

**CITY OF ST. FRANCIS
ST. FRANCIS MN
ANOKA COUNTY**

**CITY COUNCIL MINUTES
June 7, 2021**

1. **CALL TO ORDER/PLEDGE OF ALLEGIANCE**

The regular City Council meeting was called to order at 6:00 pm by Mayor Steve Feldman through virtual setting via Zoom.

2. **ROLL CALL**

Members Present: Councilmembers Joe Muehlbauer, Robert Bauer, Sarah Udvig and Mayor Feldman. Councilmember Kevin Robinson absent.

Also present: Assistant City Attorney Dave Schaps (Barna, Guzy & Steffen), City Administrator Joe Kohlmann, Police Chief Todd Schwieger, Fire Chief Dave Schmidt, Community Development Director Kate Thunstrom, Finance Director Darcy Mulvihill, Liquor Store Manager John Schmidt, City Engineer Craig Jochum (Hakanson Associates, Inc.), City Planner Beth Richmond (HKGI, Inc.) and City Clerk Diana Saenger.

3. **APPROVAL OF AGENDA**

MOTION BY: BAUER SECOND: UDVIG, APPROVING THE REGULAR CITY COUNCIL AGENDA

Ayes: Udvig, Muehlbauer, Bauer and Feldman

Nays: None

Motion carried 4-0

4. **CONSENT AGENDA**

- A. City Council Minutes – May 17th, 2021
- B. Planning Commission Resignation – Joe Kollodge
- C. Planning Commission Appointment – Alan Lauermann
- D. Party Permit – St. Francis Area Chamber of Commerce
- E. Temporary On-Sale Permit – Timber Ridge
- F. Peddlers License – Bacon Butt BBQ
- G. Peddlers License – Sun Mountain Concessions
- H. Peddlers License – Fiesta Cancun Grill and Bar
- I. Claims

Council Member Bauer pulled item D for discussion.

MOTION BY: MUEHLBAUER SECOND: BAUER, APPROVING THE CONSENT AGENDA ITEMS A-C & E-I.

Ayes: Bauer, Muelbauer, Udvig and Feldman
Nays: None
Motion carried 4-0

Item D – Party Permit – St. Francis Area Chamber of Commerce

Bauer pointed out that the Chamber had missed required deadlines set forth in the Party Permit application process. He does not want to set a precedence in the future or commit to an additional event outside of Pioneer Days sponsored by the Chamber. Kohlmann assured the Council and Mayor that the late planning for this event was largely due to the Chamber wanting to hold a community event in the absence of Pioneer Days. This permit and approval of this event will be good for one year and is not expected to occur in the future.

MOTION BY: BAUER SECOND: UDVIG, APPROVING ITEM D OF THE
CONSENT AGENDA.

Ayes: Bauer, Muelbauer, Udvig and Feldman
Nays: None
Motion carried 4-0

5. **MEETING OPEN TO THE PUBLIC**

Kohlmann asked if anyone wanted to speak at this time. No one came forward.

6. **SPECIAL BUSINESS**

None

7. **PUBLIC HEARING**

None

8. **OLD BUSINESS**

None

9. **NEW BUSINESS**

A. **Bond Refunding – 2010A; 2013A; and Water Meter Lease Purchase**

Nick Anhut of Ehlers Public Finance Advisors presented a bond refunding strategy. In discussions over the last month, we observed very low interest cost across the board over the last year in response to some of the action taken in response to the pandemic. Anhut presented his recommended bonds for re-funding:

Sewer Revenue Bonds 2010A if refinanced and net of any financing costs, could unlock about \$90,000 in savings potential reducing debt service payments on that obligation. This is just shy of an 8% reduction in overall costs.

The 2013A bonds have been refinanced once. This is for the outstanding balance. A net savings of \$21,000 and a 1.25% reduction.

The 2019 Water Meter Lease for the meter replacement program. Currently carrying rate of 3.7%. We could include the payoff of bonds which would result in \$18,000 in savings or a 3% reduction in debt service.

The total savings of these actions suggested results in a total savings of \$130,000 reduction in debt service, net of any financing costs of any bond issuance. Rates that are outstanding, you are paying an excess in some cases as high as 3.7% on the existing debt. We anticipate we can more than cut that in half and get below 1.5% if we were to put that on the market today.

Anhut is seeking guidance from the Council. He would like to present a competitive sale of bonds where bids would be presented to the Council and to be adopted in the form of a resolution to occur at the second Council meeting of the month in July. This will give them time to put the necessary documentation together, solicit bids, update the City's credit rating with Standard & Poor's and hopefully deliver some good results. Hopefully exceeding the estimates put together.

Feldman feels this shows our strong budgetary management in place since 2017 and supports this item.

Udvig supports these cost savings.

Muehlbauer agreed and asked if there is a reason why we cannot include the water treatment facility bonds. Mulvihill and Anhut confirmed stating that those bonds are funded with PFA funds at a discounted rate. Therefore, there are restrictions to refunding.

Bauer supports the cost savings. He feels you should always be looking for options to save with consideration of upfront costs.

Feldman asked Anhut to confirm the savings after our costs. Anhut figures are net. Principle will be higher due to refinancing costs but the reductions in interest is so drastic, not only does it pay for those costs it also unlocks additional savings and is net of any increase in cost of financing the bond sale.

MOTION BY: MUEHLBAUER SECOND: UDVIG - APPROVING BOND REFUNDING – 2010A; 2013A; AND WATER METER LEASE PURCHASE, RESOLUTION 2021-29 - FOR ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, SERIES 2021A, IN THE PROPOSED AGGREGATE PRINCIPAL AMOUNT OF \$3,230,000

Ayes: Bauer, Udvig, Muehlbauer and Feldman

Nays: None

Motion carried 4-0

B – Interim Use Permit – P.I.D. #6-33-24-11-0070 – Resolution 2021-XX
Approving IUP to Allow Agricultural Uses

Richmond presented a request for an Interim Use Permit (IUP) for agricultural use. The IUP is similar to a Conditional Use Permit (CUP) but has a specified end date. The proposed term begins when the IUP is approved with a two-year term or at the sale of the property. If the property does not sell and the property owner wishes to continue with and IUP, they would need to reapply prior to the expiration date. The Planning Commission recommends the IUP with a unanimous vote.

Feldman stated this property is 10.66 acres and the Comp Plan lists this area as commercial and zoning is a B2 general business district. Thinking about the long-term plans for Highway 47 development, discussions with MN Dot and long-term plans for business and future expansion of our commercial base, he does not support this request. He cited three specific development requirements from code. Municipal code 10-6-4, General Performance Standards items F, G and K as written:

- F. Whenever a non-residential use is adjacent to a residential use or district, a buffer area with screening and landscaping shall be provided in compliance with [Chapter 20](#) of this Ordinance.
- G. General site screening and landscaping shall be provided in compliance with [Chapter 20](#) of this Ordinance.
- K. The architectural appearance and functional design of the building and site shall not be so dissimilar to the existing or potential buildings and area so as to cause a blighting influence. All sides of the principal and accessory structures are to have essentially the same or coordinated, harmonious exterior finish materials and treatment.

Feldman notes that Townhomes are being built behind this acreage now in the Meadows. He wonders how those people would feel about crops growing in front of their houses. He is not in support of this and opened up discussion to the Council.

Muehlbauer stated he agrees this does not seem to fit with the existing homes there. He would rely on the City Attorney to determine if this is good finding of fact. He normally supports people to do with their land what they want. This request does not fit with our greater vision of the City and our St. Francis Forward plan.

Udvig echoes Feldman's and Muehlbauer's feelings.

Bauer agrees with Muehlbauer about letting owner do with their property what they want. He is considering the location and the amount of properties going in. This location is staple of what you see when you come into town. He asked if this is the best look for a piece of property to sell in the future if it's used as agriculture or, is it that we use it for agriculture for the next 10 to fifteen years because we don't think it is going to sell? Those are his two questions and instead of shooting it down here, he would be in favor of tabling until we get more information about what the plan is to move forward with this property

Feldman stated he would be more open minded to a farmer's market structure selling crops rather than raising crops.

Feldman opened the floor to the property owner, James Anderson of 9893 Enclave Dr., Minnetonka Minnesota. He stated they purchased the property about eight years ago and until the last few weeks they had advertised it nationally and had not gotten response. They were approached for a rental development in the past but the City stated this would stay a commercial zone. They did, after the last planning commission, enter into a purchase agreement for two acres. This is a purchase that is binding on the seller but not so binding on the purchaser. The purchaser has about eight months to investigate the property. It is possible they may follow through or they may not. There still is the possibility of selling it off for commercial. They did not plan to farm it long term and stated the reason for this application is to ultimately improve the condition of the land, preventing natural growth and to make it more presentable for sale. He provided some details on how farming improves land and followed by stating they are looking to advertising it again for commercial development. They are fine with what the City wants to do.

Feldman provided comments about Anderson's goal of farming to prevent natural growth stating that he feels when people are looking for sites they are looking for location, accessibility and parking. Townhomes are behind this site now. He is not concerned with tree growth. He feels parties interested are looking at the sites potential for development and confirmed his position to deny this application. He provided Mr. Anderson information about the Highway 47 development plans and encouraged the owner to continue efforts to sell and promote this land. He wished him luck stating the market is good due to supply for commercial real estate. Feldman asked if the Council had questions.

Udvig requested Thunstrom state why the Planning Commission chose to approve the IUP.

Thunstrom stated that after review of zoning requirements and in consideration of the plan, they approved it based on code.

MOTION BY: MUEHLBAUER SECOND: FELDMAN – DENY INTERIM USE PERMIT – P.I.D. #06-33-24-11-0070, RESOLUTION 2021-XX. DENIED BASED ON THE FINDING OF FACT DISCUSSED HERE TONIGHT.

Ayes: Udvig, Muehlbauer, Feldman
Nays: Bauer
Motion carried 3-1

C – Preliminary/Final Plat approval – Carpenter’s Landing, Resolution 2021-XX Approving Preliminary and Final Plat

Richmond presented a request from a property owner seeking preliminary and final plat approval to split a parcel into two lots. Presentation of the request was provided. The proposed subdivision is consistent with the Comprehensive Plan. The Planning Commission recommended approval of the preliminary plat. The Planning Commission does not review final plats.

Feldman cautioned both the property owner and city staff, due to historical code violations to ensure violations do not occur. He will be monitoring this development.

Council members agree with Feldman and agree to move forward with a motion.

MOTION BY: UDVIG SECOND: BAUER – CARPENTER’S LANDING, RESOLUTION 2021-30 APPROVING A PRELIMINARY AND FINAL PLAT

Ayes: Udvig, Bauer, Meuhlbauer, Feldman
Nays: None
Motion carried 4-0

D – Ordinance 281 Second Series “Bed and Breakfast”

Thunstrom presented the request potential first reading of a new ordinance. With updating the zoning code, we created a permitted use that includes Bed and Breakfast. Those type of facilities throughout the state are typically licensed. They require an application and fee structure to include inspections. Inspections would include meeting state, county and local codes.

Feldman asked if a request of this kind has come forward. Thunstrom responded with no request specifically for Bed and Breakfast but for short term rental requests. Because we have not permitted it, we have not entertained the conversation to create one. Feldman and Council Members were all in favor.

MOTION BY: MEUHLBAUER SECOND: UDVIG– TO ADOPT ORDINANCE 281 SECOND SERIES BED AND BREAKFAST, FIRST READING

Ayes: Udvig, Bauer, Muehlbauer, Feldman
Nays: None
Motion carried 4-0

E – Schedule a Work session

Kohlmann brought forward a request by staff for a working session next week. Mondays have come into conflict and they are looking for Tuesday, June 15th. Tentative topics were provided on the agenda report. Feldman confirmed there are no conflicts with staff and called for a Council Work Session to take place on Tuesday, June 15, 2021 at 5:30 PM via Zoom meeting.

10. **MEETING OPEN TO THE PUBLIC**

Kohlmann stated that there was currently no one present requesting to address the Council at this time.

11. **REPORTS**

A. Administrator Report

Kohlmann has no report

B – Council Member Reports

Udvig – She attended the school board meeting last Monday. Only a few people came. They are planning a large board meeting on Monday the 14th. The discussion is about the consideration of an Equity Committee versus CRT (Critical Race Theory). It has been publicized on Facebook. She did contact Superintendent Beth Giese and School Board President Amy Kelly about whether or not the building can accommodate a large number of people. She warned them about the potential of placing a time limit on people who want to address the Board. She feels that all people wanting to, should be able to speak. She has not heard back yet. They will be holding a work session on June 21, 2021. They are encouraging people to attend the Board meeting rather than the work session. She may need to leave the June 21st City Council meeting to attend their work session meeting. She added they have not shut down the idea of SRO.

Bauer - No report. He thanked the Police and Fire noting the many alarms recently. He urged them to stay safe and noted his appreciation for their hard work, commitment and sacrifice.

Muehlbauer - Attended the last two citizen academies and he encourages other Council Members to get involved the next time they are held. He hopes for more involvement from the community. It was fun, educational, gave a different perspective. They did a good job. He has nothing else to report.

Feldman - Requested more information from the Fire Chief relating to fires, the dry environment and the current fire alert. Chief Schmidt stated that the DNR just upgraded to a high fire risk. He expects that next week we will be at a Red

Flag warning due to the heat. Winds have been increasing. They have had a very busy spring and a very busy week last week. It will continue to be an interesting year. We are doing all we can but the risk is increasing every day.

He asked Schmidt about the resident with the fence issue. Schmidt will follow up. Feldman stated how proud he is of our two Public Safety Departments, Fire and Police. Our EMS abilities within our Fire Department have went from zero to turning a 360 and it's amazing. Our departments are saving lives. It is not a matter of criminal activity or fire. It is that you are getting together and saving lives. Referencing the Progress, Pride, Possibilities goal of 2017, he states that they are words we are living up to now in our community.

Feldman gave a municipal liquor store construction update. He stated the difficulties with the contractor and have been worked through. He is committed to this project going well. He wants to show the public how responsible and budgetary thinking we are gaining a good return. He will give more information at the work session.

Feldman closed with stating how much he appreciates the staff and their hard work.

Bauer asked about the status of the planned training burn. Schmidt informed that due to excessive heat it was rescheduled to June 19 and they are working on coordinating activities for that date. He will update Council once plans are finalized.

10. **ADJOURNMENT**

Mayor Feldman adjourned the meeting at 6:59 PM

A handwritten signature in black ink, appearing to read "Diana Saenger", written over a horizontal line.

Diana Saenger, City Clerk