Administrator Lehner will be approaching the KMU Commission for an internal loan of $350,000 to purchase the Hinderaker property on 8th Street. Previously, the EDA intended to use the funds generated from the sale of an industrial park lot, but this was not possible. Currently, the city has a conditional purchase agreement with the Hinderaker Estate.

City of Kenyon packet 9-8-26_Council_Packet.pdf, page 328: https://cityofkenyon.gov/vertical/Sites/%7B40F804C2-1863-4E5D-8960-FBA2FD36555A%7D/uploads/9-8-26_Council_Packet.pdf#page=328

September 8, 2026 · Council

Lehner reports the KMU Commission agreed to lend the city $350,000 at 2% over ten years for land south of town.

Kenyon City Council minutes, September 8, 2026

City packet 10.13.26_Council_Packet__Agenda.pdf, page 12

Update on Loan from KMU

Lehner stated that the KMU Commission agreed to borrow the city $350,000 to purchase land on the south side of Kenyon for future development. KMU offered a ten-year loan at two percent interest.

City of Kenyon packet 10.13.26_Council_Packet__Agenda.pdf, page 12: https://cityofkenyon.gov/vertical/Sites/%7B40F804C2-1863-4E5D-8960-FBA2FD36555A%7D/uploads/10.13.26_Council_Packet__Agenda.pdf#page=12

September 21, 2026 · Council

Joint council and KMU meeting: Lehner hands out the packet on KMU Superintendent Randy Eggert's performance. Commissioner Houglum: "it all started two years ago at the first KMU meeting that Lehner attended. He was against Eggert from the start." Eggert says he felt pressured to sign.

Kenyon City Council minutes, September 21, 2026 (joint council and KMU meeting)

City packet 10.13.26_Council_Packet__Agenda.pdf, page 16

Conclusions and additional action of the City Council and KMU, if necessary

Administrator Lehner handed out a packet addressing Mr. Eggert's performance and evaluation. Eggert has been on administrative leave since September 10. He had until September 14 to respond to the allegations or resign, but no additional information was received.

Council Member Gard stated that she did not receive any notice or communication on this matter until September 17. She felt she was at a disadvantage to vote because she just received information on this matter at this meeting and had no time to review the handed-out information.

KMU Commissioner Houglum agreed with Gard 100%. He was surprised when he came to the KMU meeting on September 15 and found out Eggert was on administrative leave.

Attorney Riggs clarified that legally personal information couldn't be disclosed.

Council Member Bailey asked if the separation agreement had been signed under duress.

Eggert responded that he felt pressured. If he didn't sign the agreement, he could get fired and not get anything including insurance.

KMU Commissioner Houglum stated that it all started two years ago at the first KMU meeting that Lehner attended. He was against Eggert from the start.

KMU Commissioner Henke stated that he was also not informed and he was appointed as KMU's liaison to the personnel committee but was not included.

Council Member Sjolander thanked Eggert and his family for his 48 years of service to the city regardless of what happens here today.

City of Kenyon packet 10.13.26_Council_Packet__Agenda.pdf, page 16: https://cityofkenyon.gov/vertical/Sites/%7B40F804C2-1863-4E5D-8960-FBA2FD36555A%7D/uploads/10.13.26_Council_Packet__Agenda.pdf#page=16