



**Meeting of the City Council
Held at the Elk River City Hall
Monday, May 6, 2024**

Members Present: Mayor John Dietz, Councilmember Jennifer Wagner, Councilmember Mike Beyer, Councilmember Matt Westgaard, Councilmember Cory Grupa

Members Absent: None

Staff Present: City Administrator Cal Portner, Assistant City Administrator Joe Stremcha, Fire Chief Mark Dickinson, Assistant Fire Chief Joe Libor, Jr., Deputy Fire Chief Casey Neumann, Police Captains Darren McKernan and Joe Gacke, Engineer I Ryan Sandhoefner, Senior Planner Chris Leeseberg, City Clerk Tina Allard

1. CALL MEETING TO ORDER

Pursuant to due call and notice thereof, the meeting was called to order at 6:30 p.m.

2. PLEDGE OF ALLEGIANCE

3. CONSIDER AGENDA

Moved by Councilmember Westgaard and seconded by Councilmember Grupa to approve the agenda. Motion Carried 5-0.

4. CONSENT AGENDA

Moved by Councilmember Beyer and seconded by Councilmember Wagner to approve the consent agenda. Motion Carried 5-0.

4.1 April 15, 2024, Minutes

4.2 Check Register for the Period Ending May 6, 2024.

4.3 Community Event Center Organization Chart Updates

4.4 Resolution 24-20: Donation from Zimmerman Fire Relief Association

4.5 Agreement 24-11 Between Elk River Fire Foundation and Elk River Farmers Market

4.6 Memorandum of Understanding Agreement 24-12 for Hemp-based THC Payment Processing

- 4.7 Agreement 24-13 for Minimum Damage Assessment (MDA) Quotes for Mississippi Road Trail Easements and to Accept Quote
- 4.8 Resolution 24-21 Governing Write-in Vote Counting
- 4.9 Resolution 24-22: Rolling Hills Sewer Extension Funding Authorization
- 4.10 Termination of Employment of Wastewater Operator Christopher Clark effective April 18, 2024
- 4.11 Post Employment Health Care Savings Plan
- 4.12 Separation Agreement and Waiver of Claims: Brandon Wisner
- 4.13 Resolution 24-23 to Amend and Restate the City's Flexible Benefits Plan

5. OPEN FORUM

No one appeared for Open Forum.

6. PRESENTATIONS, AWARDS, AND RECOGNITION

6.1 Introduction of New Employees

Recent hires, Police Department Receptionist Caroline Koch and Fire Department Administrative Assistant Kaitlyn Hennes were introduced to the City Council.

7. PUBLIC HEARINGS

7.1 Ordinance 24-11 Amendment: Compost Transfer Facility

Mr. Sandhoefner presented the staff report.

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

Moved by Councilmember Westgaard and seconded by Councilmember Wagner to adopt Ordinance 24-11. Motion 5-0

Moved by Councilmember Beyer and seconded by Councilmember Grupa to approve the Compost Transfer Facility Policy. Motion Carried 5-0.

7.2 National Pollutant Discharge Elimination System (NPDES) Annual Report

Mr. Sandhoeffner presented the staff report.

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

8. GENERAL BUSINESS

8.1 Discuss Work Session Items

Mayor Dietz added a discussion regarding financing options for Fire Station 1.

8.2 Police Chief Recruitment

Mr. Portner presented the staff report. He stated the Council could select an external person as an interim police chief or the two current police captains could handle the workload until the position is filled.

Mr. Portner recommended going to market to fill the position because it is city practice for all management positions. He noted that in the last police chief recruitment, the City Council chose to only consider internal candidates for the position. He stated internal candidates would be welcome to apply and that both captains would be viable candidates. He stated going to market for the position gets the internal candidates thinking about their vision and leadership enhancing self-awareness and increases their credibility internally.

Councilmember Wagner agreed on staying internal for the interim until the position is filled. Further, she didn't think it was necessary to recruit externally for a chief, feeling there were good viable options with current staff and the respect they have from their peers.

Councilmember Beyer questioned if there were laws on whether there needs to be a designated police chief in place at all times. Mr. Portner stated he would review the matter.

The City Council concurred with keeping the captains in charge while the city is seeking a candidate to fill the chief position.

Councilmember Beyer stated the position should be marketed externally, noting it's a different situation when you are hiring for a management team position. He discussed his experience with his current company and how he was the most qualified for a position but the company still had to go to market as it was the responsible thing to do for the stockholders.

Mayor Dietz and Councilmember Westgaard concurred with Councilmember Beyer. Councilmembers Beyer and Westgaard expressed concerns with recruitment costs getting too high.

Moved by Councilmember Westgaard and seconded by Councilmember Beyer to solicit quotes for the recruitment of a police chief. Motion 4-1. Councilmember Wagner opposed.

8.3 iBackCheck Lease Payment Default

Mr. Stremcha presented the staff report.

Mayor Dietz stated that in today's age of technology people know when their bills are due to be paid and a company shouldn't have to tell someone they need to pay a bill. He said the excuses were no longer valid and it's time for the business to leave the facility.

Councilmember Westgaard noted attempts were made to assist the business in making the city whole with no effort made on their part. He would like to see the business succeed, but this is a business arrangement and the city has to have accountability. He questioned how the sublease is affected.

Mr. Stremcha stated the sublease would be terminated but the business would have an opportunity to reach out to the city to make an arrangement.

Mayor Dietz asked that the sublessor be given the first opportunity to lease directly with the city.

Moved by Councilmember Grupa and seconded by Councilmember Wagner to terminate the lease with full payment due immediately. Motion 5-0.

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 Grupa and seconded by Councilmember Beyer to adjourn the meeting.

The meeting adjourned at 7:10 p.m.

11. WORK SESSION – UPPER TOWN CONFERENCE ROOM

11.1 Concept Review: Rueter Walton - Proposed Apartments

Mr. Leeseberg presented the staff report.

Jared Ackmann, representing Reuter Walton Development, outlined the proposed apartment complex and stated it would be a workforce housing project that they would seek state funding to build. He stated there is a lack of housing stock making it difficult for young people to find affordable housing and his project would have restricted rent rates. He also commented that the amount of traffic generated by apartment buildings is generally lower than other commercial uses.

Mayor Dietz questioned the income level requirements. Mr. Ackmann stated, that for 2024, an individual can't make more than \$52,000 annually, noting the amount changes depending on the number of adults in a unit.

Mayor Dietz opened this item up for public comment.

Ken Lueck, 11388 198th Avenue - is opposed to the project per the comments in his handout.

Joshua Stark 503 Whitegate Lane, Wayzata, stated he works for the adjacent Harley Davidson business and he is opposed to the project because it seems rushed and the area is already congested with traffic.

Mayor Dietz closed the public comments.

Councilmember Wagner agreed with the Planning Commissions consensus opposing the project. She stated it is a good project but a bad location because the city is at a shortage of space for highway commercial businesses and she would like the parcel to remain highway business zoning.

Councilmember Beyer stated it is a good project but not the right location or the right timing. He stated the current traffic levels create a prime location for a business to want to locate. He further noted the city is working on a housing study, has a lot of commitments for apartments being built currently, so we need the completed study to determine future needs.

Councilmember Grupa concurred. He further stated workforce housing is a new name for subsidized housing and he is not sure we need more of this type of housing.

Councilmember Westgaard stated he is not opposed to considering this parcel for a rezoning to allow an apartment building. He noted the parcel has been vacant for 30 years and if it is such a prime location, then why hasn't a commercial business built on it yet. He stated he does have concerns for density on this parcel and he would expect all city requirements to be met, including setbacks, fire access, and proof of parking. He stated there is a lot of traffic in the area but a permitted commercial use may not produce any less traffic. He stated an apartment complex would make sense in this location as a buffer between the commercial and residential areas. He stated whatever project happens on this parcel, the park trail access would still need to be maintained. He stated there is a shortage of housing statewide and a need for workforce housing that is affordable to all income levels; noting all businesses need employees at all income levels.

Mayor Dietz concurred with Council comments, noting this is a valuable commercial lot at a time when the city doesn't have a lot of commercial space. He warned the neighbors that a commercial business will generate a lot of traffic and that the new highway system makes the parcel more valuable. He further expressed that the apartment building is squeezing too much onto too small of a parcel.

The consensus of the City Council is they are not interested in this project at this location at this time.

11.2 Waco Street Signal Flashing Yellow Conversion

Mr. Sandhoefner presented the staff report.

The City Council felt this project was not a good use of money at this time and the city should wait until 2029 when the project was due to be completed by MnDOT.

11.3 Minnesota 2023 Public Safety Aid

Mr. Portner presented the report.

The City Council consensus directed the police and fire departments to divide the money evenly and come back to a future meeting for a recommendation on purchases.

12. MOTION TO ADJOURN WORK SESSION

Moved by Councilmember Wagner and seconded by Councilmember Beyer to adjourn the meeting.

The meeting adjourned at 8:14 p.m.

13. CLOSED MEETING - NATURE'S EDGE

City Council Present: Mayor Dietz, Councilmembers Grupa, Beyer, and Wagner.

City Council Absent: Councilmember Westgaard (due to conflict of interest)

Staff Present: City Administrator Cal Portner, Economic Development Director Brent O'Neil, City Clerk Tina Allard

13.1 Statement to be read by the Mayor:

"The City Council will be holding a closed meeting pursuant to MN Statute Section 13D.05, Subdivision 3. The City Council will develop/consider offers/counteroffers for the sale of city-owned property PID 75-00929-0020, Outlot B, Nature's Edge Business Center Fourth Addition."

Mayor Dietz read the statement on the agenda.

13.2 Motion Calling Closed Meeting

Mayor Dietz called the meeting to order at 8:20 p.m.

13.3 Hold Closed Meeting

The closed meeting was held.

14. MOTION TO ADJOURN CLOSED MEETING

Moved by Councilmember Beyer and seconded by Councilmember Grupa to adjourn the meeting.

The meeting adjourned 8:34 p.m.

Minutes prepared by Tina Allard



John J. Dietz, Mayor



Tina Allard, City Clerk