

EAST BETHEL CITY COUNCIL MEETING

June 26, 2023

The East Bethel City Council met on June 26, 2023, at 7:00 p.m. for the regular City Council meeting at City Hall.

MEMBERS PRESENT: Kevin Lewis Brian Mundle Bob DeRoche
Tim Miller Jim Smith

ALSO PRESENT: Jack Davis, City Administrator
Eric Larson, City Attorney
Rodney Sanow, Fire Chief
Derek Peters, ACSO

1.0 Call to Order

The June 26, 2023, City Council meeting was called to order by Mayor Lewis at 7:00 p.m.

2.0 Pledge of Allegiance

The Pledge of Allegiance was recited.

3.0 Adopt Agenda

Mundle stated I'll make a motion to adopt tonight's agenda. Miller stated I'll second. Lewis asked any discussion? To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

4.0 Presentations and Public Hearings

4.0 A Legislative Update – State Representative Peggy Scott

Davis stated State Representative Peggy Scott represented District 31B which included East Bethel Linwood, portions of Ham Lake Andover, Oak Grove, and Athens Township. He noted Representative Scott had been assigned to the Environment and Energy Committee, and the Health and Human Service Division, the Finance Committee. She was also the ranking minority member on the Committee for Health and Human Services and Housing. He stated Representative Scott would appear before the Council tonight and update the Council on the legislative and economic development issues that affect the City of East Bethel in current State legislation that had been formed before the Minnesota House of Representative.

Representative Peggy Scott stated she was not on the Health and Human Services Division. She indicated she was the minority lead on the Judiciary and Civil Law Committee, and she was also on Ways and Means and Higher Education.

Representative Scott thanked the Council for having her at the meeting. She stated one of the things she did when she was giving updates on the new legalization of the marijuana laws and how that affected local units of government. She noted she had given Davis a cheat sheet put together by one of their staff about some of the ramifications of the new law on cities.

Representative Scott indicated the local units of government were going to be responsible for inspecting those retail establishments and any establishment that was growing was going to be licensed.

Representative Scott stated they would be checking for age verification requirements, applicable operation requirements, applicable limits on the types of cannabis flower, cannabis products, lower

potency hemp edibles and hemp derived consumer products. She noted someone on the East Bethel staff would have to get up to speed on all of these things including marijuana, and cannabis.

Representative Scott stated she understood the City might also be interested in some information on broadband, and what had been in the Legislature on broadband this year. She indicated there was a lot of funding for broadband. She noted in 2024, there was going to be \$75 million towards broadband and \$50 million for the Office of Broadband in 2025. She noted they upped the individual grant amount from \$5 million per project to \$10 million per project.

Representative Scott stated it was important to note the \$75 million and \$50 million over the next two years, and \$20 million of that was set aside for lower population density programs.

Representative Scott noted started with an almost \$18 billion budget surplus, all of that was spent and taxes were raised \$10 billion. She stated it was a 40% increase in the state budget, which was record setting. She indicated she was a member of the minority and she did not support all of that spending. She believed the money for the most part needed to go back to the taxpayers who were overcharged. She stated the Legislature had also tied the State budget to inflation, so it would automatically increase with inflation.

Representative Scott stated they raised the gas tax and the gas tax was expected to go up about five cents over the next four years, which was also tied to inflation. She noted in the whole transportation area, a lot of tax increased there and it would cost them more for your tabs to be renewed, a 30%, average increase for vehicles 11 years and under. And for some vehicles up to a 50% increase in your tab fees. She noted the filing fee was also increasing.

Representative Scott indicated there was an additional \$6 for driver's licenses as well as a delivery fee.

Representative Scott noted there was a 50-cent delivery fee for residents getting anything delivered to their home, on orders over \$100. There would also be a full 1% sales tax in the seven-county metro area. She noted that included Anoka County and one quarter of that went to housing, and three quarters of that would go towards transportation. She noted only 83% of that point seven, 5% will go to transit, and only 17% will actually go to roads.

Smith asked who do they fire for the great increase in everything. Representative Scott responded they had fought hard to try to prevent a lot of this. She noted the Governor signed into law all of these. She stated elections had consequences.

Mundle stated we could have a couple hour long conversations about every item Representative Scott had brought up. He noted with respect to the broadband funding and the grants given in the past which were for only rural areas outside of the seven county metro area, so East Bethel (even though they were mostly rural) was not eligible for any of that funding. He asked if there was any kind of restrictions that would prevent East Bethel from going after any of those grants, or what kind of restrictions were there on them. State Representative Scott responded she did not have that information with her, but she would be glad to get the answer and get back to them on that.

Mundle requested Davis get the information out to Council once it was received by Representative Scott.

Davis noted the City had done a lot of things to get broadband funding and the issue was the qualification for what was not served and what was underserved. He stated generally within a census tract, if one house was served, they counted that as having service. He indicated that was something that really affected a lot of them. He indicated they had certain large census tracts which had 100-200

homes in it and they could not qualify for the grant funds, because one or two three homes were served and the rest are not. State Representative Scott responded she would try and get some answers for that.

Smith asked how much per gallon was the gas tax right now. State Representative Scott responded she did not have that information for this meeting.

Smith stated he was curious because he could remember the gas tax was around 11 cents per gallon and the roads were fantastic. He noted now the tax just kept rising, and he believed those funds were not even used to fix the road. State Representative Scott responded part of the problem was that so much of it was going for transit. She indicated they were going to be building a train which would go up to Duluth. She stated the train would get someone to Duluth in the same amount of time as if they were driving, but it would cost the taxpayers a couple billion dollars. She noted they were paying these taxes and a lot of people were not seeing the benefit of those taxes.

State Representative Scott stated she was glad to be of service to the City, Council, and the citizens anytime they had questions. She stated she was honored to serve the citizens of East Bethel and she hoped the citizens felt comfortable contacting her. She indicated she was easy to find on the internet or her email was peggy.scott@house.mn.gov. She asked the residents to not call her as the last call but make her the first call before they got too frustrated with the State government.

Mundle extended an open invitation to Representative Scott anytime she wanted to come and update the Council. He noted the City also had Spring and Fall Town meetings and welcomed her to those meetings if she wanted to come. Representative Scott asked to put her on the list.

4.0 B Interview of Applicants and Appointment of City Council Member

Davis stated with the resignation of Mayor Tim Harrington, Councilperson Kevin Lewis, by vote of Council, was appointed Mayor of the City of East Bethel at the June 12, 2023 City Council Meeting. Following Mr. Lewis' appointment as Mayor, his Council seat was declared vacant. Council then directed Staff to advertise for applications for the vacant Council seat and accept applications for this position until 3 p.m., Friday, June 23, 2023. The date for interviews of the candidates was set for the June 26, 2023 City Council Meeting.

Davis indicated there were less than two years remaining on Mr. Lewis' vacated Council position, no special election was required, and Council may make an appointment to fill this seat for the remainder of its term.

Davis noted in addition to the consideration of the council appointment, Mr. Harrington's resignation leaves his commission and committee liaison assignments open:

- Booster Day Committee
- Sandhill Crane Committee
- Personnel Committee
- Finance Committee
- Sunrise River Water Management Organization

Davis stated Mr. Harrington's post on the Economic Development Authority (EDA) was filled by Kevin Lewis by vote of City Council at the June 12, 2026 Council meeting.

Davis requested Council review the applications for the vacant council seat, interview the candidates, and make an appointment to fill the vacant council position of Kevin Lewis, and upon the appointment of the new councilperson, the Mayor could offer recommendations for the open

commission/committee vacancies for Council approval. These appointments can be made as part of this item or at a later date or point in this agenda.

Smith stated I'll make a motion to approve Resolution No. 2023-51. Miller stated I'll second. Lewis asked any discussion?

Larson stated the copy he had did not have the nominee filled in, so the motion needed to make it very clear that the approval of Resolution 2023-51 was to appoint Robert H. DeRoche, Jr.

Smith asked if they needed to cancel his motion and start a new one. Larson responded Smith's motion should be amended to add Robert H. DeRoche, Jr. as the appointee.

Smith stated I'll amend the motion to include Robert H. DeRoche, Jr. as the appointee. Miller stated I'll second.

To the amended motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That amended motion passes. **Amended motion passes unanimously.**

Robert H. DeRoche, Jr. took the Oath of Office and his seat at the Council dais.

4.0 C Nexus Conduit Bond Presentation

Davis stated at the May 1, 2023 Work Meeting, City Council received a presentation from the City's bond counsel and financial advisor regarding a request for the City's participation in a \$10 million conduit bond financing for the proposed purchase of the Cambia Hills facility by Nexus Diversified Community Services.

Davis indicated the City of Ham Lake initially considered to partner with East Bethel to be the secondary issuer of a \$7 million bond for the project but later declined to participate as a co-partner in the conduit bond issuance. However, the Anoka County Finance Committee, composed of Commissioners Matt Look, Julie Braastad, and Jeff Reinert, recommended approval of the Nexus request to be the second bond conduit partner behind East Bethel. The Committee showed a high level of support for their service and understood the value of the conduit bond program. The Committee expected their recommendation to receive all County approvals.

Davis noted ISD 15 School Superintendent Karsten Anderson spoke in support of the need for the service be provided by Nexus at the May 1, 2023 meeting, but had concerns regarding charges for rent, State reimbursement of the of ISD 15's cost for out of district students and staffing for District provided services. City Councilmembers questioned if there would be additional costs borne by the School District to support these services. Discussions are continuing to resolve these matters.

Davis stated the City may charge the borrower an issuance fee for its services in connection with bond financing. Nexus has agreed to pay the City \$100,000 for the City's participation in the bond issuance.

Davis indicated if the City issued the proposed bonds, the borrower would be required to pay all direct and indirect expenses of the City and indemnify and hold the City harmless against any liability related to the issuance of the bonds. As the City's bond counsel, Dorsey-Whitney would prepare the bond documents and represent the City's interests in the financing, but the City's cost (as well as the fees of all other parties involved with the financing) would be paid by the Borrower. Nexus had also agreed to enter into a PILOT Program (payment in lieu of taxes) and pay the City \$24,000 per year with an annual 2.5% increase in payments regardless of their revenues. This would be approximately a 500% increase over the payment that was to be received from Cambia Hills.

Davis stated the City held a public hearing on June 12, 2023 to take comment regarding the consideration of the issuing conduit bonds in the amount of \$10 million to Nexus Diversified Community Services (Nexus). Anoka County had agreed to partner with City and issue \$7 million in bonds to compliment the City's proposed participation in the project

Davis indicated Nexus would be purchasing the Cambia Hills property and provide the same service as the previous operator, Cambia Hills of East Bethel, LLC.

Davis noted the bonds that would be issued posed no liability or expense to the City and qualified for tax exempt status that enabled a lower payback of the bonds over conventional financing. The implications of this savings was a lesser impact on potential costs to the School District. From a presentation made to City Council on May 22, 2023 and further reviewed at the June 5, 2023 City Council Work Meeting, Nexus had indicated that they were coming to East Bethel either with or without the approval of the conduit bond financing. The difference between the two scenarios was that without conduit bond financing, Nexus would have a higher cost of borrowing and this additional cost would be passed along to the School District in higher costs for classroom rental space and other chargeable expenses for the educational component of their service. Approval of the conduit bond financing would result in a reduction of approximately \$3.5 million in added interest cost over the term of loan. As Nexus is a non-profit, this saving would result in lower costs to the School District.

Davis indicated the educational component of the Nexus service was a separate matter with ISD 15 and these two groups were still engaged in discussions to work out a resolution to the School District's concerns.

In summary, Davis stated the City Council scheduled a public hearing for June 12, 2023 regarding the \$10 million issuance of conduit bonds to Nexus for the Cambia Hills acquisition. The facility would be operated under the terms of the Conditional Use Permit that is recorded on the property.

Davis noted at the June 12, 2023 meeting, the public hearing for the bond issuance was held, comments received and the hearing closed. There was a motion and second to adopt Resolution 2023-40, Resolution Relating to a Financing Under Minnesota Statutes, Section 469.152 through 469.165, As Amended, on Behalf of Nexus Diversified Community Services; Authorizing Execution and Delivery of Documents Relating Thereto. The second to the motion was made for the purpose of discussion of this topic. At the conclusion of the discussion a motion was made, seconded, and approved to table the consideration to answer questions relating to tax exempt matters and enable the council to be fully seated for a final decision on the conduit bond proposal.

Davis stated the City sent 473 notices of the public hearing by mail to those living in area bounded by Highway 65 on the East, Klondike Drive on the north, University Avenue on the west, and 181st Avenue on the south. Five people spoke at the public hearing with concerns relating to the bond issuance and four people spoke in favor of the proposal.

Davis indicated City Attorney Larson stated the Council had closed the public hearing which indicated that the public hearing process for the bond consideration had been met. As this subject was tabled with the discussion to continue at the June 26, 2023 meeting, Council was requested to consider the options outlined as follows:

Recommendation 1 – If the City Council finds it warranted to approve the conduit bond financing, consider approval of Resolution 2023-40 as exhibited in Attachment 1 to Council's packet and documents relating thereto as exhibited in Attachments 2-5 to Council's packet. Bond Counsel to the City, Dorsey & Whitney LLP, developed these documents on behalf of the City and endorsed the approval of the same. Approval of Resolution 2023-40 authorized the issuance of the note, the loan

of proceeds to Nexus Diversified Community Services for acquisition of the Project, execution of all required documentation, and the issuance by Anoka County, Minnesota of additional financing for the Project. This approval would result in the lowest overall interest rate for the financing of the Project, and in turn, the lowest lease cost to the School District; or

Recommendation 2 - If the City Council does not find it warranted to approve the financing, consider approval of Resolution 2023-40 as exhibited in Attachment 6 to Council's packet. Approval of Resolution 2023-40 dismissed the financing request of Nexus Diversified Community Services and prevents the City from issuing conduit financing for the project but provides consent for Nexus Community Diversified Services to seek and secure funding for the Project through Anoka County, Minnesota, or one or more other municipalities or authorities. This approval would remove East Bethel from the financing process except as host jurisdiction (since the project was physically located in East Bethel's boundaries) but would allow Nexus an opportunity to seek alternative tax-exempt financing options from any other public entity willing to partner with Nexus on the project. This approval would likely increase the overall interest rate for the financing of the project, but it would not require Nexus to borrow at commercial loan interest rates despite its nonprofit purposes; or

Recommendation 3 - The City Council could take no action which would prevent Nexus from obtaining tax-exempt financing from any public entity. However, this would significantly increase the overall interest rate for financing the project. Nexus could seek a commercial loan to acquire the project facility, but at a higher cost than with the use of the tax-exempt bonds. The higher cost of this option would more than likely be passed along in part or in its entirety to the School District and result in the most negative impact to ISD 15.

Mundle asked if there would be a vote on this tonight. Davis responded there was discussion to postpone the vote at the last Council meeting, so this was a discussion item.

Alex Guggenberger stated he had received a couple of questions last week based on the some of the discussions that had happened at the prior Council meetings regarding the taxable status. He indicated he had reviewed the Minutes of those meetings and he hoped to clarify points that were discussed at those meetings.

Mr. Guggenberger stated based on his review of the notes, he knew there some statements made that the property would generate roughly \$2 million and if that was the case, if this property would be classified commercial. He indicated if it were to generate \$2 million in tax, it would need a value of roughly \$75 million total to generate \$2 million in tax and this property is valued far less than that \$75 million. He noted that in order to generate \$2 million to the City, that would have to be at \$250 million, making it by far the most standalone valuable parcel in the County, which it was not.

Mr. Guggenberger indicated in this particular case, given its current market value, it generated about \$114,000 in real estate tax of which the City would be eligible to receive about \$36,000 of that, given the tax rate because of the total tax, roughly a third goes to the County, roughly a third goes to the School District, and roughly a third goes to East Bethel.

Mr. Guggenberger stated some of the numbers that were thrown out at that meeting were inflated and he just wanted to make it clear that those numbers were more accurate numbers based on the current value of the parcel.

Smith asked what the property was worth now. Mr. Guggenberger responded he believed for payable 2023, the tax it was valued at roughly was a little over \$6 million with the building and everything. He noted part of the evaluation piece was highest and best use, so in certain instances, if the property did go vacant, or was no longer used, the property would not pay for that building, given

its special use and it would be very hard to repurpose that particular property into something else other than to demolish it. He indicated at that point they have to start valuing demolition costs and other things into the valuation.

Miller asked if the building cost \$26.9 million to make a couple of years ago. Mr. Gutenberg responded it certainly could have cost \$20+ million to build. He indicated that was really where the cost might outweigh the overall value. He noted in this particular case, the building was built for a specific use and a specific purpose as a mental treatment facility. He indicated the highest and best use if the building was to go vacant and to resell that property into something else. He stated what was really worse in this particular case, was the cost far outweighed that of the actual value of the real estate at stake here, and that kind of lead down the exemption path as no exemption was discussed. He stated the two main pieces with exemption were a necessity of ownership and use. So just because Nexus might be looking to acquire the property and just because they're a 501(c)(3) did not automatically exempt them from real estate tax. He indicated they were exempt from income tax purpose, but there was a very different set of standards for real estate and people who did not make that distinction.

Mr. Guggenberger stated the City and County were still responsible for paying taxes as well and submitting exempt applications. He indicated in this particular case, Nexus owned and rented a lot of different properties around the State. He noted the spaces they were leasing were going to be taxable as they don't own the building and they did not meet the ownership requirements. He noted in the Austin property owned by Nexus, that was a totally different situation, different licenses, different use potentially taking place. He indicated he did not know what the use of that building was and if that was the same or different. He stated in this particular case, in East Bethel, the facility had the license and there was no profit associated with that license as far as a fee structure from the State of Minnesota.

Mr. Guggenberger noted it cost Nexus to house individuals at the facility and there was no profit margin accounted for in that structure. Because of that, it was slightly unique and harder to find operators that were willing to enter into that agreement with that particular license type. He believed there were three or four other properties across the State of Minnesota that use that license structure and all of those existing ones were currently exempt.

Lewis asked was it a matter of State law where the psychological or psychiatric residential treatment facilities were automatically exempt from property tax. Mr. Guggenberger responded there's no automatic in any exemption case. He stated it was not a matter of State law, but it is a matter of whether or not they meet the criteria for an institution as a public charity where they have to be a 501(c)(3). He indicated there was a North Star Test that had a list of six or seven different items that had to be met and in this particular case, they meet those.

Lewis stated the irony of this was that a third would go to the schools if the property taxes were paid. Mr. Guggenberger responded it was just whether or not they met the statutory requirements for purely public charity and from his perspective, they meet all of those thresholds. He noted the amount of tax that would be generated was far less than the amount stated in the previous meeting.

Smith stated the property value was now \$6 million and that was because the building was not being used as what it was, so once the building was purchased and used for what it was intended, what happened to the value. Mr. Guggenberger responded they had to look at highest and best use, so if that facility were to go dark, part of the value in that facility or the transaction piece was whether or not there was a bed license tied to it.

Smith asked if there were beds tied to it, would the value go way up. Mr. Gutenberg responded it would not go way up. He noted if it cost \$26 million, it had depreciated since then but he did not know what the numbers looked like. He indicated there was more business value that was tied to something that they do not account for from a real estate tax perspective.

DeRoche asked who made the determination whether they could tax it or not, or whether it was taxable. Mr. Guggenberger responded he made that decision.

DeRoche asked if that put a burden on the City, if he decided it was not taxable. He also asked if the residents of the City would need to pay for it. Mr. Guggenberger responded it would be residents of the County and the taxing authority. He indicated Statute made the County Assessor responsible for making those decisions, essentially, looking at it as an independent third party and not individual cities looking at particular parcels. However, he noted the final exemption decision ultimately was with his office or himself, and then any appeal after that went through the Tax Court process.

DeRoche stated they were looking at 39 prime acres which was a lot of property to be developed to help curb some of the cost and now that had been taken away. Mr. Guggenberger responded Nexus still had to pay special assessments and solid waste fees. He noted the property tax exemption did not exempt them from special assessment fees.

DeRoche acknowledged Nexus would pay usage fees such as sewer and water, but the actual property taxes, they would lose those. Mr. Guggenberger responded that was correct and this was the same as any other city that had tax exempt property in it.

Lewis stated he understood there would be a meeting of the County Commissioners tomorrow and this was on their agenda for discussion. He asked if the County, at their level, allowed this property to be tax exempt, did the City also need to forego their share. Mr. Gutenberg responded the County Board did not have a say whether this parcel was exempt or not and that decision was made by his office. He indicated he had been with Anoka County for 11 years and he had never received an email either for or against a particular exemption decision that he had made.

Lewis asked if Mr. Guggenberger was leaning toward granting an exemption for this. Mr. Gutenberg responded he believed all of the statutory requirements were met as a purely public charity and given the current license structure that would be used under and the same as what it was under Cambia Hills. He indicated the licensure structure was the same as well and the only difference was now it was a different operator.

DeRoche asked if the licensing or CUP had been done yet. Davis responded for the CUP the terms and conditions would remain the same as they were for Cambia Hills.

Lewis stated the CUP would need an amendment to possibly reduce the number of patients/residents who would be receiving treatment at the facility.

Mr. Guggenberger stated he knew there was some discussion about a payment in lieu of tax. He indicated he sent an email to Davis regarding this noting there were very specific guidelines in the State Statutes for what met payment in lieu of taxes and that was handled by the County Auditor. He noted the County Auditor was not responsible for collecting this if it went down the path where there was a separate payment.

Lewis noted there would be a PILOT agreement as part of this transaction. Mr. Guggenberger stated there were very specific State Statutes that said when payment in lieu of taxes was used when the property was owned and operated by a local government entity. He indicated in this case, it was not a local government entity. He stated unless there was a very specific payment in lieu of taxes Statute

Lewis was referencing, he did not believe it would meet the statutory definition for payment in lieu of taxes the County Auditor would collect. He noted if that were the case, those funds would get distributed according to the Statute, meaning a portion would go to the County, a portion would go to the City, and a portion would go to the School District. However, he indicated, he did not believe that was the intent of this discussion.

DeRoche asked if there were to be something collected, then the City would have to take care of that. Mr. Guggenberger responded that was his understanding and this would be something the City would handle or the School District would handle.

Davis stated the PILOT programs were conditioned upon the CUP, so nonpayment of the PILOT program would be a violation of the CUP and could result in a revocation of the CUP.

DeRoche stated if they were using the building and there were people in there, chances were they could not just throw them out. Mr. Guggenberger responded he did not remember saying that and that was just a point of clarification.

Lewis asked what the guidelines were. Larson responded he understood what the Assessor was talking about here is that there was very clear PILOT language within the Statute, referring to the various governmental entities Mr. Guggenberger was talking about. He stated the law did not prohibit the entry into a PILOT with other entities such as this one. And matter of fact, that was commonly done. He stated what he was getting at and what he had mentioned to the City Administrator was how it would then be implemented and overseen.

Larson stated it was his understanding that each County was willing to participate in different ways and the City would need to make sure they were very clear how this particular PILOT would be overseen and enforced in a way that worked for the City and worked in partnership with the County. He indicated the "devil's in the details" as far as how it was structured, overseen, and enforced.

Lewis indicated the City could enter into a PILOT agreement, as they have done in the past and he suspected they would do here. He noted they would make sure the PILOT agreement was put together in a way that was both common sense, reasonable, and enforceable.

Mr. Guggenberger stated he knew there were a couple other comments about whether this property was residential. He asked the City to keep in mind residential properties paid a tax rate of generally one percent and when it exceeded \$500,000, that went up to 1.25 percent which was half the rate of a commercial property. He noted when they looked at values that far exceeded the \$75 million or \$250 million for the 40-acre piece of ground, they needed to account for the tax amounts that were discussed previously. He indicated from a tax perspective, even at \$26 million, that would still probably be \$36,000 in tax. He noted they were not looking at a huge tax amount compared to what was discussed at the prior meeting.

Lewis stated they were the elected representatives, and they had to do their due diligence on decisions like this. He indicated they were struggling with this.

Lewis stated it was a tragedy that young people had to deal with psychological problems to the point they needed to go to a psychiatric residential treatment facility, and they all agree as human beings that they should help them if they could and that was why the State passed a law to have these kinds of facilities and agreed to fund them the way they decided to fund them.

Lewis stated what they understood was that East Bethel had a vacant building built specifically for this purpose, but then they get into the details and while they are confident the conduit bond funding did not endanger East Bethel as they had been assured by the bond counsel and it was not a general

obligation kind of bonding where if the person who received the proceeds did not pay it, it would fall on the residents of the City. He indicated the Council was comfortable with that, but what they were concerned about was the impact that it would have on the School District and a possible school tax levy on the citizens of East Bethel.

Larson stated the Council had three recommendations in front of them and he recommended even if they decided not to vote on those recommendations to at least center their discussion. He suggested they make a motion on one of those recommendations for seconding at which point they would have an action item in front of them to discuss.

Lewis asked if tabling this would be the way to go. Larson responded they could also table this to the next City Council meeting as well.

Mundle stated I'll make a motion to approve recommendation number one, approve the Conduit Bond Financing and adopt Resolution 2023-40 as exhibited in Attachment 1 to Council's packet and documents related thereto as exhibited in Attachments 2-5 to Council's packet. DeRoche stated I'll second. Lewis asked any discussion?

Lewis stated that was what they were wrestling with because it seemed that if they help on one hand, they hurt on the other.

Mundle asked if the City could legally stop Nexus from coming into the City if Nexus chose to purchase the building. Larson responded the City could not stop anyone from purchasing real property as well as the facilities on it.

Larson understood Mundle was inferring if the City could engage in stopping the use of the building by Nexus for their intended purpose. He indicated that particular question had not been posed to him specifically, but at this juncture, he was not aware of any way the City could do that. He noted for all of the reasons indicated, this was actually the jurisdiction of the State with respect to oversight and use of the property as it fit within the zoning and within the CUP.

Lewis noted for clarification the Conditional Use Permit, which was granted to Cambia Hills and to this property was not attached to a particular person, but rather it was attached to the property by a previous City Council. He noted when the property was sold or transferred, the CUP traveled with it. Larson stated Lewis was correct and the CUP ran with the land, both to ensure the City was able to enforce it and the successors and interests were basically purchasers down the road would have the benefit of the CUP as well as the conditions that applied to it.

Mundle stated they had now established that Nexus could purchase the property and Nexus could run their facility with the CUP. Larson responded that was correct on both counts.

Mundle noted all they were really discussing here was the conduit bond. Lewis noted there was also the PILOT Agreement.

Lewis stated that was what Miller, Dr. Murray, Ms. Vimont, and himself had talked about. He indicated they had met and they discussed that they would need a little bit of time to drill down the details in the CUP, the PILOT agreement, and the financing documents that identified the loan origination fee. He indicated those needed to be resolved before they had this vote.

Larson indicated what was before the Council was the conduit bond financing with the understanding that pursuant to the CUP, Nexus would have to enter into a PILOT Agreement, regardless of the vote on this with the City, and that was one of the conditions on that CUP.

Mundle stated he didn't understand why they could not approve the conduit bond tonight because they will be discussing the rest of the details at a future time. DeRoche noted in the past there were decisions made when all of the facts were not in.

Mundle stated they need to make a decision to approve this or not. DeRoche indicated they had the numbers, but he did not think they knew all of the facts and he did not feel comfortable voting on something that he was not up to speed on.

Mundle asked if the other Councilmembers were up to speed on this yet. Smith responded if they approved this conduit bond, what happened if everything fell apart and the City needed the conduit bonding.

Mundle asked if the City would need the conduit bonding. Smith responded they would if they voted on that and if they approved this and the entire deal fell apart and they would still have the conduit bond to operate all they wish. He asked if that was how it worked.

Mundle stated he did not understand Smith's question and asked him to restate it. Smith stated if they approved the conduit bond and all of a sudden everything went the other way, where they are not going to approve Nexus, then they still get the conduit bond. And they can operate all they want anyways, without them because they approved their financing.

Mundle noted they could not deny Nexus from operating. Smith stated if something "went south the other way", they already approved the financing for Nexus to move forward.

Mundle assumed the financing was contingent on Nexus moving forward. Smith indicated they assumed that, but they did not know that.

Mundle stated that could be a question that was posed. Smith asked where would it be posed. Mundle responded this could be answered by the conduit bond people.

Smith stated Mundle could ask them that. Mundle responded it was Smith's question.

Smith asked if they were in attendance at the meeting. Davis responded no, they were not since there was notification that there would be no vote that they would be at the next meeting when there was a vote. He noted the issue with the PILOT program was the condition of the operation of the facility. He indicated to him, without that they were in non-compliance with it. He noted the payment that they would give the City for participation in the program was something that could be worked out, it could be a condition of it. He believed if Nexus was willing to wait a month, then this would give them time to work out these details.

Lewis called the question.

Larson stated if Council wanted, they could have a motion to table which could be heard first, and if that passed, then they wouldn't reach the underlying motion just as it was done 2 weeks ago.

Mundle stated I'll make a motion to table this item. DeRoche stated I'll second. Lewis asked any discussion? To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

Davis stated his next question to Nexus was if they were ready to iron out these details, especially for the PILOT program and the participation fee to have everything ready for the Council meeting on July 10 or July 24. He indicated the sooner the better.

Larson noted he was on vacation on July 24 so there would be someone else in attendance at the meeting in his place. DeRoche stated this would probably be better to have it on the July 10th as Larson knew all of the information.

Davis stated this could be addressed again on the July 10th. Smith stated as long as they got their questions answered, he had no problem with that.

Lewis asked Miller his thoughts. Miller stated he believed it was the right thing to do. He noted they do not have the answers to a lot of the questions yet, and Nexus agreed to get them the answers. He stated the City does not want to see a failure again and he believed they should take their time. He noted he had a few questions he wanted to ask about the taxes when it comes to the payment of what was owed the City from Cambia Hills, but that could be answered at another time. He agreed they should do this at the July 10, 2023 Council meeting.

DeRoche asked if the motion needed to be amended to add the July 10th date. Larson responded they could, or they would leave it up to the City Administrator to put this on the July 10th or the 24th agenda, whenever all of the parties were ready.

Larson recommended the motion to table this be amended until July 10, 2023. Mundle noted a vote was already taken on the motion to table.

Larson stated if the motion had already passed, then they had an inappropriate discussion. Lewis stated he didn't want to correct it.

Larson stated if this has been decided, then the City Administrator could put it on the agenda when it was ready with July 10th being the goal.

4.0 D 2023 Booster Day Event Presentation

Stephanie Dorn, East Bethel Booster Day Coordinator, summarized the plans for Booster Days on July 15, 2021 which would include a pancake breakfast, bake sale at the Senior Center, bingo, cornhole tournament, a car show, bounce house, siding and inflatable obstacle course, vendors, the County Library, live music, parade, and a petting zoo. She indicated the East Bethel Bandits baseball team would also be playing a baseball game. She thanked the Committee, the City, and businesses and residents who helped plan and sponsor the event. She invited the Councilmembers to participate in the parade. She indicated they needed volunteers for the day of the event and if anyone was interested in helping to go to their website for information.

Miller noted last year Route 65 also sponsored the plaques for the car show. Ms. Dorn responded she believed they would be doing that again this year.

Informational; no action required.

4.0 E Anoka County Sheriff's Report

Lieutenant Derek Peters presented the May 2023, Sheriff's Report, stating the Sheriff's Department responded to 485 calls for service including 3 burglaries, 8 thefts, 4 assaults, 2 damage to property, 2 PI accidents, 18 PD accident, 61 medical, 30 animal complaint, 14 alarms, 4 felony arrests, 2 gross misdemeanor arrests, 5 misdemeanor arrests, 3 domestic arrests, 3 warrant arrests, 111 traffic stops, and 19 traffic arrests.

Mundle asked with the cannabis legalization coming up, what was the Sheriff's Department stance on that, what was being done differently, and how would they be adjusting. Lieutenant Peters responded it was new to them as it was to the City and they had a training that was put on by their drug task force. He indicated several weeks ago, the State had come up with some pretty clear

guidelines they would be following. He stated this would be a learning experience for them, but the City could be assured they would be on top of it.

Informational; no action required.

4.0 F Fire Department Monthly Report

Fire Chief Sanow presented the May 2023 report and noted that they responded to 82 calls, of which 64 were medicals, 2 crashes, 5 alarms, 5 burning/smoke, 3 other, 1 fire, and 2 mutual aid. He asked the residents check and check their gutters for pine needles as embers could land in roofs or gutters and start the pine needles on fire. He noted they were checking every day with the DNR about open burning due to the air quality. He indicated recreational fires were allowed.

Sanow asked the residents to be careful with their fireworks and reminded the residents of the Minnesota law regarding fireworks.

Sanow reminded people when they are outside in the heat to take time to cool down and drink water and if they started feeling nauseous to call 911.

Mundle inquired what the fire danger was now. Fire Chief Sanow responded he believed it was still extremely high.

Informational; no action required.

4.0 G Public Hearing: Ordinance Amendments to Chapter 2, Section 424

Davis stated the City Council reviewed the Community Development Director position at the April 3rd and June 5th Work Meetings.

Davis noted at the June 5th Work Meeting, it was discussed that if there is to be but one full-time person responsible for all the land use, planning and business development for the City, the Community Development Director position is more appropriate for addressing issues of a developing city than that of a City Planner. Existing growth pressures require a higher degree of involvement and attention to prevent unintended or secondary consequences of developmental decisions. Demands on cities that are on a major highway in the metro area are more extensive than those municipalities that are not in areas that are becoming prime locations for development, only require minimal services and have no city utilities.

Davis stated the consensus of Council was that it is on-board with keeping and staffing the Community Development Director position and City Council is requested to consider amending the current ordinance to reflect the proposed changes as exhibited in Attachment 1 to Council's packet.

Davis indicated staff was requesting that Council hold a public hearing to discuss revisions to the ordinance as exhibited in Attachment 1 to Council's packet, and consider approving those changes to City Ordinance, Chapter 2, Article VI, Division 6, Community Development Department.

Lewis stated with legal counsel's advice, he had a meeting this week on this matter and he wanted to table this until the next Council meeting.

Larson stated because the public hearing had been noticed, Council had to hold the public hearing. He noted Council had two options – they could either close the public hearing and table the actual action until later, or they could continue the public hearing so that if others wanted to speak at the next hearing they could. He noted they could continue the public hearing and once that passed, they could table the matter also.

Mundle asked if the public hearing was continued, would the public hearing need to be renoticed. Larson responded it would not need to be renoticed.

Lewis opened the public hearing at 8:21 p.m.

Lewis noted nobody had come forward to make comment and asked if the hearing should be closed. Larson responded he should not close the public hearing and it should be continued to July 10, 2023.

DeRoche stated I'll make a motion to continue the public hearing to July 10, 2023. Miller stated I'll second. Lewis asked any discussion? To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

5.0 Public Forum

Darren Leidall, 156 Colleen Street, stated the City Council "had egg on their face tonight" by appointing DeRoche as a Councilmember. He indicated the Council had appointed somebody that had a history of harassing his neighbors and he had an Affidavit signed by the people who had lived at his residence in the past. He requested DeRoche resign from the Council as well as Lewis.

Larson stated the Mayor was the chair of the Public Forum and he had put a pause on Mr. Leidall's public comments. He stated as a resident Mr. Leidall had the right to speak at the Public Forum as long as he did not engage in any uncivil conduct, statement, or personal invective. He stated as long as Mr. Leidall understood that and he stuck with his options and the facts and did not make it overtly personal, he could proceed.

Mr. Leidall stated he had a signed affidavit from Steven and Janelle, who lived next to DeRoche from 2003 to 2008. He indicated they had to move because DeRoche harassed them. He indicated this had gone to Court and a restraining order against DeRoche was obtained. He stated after he got the restraining order, Lewis had written a letter to the Judge saying he had known DeRoche for 24 years. He indicated DeRoche was a friend of Lewis's and now they have got a "Good Ol' Boy's Club" going on again. He indicated he had a video where Lewis was snowblowing and DeRoche was there, so he did not know if Lewis was lying about snowblowing or if he was lying.

Lewis asked if he was allowed to speak. Larson advised to let Mr. Leidall continue but told Mr. Leidall that calling people liars was not appropriate and he needed to stick to the facts and that was not a factual statement. He indicated personal invective was not permissible in a public forum.

Mr. Leidall presented a letter, which he believed to be the truth. He again requested DeRoche resign from the Council. He indicated DeRoche was the wrong choice. He noted he had several discussions with Davis and he had seen him at DeRoche's home several times as well as Smith at DeRoche's home also. He stated it was the "Good Ol' Boy's Club" going on again. Mr. Leidall asked what did Lewis say when he ran for election – that he did not want the "Good Ol' Boy's Club".

Lewis stated he had never said anything about the "Good Ol' Boy's Club."

Mr. Leidall stated there were a lot of other choices out there for Council and DeRoche was not the right choice. He stated he had an attorney on retainer and anyone who had been harassed by DeRoche, his attorney would like to talk to them.

6.0 Consent Agenda

~~Item A: Approve Bills~~

Item B: Approve Meeting Minutes June 5, 2023 City Council Work Meeting

Item C: Approve Meeting Minutes, June 12, 2023 City Council Meeting

Item D: Res. 2023-49, Check Signatory Approvals

~~Item E: Approve Hire of Community Development Director~~

~~Item F: Acceptance of MN Department of Public Safety Grant~~

Item G: Res. 2023-50, Withdraw from SRWMO JPA and intent to form new JPA

Item H: Playground Equipment Purchase – Whispering Oaks Park

Item F: Replacement Fencing – Maynard Peterson Park

DeRoche stated I'll make a motion to approve the Consent Agenda. Smith stated I'll second. Lewis asked any discussion?

Smith requested to pull Items A and F. Miller requested to pull Item A. Smith requested to pull Item E.

DeRoche stated he would be recusing on the Minutes because he was not at the meetings. Larson noted he did not need to recuse himself. DeRoche stated since he was not at the meetings, he wanted to recuse himself from the whole Consent Agenda. Larson responded if he wanted to do that, that was okay.

To the motion, all in favor say aye. **Smith, Miller, and Lewis.** Lewis asked any opposed? **DeRoche recused himself on the entire Consent Agenda vote. Mundle stated he was abstaining from vote on the Item A Bill List.** That motion passes. **Motion passes 3-0-2 (DeRoche, Mundle).**

6.0 A Approve Bills

Smith asked on page 56, Hokanson Anderson, was this over and above what they hired for engineer work. Davis responded these were project-related activities that related to the overlay project for the three they had scheduled for this year and were paid through either escrow accounts, street capital funds, or municipal state aid funds.

Smith asked if the City got reimbursed for any of this. Davis responded they were not paid directly from the budget; they were paid from no specific funds, which were a part of the budget and then they would get the money back.

Smith inquired about Gary Johnson for \$19,000. Davis responded that was for a septic escrow. He indicated the escrow was 150% of the estimated cost and now that Mr. Johnson had completed his septic system repairs, he would get his escrow deposit back.

Smith inquired about the legal fees on Page 57 for \$48 and \$2,288. Davis responded the \$48 was a charge for Prairie Hill Subdivision, which came out of an escrow fund. The \$2,288 was the normal general legal matters for the past month for things like phone calls, emails, discussions on projects, questions relating to a lot of the topics they discuss which are referred to the City Attorney for his opinion.

Smith inquired about on Page 58, Ehlers \$1,950, and \$910 professional TIF fees. Davis explained the TIF's were for the qualifications for TIF assistance and it was part of the requirements they had to have that they evaluate that to see if the person receiving it qualified for all that, and that was the East Bethel Village Apartments. He indicated it was part of the project cost that was paid for and they would get 10% of the TIF monies to cover the City's administrative costs.

Smith asked if they would get some of that back. Davis responded they got 10 percent.

Miller and Lewis stated that their questions were covered.

Smith stated I'll make a motion to approve Item A of the Consent Agenda. Miller stated I'll second. Lewis asked any discussion? To the motion, all in favor say aye. **Miller, Smith, DeRoche, and Lewis.** Lewis asked any opposed? **Mundle abstained.** That motion passes. **Motion passes 4-0-1 (Mundle).**

6.0 E Approve Hire of Community Development Director

Smith noted since the Ordinance change was tabled, he believed this should be tabled also.

Smith stated I'll make a motion to table Item E of the Consent Agenda. DeRoche stated I'll second. Lewis asked any discussion? To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

6.0 F Acceptance of MN Department of Public Safety Grant

Smith stated he was not familiar with this grant. He asked how it worked. Davis responded that would be the grant amount and the City would have to pay a matching amount of \$2,400.

Smith asked how did they proceed with this and was there an estimate on the entire cost to do this. Fire Chief Sanow responded the cost would be a maximum of \$2,400. He indicated this was a piece of equipment that was used to wash turnout gear. He indicated he understood in the State of Minnesota that the State Fire Marshal was pushing this forward very fast, because cancer killed firefighters and it was important to get all of the gear washed as soon as possible. With respect to the piece of equipment that was ordered, he stated it used standard plumbing with a standard plug in and would most likely fit in where they had the washing machine at Station 2.

Smith stated he thought they had one of them running right now. Fire Chief Sanow responded they had a regular washing machine. He noted they have this equipped at Station One where it was capable of washing one set of gear at a time. He noted when they have all of the firefighters go into fires, they needed to wash all of the gear so they had a backlog. He indicated this was for one machine, which cost approximately \$6,100 plus installation. He noted all they had to do was match 25 percent of the cost. He noted they had received the grant, but the grant could not exceed \$7,000.

Smith stated I'll make a motion to approve Item F of the Consent Agenda. Mundle stated I'll second. Lewis asked any discussion? To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

7.0 New Business. Commission, Association, and Task Force Reports**7.0 A Planning Commission****7.0 A.1 Public Hearing: Zoning, Appendix A; Section 24 – Exterior Storage**

Davis stated at their April 3rd, 2023 meeting the City Council requested that staff review proposed ordinance amendments to Appendix A – Section 24. Exterior Storage. After a staff review the proposed changes were forwarded to Planning Commission for review, public hearing and a recommendation based on the discussion.

Davis indicated at the April 25, 2023 Planning Commission Meeting, a public hearing was held where there were no public comments received. Some informal comments were compiled from the Commissioners however there was no formal recommendation. At the May 8, 2023 City Council meeting, the informal comments were presented along with a staff recommended that it be returned to the Planning Commission for further discussion and formal recommendation. At the May 23, 2023 Planning Commission Meeting, a more in-depth discussion was held on the proposed amendments and a formal recommendation was approved unanimously by the members.

Davis indicated staff was requesting City Council hold a public hearing and consider approve the Planning Commissions formal recommendation to amend Appendix A – Section 24. Exterior Storage.

Lewis opened the public hearing at 8:40 p.m.

There were no comments.

Lewis closed the public hearing at 8:40 p.m.

DeRoche stated I'll make a motion to amend Appendix A – Section 24. Exterior Storage. Miller stated I'll second. Lewis asked any discussion? To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

7.0 B Economic Development Authority

None.

7.0 C Park Commission

None.

8.0 Department Reports

8.0 A Community Development

None.

8.0 B Engineer Report

None.

8.0 C City Attorney

8.0 C.1 Cannabis Report Update

Larson presented his report stating the 2023 Minnesota Legislature passed cannabis legislation legalizing the use and possession of cannabis in the State of Minnesota effective August 1, 2023.

Larson indicated the following was a summary introduction of the cannabis law and some of the issues municipalities, such as the City of East Bethel, should address as a result. He noted this Memorandum was focused on the cannabis legislation's civil impacts for cities and did not address criminal/prosecution issues, which were being addressed by law enforcement and prosecutors.

Larson stated the new cannabis legislation legalized the possession, use, manufacturing, and sale of certain cannabis products within the State. It establishes the Office of Cannabis Management (OCM), which was charged with, among other things, enforcing an organized system of regulation for the cannabis industry and the hemp consumer industry.

Larson noted possession, use, and home growth under this new law would be legal beginning August 1, 2023, and legal sales were expected to begin sometime in January of 2025. This law allowed a person of 21 years of age or older to:

- Use, possess, or transport cannabis paraphernalia.
- Possess 2 ounces or less of cannabis flower in a public place.
- Possess 2 pounds or less of cannabis flower in a person's residence.
- Possess or transport 8 grams or less of adult-use cannabis concentrate.
- Possess or transport edible products infused with a total of 800 milligrams or less of tetrahydrocannabinol.
- Give away cannabis flower and products in an amount that is legal for a person to possess in public.

Larson noted the law authorized an individual to use adult-use cannabis flower and adult-use cannabis products:

- In a private residence including the individual's curtilage or yard.
- On private property unless the owner of the property prohibits the use of the products.
- On the premises of an establishment or event licensed to permit on-site consumption.

Larson stated cannabis would not be able to be sold until the Office of Cannabis Management (OCM) was established and able to issue licenses, with the projected timeline being January 2025 for when sales would be live to the public.

Larson indicated before beginning sales, a cannabis retailer must obtain a local retail registration. However, the OCM would forward applications to cities for them to certify whether the proposed cannabis business complied with local zoning ordinance and, if applicable, whether the proposed business complied with the State Fire and Building Code. The OCM may not issue a license to a cannabis business that does not meet local zoning and land use laws.

Larson stated a city possesses zoning and land use controls through which the city may limit the cannabis business' location and the number of cannabis businesses in the city. In short, cities were allowed to adopt reasonable restrictions on the time, place, and manner of the operations of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses. Cities may prohibit the operations of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that was regularly used by minors, including a playground or athletic field. The OCM would develop model ordinances for reasonable restrictions on the time, place, and manner of a cannabis business.

Larson indicated as the State and cities were evaluating the impacts and how to administrate given the new cannabis law, cities may adopt an interim moratorium prohibiting the sale, manufacturing, or distribution of adult-use cannabis. The interim moratorium may not extend beyond January 1, 2025.

Larson stated the interim moratorium ordinance would authorize:

- A zoning and land use study to be conducted; and
- At the completion of the study that the city schedule a public hearing for the purpose of considering adoption or amendment of reasonable restriction on the time, place, and manner of the operation of a cannabis business as defined in the new law.

Larson noted before adopting an interim ordinance, the City must hold a public hearing on the moratorium ordinance. The interim moratorium ordinance may be in place until January 1, 2025. The authority for an extended moratorium does not apply to the sale or production of low-potency hemp edible products.

Larson stated the purpose of an Interim Moratorium Ordinance was to study and assess, and, thereafter, adopt reasonable time, place, and manner city ordinances that are reasonable for the City of East Bethel pertaining the operations of cannabis businesses.

Larson recommended that the East Bethel City Council pass a motion authorizing staff to begin the process of implementing an Interim Moratorium Ordinance, including noticing, and scheduling a public hearing, in order to consider the adoption of an Interim Moratorium Ordinance to be heard in August or as soon as practical thereafter.

Davis asked what would be the final date for adoption of this. Larson responded that this was authorizing staff to essentially move forward to a public hearing in August. He noted he suspected by the first Council meeting date in August. And hopefully then they could act for a moratorium that would take effect immediately.

Mundle stated I'll make a motion authorizing staff to begin the process of implementing an Interim Moratorium Ordinance, including noticing, and scheduling a public hearing, in order to consider the adoption of an Interim Moratorium Ordinance to be heard in August. DeRoche stated I'll second. Lewis asked any discussion?

Smith stated the way he saw it, the State jumped into this with no regulations on anything. And now, when he listened to what the City Attorney said happened, they started putting things together for the City and the State finally came out with rules saying they could not do that, so then they have to change everything again. He indicated they were starting to get ready for something that they did not even know what was going to happen with it and how did that benefit them. Larson responded it was just the opposite. He noted the purpose of the moratorium was that nobody could expect from basically August all of the way to January 1, 2025 that there would be any lawful retail sales of cannabis in the City of East Bethel. He indicated the moratorium was there for the reason to find out what the Office of Cannabis Management was going to do.

Larson noted the Office of Cannabis Management was legislated to put together regulations and guidelines for the City, as well as put together model zoning ordinances for the City to consider. He indicated they are legislated to essentially help guide the City in the City's registration process, but that office was being formed in July. He stated he was confident that staff and the City Administrator would not bring something before the Council until there was sufficient informational and a foundational basis was in place.

Smith stated he did not want to waste time on something that might not be.

To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

8.0 D Finance

None.

8.0 E Public Works

None.

8.0 F Fire Department

None.

8.0 G City Administrator Report

8.0 G.1 July Work Meeting Agenda

Davis Council's monthly Work Meeting was scheduled for July 3. However, he had some requests to change the date to July 5 to avoid the 4th of July holiday. He recommended the Council not only set the agenda, but also consider changing the date of the work meeting from July 3rd to the July 5th.

Davis indicated the agenda items for the Work Meeting would be the 2020 preliminary budget discussion and a discussion of Cedarwood, plus any items Council wanted to discuss.

DeRoche stated I'll make a motion to move the Work Meeting to July 5 and approve the Council Work Meeting Agenda as presented. Mundle stated I'll second. Lewis asked any discussion? To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

8.0 G.2 Commission Committee Appointments

Lewis stated former Mayor Harrington was a member of several committees. He recommended DeRoche to replace Harrington as Council liaison on the Planning Commission. He indicated because he had to deal with the EDA Commission, he needed a replacement on the Personnel Committee.

Mundle stated he would like to be on the Personnel Committee and also the Sunrise WMO.

Lewis asked if anyone wanted to be on the Finance Committee and the Sandhill Crain Committee. Davis noted the Sunrise Crain Committee met on an as needed basis and the last meeting was seven years ago. Lewis stated Smith would take the Sandhill Crain Committee.

Lewis asked who wanted to be on the Booster Days Committee. Miller stated he would be on the Booster Days Committee.

DeRoche stated I'll make a motion to approve the Committee appointments.

Lewis summarized the Planning Commission liaison would be DeRoche. Mundle would be on the Personnel Committee. For the Finance Committee, DeRoche would take that position. Smith would be on the Sandhill Crane Committee. Miller would be on the Booster Day Committee. Mundle will be on the Sunrise WMO with Davis. Lewis would be on the EDA.

DeRoche withdrew his motion.

DeRoche stated I'll make a motion to approve the Committee appointments as read. Smith stated I'll second. Lewis asked any discussion? To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

9.0 Other Items

Lewis stated there would be a dedication at the Maynard Peterson Field and the Minnesota Smoke for ages 14 and under would be playing at the field on Wednesday at 6 p.m.

9.0 A Staff Report

Davis stated the pre-construction conference for the University Avenue reconstruction project would be on July 6, 2023. He noted that would be when the two cities and their engineers would meet with the contractor to go over any questions on the plans and specifications and where they will get the official notice of the start date.

9.0 B Council Reports

Mundle stated there was an EDA meeting on June 20, 2023 where there was a discussion on the Business Retention and Expansion Program. They also had a discussion on the City Communication Survey report.

Miller stated he would be attending tomorrow's committee meeting.

Smith stated he had no report.

DeRoche stated he had no report.

Lewis stated he had no report.

9.0 C Other

None.

10.0 Adjourn

Mundle stated I'll make a motion to adjourn. Smith stated I'll second. To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

Meeting adjourned at 9:09 PM.

Submitted by:

Kathy Altman

TimeSaver Off Site Secretarial, Inc.