

**City of Minnetonka Beach
REGULAR CITY COUNCIL MEETING
Monday, February 8, 2010
MINUTES**

Roll Call

Mayor Pro Tem Mike Taylor, Council Members: Jill Bartel, Michelle Kroll, Linn Ferguson, and Treasurer Dennis Fischer. Absent: Mayor Joann Anderson.

1. Call to Order

Mayor Pro Tem Taylor called the meeting to order at 7:01 p.m.

2. Approve Agenda

2.1 Council Meeting Action Notes

No comments were made regarding the action notes. Mayor Pro Tem Taylor said he has had a discussion with Ben Young regarding posting “No Parking” signs along the rock wall on Northview Road where the road is narrower (west of Lake Road). Ben will post the signs in the spring.

(Bartel motion, Ferguson second to approve the agenda as written; all present aye).

3. Approve Minutes

3.1. Regular Meeting of January 4, 2009

(Ferguson motion, Kroll second to approve the minutes as written; all present aye).

4. Open Forum

No one spoke under open forum.

5. Police Report

5.1 Police Report – Sgt. Wittke reported that they have been doing a lot of spot checking at Ray Peters Park. There was a theft report of skates stolen. They are not finding any other problems since they have been doing the checking.

Regarding the new system of district policing, the police are doing more patrolling in Minnetonka Beach. Sgt. Wittke said he sees himself and other officers in our city almost twice as often. There was a call on Beach Lane last week where the Emergency Response team was called. The woman involved in the incident is going to survive and be ok. Everyone felt the response went as smoothly as it could. The Orono police thanked the city for getting the neighbor’s phone number so they could access the property next door to use as a vantage point during the incident.

Both Kroll and Taylor have noticed patrol cars more often in the city. Sgt. Wittke said he thinks the new system is working really well. Council agrees.

6. Consent Agenda

- 6.1. Fire Report – December and January
 - 6.2. Resolution 2010 – 13 Appointment of Parks Commissioner (Robb Ball)
 - 6.3. Resolution 2010 - 14 Lafayette Club License, Sunday On-Sale Liquor and Malt Liquor License
 - 6.4. Resolution 2010– 15 Supporting Continuation of CDBG Funds for Western Communities Action Network (WeCan)
 - 6.5. Resolution 2010 – 16 Approval of Prosecuting Attorney Contract (Ken Potts)
- (Ferguson motion, Bartel second to approve items 6.1 through 6.5 with corrected dates on Resolution 2010 – 14 Lafayette Club Liquor License; all present aye).**

7. Treasurer’s Report

Andy Berg, Abdo Eick and Meyers, presented the 2009 audit report. He said there were no disagreements or issues and they gave a “clean opinion”. The typical issue was mentioned again regarding segregation of duties in a small city office. Preparation of financial statements is completed by their staff, which is not uncommon for small cities. City staff thoroughly reviews a draft of the financial statements and accepts responsibility for the degree of risk with not preparing their own financial statements. He recommended the City adopt an out of state travel policy for elected officials, which is required by State statute. Staff will bring forward a policy at the March or April meeting.

Mr. Berg said to watch the trend in the fund balance which shows a small but steady decline over the past few years. They are recommending not going below 40-50% of planned expenditures in reserves. It is currently at 74.4% of the 2010 budget expenditures. He recommended Council should discuss where the fund balance should be at for the city. Treasurer Fischer noted the AAA rating the city has had because of the high percentage of reserve funds and he wanted to know if this decline will be an issue if we issue any new bonds. Mr. Berg said a rating company will ask about the decline and it could affect rating, but they did increase the rating last year even though the balance has gone down. Mr. Berg said it’s still a healthy reserve.

Mayor Pro Tem Taylor asked whether our city is average in its budget increases. Mr. Berg said it’s hard to say, it varies by the type of city. He said overall he hasn’t seen budgets going down, unless it is those that lost a lot of LGA funds. Ferguson pointed out it appears our budget is keeping in check with cost of living.

Other comments from Mr. Berg included the common trend is receipts are close to where they were budgeted, at positive of variance of \$6,000. Disbursements were over budget by \$34,000, mainly due to legal expenses above budget of almost \$54,000, planning and zoning expenses almost \$20,000 above budget, and streets and capital over budget by \$14,000. These were offset by street maintenance being under budget by \$20,000 and

other accounts being under budget. Receipts went down due to fewer building permits being issued.

He said the overall water fund is good and recommended reviewing rates annually to insure coverage of operating expenses, any improvements, or projects. The sewer fund is self-sufficient and the receipts are covering expenses but Council should also keep an eye on this. The Metropolitan Council Environmental Service charges for sewer for 2009 were \$39,000.

Treasurer Fisher complimented Abdo Eick and Myers for the fine job they did and stated that the Management Report they provide is very helpful. **(Bartel motion, Ferguson second to accept the 2009 Financial Audit Report and financial statement; all present aye).**

7.1 Approve Checks

(Bartel motion, Ferguson second to approve 21 checks for invoices received through January 15, 2010, check numbers 12057-12077, in the total amount of \$36,102.27; all present aye).

(Ferguson motion, Bartel second to approve 35 checks numbered 12078-12112, in the amount of \$ 47,594.08; all present aye).

7.2. 2009 Final Budget Report

Administrator Griffin reported she is working with an accountant friend who is helping her establish a system for better showing the city's general fund and reserve fund balances. She reviewed the 2010 year to date budget showing general fund expenses and reserve expenses and how she will use an Excel spreadsheet going forward. She asked Council if they still wanted a final 2009 report since the auditors recapped the 2009 funds in detail. Council members were satisfied with going forward in this fashion and excused staff from going back to 2009.

Mayor Pro Tem Taylor would like to see a column each month of actual expenses paid for the prior year for each account. This would let Council know where the city is each month in comparison to the prior year actual expenses. Administrator Griffin will work to include those numbers each month.

Mayor Pro Tem Taylor asked Treasurer Fischer about the possibility of finding a better interest rate for the city's reserve funds; the current rate is one-tenth of a percent. Fischer noted certificate of deposits would require longer term commitments and he would investigate some other funds. Ferguson said there are some larger banks that are offering better rates, a full percentage higher than what the city is currently getting.

8. Planning and Zoning

There were no Planning and Zoning items.

9. Old Business

9.1 Rescind Resolution 2010-11 No-Fault Sewer Back Up Insurance Coverage and approve corrected version, Resolution 2010 – 12 to remove notation regarding water break coverage and correct dollar amounts for sewer coverage per LMCIT.

Administrator Griffin explained the reason for rescinding Resolution 2010-11 which had two errors. Resolution 2010-12 corrected the following errors: the dollar amount for the coverage should have been \$40,000 in two places in the resolution and it was not; the second error related to the water break coverage which does not go into affect until after our policy lapses so it would be premature to include that paragraph in a resolution regarding the current policy. Water coverage will automatically be part of the city's July 31, 2010 to July 31, 2011 policy. **(Bartel motion, Kroll second to adopt Resolution 2010 – 12; all present aye).**

9.2 LMCD Multiple Dock License Update

Administrator Griffin said she, along with Council Member Ferguson and Dock Co-Chair Ward Myers, attended the January 27, 2010 LMCD meeting. LMCD staff did a great job of explaining the changes the city was proposing and Administrator Griffin presented information to the LMCD Board regarding background information and the reasons the city was proposing these changes. The LMCD Board approved the city's multiple dock license application unanimously. She can now start processing applications for permits. LMCD wants staff to make it clear that dock permit holders stay within the dock site plans, but boats can overhang the end of the dock by 4 feet.

Ferguson stated one resident submitted a comment to the LMCD that he was concerned about congestion with the new boat density. Ferguson noted there are trees in the resident's area that will shield the dock area from view. Park Commission Chair Patty Rezabek stated she was aware of the resident's complaint. She said the Park Commission is still concerned about maintaining views and congestion around the swimming beach, and felt they should have been included in the process. They would like to be more involved in discussion regarding boat canopies, etc.

9.3 Park Commission Recommendations regarding Docks at Swimming Beach

Mayor Pro Tem Taylor reiterated that he felt in retrospect, the Park Commission should have been more involved with the Dock Committee's recent dock review process relating to the swimming beach. He said he agrees with Parks that maybe some control should be placed over some of the new slips to minimize the impact. He feels Council should consider this at a future meeting when the full Council is in attendance.

Administrator Griffin said the current ordinance allows canopies anywhere except at fire lanes. The old ordinance required permit holders to get a variance in order to place canopies at any site. She recommended Council amend the ordinance or take some kind of temporary action to restrict canopies if there are concerns about the swimming beach views by these new slips.

Patty Rezabek would like the city to proceed with filling these new slips with caution until it is known what the impact will be, and not have the park area look like a marina. The Comprehensive Plan seeks to protect the parks.

Staff will send out the 2010 permit applications as soon as possible. Staff can offer the new sites but advise interested residents that there may be restrictions on “boat houses” (canopies) at Dock 14-5, 15-1 and all slips at Dock 16. Boat lifts might be an answer for those sites as they do not have the height like boat houses, but boat lifts are more expensive to remove and cannot be stored at the swimming beach. Snap on covers for boats at those dock sites were also mentioned. Staff will check with City Attorney Hilke to see if Council must amend the ordinance to restrict canopies at Dock 14-5, 15-1 and the slips at Dock 16. If so, staff will bring back an ordinance amendment in March.

In the end, Mayor Pro Tem Taylor said we need to make sure dock holders have and use parking permits and more discussion will be held for how we can mitigate the impact of view encroachment for people using the park and for some of the neighbors. The Park Commission has asked for an extension to April for time for discussion with Parks and the Dock Committee on how to deal with the issue. It should be noted on the dock applications that Council is considering restricting boat canopies on docks 14-5 and 15-1, and possibly on the new docks on 16 at the swimming beach.

9.4 Consider Motion Authorizing staff to submit State Office of Energy EECBG Grant Request for Energy Efficiency Project

Mayor Pro Tem Taylor explained the grant process and why we were asking for this after the fact. He said there was a very short deadline for submittal of proposals, and we have already submitted the application for stimulus funds. There were two different grants available; there is a formula block grant from the federal government for larger cities and a competitive block grant administered by the state for smaller cities. All of the grant monies have to be spent before the end of this year. Based on quotes the city has received, we have submitted applications for some energy grants for the new city hall thermostat, LED exit signs, replacement of the lighting at city hall, and a power factor controller for the water pumps at the water plant to reduce the demand charges. The total cost is \$8,775. We have requested \$5,725, (65%), from the state based on how much it is going to save the city. The city’s cost share would be the remaining \$3,050 which would be about one year of energy savings if the project is completed. Even if we do get the funding we are not required to do the projects. A free trial demo light has been installed in the city hall entry for 30 days. Some of the projects have energy rebates from Xcel Energy which would have to be reported. The general fund budget currently includes \$4,500 for energy efficiency. The lighting bid for city hall is \$2,000, with the LED exit signs thrown in for free.

(Bartel motion, Ferguson second to authorize staff to submit a grant application, after the fact, for the State Office of Energy Efficiency and Conservation Block Grant Project, and commit city funds equal to the annual savings of the project, not to exceed \$3,050; all present aye).

10. New Business

There were no new business items.

11. Staff Reports

11.1. Director of Public Works

Director of Public Works Ben Young was not in attendance because he was either out snow plowing or preparing to plow due to the snow storm. He had asked Administrator Griffin to report that he repaired a water service break at the Palm residence on Beach Lane this past week. The city hired a leak detection service to identify where the leak was coming from. Once it was identified as coming from under the home's footings, the resident was then responsible for payment to repair it.

Griffin stated Ben has been painting inside city hall and has completed the restroom and Council Chambers. Council was very happy with the color choices.

Patty Rezabek said she felt the warming house is being better taken care of by people using it and not being trashed. Kroll stated the police are patrolling the park and actually getting out of the squad car and going in to the warming house. Ferguson asked if we had received any feedback from the City Attorney on things that could be done to make the skating rink more usable by residents. Attorney Hilke has provided a list of ideas that the Park Commission is discussing before any recommendation is made to Council for action.

11.2. Clerk's Report

City Clerk Marilyn Regnier was on vacation and not in attendance.

11.3. Administrator's Report

City Administrator Susanne Griffin reported:

The Crossing County Rd. 15 Resident Survey was sent out on January 27th, and staff has received 45 responses so far. Staff asked Tom Regnier (whose company prepares surveys) if he had any suggestions for a spreadsheet for compiling the responses. He sent staff a spreadsheet that, once filled in, will provide a corresponding report which will help greatly with the compilation. Staff will have the results compiled by the March meeting.

Mayor Pro Tem Taylor reported the bonding bill for the tunnel has been passed by the State Senate and has not been voted on yet by the House. We still have a choice to go forward if it passes the House.

The Fire Commission has been looking at the self renewing contract with the city and they are putting together an updated version. They are asking the cities to approve it and it will come to Council in March. It won't affect cost or service level; it is more of a cleanup of the contract. Taylor said Chief Greg Pederson does a great job managing the budget and we get very high quality service. Mutual aid requests for Mound are much higher because of the amount of their equipment and their department is so efficient. There was a question as to whether the other cities are lowering their budgets because of

the support Mound provides with mutual aid. The fire department had some surplus funds left from last year, \$50,000-\$60,000, and would like support for some of those funds to go into the fire department pension plan for retention of their firefighters. There was consensus at the Fire Commission meeting to support the request to fund the firefighter pension.

12. Council Reports

12.1. Mayor's Report

Mayor Anderson was not in attendance.

12.2. Liaison Reports

Council Member Bartel reported the Planning Commission discussed solar access and heard a presentation by Mario Monestario from Westwood Renewables. It was a very interesting and informative presentation.

Ferguson wanted to share some information after the meeting about the Norman mediation so as not to violate attorney client privilege. Mayor Pro Tem Taylor will close the meeting for that update.

Kroll said she attended the last Park Commission and Police Commission meeting. She noted the police are monitoring one of the boundary areas because of even and odd addresses being split between two boundaries. It is not a boundary area for Minnetonka Beach.

The March meeting date was discussed. Mayor Pro Tem Mike Taylor said he cannot attend the meeting on the 8th and asked about moving it to the 2nd or 3rd. Bartel would prefer to keep it on the 8th because there will be a quorum even though Taylor cannot attend. Taylor asked if March 1st would work. The 1st worked for Ferguson. Michelle Kroll was going to check on the 1st but would keep the 8th on her calendar.

13. Adjournment

(Ferguson motion, Bartel second to adjourn the meeting at 9:20 p.m.; all present aye).

Public Present:

Patty Rezabek, Andy Berg from Abdo Eick and Meyers,

Note: The above list may not be a complete list as not everyone signs in.

Staff Present:

City Administrator Susanne Griffin. Minutes recorded by Administrator Griffin.