



Regular City Council Meeting 6:00 p.m.
Tuesday, November 18, 2025
Lakeland City Hall

REGULAR CITY COUNCIL MEETING MINUTES

City Council Present: Mayor Craggs, Council Member Wagner, Council Member Martin, & Council Member Millard

City Staff Present: City Clerk Michelle Elsner, Zoning Consultant Emily Herold, & City Attorney Dave Snyder

City Staff Via Zoom: City Engineer Erik Henningsgard

1. CALL TO ORDER – 6:01 PM

2. PLEDGE OF ALLEGIANCE

3. ADOPT AGENDA – Council Member Millard motioned to adopt the agenda. Seconded by Council Member Wagner, all ayes motion carried.

4. CONSENT AGENDA Mayor Craggs requested a motion for items all except items C2 & 3 Council Member Millard motioned. Seconded by Council Member Martin, all ayes motion carried.

A. Approve October 21, 2025, City Council Meeting Minutes

B. Monthly List of Claims

C. AGENCY REPORTS

1. Law Enforcement Report

2. Fire Department Report – Tim Hatton was in house to give updates on the budget, building repairs and the study for the LSCVFD. The pancake breakfast is on December 8th at 8:00 – Noon. Mayor Craggs made a motion to approve the second set up budget numbers for the LSCVFD the total for Lakeland is 160,857.00 it is a 15.47% increase in Lakeland's portion. – Mayor Craggs made a motion to approve the 2026 Budgeted numbers for the fire department to be followed by a resolution next month. Second by Council Member Millard, roll call vote all ayes motion carried.

3. Financial Report – ABDO – see new business item 7B

4. Zoning Report – MSA Professionals

5. Engineering Report – Erik Henningsgard – SEH Engineering

6. Public Works/Water Department Report – People Service

7. Animal Control Report – Companion Animal Control

8. Building Permit Report – Rum River Construction Consultants

5. OPEN FORUM (Public Comments, Presentations, and Petitions)

PLEASE KEEP COMMENTS TO NO MORE THAN 5 MINUTES

6. PUBLIC HEARING (Discussion and Action by the City Council will follow each Public Hearing after closing)

A. VARIANCE: The applicant at 1051 Quixote Ave N, Lakeland MN. 55043 has requested a variance from the bluff line setback and property line setbacks to replace and enlarge an existing substandard septic drain field. – Emily Herold gave an overview of the request.

7. NEW CITY BUSINESS

A. Discussion and Action Variance application 1051 Quixote Ave N, Lakeland MN. 55043 – Mayor Craggs motioned to adopt the staff report noting the recommendations. Seconded by Council Member Wagner, all ayes motion carried.

B. Discussion of Quarterly Financial Report, consideration of new software implementation and Final 2026 Budget including reserve amounts - Ashley Feldewerd explained the new quarterly report to the council and how to understand the new style of report. Ashley spoke to possible adjustments to the final Levy for the TNT Meeting.

C. Discussion and Action CUP Amendment for 1151 Rivercrest Rd N, Lakeland, MN 55043 –

Emily Herold gave a brief overview of the updated request from the owner of the Bungalow. They are looking for a tier-based event schedule.

Bungalow requests to be allowed to host the following number of events for each of the above Tiers subject to the restrictions that are described below as well:

1. Tier 1 Events:

- a. 4 Events per year.
- b. Music to end by 10 pm.
- c. City Staff would be notified at least one week before the event occurs.
- d. Suitable outdoor bathroom facilities would be provided.
- e. A community cleanup along the streets adjacent to the Bungalow would be done by the Bungalow subsequent to each event.

2. Tier 2 Events:

- a. Unlimited number of events allowed.
- b. Events to end by 10 pm.
- c. No weddings.

3. Tier 3 Events:

- a. Unlimited number of events allowed
- b. Events to end by 10 pm.”

Leo Yurek spoke to the request he defined the issues and the west patio and the east stage.

The west patio the music would not be on the weekend due to the amount of business they have during the nice weather, so it would be evenings during the week.

The East stage would be primarily used for larger events (tier 1) serving food and beverages in the area behind the building.

Leo also said he could expand his south parking lot by removing buckthorn and trees if the city would allow it. “If the city is only going to let me have one event then let me keep the August event and keep the stage.”

Comments written by Council Member Rivers - While I support the CUP for the west patio, I think the residential neighbors have made it clear that some limitations on the amount of music are necessary. I support the suggestion of limiting it to Friday and Saturday evenings.

Unfortunately, the business really seems to have overstepped in construction of the sound stage without a permit and without public/neighborhood input into the expansion of a non-conforming use for the property. Given the impacts of this to the residents--nuisance sound, parking issues, littering, and loitering--I cannot in good faith support an after the fact approval for the stage or extension of the uses as proposed. I would be in favor of issuing an annual IUP for the car show/anniversary event, which the neighbors seem to tolerate, but only if the parking situation can be addressed to the satisfaction of the neighborhood.

Neighbor comments were read into the record, most of them against an expansion of the CUP and permitted activities.

Cyndy Starr 1381 Old Toll Bridge Road Lakeland, MN - The Bungalow Inn is an important part of our neighborhood. I support an update and extension of the interim use permit issued in 2020 to include option A for the west patio and the newly built permanent stage:

1. To allow six exterior televisions instead of three (please add a maximum size).
2. To allow live music on the west patio.
3. Property owner to keep a sound decibel meter on site.
4. To allow one (1) annual car show on Parcel B, which has been occurring annually for the last 8 years.

With the current nonconformities expanding the provisions in the CUP further would appear to be a reward for noncompliance.

Todd Brandt – 1319 Rivercrest Rd N - I ask 3 key elements to any decision made by the city council on the matter of the Bungalow Inn

1. Please do not allow any amplified sound at any time, for any event that is not within the building of the Bungalow Inn or on the patio of the Bungalow Inn.

2. Please do not extend the liquor license to the parking lot of the Bungalow Inn.

3. Please have Mr. Yurek and the Bungalow Inn remove the structure and infrastructure (electrical) of the stage/back porch that is in clear violation of standard permitting for building and use.

A good city or town is built with application of policy, laws and regulations. A community or neighborhood is built with respect, citizenship, and, most importantly, trust. I believe that the Bungalow Inn has not been respectful or shown good citizenship in its current and recent activities.

David Brandt 1287 Rivercrest Rd N – spoke to the letter that was in the packet.

Sandy Brandt 1287 Rivercrest Rd. N. – spoke to the letter that was in the packet.

Tom Brachman Lakeland Shores – I think the Bungalow is a great establishment and having music 4x a year until 9:00 would be a positive. I hope that something can be agreed upon so he can continue to have his business and let it grow to meet the needs.

The council would be willing to consider music on the west patio 2x a week. It will be hard to consider allowing the stage given the lack of steps that were taken to permit and lack of regulatory steps on the property and the permits that have been issued. It seems there is support for the one event in August from the community.

Attorney Snyder reminded the council that the stage is an expansion, and it might be problematic to get it removed if it is allowed even on a temporary basis.

Mayor Craggs made a motion to table this until next month staff will come back with an interim use permit for Bungalow. Seconded by Council Member Martin all ayes motion carried.

Until the next meeting Mr. Yurek was directed to clean up his permits, staff will request an audit of the uninspected permits for the Bungalow.

D. Discussion and Action JPA's for water service to St Mary's Point Mayor Craggs made a motion to adopt the JPA's including Attorney Snyder's edits to the documents between the Lakeland Water Utility, Lake St Croix Beach and St Mary's Point for 16477 23rd St S. Seconded by Council Member Martin, all ayes motion carried.

E. Discussion on New City Hall Alternatives Open House and Next Steps – Written commentary from Mary Maloney Miller was read into record at the request of Council Member Millard. City Engineer Erik Henningsgard made comments on some of the questions Mary raised. There was further discussion amongst the council on the 84 St Croix Trail Building.

There will be a public hearing and special meeting on the 25th of November at 6:00 PM at City Hall.

Per follow up discussion with engineering no traffic study is required and no access permitting would be required, all costs were included in the parking reconfiguration and our reserves are 2.6 million dollars.

Dear Lakeland City Council Members,

I am submitting this email to all of you for your consideration prior to any public vote each of you may be asked to make to support the purchase of the Telus property at 84 St. Croix Trail, S, until a fully transparent accounting of it is given to Lakeland residents. Additionally, I am requesting that Michelle read this into the record at the November 18 City Council Meeting and, if she's not available, the someone else at the Council table read it as follows:

After reviewing the City's handouts from the November 3 Open House regarding purchase of the Telus building at 84 St. Croix Trail S., Lakeland, MN, for use as a City Hall, as well as watching the purchase discussion from the City of Lakeland's October 21 City Council meeting, I have several concerns about it.

There is no indication the City has sought a Washington County Scoping Memo to evaluate access, safety, and traffic impacts which is required when a property's use on a county road changes, including CSAH 18. The Telus property's new use would be a public building. A scoping memo typically includes:

Expected traffic generation for the new use

Whether a *full traffic study* is required

Driveway safety and sight-line review

Preliminary determination of:

- Need for a right-turn lane
- Need for driveway relocation or redesign
- Possible right-in/right-out only configuration
- Required median or curb modifications

Whether the proposal meets county access spacing guidelines

Whether the City must apply for a formal Access Permit

There is no disclosure of a potential requirement for a Washington County Access Permit. Scoping Memo findings would determine this. Since 84 St. Croix Trail S. sits on County Road 18, Washington County could require access reconfiguration due to CSAH 18's status as a county arterial, i.e. a right-turn lane may be required. This could happen for a couple of reasons. Due to the Telus property 's change of use to a public building it could be found higher traffic and turning movements may occur or the raised median may create circulation challenges. All costs associated with any required road reconfiguration is the City's responsibility. Access reconstruction costs could potentially reach \$200K–\$500K-plus. Additionally, there has been no discussion of pedestrian safety or emergency vehicle access to this property.

Renovation estimates exclude mandatory public-assembly code upgrades. City halls require:

- Public-assembly occupancy compliance
- Additional egress standards
- Possibly sprinklers or upgraded alarms
- Additional ADA fixtures

These upgrades can cost \$30K–\$80K. The lack of itemized items item makes it unclear what the full scope of the estimate cover.

Inaccurate or missing parking information. The overflow parking "by agreement with neighbor" being sought by the City is not binding unless recorded as an easement; otherwise, the agreement can be revoked. No ADA parking ratio is shown. There is no mention that on-site parking spaces may be reduced if reconfiguration is required. Missing data equals missing costs.

No direct impact on property taxes because reserves cover purchase and renovation. This messaging from the City is technically true, but financially incomplete, as well as misleading. The tax impact and funding claim of 'no direct tax impact' omits long-term reserve and levy implications.

This messaging omits several critical facts:

- The claim of "*no tax impact*" does not reflect the long-term consequences of drawing deeply from reserves.
- Using reserves to purchase and renovate 84 St. Croix Trail S reduces the City's financial flexibility, limiting its ability to respond to future capital needs without raising levies.
- Required roadway improvements, if triggered by Washington County's access-permit process, are not included in the City's cost estimates. These improvements could cost hundreds of thousands of dollars and would either further reduce reserves or force future capital-levy increases.

Because of these factors, residents deserve — and fiscal responsibility requires — a five-year financial projection showing the true impact on reserves, future capital obligations, and potential levy pressures before the City commits to this purchase.

This is the only way residents and Council alike can understand the full financial implications of using reserves today and ensure decisions are based on complete and transparent information.

The best results come from collaboration and trust, among our neighbors who live here, and also the neighbors chosen to govern here.

Mary

F. Discussion and Action Payment Application for Payment (AFP) No. 4 Quinnell Avenue Project. – Council Member Millard motioned to approve the payment application in the amount of \$ \$15,354.24. Seconded by Council Member Martin, all ayes motion carried.

8. OLD CITY BUSINESS

A. Discussion and Action on Water Rate Study – Engineer Erik Hennigsgard is going to work with People Service to get a capital improvement plan in place before we move forward with a rate study, so this item has been tabled at this time.

B. Discussion and Action on 2026 Street Maintenance – Engineer Erik Hennigsgard explained the options to consider to the council. SEH was given direction to complete the topographic survey for 6th St N

C. Discussion and Action Memorial Plaque at Lakeland Beach – The submitted image was approved by the council.

9. CITY STAFF REPORTS

10. CITY COUNCIL AND MAYOR REPORTS

11. ADJOURN Mayor Craggs made a motion to adjourn at 10:29 PM. Seconded by Council Member Millard, all ayes meeting adjourned.