Meeting of the City Council
Held at the Elk River City Hall
Monday, October 6, 2025

Members Present: Mayor John Dietz, Councilmembers Cory Grupa, J. Brian Calva, Mike Beyer, and 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, Fire Chief Mark Dickinson, Records Specialist Dawn Robertson, 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 September 15, 2025, Special Budget Minutes

   4.2 September 15, 2025, Regular Minutes

   4.3 Check Register

   4.4 Hire Part-Time Senior Activity Center Assistant

   4.5 Hire Part-Time Building Permit Technician

   4.6 Hire IT Specialist (Public Safety Emphasis)

4.7 Hire Secretary/Receptionist

4.8 Resolution 25-53: Findings of Fact for Denial of Everlight Solar Solicitor Licenses

4.9 Resolution 25-54: Donation from Elk River Nordic Ski Club

4.10 Resolution 25-55: Accept Donation of Flag

4.11 Resolution 25-57: Acknowledging Donation from Zimmerman Fire Relief Association

4.12 Resolution 25-58: Accept Funds from Sherburne County Agricultural Society

4.13 Lease Agreement 25-25 for City-owned Property Located at 509 US-10, Elk River, with the Elk River Area Chamber of Commerce.

4.14 Resolution 25-56: Grant Agreement for Toward Zero Death Program

4.15 Agreement 25-24: Authorize Grant Agreement for Traffic Safety Officer

4.16 Mortgage Satisfaction - Lot 2, Block 2, Trott Brook Crossing

4.17 Release and Termination of Deed Restrictions

5. OPEN FORUM

No one appeared for open forum.

6. PRESENTATIONS, AWARDS, AND RECOGNITION

6.1 Recognition for 30 Years of Service: Firefighter Jeremy Collins

Chief Dickinson discussed Firefighter Chris Collins' 30 years of service with the fire department.

The mayor read and presented a plaque. The Council thanked Chris for his service.

7. PUBLIC HEARINGS

There were no public hearings.

8. GENERAL BUSINESS

8.1 Variance: Garage/Accessory Dwelling Unit Size, Jennifer Belde - 21131 Vernon St NW

The staff report was presented.
Moved by Councilmember Calva and seconded by Councilmember Grupa to direct staff to draft a resolution stating that findings of fact are made, denying the accessory structure size variances, as the standards for approval, as noted below, are not met. The City Council would consider the resolution on October 20, 2025.

1. **The variance is not in harmony with the general purpose and intent of the ordinance, as the proposed ADU exceeds the maximum allowable living area by 600 square feet and the accessory structure exceeds the permitted size by 148 square feet, undermining the ordinance standards intended to ensure ADUs remain subordinate to the principal dwelling and that accessory structures remain consistent with neighborhood character.**
2. **The variance is not consistent with the Comprehensive Plan, which anticipates orderly residential development supported by zoning standards. Granting the variance would conflict with the implementing ordinances that guide residential scale and character.**
3. **The property can be reasonably used without the variance, as the zoning ordinance already permits a 1,000 square foot ADU and accessory structures up to 2,500 square feet. A compliant ADU and garage could be constructed without exceeding size limits.**
4. **The plight of the applicant is not due to circumstances unique to the property, but rather a result of the existing home and garage design, which does not justify exceeding ordinance limits. Economic considerations or design preferences do not constitute practical difficulties.**
5. **Granting the variance could alter the essential character of the locality, as the size of the proposed ADU may compete in scale with principal dwellings, changing the intended residential character of the R-1a district.**

Additionally, direct staff to work with the city attorney and draft an ordinance providing applicants with an opportunity to request variances specifically related to ADA requirements.. Motion Carried 5-0.

8.2 Discuss Work Session Items

There was no discussion.

9. COUNCIL LIAISON UPDATES

9.1 Council Liaison Updates

The council members 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 Grupa to adjourn the meeting of City Council. Motion Carried 5-0.

The meeting adjourned at 6:58 p.m.

11. WORK SESSION

Pursuant to due call and notice thereof, the worksession meeting was called to order at 7:10 p.m.

11.1 Winlectric Conditional Use Permit Discussion

The staff report was presented. Mr. Leeseberg stated the new owner is requesting additional time to come into compliance and staff is comfortable allowing the additional time.

The Council was unsure the owners would be willing to comply, noting continued storage issues and that the city has been dealing with this for three years. The Council's consensus was to begin the revocation process with a discussion to be held on October 20, 2025. (Due to the required timeline for the public hearing process, this item was delayed to the November 3, 2025, meeting agenda.)

11.2 Fire Station #1 Design Update

The staff report was presented. Chief Dickinson introduced CNH Architects Quinn Hutson and Brooke Jacobson, and Terra Construction Vice President Ben Newlin.

Mr. Hutson discussed the project size, space needs, site location and fire station orientation. The Council asked how these needs are determined and whether the consultant took information from the staff or from industry standards. Mr. Hutson explained how they utilize both methods. Chief Dickinson discussed the consultant's experience and how they have helped staff through the process.

Mr. Newlin reviewed the proposed floor plan and the exterior features. He noted it is an OSHA requirement to have physical activity space. The Council asked about the dorm rooms and who would be utilizing them. Chief Dickinson stated some of the rooms would be used by the ambulance service and some are for future growth of the department for full-time firefighters.

Ms. Jacobson reviewed cost estimates, which she stated are consistent with the current market.

The following comments were expressed by Councilmembers:

- The majority of the second floor is designed for having full-time firefighters and should only be finished as a shell versus fully furnished.
- The city already has a fitness center and one is not needed at this station.
- The classroom space is not needed as the department has other spaces, such as the Emergency Operations Center.
- Staff does not need additional office space because they already have space at other locations, so maybe this could be cut to one shareable office space.
- How is this going to be paid for as there is reluctance to add to the tax levy and could a .5% sales tax be considered as an option?
- Space is not needed for the antique fire truck.
- Asked for the costs of leaving the second floor as a shell versus what the build-out costs would be at a later date.

- In addition to the safety of the firefighters, why is this facility needed and what is the benefit to the community, what will be the efficiencies and will it help with response times?
- How much of the space is used by the ambulance service and can there be some cost participation by them?
- What is the current agreement with the ambulance service?
- An additional $2 million is also being requested for a ladder truck.
- There is a lot of duplication with what the other stations have and items that could be cut.

Mr. Hutson noted this is a paired down version compared to other stations across the state. The Council asked for data to support this statement.

The Council expressed the need to do their due diligence and to be able to answer the public's questions.

11.3 Northbound and Cannabound Design Update

The staff report was presented. Mr. Stremcha introduced BrianTempas with LSE Architects.

Mr. Tempas reviewed the site, floor plan, design concepts, parking, parking sharing, and constraints, such as the stormwater basin and topography. He also reviewed the construction timeline. He noted this parcel would include two building spaces on a tight site. He also discussed the tasting/class room noting it is a new trend among liquor and cannabis stores to allow for education and brand strengthening.

The council expressed the following comments:

- Has there been any thought to swapping the liquor and cannabis spaces to allow for more privacy? The store deliveries flow from the east side of the stores with proximity to liquor for bulk deliveries and are out of sight from the main storefront like Coborn's.
- Does this new liquor store add more storage space to allow for bulk purchasing? Mr. Stremcha stated there is more vertical space.
- How security in the cannabis store is affected if the manager is in the shared office space area. Mr. Tempas stated this would not be an issue.
- Concern for the branding colors and having a marijuana leaf in the logo. Councilmember Wagner felt the brand should be modern, classy, and educational. Staff will provide more insight on this topic at a future meeting.
- Feel the more profitable liquor business should be in the front area. Mr. Tempas discussed the strategy of having the cannabis business in the front and that the liquor store will bring customers to see the cannabis store.
- Will the loading dock affect the residential area that is located adjacent? Mr. Tempas noted there is dense forest separating the areas.
- Felt the conference/tasting room is not needed because this is not a private business. The room is designed to be a tasting and educational space for both liquor and cannabis events.
- Why would there be a private patio? Utilized for tastings/educational events and staff breaks similar to City Hall and Public Works facilities.
- Does this location meet our ordinance requirements for distance from a school? Staff will research this further to maintain compliance.

11.4 2025 Elk RiverFest Recap and Plans for 2026

The staff report was presented. Mr.Shelby stated planning for 2026 is underway. He asked the Council if the evening part of the event should be kept and if staff should continue to try to build it into something more that can grow or if they should focus more on a daytime event. He also asked about having liquor at the event.

The Council concurred on a family-focused daytime event with liquor sales.

11.5 Wastewater and Stormwater Rate Analysis

The staff report was presented. Mr. Femrite introduced President Mark Derany with AMKO Bond Services, who discussed the adequacy of the revenue the city is collecting to cover wastewater and stormwater infrastructure costs.

Mr. Derany reviewed his reports and explained his methodology as outlined in the staff report. He focused on three categories for wastewater: basic growth, debt service coverage, and the capital improvement plan. He stated the city had been projecting about a 3% growth annually, but it does not include the debt service coverage or future projects. He commented that the city has a really well run utility from a financial standpoint. He recommended a 5% increase to rates, including connection fees, to be implemented annually from 2026 through 2030 to cover inflation of operating expenses, and to cover the capital improvement plan project expenditures. He also reviewed his stormwater analysis and recommended a 3% increase in the stormwater fee.

Mr. Femrite summarized the recommendation of a 5% rate for the sanitary system and a 5% rate on our connection fees, and 3% rate for storm sewer which is in line with projections from five years ago. He discussed how the city participates in an annual rate survey where our rates are compared against other cities and Elk River is the lowest. He noted our systems are different, but have good value for the residents. He noted the Council will have the opportunity to review and adopt fees later this year when the fee schedule is updated.

11.6 Northeast Sewer and Water Extension Sub Area Study

The staff report was presented. Mr. Femrite introduced Ursinio Puga, with AE2S.

Mr. Puga provided an overview of the study in the staff report. He discussed the lift stations and recommended upsizing the smallest pump in the River Park lift station from 388 gallons per minute (gpm) to 610 gpm. He discussed the trunk sewer and recommended adding two small lift stations and an 8-inch gravity pipe. He discussed the water system and noted no additional upgrades were needed. He outlined the cost of the pump upgrade to be approximately $59,000. He noted this is the required city trunk infrastructure upgrade but that there will be developer-driven costs, such as additional lift stations that will be incurred and paid by the developer. He further recommended capping development density at 2 units per acre.

Mr. Femrite stated he would meet with an interested developer to discuss the information presented to the Council tonight. He noted if the developer is interested in pursuing a project, then he'd come back to the council with recommended changes to the Urban Service District.

12. MOTION TO ADJOURN

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

The meeting adjourned at 10:10 p.m.

Minutes prepared by City Clerk Tina Allard.

John J. Dietz, Mayor

Tina Allard, City Clerk