

**ELYSIAN CITY COUNCIL
REGULAR MEETING
NOVEMBER 9, 2015**

The Elysian City Council met in regular session on Monday, November 9, 2015 at City Hall at 6:00 pm.

Roll Call: Mayor Clinton Stoen; Councilmembers Tom McBroom, Mary Opsahl, Dennis Schnoor, City Administrator Lorri Kopischke, Public Works Director Ron Greenwald, and City Attorney Jason Moran.

Administrator Kopischke administered the oath of office with Robert Houlihan answering for City Council appointment. Houlihan then took his seat at the Council table.

Motion by Stoen, seconded by McBroom, all voting in favor, to close the Regular Meeting and open the Public Hearing at 6:01 pm.

The purpose of the hearing is to inform the public of changes to the zoning ordinance text. Some of the changes proposed include establishing new regulations that would apply to the use of recreational vehicles as temporary living quarters for guests of a resident, additional parking regulations for the same, the addition of living quarters as a permitted use in the commercial district, and elimination of appearance standards and permitting process associated with accessory structures.

There was no public comment. No written comments were received.

Motion by Stoen, seconded by McBroom, all voting in favor, to close the Public Hearing at 6:03 pm and open the Regular Meeting.

On motion by McBroom, seconded by Schnoor, all voting in favor, the minutes of the October 12, 2015 Regular Meeting were approved as presented.

On motion by Stoen, seconded by McBroom, all voting in favor, the agenda of the November 9, 2015 meeting was approved with the following additions:

1. Plowing of Dedicated Park Land on Frank Avenue NW
2. Bids on Tillable City-Owned Land
3. City Office Closed on Day Following Thanksgiving
4. Update on Petroleum Spill

Public Comment:

Carl Morsching, 43616 Reeds Lake Road, Janesville – Owner of Elysian Auto Service, distributed a packet including pictures to the Council. He stated that when he opened his business he had to get a conditional use permit from the City on February 27, 2001. He read: “All businesses should be treated fair. Every new business should have to follow the same conditions of existing business in Elysian. Elysian Planning and Zoning should be implementing the same conditions for similar businesses. Over time new conditions should be added to help protect the community and the environmental impact. Like all the restaurants, bar, hair salons, gas stations, auto repair, auto body and auto sales.

We attended the Planning and Zoning Commission regular meeting on September 1, 2015 and informed the Planning and Zoning of the conditions Elysian Auto Service has followed for the past 14 years. The conditions have had a positive impact on the community and our business. We feel the condition of #1. No salvage vehicles to be located on the property for more than seven (7) days – has eliminated the impact of damaged vehicles, non-completed vehicles or salvage vehicles from being stored on our property for months or years in essence no junk yard. It has held us to a higher standard than #3. All visibly non-completed vehicles must be shielded from public view.

If you allow salvage vehicles or non-completed vehicles to be stored on commercial property for longer than seven (7) days you're endangering the community, environment, storm sewer and wetlands around it. (Fluids leaking Transmission, Coolant, Battery Acid, Motor Oil and etc.)

Over the past 14 years these conditions on Elysian Auto Service have impacted our yearly income by not allowing storage for more than 7 days. If we could impound vehicles we could charge storage for that. We can't store the vehicles so we can't implement that. It has been a good plan because it has kept us in a good stand and has cleaned up our area. I don't think that I have ever had a complaint that my place didn't look clean. There are no junk vehicles sitting around. No half repaired vehicles, etc.

The pictures you have in your packets are towns around us that have no conditions and you can see how the mess looks. Everyone said if someone new comes in they are going to have guidelines because now they can't go against them. So I think we really want to draw these standards before the mess happens. New Richland does have a class action lawsuit on one of them.

On February 27, 2001, Elysian Auto Service CUP was seconded by Councilmember Schnoor, to authorize and approve the conditional use permit with:

1. No salvage vehicles to be located on the property for more than seven (7) days.
2. Provide landscaping of area to relieve the cement/asphalt appearance as much as possible, and to have property looked finished as soon as possible.
3. Parking lot – to minimize the amount of asphalt in front of the building.
4. Garbage to be in back of building must be contained or placed inside of building.
5. Save as many trees as possible in the back of building and to the east. Trees on the west will remain.

Now we hope the Elysian City Council will be implementing the same conditions for similar businesses. Over time new conditions should be added to help protect the community and the environmental impact.”

Morsching stated they are just looking for a fair thing from what they had to follow to the next person. He noted that the city is not required to send out a public notice to the neighbors for a CUP but it may be a nice thing to do as some of the property owners do not live in Elysian and do not get the newspaper. He knows those property owners weren't contacted because he has contacted all of them.

Morsching stated he just wants this to be a fair thing that the same type of business has to follow the same thing that he had to.

Gina Fiorini, Kennedy & Graven, Chartered & Max Scheuer, CFO of The Lutheran Home were present to request approval of Resolution #484/15 – Resolution Authorizing the Issuance, Sale and Delivery of a Revenue Note for the Benefit of Kingsway Ministries, LLC; Approving the

Form of and Authorizing the Execution and Delivery of the Revenue Note and Related Documents; and Granting Approval for Certain Other Actions with Respect Thereto.

City Attorney Moran asked for clarification that there would be no liability to the city, whatsoever, as a result of the issuance of these bonds, if there is any default of any party, there is no liability of the city whatsoever. Fiorini stated that is correct. Kingsway Ministries is solely responsible. There is no liability to the city whatsoever.

Moran then asked if it was correct that Kingsway Ministries would be paying all the administrative costs associated with issuing the bonds. Fiorini stated that is correct. Kingsway Ministries will be paying all administrative costs including legal fees and bond counsel fees and that is set forth in all the documents.

Moran asked that in the event of a default by Kingsway Ministries, what is the collateral for that loan. Fiorini explained the bank will have a mortgage on Kingsway facility and there is extra protection in that Kingsway Corporation and The Lutheran Home Corporation are also guaranteeing the loan.

Moran then asked that if those entities went bankrupt and default, what assurance does the city have that there won't be anyone coming back against the city for this. Fiorini stated it is set forth in all the documents that the city will be signing and the other parties saying that the city is not responsible and it is not a debt of the city. Fiorini noted that even in the case of an IRS audit, there will be no cost to the city.

Max Scheuer provided a brief description of the Kingsway – Lutheran Home facilities.

Councilmember Stoen introduced the resolution and was seconded by Councilmember McBroom.

**CITY OF ELYSIAN
ELYSIAN, MINNESOTA
RESOLUTION 484/15**

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF A REVENUE NOTE FOR THE BENEFIT OF KINGSWAY MINISTRIES, LLC; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE REVENUE NOTE AND RELATED DOCUMENTS; AND GRANTING APPROVAL FOR CERTAIN OTHER ACTIONS WITH RESPECT THERETO

BE IT RESOLVED by the City Council of the City of Elysian, Minnesota (the "City"), as follows:

Section 1. Background.

1.01. Statutory Authorization.

(a) The City is authorized by Minnesota Statutes, Chapter 462C, as amended (the "Act"), to issue revenue obligations to finance or refinance multifamily housing developments (including nursing and assisted living facilities).

(b) Minnesota Statutes, Section 471.656, as amended, authorizes a municipality to issue obligations to finance or refinance the acquisition or improvement of property located outside of the corporate boundaries of such municipality if the obligations are issued under a joint

powers agreement between the municipality issuing the obligations and the municipality in which the property to be acquired or improved is located.

(c) Pursuant to Minnesota Statutes, Section 471.59, as amended, by the terms of a joint powers agreement entered into through action of their governing bodies, two municipalities may jointly or cooperatively exercise any power common to the contracting parties or any similar powers, including those which are the same except for the territorial limits within which they may be exercised and the joint powers agreement may provide for the exercise of such powers by one or more of the participating municipalities on behalf of the other participating municipalities.

1.02. The Prior Bonds. At the request of Kingsway Ministries, LLC, a Minnesota limited liability company (the "Borrower"), the sole member of which is The Lutheran Home Association, a Minnesota nonprofit corporation (the "Corporation"), the City issued its Senior Housing Revenue Bonds (Kingsway Ministries, LLC Project), Series 2007A (the "Series 2007A Bonds"), in the original aggregate principal amount of \$8,500,000, and the City of Green Isle, Minnesota (the "City of Green Isle") issued its Senior Housing Revenue Bonds (Kingsway Ministries, LLC Project), Series 2007B (the "Series 2007B Bonds," and together with the Series 2007A Bonds, the "Prior Bonds"), in the original aggregate principal amount of \$7,500,000. The Borrower applied the proceeds of the Prior Bonds, as loaned to the Borrower by the City and the City of Green Isle, to finance the acquisition, construction, and equipping of an approximately eighty-one (81) unit multifamily housing development for seniors, consisting of approximately forty-five (45) independent living units, twenty-two (22) assisted living units, and fourteen (14) memory care units, located at 815 West Main Street, Belle Plaine, Minnesota (the "Project").

1.03. The Notes. The Borrower has determined to refinance the Project and has requested that (i) the City issue its Senior Housing Revenue Refunding Note (Kingsway Ministries, LLC Project), Series 2015A (the "Series 2015A Note"), in an approximate principal amount not to exceed \$7,730,000, to refund the outstanding Series 2007A Bonds; and (ii) the City of Green Isle issue its Senior Housing Revenue Refunding Note (Kingsway Ministries, LLC Project), Series 2015B (the "Series 2015B Note," and together with the Series 2015A Note, the "Notes"), in an approximate principal amount not to exceed \$6,855,000, to refund the outstanding Series 2007B Bonds. The Notes will be privately placed with First National Bank of Northfield (the "Lender").

1.04. Use of Proceeds of the Series 2015A Note. The Borrower intends to apply the proceeds of the Series 2015A Note to (i) refinance a portion of the Project through the redemption and prepayment of the outstanding Series 2007A Bonds; (ii) fund required reserves; and (iii) pay costs of issuance of the Series 2015A Note. The proceeds of the Series 2015A Note will be disbursed by the Lender to the Borrower pursuant to a Loan Agreement, to be dated on or after November 1, 2015 (the "Loan Agreement"), between the City and the Borrower.

1.05. Tax-Exempt Status of Corporation. The Corporation has represented to the City that it is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as a result of the application of Section 501(c)(3) of the Code.

1.06. Loan Repayments. The loan repayments to be made by the Borrower under the Loan Agreement will be fixed so as to produce revenue sufficient to pay the principal of, premium, if any, and interest on the Series 2015A Note when due. The City will assign its rights to the basic payments and certain other rights under the Loan Agreement to the Lender pursuant to the terms of a Pledge Agreement, to be dated on or after November 1, 2015 (the "Pledge Agreement"), between the City and the Lender. The Borrower will secure its obligations by executing and delivering to the Lender (i) an Amended and Restated Combination Mortgage, Security Agreement and Fixture Financing Statement, to be dated on or after November 1, 2015 (the "Mortgage"), between the Borrower and the Lender; and (ii) an Amended and Restated

Assignment of Leases and Rents, to be dated on or after November 1, 2015 (the "Assignment of Leases and Rents"), between the Borrower and the Lender. The Borrower or the Corporation may also deliver to the Lender one or more security agreements and/or guaranties as additional security.

1.07. Parity Debt. The Series 2015A Note and the Series 2015B Note, if issued by the City of Green Isle, will be secured by the Mortgage and the Assignment of Leases and Rents on a parity basis.

1.08. Conduit Borrowing Agreement. On October 19, 2015, the City Council of the City of Belle Plaine provided host approval to the issuance of the Notes by the City and the City of Green Isle to refinance the Project and authorized the execution and delivery of a Conduit Borrowing Agreement, to be dated on or after November 1, 2015 (the "Conduit Borrowing Agreement"), between the City of Belle Plaine, as host city, and the City and the City of Green Isle, as the issuer cities

1.09. Documents. Forms of the following documents have been submitted to the City Council and are now on file with the City: (i) the Series 2015A Note; (ii) the Loan Agreement; (iii) the Pledge Agreement; (iv) the Conduit Borrowing Agreement; (v) the Mortgage; and (vi) the Assignment of Leases and Rents.

Section 2. Issuance of the Series 2015A Note.

2.01. Findings. The City Council hereby finds, determines, and declares that:

(a) The issuance and sale of the Series 2015A Note, the execution and delivery by the City of the Loan Agreement, the Pledge Agreement, and the Conduit Borrowing Agreement and the performance of all covenants and agreements of the City contained in the Loan Agreement, the Pledge Agreement, and the Conduit Borrowing Agreement are undertaken pursuant to the Act.

(b) The loan repayments to be made by the Borrower under the Loan Agreement are fixed so as to produce revenues sufficient to provide for the prompt payment of principal of, premium, if any, and interest on the Series 2015A Note issued under this resolution when due, and the Loan Agreement also provides that the Borrower is required to pay all expenses of the operation and maintenance of the Project, including, but without limitation, adequate insurance thereon and insurance against all liability for injury to persons or property arising from the operation thereof, and all lawfully imposed taxes and special assessments levied upon or with respect to the Project and payable during the term of the Loan Agreement.

(c) As provided in the Loan Agreement, the Series 2015A Note shall not be payable from nor charged upon any funds other than the revenues or funds and assets pledged to its payment, nor shall the City be subject to any liability thereon, except as otherwise provided in this paragraph. No holder of the Series 2015A Note shall ever have the right to compel any exercise by the City of its taxing powers to pay any of the Series 2015A Note or the interest or premium thereon, or to enforce payment thereof against any property of the City except the interests of the City in the Loan Agreement and the revenues and assets thereunder, which will be assigned to the Lender under the Pledge Agreement. The Series 2015A Note shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City, except the interests of the City in the Loan Agreement, and the revenues and assets thereunder, which will be assigned to the Lender under the Pledge Agreement. The Series 2015A Note shall recite that the Series 2015A Note is issued pursuant to the Act, and that the Series 2015A Note, including interest and premium, if any, thereon, is payable solely from the revenues and assets pledged to the payment

thereof, and the Series 2015A Note shall not constitute a debt of the City within the meaning of any constitutional or statutory limitations.

2.02. Issuance and Sale of the Series 2015A Note. The City hereby authorizes the issuance of the Series 2015A Note in a principal amount not to exceed \$7,730,000. The Series 2015A Note shall be issued pursuant to the terms set forth in the form of Series 2015A Note now on file with the City. The aggregate principal amount of the Series 2015A Note, the interest rate of the Series 2015A Note, the terms for adjustment of the interest rate on the Series 2015A Note, the date of the documents referenced in this resolution and the Series 2015A Note, and the terms of redemption of the Series 2015A Note may be established or modified with the approval of the City. The execution and delivery of the Series 2015A Note shall be conclusive evidence that the City has approved such terms as subsequently established or modified. The offer of the Lender to purchase the Series 2015A Note at the price of par plus accrued interest, if any, to the date of delivery at the interest rate or rates specified in the Series 2015A Note is hereby accepted. The Mayor and City Administrator of the City are hereby authorized to execute and deliver any agreements with any depository institution, including any representation letter or amendment to any existing representation letter, in the event the City and the Lender elect to register the Series 2015A Note in book-entry form.

2.03. Approval of Documents. The Loan Agreement, the Pledge Agreement, the Conduit Borrowing Agreement, and the Note Purchase Agreement with respect to the Series 2015A Note, to be dated after the date hereof (the "Note Purchase Agreement"), between the City, the Borrower, and the Lender, are hereby approved in substantially the forms on file with the City on the date hereof. The terms of the Loan Agreement, the Pledge Agreement, the Conduit Borrowing Agreement, and the Note Purchase Agreement may be established or modified with the approval of the City. The execution and delivery of such documents shall be conclusive evidence that the City has approved such terms as subsequently established or modified. The Mayor and City Administrator of the City are authorized and directed to execute and deliver the Loan Agreement, the Pledge Agreement, the Conduit Borrowing Agreement, and the Note Purchase Agreement. Copies of all of the documents necessary to the transaction herein described shall be delivered, filed, and recorded as provided herein and in the Loan Agreement.

2.04. Certifications of the City. The Mayor and the City Administrator of the City and other officers, employees, and agents of the City are hereby authorized and directed to prepare and furnish to Kennedy & Graven, Chartered, acting as bond counsel to the City ("Bond Counsel"), and the Lender certified copies of all proceedings and records of the City relating to the issuance of the Series 2015A Note, including a certification of this resolution. Such officers, employees, and agents are hereby authorized to execute and deliver, on behalf of the City, all other certificates, instruments, and other written documents that may be requested by Bond Counsel, the Lender, or other persons or entities in conjunction with the issuance of the Series 2015A Note. Without imposing any limitation on the scope of the preceding sentence, such officers, employees, and agents are specifically authorized to execute and deliver one or more general certificates of the City, one or more endorsements of the City to the tax certificate or certificates of the Borrower, one or more Information Returns for Tax-Exempt Private Activity Bond Issues, Form 8038, and all other documents and certificates as shall be necessary and appropriate in connection with the issuance, sale, and delivery of the Series 2015A Note. The City hereby authorizes Bond Counsel to prepare, execute, and deliver its approving legal opinion with respect to the Series 2015A Note.

2.05. Security for the Series 2015A Note. The City hereby authorizes the Borrower to provide such security for payment of its obligations under the Loan Agreement and for payment of the Series 2015A Note, including the Mortgage and the Assignment of Leases and Rents, as is agreed upon by the Borrower and the Lender, and the City hereby approves the execution and delivery of such security.

2.06. Bank Qualification Designation for the Series 2015A Note. Based on the opinion of Bond Counsel, the Series 2015A Note will be deemed a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code based on the “qualified tax-exempt obligation” status of the Series 2007A Bonds to be refunded with the proceeds of the Series 2015A Note.

Section 3. Miscellaneous.

3.01. Agreements Binding. All agreements, covenants, and obligations of the City contained herein and in the above-referenced documents shall be deemed to be the agreements, covenants, and obligations of the City to the full extent authorized or permitted by law, and all such agreements, covenants, and obligations shall be binding on the City and enforceable in accordance with their terms. No agreement, covenant, or obligation contained in this resolution or in the above-referenced documents shall be deemed to be an agreement, covenant, or obligation of any member of the City Council, or of any officer, employee, or agent of the City in that person’s individual capacity. Neither the members of the City Council nor any officer executing the Series 2015A Note shall be liable personally on the Series 2015A Note or be subject to any personal liability or accountability by reason of the issuance of the Series 2015A Note.

3.02. Rights Conferred. Except as herein otherwise expressly provided, nothing herein or in the Loan Agreement, expressed or implied, is intended or shall be construed to confer upon any person, firm, or corporation other than the City and the registered and beneficial owners of the Series 2015A Note, any right, remedy, or claim, legal or equitable, under and by reason of this resolution or any provision hereof or of the Loan Agreement or any provision thereof; this resolution, the Loan Agreement and all of their provisions being intended to be, and being for the sole and exclusive benefit of the City and the registered and beneficial owners of the Series 2015A Note issued under the provisions of this resolution and the Loan Agreement, and the Borrower to the extent expressly provided in the Loan Agreement.

3.03. Validity. In case any one or more of the provisions of this resolution, or of the documents mentioned herein, or of the Series 2015A Note issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution, or of the aforementioned documents, or of the Series 2015A Note, but this resolution, the aforementioned documents, and the Series 2015A Note shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein. If for any reason the Mayor or the City Administrator, or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City, shall for any reason cease to be an officer, employee, or agent of the City after the execution by such person of any certificate, instrument, or other written document, such fact shall not affect the validity or enforceability of such certificate, instrument, or other written document. If for any reason the Mayor or the City Administrator is unable to execute and deliver the documents referred to in this resolution, such documents may be executed by any member of the City Council or any officer of the City delegated the duties of the Mayor or the City Administrator with the same force and effect as if such documents were executed and delivered by the Mayor or the City Administrator.

3.04. Effective Date. This resolution shall be in full force and effect from and after its approval.

Upon vote being taken:

Councilmembers voting in the affirmative: Stoen, Houlihan, Opsahl, McBroom, Schnoor

Councilmembers voting in the negative: None

Approved by the City Council of the City of Elysian, Minnesota, this 9th day of November, 2015.

Clinton Stoen, Mayor

ATTEST:

Lorri Kopischke, City Administrator

On motion by Opsahl, seconded by McBroom, all voting in favor, to approve changes to the zoning ordinance text as follows:

Section 3. Rules and Definitions.

Recreational Vehicles. Will include campers, travel trailers or other trailers under 20 feet in length, boats and personal watercraft.

Section 8. Central Business Commercial District C-1

Subd. D Conditional Uses

10. Live & Work space on ground floor in commercial structures. The ground floor of a commercial structure may house both a commercial use and a residential use, provided:

- a. The residential space comprises 50% or less of the useable floor space;
- b. The residential use has a separate entrance as does the commercial use.
- c. The front exterior of the structure maintains a full commercial appearance.

Section 15. Performance Standards.

Subd. Q. Accessory Structure Standards.

1. Attached Structures: An attached structure shall be considered an integral part of the principal building and shall comply with all requirements applying to the principal building.
2. Permitted Locations: Detached accessory structures are permitted in side yards and rear yards, provided that, such structures shall not be located closer than six (6') feet to the principal structure.
3. Prohibited Locations: No accessory structure shall be located in any of the following:
 - a. front yard;
 - b. within a drainage or utility easement;
 - c. below the ordinary high water mark of a public water or wetland;
 - d. within the setback requirements from the ordinary high water mark of any public water body.

4. Dimensional Limits: Attached and detached accessory structures are subject to the dimensional limits established below:
 - a. Maximum height: seventeen feet (17') and a maximum side wall height of a detached structure shall not exceed ten feet (10');
 - b. Total number of detached accessory buildings per lot: two (2); and
 - c. Accessory structure(s) total building area allowed per lot: 1,800 square feet.
5. Permit Requirements: A building permit must be secured from the Zoning Administrator prior to constructing or locating an accessory structure anywhere on the lot. Any accessory structure less than 120 square feet does not require a building permit.
6. Construction Timing: No accessory structure shall be constructed on any lot prior to the time of construction of the principal building to which it is accessory.
7. Building Material Requirements: All accessory structures shall be constructed with a design and exterior material that is generally compatible with the overall character of the principal structure. It is not required that accessory structures be of the same material or same color as the primary structure, however, the material and color of the accessory structure shall be complementary to the primary structure.

Subd. S Recreational Vehicles & District Standards

1. In Residential Districts, five (5) recreational vehicles shall be permitted to be parked in the yard. There shall be ten (10) feet required between the recreational vehicle and any other recreational vehicle or accessory structure. The recreational vehicle shall not be placed in such a manner that impedes pedestrian walkways or in any manner infringes on any driving lane line of sight. Any recreational vehicle parked in compliance with the provisions of the Elysian City Codes shall additionally be subject to any and all accessory building setback provisions.
2. A recreational vehicle shall not, at any time, be used as a primary housing unit. A recreational vehicle may serve as a temporary place of occupancy in only the following specific instances:
 - a. A recreational vehicle may be used to temporarily house non-paying guests of the primary residential homeowner between May 1st and September 30th. Any such temporary occupancy shall not exceed twenty one (21) days per season.
 - b. A recreational vehicle may be used to temporarily house non-paying guests of the primary residential homeowner for a total of four (4) days between October 1st and April 30th. Any occupancy shall not exceed four (4) days per season.
3. Recreational vehicles shall never be physically connected to any permanent or semi-permanent structures that would prevent the vehicle from being immediately towed or immediately moved from the parking space upon which it rests. In addition, all recreational vehicles shall be parked at least ten (10) feet away from any permanent or semi-permanent structures including other recreational vehicles. No decking of any type will ever be allowed.
4. The only permitted connections to a legally compliant recreational vehicle shall be one garden hose for fresh water and one extension cord for electrical power. Any and all collected septage within the vehicle must be disposed of at an approved dump station. No connection to the City's sewage collection system, or the City's Water Main System, or any private service lines or private wells is permitted.

5. All recreational vehicles must be maintained in a clean, well-kept, orderly and operable condition. All recreational vehicles shall have license plates affixed thereto pursuant to Minnesota Law, current license and current registration.
6. In Commercial Districts, recreational vehicles may be parked along the street for up to twelve (12) hours within a twenty four (24) hour period.
7. The provisions of this ordinance are applicable to the owner of the recreational vehicle in question and the owner of the real estate upon which the recreational vehicle sits. Owners of the real estate upon which a recreational vehicle sits shall ensure that the recreational vehicle on their respective property is in full compliance with the terms and conditions of the City's Ordinances.
8. Any violation of this Section shall be deemed a misdemeanor pursuant to Minnesota Law.

Councilmember Schnoor introduced the resolution and was seconded by Councilmember McBroom.

**CITY OF ELYSIAN
ELYSIAN, MINNESOTA
RESOLUTION 483/15
REQUEST FOR OFF SITE LAWFUL GAMBLING**

WHEREAS: the Elysian City Council was presented with a request from the Elysian Fire Department Relief Association for one day off site lawful gambling, December 5, 2015.

WHEREAS: State Laws of Minnesota require approval be granted by the local governing body, thus the City of Elysian.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ELYSIAN, MINNESOTA THAT: the Elysian City Council grants approval for a one day off site lawful gambling license to the Elysian Fire Department Relief Association.

Upon vote being taken:

Councilmembers voting in the affirmative: Stoen, Houlihan, Opsahl, McBroom, Schnoor

Councilmembers voting in the negative: None

Adopted by the City Council of the City of Elysian this 9th day of November, 2015.

Approved:

Clinton Stoen, Mayor

Attested:

Lorri Kopischke, City Administrator

Kopischke asked if another budget meeting was needed. Council consensus was that an additional budget meeting was not necessary.

On motion by Stoen, seconded by McBroom, all voting in favor, The Truth in Taxation Hearing on the Final 2015 Tax Levy – Payable 2016 will be held December 14, 2015 at 6:01 pm.

On motion by Stoen, seconded by McBroom, all voting in favor, the City Offices will be closed on Friday, November 27, 2015. Employees may use vacation or comp time for this day.

Update on Petroleum Spill from Emergency Manager John Roessler: The flumes will remain in the ditch through the winter. In the spring they will see how much vegetation returns. If no vegetation regrows, more dredging can be done to remove contaminants. If the vegetation grows back, they will remove the flumes and leave as is. The tiles coming from Casey's have been sealed. The property at 202 Third Street SW has been hooked to its own tile – no longer tied in with Casey's.

Public Works Director Greenwald reported that the cornstalks are currently being removed from the dedicated park land on Frank Avenue NW. Greenwald stated the land would be better prepared for grass seeding in the spring if it was moldboard plowed this fall. He estimated the cost to be \$200. There was council consensus to have the ground moldboard plowed for a cost of approximately \$200.

Greenwald stated there is approximately 10 city-owned plowable acres surrounding the sewer ponds that are being rented out for planting for a fee of \$80 per acre. There is also an EDA-owned 1.6 acre plat being rented out for a flat fee of \$25. He would like to put these acres out for bid to see if they would bring more revenue. There was council consensus to put the plowable acres out for bid for the 2016 planting season.

Motion by Stoen, seconded by Schnoor, all voting in favor, to close the Regular Meeting and open the Public Hearing at 6:30 pm.

The purpose of the hearing is to hear public comment in regard to amending the Emergency Management Handbook for Government Officials prepared January 2008. The purpose of this plan is to ensure that in the event of any type of disaster, the City's facilities, equipment, and manpower will be used in a coordinated, effective way, so as to: maximize the protection of life and property, and ensure the continuity of government.

There was no public comment. No written comments were received.

Motion by Stoen, seconded by McBroom, all voting in favor, to close the Public Hearing at 6:32 pm and open the Regular Meeting.

Chris Cavett, SEH Engineering, presented the draft Feasibility Report of the 2016 Street and Utility Improvement Project. He reported a neighborhood meeting was held with residents to the adjacent property on October 27 and a meeting was held with representatives of the WEM School District on November 4, 2015.

The streets included in the proposed project are:

- Park Avenue NW from 4th Street NW to 5th Street NW
- Frank Avenue NW from 4th Street NW to 6th Street NW
- Lake Avenue NW from 4th Street NW to 6th Street NW
- 4th Street NW from Main Street W to Lake Avenue NW
- 5th Street NW from MN TH 60 to Lake Avenue NW
- 6th Street NW from Frank Avenue NW to Lake Avenue NW

The project includes consideration of sanitary sewer, sanitary sewer services, water main, water services, storm sewer, concrete curb and gutter, sidewalk, aggregate base, bituminous surfacing, turf restoration, and miscellaneous items required to properly complete the improvements.

The total estimated project cost is \$2,535,000. The recommended 2016 assessment rates presented in this report are: \$8,200 per residential unit and \$109.33 per front-foot for Commercial/Institutional/Multi-family. The recommended assessment for residential water service is \$1,600 per unit.

There was Council consensus to not include individual infiltration basins "rain gardens" in the project. There was Council consensus to only include sidewalk from south of the school to the Sakatah Trail. The Council did not approve sidewalk from the school north to Frank Street NW or on Frank Street NW between 5th Street NW and 6th Street NW.

Schnoor asked if the bid opening could be scheduled one month earlier. Cavett will make every attempt to move the bid opening to as soon as possible.

Schnoor stated he would like to see the street in front of the school remain the current width. Cavett explained the design changes and that the impact of reducing the width will be minimal.

Councilmember Stoen introduced the resolution and was seconded by Councilmember McBroom.

**CITY OF ELYSIAN
ELYSIAN, MINNESOTA
RESOLUTION 485/15
RECEIVING REPORT AND CALLING
HEARING ON IMPROVEMENT
2016 STREET AND UTILITY IMPROVEMENT PROJECT**

WHEREAS, pursuant to resolution of the council adopted August 10, 2015, a report has been prepared by Short Elliott Hendrickson Inc. (SEH®) with reference to the **2016 Street and Utility Improvement Project**, with reference to the improvement of following streets:

- Park Avenue NW from 4th Street NW to 5th Street NW
- Frank Avenue NW from 4th Street NW to 6th Street NW
- Lake Avenue NW from 4th Street NW to 6th Street NW
- 4th Street NW from Main Street W to Lake Avenue NW
- 5th Street NW from MN TH 60 to Lake Avenue NW
- 6th Street NW from Frank Avenue NW to Lake Avenue NW

and this report was received by the council on November 9, 2015, and

WHEREAS, the report provides information regarding whether the proposed project is necessary, cost-effective, and feasible,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ELYSIAN, MINNESOTA:

1. The council will consider the improvement of such streets in accordance with the report and the assessment of abutting property and properties for which benefit can be attributed for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Chapter 429, at an estimated total cost of the improvement of \$2,535,000.

2. A public hearing shall be held on such proposed improvement on the 14th day of December, 2015, in the Elysian City Hall at 6:15 p.m. and the City Administrator shall give mailed and published notice of such hearing and improvement as required by law.

Upon vote being taken:

Council Members voting in the affirmative: Stoen, Houlihan, McBroom, Opsahl, Schnoor

Council Members voting in the negative: None

Adopted by the City Council of the City of Elysian this 9th day of November, 2015.

Approved:

Clinton Stoen, Mayor

Attested:

Lorri Kopischke, City Administrator

Council considered a conditional use permit request from Bryan Suemnick to locate a 48 x 72 foot pole shed for storage of his equipment and trucks at 105 First Street South. It was noted that Suemnick has been working with LeSueur County Soil and Water Conservation District on the drainage and wetland issues on this lot since early 2015. The Planning and Zoning did not require paving of the driveway as Suemnick will be driving heavy equipment on the driveway and it would not hold up to that. A survey was included with the location of the shed, the screening, and the water flow illustrated.

Councilmember Schnoor introduced the resolution and was seconded by Councilmember McBroom.

**CITY OF ELYSIAN
ELYSIAN, MINNESOTA**

RESOLUTION 487/15

**APPROVING CONDITIONAL USE PERMIT
FOR BRYAN SUEMNICK**

WHEREAS, the City of Elysian has received an application from Bryan Suemnick for a conditional use permit to locate a 48' x 72' pole shed for storage of his equipment and trucks at 105 First Street South (Parcel ID 16.035.7000); and

WHEREAS, a public hearing was held by the Planning and Zoning Commission on November 3, 2015 to receive public comment on the conditional use permit; and

WHEREAS, following the public hearing, the Planning and Zoning Commission recommended approval of the conditional use permit, subject to the following conditions:

- 1) A concrete apron be installed on the shed entrance at such time as the concrete floor is poured inside the shed;
- 2) That evergreens be planted in between the sugar maples along State Highway 60;
- 3) There will be no outside storage of equipment for more than seven days;
- 4) There will be no outside storage of any by-products of the jobs which would include trees and brush;
- 5) No building will commence until final approval by the LeSueur County Soil and Water Conservation District has been received by City Staff;
- 6) All City of Elysian Zoning Regulations are followed; and
- 7) That the applicant will indemnify and hold the City of Elysian harmless from any and all claims, causes of action, injuries, and damages which may be brought by any party against the City of Elysian by virtue of the City's granting of the permit recommended herein.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Elysian, Minnesota hereby approves the conditional use permit in accordance with and subject to the conditions as recommended by the Planning and Zoning Commission.

Upon vote being taken:

Council members voting in the affirmative: Stoen, Houlihan, McBroom, Opsahl, Schnoor

Council members voting in the negative: None

Adopted by the City Council of the City of Elysian this 9th day of November, 2015.

Approved:

Clinton Stoen, Mayor

Attested:

Lorri Kopischke, City Administrator

Council considered a conditional use permit request from Rick and Cheryl Galewski to locate a Car Sales, Auto Repair, and Auto Body Business on the south 300 block of State Highway 60 West. This request was first heard by the Planning and Zoning Commission at a Public Hearing on September 1, 2015. They then had a workshop meeting on September 22 and have considered the request at two subsequent meetings of October 6 and November 3, 2015. A site and grading plan is included with the application. A Wetland Type and Boundary Application has been submitted to LeSueur County, the applicant has retained a civil engineer and is also working with the City Engineer. The Planning and Zoning is recommending approval with the following conditions:

- 1) The gravel surface shown in the Phase 1 development has to be paved within five years or prior to the commencement of Phase 2 development (whichever comes first) and the gravel surface proposed for Phase 2 has to be paved five years from the commencement of development of Phase 2;
- 2) Garbage to be in back of the building must be contained or placed inside of building;
- 3) All visibly non-complete vehicles must be shielded from public view;

- 4) There will be a fence on the south side of the property to screen the neighboring property within three months of completion of Phase 1. Arborvitaes will be planted on the neighbor's side of this fence;
- 5) The east side of the property will be screened with arborvitaes and the north side will be landscaped with low bushes, flowers and short pine trees;
- 6) The CUP is contingent on final approval of the LeSueur County Water and Soil Conservation District and the City Engineer,
- 7) The site will be built and will comply with the submitted site plan;
- 8) All City of Elysian Zoning Regulations are followed; and
- 9) That the applicant will indemnify and hold the City of Elysian harmless from any and all claims, causes of action, injuries, and damages which may be brought by any party against the City of Elysian by virtue of the City's granting of the permit recommended herein.

Stoen noted an email from Chris Short, 206 Third Street SW, and also the comments made earlier during public comment time by Carl Morsching.

McBroom stated he was not comfortable with the lot not being paved for five years. He would prefer the Phase 1 gravel surface be paved within one year of the opening of the business. He asked how many cars might be stored there waiting to be worked on. Galewski stated it could be anywhere from zero to twelve. It was noted that eleven cars could be purchased with a dealer's license.

Moran asked if they would object to the condition as stated in the Elysian Auto CUP of "No salvage vehicles to be located on the property for more than seven (7) days." Galewski stated their business is not an auto repair shop. It is a used car sales and they deal with salvage titles all the time. There also can be a problem with getting parts here in seven days.

McBroom asked what type of fence they are proposing. Galewski stated chain link with slats.

Schnoor stated it was difficult for him as he had been on the council and had voted for the Elysian Auto Conditional Use Permit in 2001 with the stated conditions. It is a difficult situation but he has to stick to his guns and say he would require no salvage vehicles on the lot for more than seven (7) days - any vehicle that does not look complete, fender gone, front, side or back gone. A motor or transmission or something not noticeable to the eye would be a mechanical problem and not a salvage vehicle.

Galewski explained where the fence will be located. It was noted that Mr. Short's concern was that sitting on his front porch he would be able to see over that fence as his lot sits up higher.

McBroom again stated he would like to see the gravel portion paved within one year. Galewski stated they did not know if they will be that large by that time and able to afford that. They have developed the site plan including the holding pond in anticipation of growth and are planning for Phase 2.

McBroom stated that in "full disclosure" he had purchased two cars from Galewski and they run great and are safe for the kids. It is not that the service is not good. But as a Councilmember he has to vote what is best for the city here and going forward. He cannot compromise on condition #3.

Houlihan asked if they could put a building up for storage. Galewski stated he would not commit to a building. He did not know if a building would ever be feasible and did not want to be locked

into a building. He stated the big hang up is the word "salvage". If that word was replaced with "dismantled" or unsightly" it would be fine.

After extensive discussion, the following conditions were revised to read:

1. The gravel surface shown in the Phase 1 development has to be paved within **THREE** years or prior to the commencement of Phase 2 development (whichever comes first), **NO GRAVEL ON PHASE 2 UNTIL PHASE 1 IS PAVED**, and the gravel surface proposed for Phase 2 has to be paved **THREE** years from the commencement of development of Phase 2;
3. All visibly non-complete vehicles must be shielded from public view **AND MUST BE REMOVED FROM PREMISES WITHIN SEVEN (7) BUSINESS DAYS OF THE ACCEPTANCE BY THE APPLICANT OR READY FOR SALE**;
4. There will be a **SEVEN (7) FOOT, NON-SEE THROUGH** fence **MAINTAINED IN GOOD CONDITION** on the south side of the property to screen the neighboring property within three months of completion of Phase 1. Arborvitae will be planted on the neighbor's side of this fence;

Motion by Stoen to approve Resolution 488/15, approving Conditional Use Permit for Rick and Cheryl Galewski with conditions recommended by the Planning and Zoning Commission and condition 1, 3 and 4 as revised above. There was no second to the motion. Motion died for lack of a second.

City Council will hold a workshop to consider the request for a Conditional Use Permit for Rick and Cheryl Galewski on Tuesday, November 17 at 6:00 pm.

On motion by Stoen, seconded by McBroom, all voting in favor, to approve the Emergency Management Handbook for Government Officials prepared January 2008 and amended November 9, 2015.

City Attorney Moran presented a Lake Access/Equipment Agreement and Special Assessment document with Lakeview Manor Townhome Association (LMTA). The agreement will allow lake access use of the property purchased by LMTA for the properties owned by the City for the amount of \$1,064 per unit.

On motion by Stoen, seconded by McBroom, all voting in favor, to approve the Lake Access Equipment Agreement and Special Assessment between the City of Elysian and Lakeview Manor Townhome Association.

Councilmember Stoen introduced the resolution and was seconded by Councilmember McBroom.

**CITY OF ELYSIAN
ELYSIAN, MINNESOTA
RESOLUTION 486/15**

WHEREAS: the City Council for the City of Elysian met on the 9th day of November, 2015, for a regularly scheduled City Council meeting; and

WHEREAS: at the aforementioned meeting, a discussion was held regarding the Settlement Agreement reached with Lakeview Manor Townhome Association, Common Interest Community #026; and

WHEREAS: the proposed settlement agreement is attached hereto; and

WHEREAS: the City Council met and discussed the proposed settlement attached Agreement and the benefits to be gained by settling the matter; and

WHEREAS: the City Council for the City of Elysian met this day, discussed this issue, and upon vote taken authorized that the Settlement Agreement attached hereto be authorized and approved. Said motion was made by Councilmember Stoen, seconded by Councilmember McBroom, and passed unanimously.

Upon vote being taken:

Councilmembers voting in the affirmative: Stoen, Houlihan, McBroom, Opsahl, Schnoor

Councilmembers voting in the negative: None

Adopted by the City Council of the City of Elysian this 9th day of November, 2015.

Approved:

Clinton Stoen, Mayor

Attested:

Lorri Kopischke, City Administrator

Moran presented a Purchase Agreement by JAND Development, Inc. (William Freitag) for eight (8) lots CIC #26 Lakeview Manor as follows:

Lot-001 Block 007 & 2.1276% of common area
Lot-002 Block 007 & 2.1276% of common area
Lot-003 Block 007 & 2.1276% of common area
Lot-004 Block 007 & 2.1276% of common area
Lot-001 Block 006 & 2.1276% of common area
Lot-002 Block 006 & 2.1276% of common area
Lot-003 Block 006 & 2.1276% of common area
Lot-004 Block 006 & 2.1276% of common area

On motion by McBroom, seconded by Schnoor, all voting in favor, to approve the Purchase Agreement with JAND Development, Inc. (William Freitag) for eight (8) lots in the amount of \$90,000.

The Council considered two bids for playground equipment at the Lake Francis Park: BYO Recreation in the amount of \$27,126.98 and Northland Recreation in the amount of \$27,981.75. Pictures of the equipment in both proposals have been posted on the City Facebook page and at City Hall and residents have had the opportunity to vote on the one they prefer. The Little Tikes equipment from Northland Recreation was preferred. The City is still accepting donations to complete the park project. The rubber mulch and border has been quoted in the amount of \$30,000.

On motion by Stoen, seconded by McBroom, all voting in favor, to purchase the playground equipment as quoted by Northland Recreation in the amount of \$27,981.75.

Stoen reported City Administrator Kopischke met or exceeded all expectations in the performance evaluation of October 12, 2015.

Congratulations to WEM Girls' Volleyball team headed to the State Championship Games Thursday, Friday and Saturday for the first time in history. Good luck and Go BUCS!

On motion by McBroom, seconded by Houlihan, all voting in favor, bills, payroll and transfers were approved in the amount of \$163,293.16.

Public Comment: None

On motion by Stoen, seconded by McBroom, all voting in favor, meeting adjourned at 8:30 pm.

Approved:

Clinton Stoen, Mayor

Attested:

Lorri Kopischke, City Administrator