Meeting of the City Council
Held at the Elk River City Hall
Monday, November 3, 2025

Members Present:	Mayor John Dietz, Councilmember Cory Grupa, Councilmember J. Brian Calva, Councilmember Mike Beyer, Councilmember Jennifer Wagner
Members Absent:	None
Staff Present:	City Administrator Cal Portner, Senior Planner Chris Leeseberg, Business Services Director/Assistant City Administrator Joe Stremcha, Fire Chief Mark Dickinson, Assistant Fire Chief Joe Libor, Deputy Chief Casey Neuman, Fire Prevention Specialist Jeff Smith, Police Chief David Kuhnly, Human Resources Manager Lauren Wipper, Finance Manager Lori Stich, Accountant Jill Knutson, Sr Communications Coordinator Starr Sorheim, Communications Coordinator Klara Porath, Liquor Operations Manager Joe Audette, CannaBound Store Manager Jaquara Jackson, Records Specialist Dawn Robertson.

1. CALL MEETING TO ORDER
Pursuant to due call and notice thereof, the meeting was called to order at 06:30 PM.

2. PLEDGE OF ALLEGIANCE
The Pledge of Allegiance was recited.

3. CONSIDER AGENDA
Moved by Councilmember Grupa and seconded by Councilmember Calva to approve the agenda. Motion Carried 5-0.

4. CONSENT AGENDA
Moved by Councilmember Beyer and seconded by Councilmember Wagner to approve the following consent items as outlined in their respective staff reports. Motion Carried 5-0.

4.1 October 6, 2025, Minutes

4.2 October 20, 2025, Minutes

4.3 Check Register

4.4 Professional Services Agreement 25-31: Statewide Affordable Housing Aid Disbursement to Main Street Family Services

4.5 Agreement 25-32: Architectural Services with LSE Architects for Northbound/Cannabound.

4.6 Ordinance Amendment 25-15: Community Event Center Commission

4.7 Resolution 25 - 64: Final Plat of Oakwater Ridge First Addition

5. OPEN FORUM

No one appeared for open forum.

6. PRESENTATIONS, AWARDS, AND RECOGNITION

No presentations, awards, or recognitions.

7. PUBLIC HEARINGS

7.1 Conditional Use Permit CU 24-22: Winlectric CUP Revocation Hearing

The staff report was presented.

Billy Jansen, 12777 Meadowvale Rd NW, a Winlectric employee, stated that the fence work is starting Wednesday, Nov. 4, and there should be no reason it is not completed by the deadline.
Mayor Deitz asked to vote to prepare the revocation, and if the fence is complete, not to act on it.

Mayor Dietz opened the public hearing. There being no one to speak to this matter, Mayor Dietz closed the public hearing.

Moved by Mayor Dietz and seconded by Councilmember Calva to receive evidence and testimony regarding the revocation of Conditional Use Permits (CU 22-11 & CU 24-22), issued to Elk River Winlectric at 12777 Meadowvale Road NW, and, at the conclusion of the hearing, the Council directed staff to prepare a resolution revoking the Conditional Use Permits; and allow the property owner to avoid revocation of the CUP if all outdoor materials are properly stored behind fencing, within the building, or removed from the property by November 17, 2025.

Councilmember Wagner asked the applicant if he understood the action taken by the Council. Mr. Jansen stated he understood what had been voted on.

Motion carried 5-0.

8. GENERAL BUSINESS

8.1 Discuss Work Session Items

Mr. Portner provided information regarding the signing of the Sister City documentation taking place on November 17, 2025, at 9 a.m.

9. COUNCIL LIAISON UPDATES

9.1 Council Liaison Updates

The Councilmembers provided updates as outlined in the respective advisory board's minutes.

10. MOTION TO ADJOURN REGULAR MEETING

Moved by Councilmember Wagner and seconded by Councilmember Calva to adjourn the meeting of City Council. Motion carried 5-0.

The meeting adjourned at 6:46 p.m.

11. WORK SESSION

Pursuant to due call and notice thereof, the meeting was called to order at 06:52 p.m.

11.1 Northbound/Cannabound Store Design Update

The staff report was presented. Mr. Stremcha invited the Council to the Minnesota Municipal Cannabis Coalition, hosted by the City of Anoka.

He stated the store design team has continued to refine and enhance the store layout and shared the store layout changes. He noted the following
Northbound:

- It no longer has a tasting room; tastings will be featured near the check-out area.
- Reconfigured office space, moved the CannaBound office out, and created shared office space for managers.
- There is now an emergency exit corridor. This is where the restrooms, custodial, mechanical, and IT closets are located.
- Communal breakroom, controlled by key fobs.

Cannabound:

- Waiting area, to allow for the 3:1 ratio allowed in the store at one time
- Deliveries can tentatively be delivered through a vestibule-type area versus a sally port.
- The vault is now located in the center of the store.

- Office staff will share space.

The Council expressed the following comments, and Mr. Stremcha was able to provide follow-up to those comments.

- The two stores should be flipped. People may not see the liquor store on Hwy 169. Mr. Stremcha stated there will be branding on the 26-foot side wall of the building for the liquor store. There will be visible monument signage. If the Cannabound store is on the east side, the loading docks to Northbound will be visible to traffic on Hwy 169 and on the frontage road.
- Cars passing the store on Evans St will only see the CannaBound sign because the liquor sign is too high. Mr. Stremcha stated the sight line allows for both signs to be visible.

11.2 Fire Station No. 1 Space Needs Update

The staff report was presented. Chief Dickinson, his staff, and designers have been thorough with the reiteration on this design, and have only what the fire department feels is necessary for this community. He shared cost estimates, including the cost of the ambulance area, and estimated the cost per year if the city delays construction.

The fire staff presented the process they used to determine the spaces and square footage they need at the proposed Fire Station 1. The proposed square footage was compared with other cities' fire departments with similar demographics.

Chief Dickinson articulated the importance of the need for offices at Fire Station 1, stating that some community members stop in weekly, and staff are not able to meet them, since all staff's offices are at Fire Station 2. He stated that having some full-time staff office out of Fire Station 1 will increase response times; right now, staff must drive from Fire Station 2 to get proper apparatus and then respond to an emergency. The Chief also noted OSHA requires physical fitness for duty; therefore, some training and fitness equipment will be necessary to have at Fire Station 1.

Chief Dickinson stated they want to build for the future and have a conversation about full-time firefighters eventually. Currently, they rely on all stations to respond to calls. Chief Dickinson stated that the Emergency Operations Center is currently too full for training. All firefighters and command staff meet once a month and use the EOC. Some people have to stand for the meetings. Chief Neuman stated that all three fire stations are used for training; staff often train at other stations. Most of the time, the three stations are used at the same time; therefore, a training room is necessary for Fire Station 1.

The Council would like to meet with the Ambulance Service Board to discuss funding a portion of the Fire Department.

The Council concurred that they are not in favor of starting the project until it has been approved by voters.

The Council directed staff to have the architect continue designing Fire Station 1.

11.3 Community Service Officer Tuition Reimbursement

The staff report was presented. Chief Kuhnly presented to the Council a proposal to offer tuition reimbursement for part-time Community Service Officers. It would be for those enrolled in a law enforcement program, and they would only be eligible if they commit to working for Elk River.

Council agreed to put it on a future agenda.

11.4 Cannabound Branding

The staff report was presented. Ms. Starr Sorheim presented data showing who the target users are for the cannabis store. She emphasized the importance of incorporating a marijuana leaf into the branding, as people are visual.

The Council expressed the following comments:

As far as marketing and design go, Councilmembers were asking about why "Cannabound" was on two separate lines compared to "Northbound." Noting they were looking for consistency.
The Council is in agreement that there should be a visual leaf, but it should not be an in-your-face marijuana leaf. Councilmember Wagner created some images to share with staff, showing several modernized images of the leaf to use as examples when recreating the leaf for Cannabound.

Council directed staff to bring new ideas to the next meeting for consideration.

11.5 Compensation Plan Update

Ms. Wipper presented the staff report.

Ms Wipper stated that the information she shared in her presentation is from cities comparable to Elk River and the League of MN Cities. Many of our peer cities have implemented compensation plan adjustments to become competitive in the same market, which has left Elk River 2-7% behind the average of our peer group. The City Council's goal has been to be at the average of our comparison cities.

Mr. Portner stated Elk River is recruiting in competition with other cities for their talent and needs to be competitive in pay. And the current budget includes about 1.25% of payroll for market adjustments. A midyear implementation would allow for most of the cost to fit within the proposed budget.

The Mayor asked staff to create a plan for Council to approve a mid-year 2026 market adjustment with a 2.75% January 1 COLA increase.

11.6 2026 Budget

Mayor Dietz opened the budget discussion.

Councilmembers concurred that there are no service level changes desired, and the budget, as proposed, has few options to cut. Mayor Dietz suggested removing the Community Risk Reduction Specialist fire position, indicating he is unsure of the added work responsibilities beyond adding another full-time firefighter to help respond to calls during the day. The Council consensus was to retain the position in the budget.

Mr. Portner explained to the Council that the current budget expenditures are on track, which indicates that the previous budget had very few discretionary spending options. Mr. Portner asked about the added cost of the nonunion compensation market study. Council further discussed funding the additional cost.

Mayor Deitz shared with the Council the consideration of the Utilities Commission regarding the change in PILOT. ERMU will consider increasing the PILOT by 1% and bill the city for street lighting. This will increase the transfer by about $270,000, including a potential rate increase. Many utilities also provide a PILOT for the water system, which would be $65–70k. The city would want to implement a streetlight utility to pay for the utility bill. ERMU will vote on it at the November meeting. A rate study is also being done, and he expects it to pass.

The Council's consensus was to maintain the preliminary levy for the final budget and use the possible increased revenue from ERMU to offset the decrease in Liquor Fund transfers in 2027.

12. MOTION TO ADJOURN

Moved by Councilmember Calva and seconded by Councilmember Wagner to adjourn the meeting of City Council. Motion Carried 5-0.

The meeting adjourned at 10:43 PM

Minutes prepared by Records Specialist Dawn Robertson

13. INFORMATION

13.1 September Financial Reports

John J. Dietz

John J. Dietz, Mayor

Tina Allard, City Clerk