



**Meeting of the City Council
Held at the Elk River City Hall
Monday, June 3, 2024**

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

Members Absent: None.

Staff Present: City Administrator Cal Portner, Economic Development Director Brent O'Neil, Senior Planner Chris Leeseberg, City Clerk Tina Allard, Building Official Mark Pistulka, Finance Manager Lori Stich, and Records Specialist Katie Porath

1. CALL MEETING TO ORDER

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

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

3. CONSIDER AGENDA

Mayor Dietz stated Items 8.4 and 8.6 would be moved before Item 8.1 on the agenda.

Moved by Councilmember Westgaard and seconded by Councilmember Grupa to approve the agenda, as amended. Motion carried 4-0.

4. CONSENT AGENDA

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

4.1 May 20, 2024, City Council Regular Minutes

4.2 Check Register

4.3 Executive Recruitment Contract Agreement 24-15

4.4 Hire Police Officer Magnuson

4.5 Hire Police Officer Libor

4.6 Call Special Budget Meetings

4.7 2024-2025 Liquor License Renewals

4.8 Temporary Liquor License: Aegir Brewing Company

4.9 Resolution 24-27: Confirming Status of Lease Agreement with iBackCheck

4.10 Emerald Ash Borer Management Plan

4.11 Ordinance Amendment 24-14: Boards and Commissions and Resolution 24-28 for Summary Publication

4.12 Insurance Agent of Record

4.13 Resolution 24-29: Findings of Fact Approving a Variance Request for Ivan Foxcroft, 20055 Polk Street NW

4.14 Purchase: Lion Fire Attack System

4.15 Purchase Class A Burn Trailer

4.16 Separation Agreement and Waiver of Claims

5. OPEN FORUM

No one appeared for Open Forum.

6. PRESENTATIONS, AWARDS, AND RECOGNITION

6.1 Planning Commission Interviews

Councilmember Wagner arrived at 6:32 p.m. following the HRA work session.

The Planning Commission applicant was not present. The Council asked to move the item to a future meeting.

6.2 Annual Comprehensive Financial Report for Year ended December 31, 2023

Ms. Stich introduced **Andrew Grice, Bergan KDV**, who presented the staff report. He reported following Bergan's audit for the fiscal year ending December 31, 2023, they have issued a clean, unmodified opinion, the best they can issue. There were no deficiencies or material weaknesses to report.

Mayor Dietz asked if there was a difference if the city reserves were at 40% or 43%. Mr. Grice explained that a higher percentage is better for bond ratings and provides more flexibility.

Mayor Dietz reviewed the balance of the liquor stores and stated Highway 169 construction had affected 2023 revenue.

Mayor Dietz clarified the long-term debt amounts listed.

Mayor Dietz stated that the fire relief association may ask for an increase in their benefits for 2025.

Councilmember Westgaard asked why the expenditures in Parks and Recreation were less than expected. Ms. Stich stated she would research.

Moved by Councilmember Westgaard and seconded by Councilmember Beyer to accept, by motion, the Annual Comprehensive Financial Report for the City of Elk River for the year ended December 31, 2023. Motion Carried 5-0.

7. PUBLIC HEARINGS

7.1 Resolution 24-30: Tax Increment Financing District and Plan for Heritage Millwork, Inc. (TIF No. 29)

Mr. O'Neil introduced **Mikaela Huot, Baker Tilly**, who presented the staff report. Ms. Huot provided a financial review and needs analysis based on a TIF plan for the original 110,000 SF building and 40,000 SF expansion. The maximum term is nine years.

The Joint Finance Committee and EDA provided recommendations for approval.

Mayor Dietz asked what the proposed interest rate would be. Ms. Huot stated it would be 5%.

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

Moved by Councilmember Grupa and seconded by Councilmember Beyer to adopt, by motion, Resolution 24-30 creating TIF District No. 29 and adopting the TIF plan. Motion Carried 4-0. Councilmember Westgaard abstained, consistent with the city's conflict of interest ordinance.

8. GENERAL BUSINESS

8.4 Resolution 24-31: Sale of Property in Nature's Edge Business Park to PLM Properties, LLC

The staff report was presented.

Moved by Councilmember Wagner and seconded by Councilmember Beyer to adopt, by motion, Resolution 24-31 authorizing the execution of a purchase agreement for the sale of city-owned land to PLM Properties, LLC, an affiliate of Heritage Millwork. Motion Carried 4-0. Councilmember Westgaard abstained due to conflict of interest.

8.6 Extend Land Use Approvals: Plat, Conditional Use Permit, and Easement Vacation for ERX

The staff report was presented.

Heidi Goodin, representing ERX, asked the council for an extension and stated the project was almost completed.

Mayor Dietz stated he would not want to approve another extension.

Moved by Councilmember Beyer and seconded by Councilmember Westgaard to approve, by motion, a 7-month extension of the date to complete the required conditions of approval and record the following land use applications, CU 22-09, PE 22-01, and EV 22-01. The approved completion date is May 16, 2024. If approved, the extended completion date would be December 15, 2024. Motion Carried 5-0.

8.1 Ordinance Amendment 24-15: Massage Therapist Exemption

The staff report was presented.

Moved by Councilmember Wagner and seconded by Councilmember Westgaard to adopt, by motion, Ordinance 24-15 regarding exemptions from massage licensure. Motion Carried 5-0.

8.2 Ordinance Amendment 24-16: Food Trucks

The staff report was presented.

The Council discussed whether or not to have food trucks at city events.

Councilmember Wagner will discuss this issue with the Downtown Elk River Business Association (DERBA) at their June meeting and report back to the Council. The ordinance amendment will return at a future council meeting.

8.3 Liquor License Renewal: The Confluence LLC dba Edge Bar & Boutique

The staff report was presented.

Moved by Councilmember Beyer and seconded by Councilmember Westgaard to approve, by motion, the 2024-2025 liquor license renewal of an On-Sale 3.2% License with strong beer permission and a Wine License to The Confluence LLC dba Edge Bar & Boutique valid through June 30, 2025. Motion Carried 4-0. Councilmember Wagner abstained due to conflict of interest.

8.5 Discuss Work Session Items

The staff report was presented.

Councilmember Wagner asked for a discussion of zoning north of 197th Ave once construction on Highway 169 wraps up including the gravel mining area.

Councilmember Beyer asked for an ongoing check-in on the expenditure of the Public Safety grant.

9. COUNCIL LIAISON UPDATES

9.1 Council Liaison Updates

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

Mayor Dietz asked if ISD #728 withdrawing their sale of the elementary school would affect plans for Oak Knoll. Mr. Portner stated there are currently no funds for the development of this area and things may change in the next several years. Councilmember Westgaard added that changes to the school superintendent and school board may also affect the plans.

Councilmember Wagner updated the Council that the downtown flower pots have been planted, and new downtown banners will be installed once brackets have arrived.

Mayor Dietz stated that the theater building will have rentable bays of around 2,200 square feet.

Councilmember Beyer thanked staff for their efforts bringing the Memorial Day event indoors due to the weather.

Councilmember Wagner added a congratulations to the graduating class of Elk River High School.

10. MOTION TO ADJOURN

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

The meeting adjourned at 7:33 PM

Minutes prepared by Katie Porath.



John J. Dietz, Mayor



Tina Allard, City Clerk