Meeting of the City Council
Held at the Elk River City Hall
Monday, July 7, 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, Public Works Director/Chief Engineer Justin Femrite, Police Chief David Kuhnly, Special Services Sergeant Andrew Zabee, Liquor Operations Manager Joe Audette, CannaBound Store Manager Jacqara Jackson, Streets Division Foreman, Chris Teff, and 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

   The Pledge of Allegiance was recited.

3. CONSIDER AGENDA

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

4. CONSENT AGENDA

   Moved by Councilmember Grupa and seconded by Councilmember Calva to approve the following consent items as outlined in their respective staff reports. Motion Carried 5-0.

   4.1 June 16, 2025, Minutes

   4.2 Check Register

   4.3 Amendment #2 to Agreement 19-15: Reciprocal Easement with ISD #728

   4.4 Agreement 25-15: 2025-26 Ice Rate Contract with ISD #728

   4.5 Resolution 25-34: Authorize Transfer from the Liquor Fund to the Park Improvement Fund

4.6 Resolution 25-35: Acknowledge Donation to Police Department

4.7 Resolution 25-36: Acknowledge Donation to the Community Center

4.8 Temporary On-Sale Liquor License: Saint Andrew Catholic Church

4.9 Temporary On-Sale Liquor License: Davis-Darrow-Meyer American Legion Post 112

4.10 Temporary On-Sale Liquor License: F.O.E Aerie 3264

4.11 Liquor Premises Extension: Eagles Club, F.O.E. Aerie 3264

4.12 Separation Agreement and Release: Keast

4.13 Separation Agreement and Release: Walz

4.14 Separation Agreement and Release: Strand

4.15 Change Order #2: 2025 Street Improvements

4.16 Change Order #1: Rivers Edge Renovations

4.17 Accept Bids and Award Contract for Yale Court and Line Avenue Realignments

4.18 Accept Bids and Award Contract for Mississippi Road Trail Improvements

4.19 Vehicle Purchase: F-250 Truck for Parks Division

4.20 Hire Street Maintenance Operator

4.21 Call Special Budget Meetings

5. OPEN FORUM

Riley Vasseur, introduced himself, stating he applied for the IT position currently being advertised.

6. PRESENTATIONS, AWARDS, AND RECOGNITION

6.1 2025 Beverage Dynamics Top 100 Retailer Award

Mr. Audette stated that the Elk River Liquor Stores were recognized as a Top 100 retailer for 2025, and he presented the award they received at the ceremony held in Maryland. He discussed his trip to accept the award and how he landed on a national podcast. He discussed how Minnesota is leading in the cannabis beverage industry, and he was able to help promote the city and state. He noted the industry for liquor and cannabis is doing some "cool" things currently, and he appreciates the support of the City Council. Mr. Audette further noted he is known as the country's first ever certified Ganjier in government.

6.2 Introduction of New Employees

Mr. Audette introduced Jacqara Jackson. Ms. Jackson discussed her background in the Cannabis business field and expressed her excitement to be in Elk River.

7. PUBLIC HEARINGS

7.1 Resolution 25-37: Simple Plat, Kingdom Estates Fourth Addition, PID 75-00781-0010

The staff report was presented.

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

Moved by Councilmember Wagner and seconded by Councilmember Beyer to adopt Resolution 25-37 approving the final plat of Kingdom Estates Fourth Addition with the following conditions:

1. **Park dedication shall be paid for one dwelling unit at the rate applicable when the subdivision is released for recording.**
2. **A trail easement along 221st Avenue to support a future trail shall be prepared by the applicant and recorded against the property. The width of the final easement will be determined by city staff.**

Motion Carried 5-0.

7.2 Resolution 25-38: Drainage and Utility Easement Vacation, Daniel Pufahl, 19942 Irving St. NW

The staff report was presented.

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

Moved by Councilmember Calva and seconded by Councilmember Grupa to adopt

Resolution 25-38 vacating a portion of the drainage and utility easement, subject to the condition that city engineering staff approve the final grading of the site. Motion Carried 5-0.

8. GENERAL BUSINESS

8.1 Resolution 25-39: Final Plat of Meadowsweet Bend and Development Agreement 25-17

The staff report was presented.

Moved by Councilmember Wagner and seconded by Councilmember Beyer to adopt Resolution 25-39 approving the final plat of Meadowsweet Bend, subject to the following conditions:
1. Council approval of a Development Agreement outlining the responsibilities of the city and developer.
2. A Letter of Credit shall be provided to the city in the amount of 100% of the costs of the public improvements.
3. Upon completion of all improvements and acceptance by the city, a security or warranty in a form acceptable to the public works director must be secured.
4. The Development Plan shall be approved by the public works director prior to the issuance of building permits.
5. Staff approval of all site, civil, and landscaping plans.
6. Park Dedication Fee will be paid at a prorated amount based on the land dedication outlined in the preliminary plat approval.
7. The developer shall deed Outlet C to the city as park dedication.
8. The typical street section shall be updated to include a 10-foot trail separated from the road by a vegetated boulevard.
9. Any item or condition found that indicates the site is likely to yield information important to prehistory or history shall be reported to the city immediately. Further, the city reserves the right to stop work authorized in its approval until the site is appropriately investigated and work is authorized.
10. A sanitary sewer extension fee of $9,030/lot shall be paid at the time of platting.
11. The public works director shall review the HOA documents regarding the long-term maintenance plan for the private sanitary service.

Motion Carried 5-0.

Moved by Councilmember Grupa and seconded by Councilmember Calva to approve the development contract for Meadowsweet Bend and authorize staff to make non-substantive changes as required. Motion Carried 5-0.

8.2 Agreement 25-16: Cost Sharing for the TH 10 and 165th Avenue Intersection Improvements with Capstone

The staff report was presented. Mr. Femrite stated there was an estimated total project cost of about $6.5 million committed to the Twin Lakes Road extension and intersection improvements along Highway 10, with $3 million to come from our state aid account. He noted the $3 million was not reallocated. Councilmember Beyer asked what was expected to be done with the $6.5 million. Mr. Femrite outlined that the cost was to extend Twin Lakes Road from where it now ends out to Highway

10 and build a new at-grade intersection with a signal, along with a frontage road connection. He further noted there would have been some right-of-way acquisition.

Councilmember Wagner expressed support for the safety measures needed at the Highway 10 and 165th Avenue intersection, even though it is not the design they would desire.

Councilmember Beyer stated that we have a partner participating in the cost-sharing of this project, it is one of the most dangerous areas for traffic safety, and we owe it to the community to fix it.

Mayor Dietz agreed there are safety issues, but feels strongly the developer should be paying more than 50% of the costs.

Moved by Councilmember Beyer and seconded by Councilmember Wagner to approve Agreement 25-16 Capstone Homes, agreeing to 50% of the costs associated with engineering services for the preliminary and final design of the proposed improvements. Motion Carried 3-2. Mayor Dietz and Councilmember Calva opposed.

Moved by Councilmember Beyer and seconded by Councilmember Wagner to approve the execution of a professional services contract with Bolton & Menk, Inc. for $258,751 for engineering services associated with the work detailed in the cost share agreement. Motion Carried 4-1. Mayor Dietz opposed.

8.3 Discuss Work Session Items

There was no discussion.

9. COUNCIL LIAISON UPDATES

9.1 Council Liaison Updates

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

10. MOTION TO ADJOURN REGULAR MEETING

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

The meeting adjourned at 7:04 p.m.

11. WORK SESSION

The worksession was called to order at 7:10 p.m.

11.1 Downtown Street and Parking Lot Rehabilitation

The staff report was presented. Mr. Femrite outlined a timeline for downtown public asset rehabilitation, which included parking lot improvements in 2026 and street improvements in 2027. Work is proposed to be completed on King Avenue and the upper and lower lots between the river and the businesses, Main Street from Lowell Avenue to Highway 10, and Jackson Avenue south of Highway 10, as noted on the map in the packet. Due to the possible future redevelopment potential of the King Avenue lot area, there was discussion that this area may not receive a full reconstruction but rather an overlay if the goal is to have it last another 15 years. Mr. Femrite discussed the challenges with the upper parking lot because the space is tight, and the stalls don't meet current depth requirements. He noted the parking lots should be completed in 2026, based on their condition, and to allow more time and input from the community regarding street and sidewalk design elements.

Councilmember Wagner stated she is not in favor of bathrooms in the old cinema space because it will take away retail opportunities. She also stated that if diagonal parking is not allowed on Main Street, which would reduce the number of parking spaces, there would need to be a redesign of the King Avenue lot to create more parking. Mr. Femrite stated they could look at the entire King Avenue lot area, including green space, to evaluate how to maximize parking and also create some bathroom options for consideration.

The City Council concurred that they want as many parking stalls as can be fitted into the King Avenue parking lot. Mayor Dietz stated he'd like the staff's opinions on how the street and sidewalk designs should look. Councilmember Beyer stated he likes to see various options.

Mr. Femrite discussed opportunities with Burlington Northern Railroad for safety improvements along their corridor, which may include the track becoming grade-separated in the downtown area. He noted a local match may be required for some of the preliminary work. The Council liked the concept noted in the downtown plan and concurred with staff continuing discussions.

Mr. Femrite stated he'd like to identify a work plan and a scope for consulting services. The Council concurred to continue to move ahead with building the framework for this rehabilitation project.

11.2 Yard Waste Transfer Facility

The staff report was presented. Mr. Femrite and Mr. Teff discussed the county's program and outlined the challenges at the facility, noting many commercial users are not being honest, not following rules, and are dumping dirty loads. They noted the Elk River site is the busiest of all the city locations in the county and that the county is considering rule changes due to the high volume and costs. Rules for other sites outside the county were reviewed. Mr. Femrite asked the Council if they would be interested in establishing the county's new rules or considering a program that is independent. Regardless of the direction, staff suggested a reset in which all current cards would no longer be valid, and people would need to reapply to continue using the facility in 2026.

Mayor Dietz felt eliminating commercial users was not the answer and suggested charging them a substantial fee, so a staff person can be paid to monitor the site.

Discussion took place regarding running our own city program and making it revenue-generating.

Councilmember Beyer stated this program should always be free for our citizens, but did feel there should be a charge to contractors. He noted he wants to be able to keep the SCORE funds. He liked the idea of a reset, so a letter could be sent to remind people of the rules.

Councilmember Grupa stated that a fee should be charged to commercial users and that he would not be opposed to a fee for residents as well.

The Council concurred that they'd like to evaluate a city program.

11.3 Sister City

Councilmember Calva presented the staff report. He read the drafted agreement for the Council. He stated that with the war in Ukraine, the reality is that it may be a few years before anyone visits the country, and when they do, it will be about introductions and tours.

Mr. Portner confirmed with the city attorney that this is an informal and non-binding agreement.

The Council concurred on becoming a sister city with Kryvyi Ri, Ukraine.

12. MOTION TO ADJOURN

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

The meeting adjourned at 8:13 p.m.

13. CLOSED MEETING - PID 75-00566-0220

Council Present: Mayor John Dietz, Councilmembers J. Brian Calva, Cory Grupa, Mike Beyer, and Jennifer Wagner

Staff Present: City Administrator Cal Portner, Assistant City Administrator Joe Stremcha, and City Clerk Tina Allard

13.1 Statement to be read by the Mayor:

"The City Council will be holding a closed meeting per MN Statute 13D.05, subd. 3(c) to consider offers or counteroffers for the purchase of real property at 75-00566-0220."

Mayor Dietz read the statement above.

13.2 Motion Calling Closed Meeting

Moved by Councilmember Grupa and seconded by Councilmember Calva to open the closed meeting. Motion Carried 5-0.

The meeting was opened at 8:14 p.m.

13.3 Hold Closed Meeting

The closed meeting was held.

13.4 Motion to Adjourn Closed Meeting

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

The meeting adjourned at 8:21 p.m.

14. CLOSED MEETING - SECURITY

Council Present: Mayor John Dietz, Councilmembers J. Brian Calva, Cory Grupa, Mike Beyer, and Jennifer Wagner

Staff Present: City Administrator Cal Portner, Police Chief Dave Kuhnly, Special Services Sergeant Andrew Zabee, and City Clerk Tina Allard

14.1 Statement to be read by the Mayor:

"The City Council will be holding a closed meeting per MN Statute 13D.05, subd. 3(d) to discuss security recommendations regarding public services, infrastructure and facilities."

Mayor Dietz read the statement above.

14.2 Motion Calling Closed Meeting

Moved by Councilmember Beyer and seconded by Councilmember Grupa to open the closed meeting. Motion Carried 5-0.

The closed meeting was opened at 8:22 p.m.

14.3 Hold Closed Meeting

The closed meeting was held.

14.4 Motion to Adjourn Closed Meeting

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

The meeting adjourned at 9:22 p.m.

Minutes prepared by Tina Allard.

John J. Dietz

John J. Dietz, Mayor

Tina Allard, City Clerk