

**City of Crosby
Council Meeting
Monday, September 25, 2023
6:00 p.m.**

Pursuant to due call and notice thereof, the Regular Meeting of the Crosby City Council was held on Monday, September 25, 2023, at 6:00 p.m.

Members Present: Mayor Cash; Council Members Traylor, Lewis and Jarvela

Members Absent: Member Heglund

Staff Present: Matthew Hill, Administrator Clerk Treasurer; Dianne Howard, Administrative Assistant; Scott Sadusky, Building Inspector; Phil Martin, City Engineer; Planning and Zoning Administrator, Brittney Cotner

1. Call Regular Meeting to Order

Mayor Cash called the meeting of Crosby City Council to order at 6:00 p.m.

2. Pledge of Allegiance

Mayor Cash led with the Pledge of Allegiance

3. Approval of the Agenda with an addition and correction to New Business, Item G., Resolution #2023-19-0925 Certifying The 2024 Preliminary Levy was added after erroneously being omitted from the packet.

MOTION BY MEMBER TRAYLOR AND SECONDED BY MEMBER JARVELA TO APPROVE THE AGENDA AS PRESENTED WITH ADDITION AND CORRECTION TO NEW BUSINESS, ITEM G., RESOLUTION #2023-19-0925 CERTIFYING THE 2024 PRELIMINARY LEVY WAS ADDED AFTER ERRONEOUSLY BEING OMITTED FROM THE PACKET.

A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH; MEMBERS TRAYLOR, LEWIS AND JARVELA. THOSE VOTING NAY: NONE. MOTION CARRIED.

4. Consent Agenda

- A. Approval of Minutes from September 11, 2023, Regular Meeting
- B. Approval of Minutes from September 14, 2023, Workshop
- C. Approval of Minutes from September 18, 2023, Special Council Meeting
- D. Approval of Claims

MOTION BY MEMBER LEWIS AND SECONDED BY MEMBER JARVELA TO APPROVE THE CONSENT AGENDA.

A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH; MEMBERS TRAYLOR, LEWIS AND JARVELA. THOSE VOTING NAY: NONE. MOTION CARRIED.

5. **Public Comments: None.**
6. **Unfinished Business: None.**
7. **New Business**

- A. Consider approval of Renewal of 2 a.m. License/Permit for Trailside Tavern—Administrator Hill

Administrator Hill explained that this renewal would typically go under the Consent Agenda but because of the connection to Council Member Lewis, it was put into New Business so he could recuse himself. Administrator Hill said that this is a normal renewal of a 2:00 a.m. License/Permit.

MOTION BY MEMBER TRAYLOR AND SECONDED BY MEMBER JARVELA TO APPROVE RENEWAL OF 2:00 A.M. LICENSE/PERMIT FOR TRAILSIDE TAVERN.

A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH; MEMBERS TRAYLOR AND JARVELA. MEMBER LEWIS RECUSED HIMSELF. THOSE VOTING NAY: NONE. MOTION CARRIED.

- B. Consider approval of Fire Department request to purchase new wall lockers and rescue ropes and bags—Administrator Hill

The Fire Department requests the purchase of new lockers in the Fire Hall to accommodate the new turnout gear and to better fit in the allowed area within the facility. The leadership team at the Fire Department requested quotes for the lockers and Dinges Fire Company were the lowest quote of the three submitted at \$9725.00. Funds will come from their donations account.

MOTION BY MEMBER TRAYLOR AND SECONDED BY MEMBER LEWIS TO APPROVE FIRE DEPARTMENT REQUEST TO PURCHASE NEW WALL LOCKERS AND RESCUE ROPES AND BAGS.

A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH; MEMBERS TRAYLOR AND LEWIS. MEMBER JARVELA RECUSED HIMSELF. THOSE VOTING NAY: NONE. MOTION CARRIED.

- C. Consider acceptance of Resolution 2023-18-0925 receiving the Feasibility Report and setting the date for the public hearing--City Engineer, Phil Martin

The City Administrator reported that the City Council held a workshop with the City Engineer to learn more about the 1st and 2nd Street South Improvement Project and to provide direction to the City Engineer as to how they would like to proceed. The Council had a discussion about utilities being a priority over the surface work and requested that the work be separated into three phases:

1. The 2 alleys are between Main Street and First Street, and First Street and Second Street.
2. First Street from 3rd Avenue W. to 1st Avenue E. and Second Street from Cross Avenue to the end to the East.
3. Non-PFA funded surface work on First and Second Street S. and 1st Street N.

The Council requested that Mr. Martin prepare a feasibility report for the two alleys and present it to the City Council at tonight's meeting so the notices can be mailed and posted and then hold the assessment hearing at the 2nd Council meeting of October 2023. Hopefully this will get the project out to bid January-February 2024 so it can be done within that same year.

Feasibility Report, Engineer Martin: The process for 429, if we intend to assess any portion of this project, is that we do a Feasibility Report that meets certain requirements or standards, the council accepts that Feasibility Report and then they schedule an improvement hearing. During the improvement hearing, an idea of what a preliminary assessment could be for property owners as well as what the project will entail is provided before a Council vote. Engineer Martin stated in this case, the City Council directed Bolton and Menk to only look at the alleys, which only have pavement. Pavement improvements on these alleys will be assessed per City policy. The Feasibility Report looks at replacing water, sanitary sewer, and pavement in the alleys north of 1st Street, north of 2nd Street, between 3rd and 3rd, and in those alleys that either have pavement and some that do not. They will look at what the existing conditions are. There is storm sewer in a couple segments north of 1st Street that will have to be checked to make sure that they are draining properly, and include them, if necessary, in the project cost. There are also some private utilities in some alleys that will have to be coordinated as well. Essentially, they will be replacing the 12 ft. wide paved alleys. Some households may have storm sewer and we will make sure that those are drained properly, and we will include those, if necessary, in the project cost. Other properties may have private utilities that we may have to coordinate with. This would be a \$3,006,320.25 project, \$215,148 of which will be assessable. A preliminary assessment amount is figured for each property; this amount comes to

\$27.97 per foot along the property. If a property has greater square footage, their fees will go up. Mayor Cash inquired if the \$27.97 per foot would be on both sides of the alley. Engineer Martin stated yes; then reiterated that the bottom line is if we accept this report, we are talking about a \$3 million dollar project. He clarified that this information will be provided to the public at the assessment hearing, and public questions will be addressed at that time. Administrator Hill inquired since we know we are utilizing PFA funding, will that cover a portion of the surface work when there is work to be done underneath? Engineer Martin stated that is correct. If it is 10 ft. above whatever the utility is, (and we have water and sewer 10 ft. apart), conceivably we could have a 20 ft patch that PFA would include in their funding package. With the alley project, Engineer Martin understands that there is one segment of alley that would not fall under these funding requirements and that is because the City replaced those utilities sometime in the early 2000's. All of the other alleys should qualify. Mayor Cash wanted to clarify that the PFA interest rate is good. Engineer Martin stated that it should be lower by a number of points than what we could currently get on the market. Mayor Cash stated that we have the possibility of a grant as well but that it is too soon to tell. Engineer Martin said that is correct. We would have to wait until we bid the project, which should be around March 2024 or so. In the next couple of weeks, the formal PFA funding list will be announced. After that, the City would have a 6 month window to have our plans certified by the Department of Health, MN Pollution Control Agency and to get our application into PFA so they can start to work on what our funding package would be. Mayor Cash asked if this would have to be done for each phase separately or could it be done for the entire project. Engineer Martin said part of the work has been done already but it would have to be updated and we will still have some work to do. Member Lewis asked if we would be tying into the alley that will not be assessed. Engineer Martin confirmed that we will be. The project details of this alley will be determined by whether or not the storm sewer has to be replaced. If it does not, then it will be a mill and overlay; however, Engineer Martin said there appears to be some problems with this area. Mayor Cash said there appears to be a lot of unknowns yet. Engineer Martin confirmed that and that this is preliminary. Mayor Cash asked if the width of alley changing. Engineer Martin said no it is not as there is no room. Engineer Martin said his two biggest concerns are the presence of private utilities that might create delays; and that a lot of ppl have no clue that we are planning on digging up commercial alleys downtown. We need to get that out to the public as that will be very disruptive. Ms. Peeples stated that a lot of businesses use the alleys for deliveries. Mayor Cash said with the risk of utility lines that are in danger of breaking due to being very old, we must do something. Engineer Martin stated that we will have to hammer out the details of this project as we go if the city decides to go forward with this project. Administrator Hill said that communication will be the key. Member Traylor wanted clarification on the mill and overlay on the block previously discussed and

whether or not half will need storm sewer. Engineer Martin stated if we can do the mill and overlay and patch to get the drainage that we need, that is what we will do. We will know more during design. Administrator Hill confirmed the motion details, the cost of the proposed project--\$3,006,320.25 and the public hearing for this improvement on October 23rd at 6:00 p.m. here at the Council Chambers.

MOTION BY MEMBER LEWIS AND SECONDED BY MAYOR CASH TO APPROVE ACCEPTANCE OF RESOLUTION 2023-18-0925 RECEIVING THE FEASIBILITY REPORT AND SETTING THE DATE FOR THE PUBLIC HEARING.

A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH; MEMBERS TRAYLOR, LEWIS AND JARVELA. THOSE VOTING NAY: NONE. MOTION CARRIED.

- D. Consider approval of Master Services Agreement with Xtona for approved work at the Hallett Community Center IT upgrades and services. —Administrator Hill The City Council approved the IT upgrades for the Hallett Community Center at the last meeting. This agreement covers the accompanying contract for that work. They are hoping to start as soon as possible and will potentially have the work completed in a month. Administrator Hill reiterated that financing and action for the project had previously been approved by Council. What is being proposed for approval this evening is the contract between Xtona and the City, which provides the details of the repairs.

MOTION BY MEMBER TRAYLOR AND SECONDED BY MEMBER JARVELA TO APPROVE THE MASTER SERVICES AGREEMENT WITH XTONA FOR APPROVED WORK AT THE HALLETT COMMUNITY CENTER IT UPGRADES AND SERVICES.

A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH; MEMBERS TRAYLOR, LEWIS AND JARVELA. THOSE VOTING NAY: NONE. MOTION CARRIED.

- E. Consider approval of Conditional Use Permit 23-6 to allow for a barbershop within the B-1 District—Planning Administrator Brittney Cotner The Planning Commission reviewed and recommended that the City Council approve Conditional Use Permit 23-6 to allow for the operation of a barbershop within the B-1 zoning district. The subject property is located at 101 Main Street W., PID 11120619. There is no expansion or exterior construction planned on the property. There were no conditions placed on the request as it is a reasonable change of use. No concerns around noise, vibration, access, fumes, etc. were identified within the public hearing.

Member Traylor inquired about signage. Planning Administrator Cotner stated that there will not be any external expansion or changes other than a barber pole and a window. Member Lewis inquired if this business would be in the front or the rear of the building. Planning Administrator Cotner confirmed the barbershop would be located in the rear of the building.

MOTION BY MEMBER LEWIS AND SECONDED BY MEMBER TRAYLOR TO APPROVE CONDITIONAL USE PERMIT 23-6 TO ALLOW FOR A BARBERSHOP WITHIN THE B-1 DISTRICT. A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH; MEMBERS TRAYLOR, LEWIS AND JARVELA. THOSE VOTING NAY: NONE. MOTION CARRIED.

- F. Consider approval of Ordinance 2023-04 amending Chapter 154-035 Land Use Categories Chart of the Crosby City Code to allow for service-based uses—
Planning Administrator, Brittney Cotner

The Planning Commission reviewed and recommended that the City Council approve an ordinance amendment allowing for service-based businesses within the B-1 and B-2 Districts. The current ordinance requires these types of uses to obtain a Conditional Use Permit under the “Commercial Use Other, Not Classified” classification of the same chart (154.035). This modification will allow for a streamlined process for these types of uses that typically will not require any construction or reasonable conditions to be placed on them which would require a Conditional Use Permit and subsequent public hearing.

Planning Administrator Cotner said that there have been quite a few calls over the past year about these service-based type businesses. Planning Administrator Cotner feels that a lot of them have not come to fruition because they are currently categorized as commercial non-specified, which is only allowed by a conditional use permit. The reason she wants to add this line to the Land Use Categories Chart is to provide less complicated options for the addition of logical business uses, such as tax preparation, legal services, dog grooming, barbershops, etc. in the B-1 and B-2 Business Districts. Member Traylor asked if there was going to be a definition for service-based businesses as well as a list of every business that is allowed in these districts. Planning Administrator Cotner stated, no there would not be a list, but instead a definition that states: A business that provides a skilled service in lieu of a physical product. This type of business serves limited numbers of customers at a time including but not limited to hair stylists/barbers, legal offices, tax preparation, dog grooming and the like... Member Traylor inquired if they would be allowed to sell products. Planning Administrator Cotner clarified that yes, retail would be permitted as an accessory use. Mayor Cash and Member Traylor both had some concerns about service-based business versus a professional business and if we would be excluding

potential businesses. Planning Administrator Cotner explained that anyone who is not covered by the new ordinance change would still have the option of applying for a conditional use permit. Member Lewis shared his concerns regarding unwanted businesses coming into these districts. Planning Administrator Cotner agreed that is always a concern with new or unique businesses that we did not see coming. Building Inspector Sadusky stated that building codes would also come into play with unwanted businesses in the B-1 and B-2. Administrator Hill said that it eliminates roadblocks. Planning Administrator Cotner stated that we can always modify this ordinance if a business that the City feels is not a good fit wants to come in.

MOTION BY MEMBER LEWIS AND SECONDED BY MAYOR CASH TO APPROVE ORDINANCE 2023-04 AMENDING CHAPTER 154-035 LAND USE CATEGORIES CHART OF THE CROSBY CITY CODE TO ALLOW FOR SERVICE-BASED USES. A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH; MEMBERS TRAYLOR, LEWIS AND JARVELA. THOSE VOTING NAY: NONE. MOTION CARRIED.

- G. Consider approval of Resolution 2023-19-0925 approving the Preliminary Levy for 2024—Administrator Hill

City Revenue: \$1,217,896
Capital Improvement: \$251,671
Library \$100,000
Hallett Community Center \$20,000

TOTAL LEVY: \$1,589,567

Administrator Hill stated that we held a workshop a month ago and the numbers have not changed. This provides a baseline moving forward and the amounts can go down, but they cannot go up prior to finalization of the levy. We are currently at 11.2% for the final certified total for the preliminary levy for the City of Crosby.

MOTION BY MEMBER TRAYLOR AND SECONDED BY MEMBER LEWIS TO APPROVE RESOLUTION 2023-19-0925 APPROVING THE PRELIMINARY LEVY FOR 2024. A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH; MEMBERS TRAYLOR, LEWIS AND JARVELA. THOSE VOTING NAY: NONE. MOTION CARRIED.

- H. Consider setting the Truth in Taxation public hearing for Monday, December 11th

at 6:00 p.m. at City Hall during the regular Council meeting.

Administrator Hill stated that the meeting and worksheet for the county is in the council packet to set the time and meeting date for the Truth in Taxation public hearing.

MOTION BY MEMBER LEWIS AND SECONDED BY MEMBER JARVELA TO APPROVE SETTING THE TRUTH IN TAXATION PUBLIC HEARING FOR MONDAY, DECEMBER 11TH AT 6:00 P.M. AT CITY HALL DURING THE REGULAR COUNCIL MEETING. A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH; MEMBERS TRAYLOR, LEWIS AND JARVELA. THOSE VOTING NAY: NONE. MOTION CARRIED.

- I. Consider approval of Journal Entries—Administrator Hill
The Finance Committee requested that the City Administrator make some journal entries from the Capital Improvement Fund to several of the completed project funds to close them out. The City Administrator worked with Mary Reedy of Clifton Larson Allen, our City Auditor, to make the appropriate journal entries.

There are a couple of projects that are still receiving funds that have been left open. We will address some of these additional projects on an annual basis to keep things up to date.

We are closing out the Birch Street Project Fund, the Highway 6 Bike Tunnel Project, the Capital Equipment Fund, and the Campground Sewer Fund. We are putting \$400,000 toward the 2020 Street Improvements, but leaving it open till the end of the year.

We are leaving the 3rd Street Project, Highway 210 Project, and the 2022 Street Improvement Project open as we are expecting additional income toward these projects.

Breakdowns of Journal Entries:

\$5,490 from the Capital Improvement Fund to the Birch Street Project Fund
\$291,152 from the Capital Improvement Fund to the Highway 6 Bike Tunnel Project
\$400,000 from the Capital Improvement Fund to the 2020 Street Improvement Project
\$9674 from the Capital Improvement Fund to the Capital Equipment Expense Account
\$5066 from the Capital Improvement Fund to the to Campground Improvement

Expense Account

The Capital Improvement Fund is the same fund that we put \$125,000.00 toward every year per Administrator Hill. The budget for 2024 will be about \$250,000 because of the additional State funds that we received this year due to the Small Cities Assistance Program and additional LGA funding.

MOTION BY MEMBER TRAYLOR AND SECONDED BY MEMBER LEWIS TO APPROVE JOURNAL ENTRIES.

A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH; MEMBERS TRAYLOR, LEWIS AND JARVELA. THOSE VOTING NAY: NONE. MOTION CARRIED.

8. Reports

A. City Engineer

Major update: Engineer Martin stated that Class 5 was placed on 1st Street, which was very important with the amount of rain that we have had. He said had we not got the Class 5 down; we would not have gotten anywhere close to blacktopping this year. We are asking the contractor to use every bit of time left for the season toward getting this project put together. Right now, the weather is in charge and will be the determining factor as we only have 4-6 weeks left before the construction season ends. If things do not go as we hope, we will call a special meeting to address a secondary plan. The goal is to get everything done—it is not impossible but may be challenging. It is unlikely that the second lift of pavement would get done. There are a lot of factors to discuss if it doesn't, such as what the price will be if it cannot be completed this season. The benefit would be that we would receive a better product if it is delayed to the Spring of 2024. Our current direction to the contractor is to assume that they will get it all done.

Mayor Cash asked about the status of the 4th Street Project and if it will have curb and gutter. Engineer Martin stated that it is going great and that on Thursday all of the curb and gutter is going to be done. He stated that in truth the rain was not the perfect situation but with gravel cap and the catch basins in it helped. Unfortunately, the contractor was not able to get the concrete mix until Thursday of this week. Mayor Cash asked if they will be moving forward with the 4th Street blacktop. Engineer Martin, yes, they are hoping to do that. He stated that they can lay all of the curb and gutter in a day and half, but then 7 days are needed for the concrete to cure to the point that we will not have to worry about breaking or cracking it. That puts us at October 5th, which would then allow them to do the first layer of blacktop. Again, the weather is the determining factor. If we run out of time and are not comfortable with putting on the second lift of blacktop this year, we would want to call a special meeting so Council can give direction.

B. Planning and Zoning Administrator

Planning Administrator Cotner explained the conditional use permit is coming up in October for CRMC for a transition of their memory care facility to a multi-family housing with a potential use of employee housing. Mayor Cash inquired as to how much of the memory care facility would be transitioned. Administrator Hill said it would encompass the entirety of The Hallett Cottages. Planning Administrator Cotner said that it would incorporate a lot of internal changes. From a Planning and Zoning standpoint it will be a use change. It will involve the building official in greater depth.

C. City Building Inspector

Mayor Cash asked Inspector Sadusky if he had any news on the landscaping business on Highway 210 with the chain link fence. Administrator Hill stated that his name is Scott Chamberlain and that he has pulled all of the required permits. Mayor Cash asked if Sanctuary is open. Inspector Sadusky Sanctuary said yes, it is all done. Elementary and High school are complete. The wine bar is almost done. Everything is progressing nicely with very few problems. Mayor Cash asked if the 109 building permits for 2023 so far is low. Inspector Sadusky stated a bit, but not much. The fall can be a busy time as everyone is trying to get in their last-minute projects.

D. Mayor/Council Committee Reports

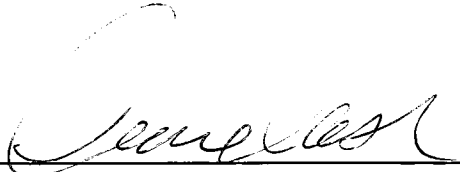
3 of the surrounding mayors got together with the Hallett Trust last Tuesday to discuss the goals of the different cities. They were very impressed to see us working together with no preference as to what town the housing growth is in. Mayor Cash appreciates their funding. It was a very good meeting, and they were able to meet all five board of directors for the first time. They will continue to meet quarterly.

Member Traylor questioned if the Public Works Committee is comfortable with pothole filling at this time. He wants to be sure it gets accomplished before winter gets here. Mayor Cash said they are continuing to work on it. Administrator Hill they have been directed to get more pothole patch material. Member Traylor stated that he hopes they get a healthy order, even if we have some left over. Mayor Cash said that it is so noted.

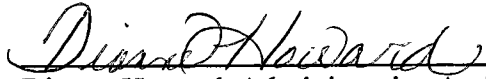
9. **Adjournment**

MOTION BY MEMBER TRAYLOR AND SECONDED BY MEMBER JARVELA TO ADJOURN AT 7:03 P.M.

A VOICE VOTE: THOSE VOTING AYE: MAYOR CASH; MEMBERS TRAYLOR, LEWIS AND JARVELA. THOSE VOTING NAY: NONE. MOTION CARRIED.

A handwritten signature in cursive script, appearing to read "Diane Cash", positioned above a horizontal line.

Diane Cash, Mayor

A handwritten signature in cursive script, appearing to read "Dianne Howard", positioned above a horizontal line.

Dianne Howard, Administrative Assistant