

**City of Minnetonka Beach**  
**REGULAR CITY COUNCIL MEETING**  
**Monday, September 13, 2010**  
**MINUTES**

**Roll Call**

Mayor Joann Anderson, Council Members: Jill Bartel, Linn Ferguson, and Treasurer Dennis Fischer. Absent: Mike Taylor. Council Member Michelle Kroll arrived at 8:20 p.m.

**1. Call to Order**

Mayor Anderson called the Water Improvements Study Session to order at 7:05 p.m.

**Council Water Improvements Study Session**

The study session was being held in preparation for the September 27<sup>th</sup> public hearing regarding water main improvements. Also, Council would not have a quorum at 7 p.m. this evening due to the absence of Council Member Taylor and Council Member Kroll at would not be arriving until after 8 p.m.

Mayor Anderson gave the background on the proposed water improvements on the East Side of the City and a summary of the reasons for the project, including the existing mains are aging, undersized and not providing adequate fire flows to some hydrants.

**1. Water Improvements**

**1.1. Public Hearing Presentation Discussion**

Additions requested to the presentation included adding the costs for the completed water plant filter replacement project and the new water meters with radio read system. Include a “bad flows” map of the fire hydrants. Insert slide of questions regarding location of project and why. Some of the maps were not legible and that will be rectified.

**1.2. Review Feasibility Report on East Side Water Project – Darren Amundsen, Bonestroo**

Bonestroo will provide larger maps of the existing water distribution system on a city-wide map; a large board map of Figure 3A-Priority 1, renumber maps as 1, 2 and 3. Include that at the May 10, 2010 Council meeting they adopted the 2011 Capital Improvement Program. Several easement acquisitions will need to take place at 2442 Lafayette Rd and on Woodwinds Lane. Vacating the older line was discussed.

**1.3. Financing Discussion – Bruce Kimmel/Jon North, Ehlers**

Bruce Kimmel will note what is left to pay on the 2002 bonding for the public works building and west side water project. Ehler's & Assoc. chart regarding the Proposed Series 2011 should be used as a handout. Communications for residents will include handouts of all the power point slides, all the materials will be posted to the City website, and be available at City Hall for anyone to receive.

**City Council Agenda**

Mayor Anderson called the Regular City Council meeting to order at 8:15 p.m.

**2. Approve Agenda**

**2.1 Council Meeting Action Notes**

Mayor Anderson requested adding to Future Council Agenda items the Planning Commission's recommendations on Side Setbacks for Small Lots for November.

**Approve Agenda**

The agenda was approved as written (**Bartel motion, Ferguson second; all present ayes**).

**3. Approve Minutes**

**3.1. Regular Meeting of August 9, 2010**

One correction was made on page 7, item 9.4. 2011 Preliminary Budget Discussion, 5<sup>th</sup> line, change "owes" to "owe". The sentence now reads: ..... and the \$40,000 that the City will still "owe" Lindquist & Venum.... (**Ferguson motion, Bartel second to approve the minutes as amended on page 7; all present aye**).

**4. Open Forum**

No one spoke.

**5. Recognition of Out-Going Commissioners-M. Ayers, A.**

**Brilley, R. Boyle, D. Rogers**

Ann Brilley was in attendance and was recognized for her time spent on the Planning Commission. She received a Certificate of Appreciation and thanks from Mayor Anderson. Merrill Ayers, Planning Commission, and Park Commissioners Ray Boyle and Diane Rogers were not at the meeting and their certificates would be mailed to them.

**6. Police Report**

**6.1 Police Report – August**

Sergeant Tony Wittke reported there have been no problems at Ray Peters Park and nothing of significance with the Dakota Regional Trail. Mayor Anderson said she has noticed TRPD patrolling the trail.

**7. Consent Agenda**

**7.1. Fire Report – August**

**7.2. 2011 Lake Minnetonka Communication Commission (LMCC) Budget**

**(Bartel motion, Kroll second to approve the consent agenda items; all present aye).**

## **8. Planning and Zoning**

### **8.1. Resolution 2010-37 – Amendment to Conditional Use Permit to install a fence and rescind specific provision of previous amendment – Lafayette Club – 2800 Northview Rd.**

Planning and Zoning Administrator Dick Krier reported the Lafayette Club has requested an amendment to its Conditional Use Permit (CUP) enabling Three Rivers Park District (TRPD) to install an 8-foot high black chain link fence on the Club property near Woodbridge Rd. and east to near the golf cart bridge. The fence would be approximately 4.5 feet off the south edge of the paved Dakota Regional Trail, 130 feet long, and it would be the same type of fencing that was installed on the south side of the trail on the west side of Woodbridge Rd. The request is being made for the protection of trail users from flying golf balls.

Secondly, the resolution also rescinds the requirement of stamping the asphalt parking lot in the Lafayette Club tennis area. Council had originally directed that asphalt area be stamped similar to the trail crossing areas, but after observing the parking area, Council decided the stamping would no longer be necessary. Thirdly, the resolution eliminates the condition requiring the Club to hold the City harmless for the hazardous material in the soil that was removed from the tennis parking lot area. It is felt it is no longer necessary because the soil removal has been completed and TRPD has provided proof that the removed material was properly disposed.

City Planner Krier said the Planning Commission recommended Council approve the CUP amendment to build the 8-foot high fence along the trail, but they wanted landscaping conditions added in order to break up the commercial character of the fencing. Council Member Bartel suggested conifers be planted so the area would “look better in the winter”. An amendment was made to the resolution to add conifers to the mix of over story trees, base plantings and vines for landscaping in the location of the fence. In addition, the landscape plans would need to be approved by Planning and Zoning Administrator Krier after he has shown them to Council.

Lafayette Club General Manager Scott Bremer said they are looking forward to getting the project and the landscaping completed for safety of the trail users. He noted the fence will be 8 feet back from the roadway. Mr. Bremer said he was concerned about the resolution condition requiring conifers because unless the soil and conditions were right, there is a probability conifers wouldn't survive. The Club will have landscape plans prepared and given to City Planner Krier for approval by Krier after he shows them to Council. **(Bartel motion, Ferguson second for making the findings and adopting Resolution 2010-37 Amending the CUP for Safety Fence Improvements and Rescinding Certain Conditions of Resolution 2009-29 with the amendment of adding conifers and with the Lafayette Club submitting landscape plans to the Planning and Zoning Administrator for his approval after he shows them to Council; all present aye).** This resolution is the 10<sup>th</sup> amendment to the Lafayette Club's Conditional Use Permit.

## **9. Treasurer's Report**

Treasurer Dennis Fischer asked for Council's approval of the checks.

### **9.1 Approve Checks**

**(Bartel motion, Kroll second to approve 58 checks, numbers 12387-12444, in the total amount of \$67,458.19; all present aye).**

### **9.2. Year to Date Budget Report**

City Administrator Griffin reported the City received road aid in the amount of \$2,975.79 and a \$3,000 check reimbursement for the automated handicapped accessible door system installed on the back of the post office. A new furnace and lighting at City Hall will be paid with grant money.

### **9.3. 2011 Preliminary Budget**

#### **9.3.1. Proposed Dock Fee Changes**

Mayor Anderson reported unpaid legal fees for the Goodman/Gillum lawsuit regarding property boundaries at the fire lane at Dock Site 11 are \$60,000. The City will pay \$20,000 this year, leaving \$40,000 to be paid in 2011. The total cost over a 12 year period to protect the 50 feet of fire lane was in excess of \$200,000. She said it is very important to fight for our dock spaces, if we would have given up the dock site there would have been a reconfiguration with the LMCD and we could have lost even more with a reconfiguration. She said we want to protect the slips we have today, but we are not recovering all the costs in protecting lake access. She commented the cost is a drain on our city reserves, and we have had to postpone the paving of Lafayette Ridge Rd. and other items around the city. The lawsuit has been settled and the judge awarded the Gillum's with what they had requested, and the settlement protected the City's 50 feet of fire lane. In working on next year's budget, it was decided to show Dock 11 in the 2011 budget as a separate line item of \$30,000 to be recouped from property taxes, and dock fees would recoup the remaining \$10,000.

Administrator Griffin presented a chart of examples showing income if all 85 dock slips were rented (there were 58 slips rented in 2010). Current dock slips are permitted at rates of \$200, \$300 and \$400 (depending upon size of dock) and the City took in \$17,890 in 2010. The preliminary budget for 2011 shows the rates at \$300, \$450 and \$600. In 2008, the Dock Committee thought \$21,000 would be enough to administer the dock program, including fees to the LMCD, repairs, and staff time. At this meeting Administrator Griffin handed out a study showing what other Lake Minnetonka cities charge for their dock slips. Only the City of Mound just provides dock space for some (144) of their slips like the City of Minnetonka Beach does and their rate will be \$300 in 2011. Dock fees for some other cities that provide docks range from \$350 (Mound) to \$1,900 (Excelsior).

Council received an emailed letter at the meeting from Dock Committee Co-Chair Lee Goehring. Co-Chair Goehring was also at the meeting and he requested Council table making a decision on raising dock fees until the Dock Committee can meet to discuss the issue. He said he was just informed today of the proposed increase in dock fees and he is disappointed how fast this came forward. He said the Dock Committee previously discussed legal fees being paid as a global cost to all residents and not having fees levied against the small population (dock permit holders).

Dock Committee member Lisa Smith said she thinks it is a wonderful way for the City to recoup some of the legal fees, lakeshore owners shouldn't have to share in paying 100% of the legal fees because they pay a lot for their lakeshore and wouldn't be using the fire lane docks. Patty Rezabek wanted to understand better the budget regarding legal fees. Mayor Anderson said we budget \$35,000 for legal fees each year; it is thought if there is something specific, we should try to recover it reasonably with a fee, and not all from property taxes. Patty Rezabek went on to say we are protecting the land, but it is city land. Kröll said docks are a little different because having a dock is a choice. Mike Bloom thought Lisa's comment was excellent and he said another example/model would be when the City had to purchase railroad crossings, property owners paid 50% and the City paid 50%. Mayor Anderson recommended Co-Chair Goehring meet with the Dock Committee and they come up with recommendation on how the legal bill should be paid and bring it back to Council at the November meeting, before the final 2011 budget is adopted in December.

**9.4. Consider Adopting Ordinance No. 73 – Amending Appendix A Fee Schedule**

The only changes to the Schedule for 2011 would be the sewer Service Availability Charge (SAC), \$2,230, which is set by the Met Council; and the dock permit fees, listed in item 9.3.1. **(Bartel motion, Ferguson second to adopt Ordinance 73 amending Appendix A - Fee Schedule; all present aye).** The amended fee schedule will take effect January 1, 2011.

**9.5. Resolution 2010-38 Authorizing Summary Publication of Ordinance No. 73 (Bartel motion, Kröll second to approve Resolution 2010-38 authorizing summary publication of Ordinance 73; all present aye).**

**9.6. Resolution 2010-39 Preliminary Budget and Proposed Tax Levy Certification**

Administrator Griffin talked about some of the items in the 2011 preliminary budget including paying \$40,000 in lawsuit legal fees for dock site 11; Capital Improvement Program items, paving Lafayette Ridge Rd. \$32,000, public works truck \$34,000; increases in public safety - fire department 7.45%, and police 9.16%; health insurance benefits increase 10%; and cost of living and salary step increases for some of the employees, 2% and 3.5% respectively. The proposed tax levy increase would be 14%, or a 9 % increase in the budget. Public safety (police and fire) are 25% of the budget. **(Bartel motion, Kröll to approve Resolution 2010-39 setting the proposed 2011 Tax Levy Certification for the general fund at \$768,395.73, and the bond levy (water and public works) at \$109,794.58, for a proposed tax levy of \$878,190.31.; all present aye).** The Truth in Taxation hearing will be held on December 6, 2010, where Council will go through the budget line item-by-line item making final changes and reductions, with the final budget being adopted on December 13, 2010. The final levy must not be greater than the proposed levy.

**9.7. Resolution 2010-40 Establish Finance Committee**

Mayor Anderson talked again about the need for a Finance Committee to help with financial strategies and preparing a long-range funding plan for the City's future infrastructure needs. She has talked with a number of residents that have financial backgrounds and Christina (Chrissie) Boyd and John Whitaker are two so far that have agreed to be on the committee. Mayor Anderson is waiting to hear back from several

other residents. She noted if Council were to select BBE Community Investment Partners for investment advisory services, Bruce Kimmel with Ehlers & Associates would be available to work with the Finance Committee in the short term, which is included in his initial bid. An amended resolution handed out at this meeting would authorize the Mayor to appoint the committee members. **(Ferguson motion, Bartel second to approve amended Resolution 2010-40 establishing a Finance Committee to provide financial and investment matters to include establishing a long-range financial strategy for capital and other city improvements and authorizes the Mayor to select members to serve on the committee; all present ayes).** Mayor Anderson asked Treasurer Fisher to be on the committee and Council Member Ferguson to be the Council Liaison to the new committee.

**9.8. Consider Agreement with Community Investment Partners for City Investments**

Bruce Kimmel, Ehlers & Assoc., gave an overview regarding a proposal from BBE Community Investment Partners, LLC (BBE CIP) to provide investment advisory services for Minnetonka Beach. They work with cities, counties and school districts in the Upper Midwest and the firm is an independent full service investment advisor. BBE CIP is a partnership between Bankers' Bancorporation, a provider of financial series to community financial institutions, and Ehlers & Associates, an independent financial advisor to local governments. They can provide capital improvement program funding strategies, prepare cash flow forecasts to determine current funds for investment, formulate investment policies, and can provide record keeping and reporting with on-line access. Fees for BBE CIP are based on a graduated scale of assets under management. There are no per trade fees or commissions. They are proposing 25 basis points, or 0.25% of assets under management with the fee being pro-rated and billed monthly, and is inclusive of all of their services. **(Kroll motion approve Resolution 2010-41 approving the advisory agreement with BBE Community Investment Partners; all ayes).** Brian Mann, Municipal Asset Manager with BBE CIP, will meet with City staff and Treasurer Fisher.

Council received a memo from Bruce Kimmel dated September 10, 2010 which included topic items: CIP Funding Strategy, Water Utility Rate Study, and East Side Project Financing and Refunding of Water Portion of Series 2002A Bonds. Ehlers & Assoc. is recommending a water utility rate study so the City can have confidence the rates will cover the proposed east side water project. Costs for the study could be rolled into bonding costs for the water project. Bruce Kimmel said items in the CIP fund, such as a new public works truck, could be debt financed which would spread out the cost of the truck over its useful life, which would free up funds. He also suggested having CIP items funded in the tax levy. Council member Ferguson said if we were to borrow for a truck, we'd need to make sure the timeframe for paying for a truck matches the item's useful life. Treasurer Fisher said he thinks it is money well spent to have the water rate studies completed and he recommended Council hire Ehlers to do the work, the capital improvement funding strategy and the financing and refunding. Ehlers will provide a contract regarding what they would provide and costs. Some of the costs for their work could be included in the bond funding due to preparation for the proposed water improvement project. **(Bartel motion, Kroll second to authorize the Mayor to enter into a contract with Ehlers & Associates to provide Capital Improvement Program**

**funding strategy advice, a water rate study, and East Side Project financing; all present aye).**

## **10. Old Business**

### **10.1. Trail Use Update and Trash Cans**

Administrator Griffin gave the background on the City requesting two trash cans being installed trail side which was recommended by staff due to seeing bags of dog feces being left along the trail. Staff researched the possibility of installation with TRPD and locations. Shadywood Rd. in Orono now has a trash container installed along the trail. Mayor Anderson talked about locations for trash cans and it ended up looking as though there would be just one installed west of Lake Rd., on the south side of the trail. Resident Mike Bloom said he doesn't want trash cans because he doesn't see trash along the trail, but if a can were to be installed, don't put the trash can where residents can see it. He suggested by the Margaret Dahl Library where residents wouldn't see it; about 20 feet from Northview Rd. and behind the library. Bartel said she doesn't want a trash can installed, she is opposed because of bees and the trash can could become full and overflow between pickups. In the end, the issue of trash can installation was dropped unless the City hears from residents.

Boe Carlson, TRPD, will provide administrative ticket citation information for the October Council meeting. Mayor Anderson said the Trail Safety Task Force spent a lot of time talking about elevated speed tables on the trail to try to slow bicyclists down. Boe Carlson said rubber augmented speed bumps might be an option and would not require major work on changing the elevation of the trail. TRPD could install temporary speed bumps and then revisit the issue to see if they are working. Mayor Anderson said the task force members that have driveways crossing the trail thought the speed bumps might be a good idea to try.

Regarding bicyclists not stopping at stop signs, Mr. Carlson said law enforcement and education reinforcement go hand in hand. For people to be reminded of the laws, enforcement saturation might happen in the beginning of the 2011 biking season. Bike bells are being given away by TRPD district-wide, along with a "Share the Trail, Minnesota Nice" brochure that educates people on trail etiquette. Mr. Carlson gave a 2009, 27-page trail user survey report to the Mayor.

## **11. New Business**

There were no items.

## **12. Staff Reports**

### **12.1. Director of Public Works**

Ben Young was on vacation.

### **12.2. Clerk's Report**

City Clerk Marilyn Regnier reported:

Due to Hennepin County handling the counting of absentee ballots, election results for the City may not be known immediately on election night as in the past. Election results can be found election night on the Hennepin County web site as they are known. It was

recommended to have Council canvass the election results the following day. Council set 9:00 a.m. on Wed., Nov. 3<sup>rd</sup> to canvass the election results. City Clerk Regnier will publish the date.

**12.3. Administrator's Report**

City Administrator Susanne Griffin had no report.

**13. Council Reports**

**13.1. Mayor's Report**

Mayor Anderson said the Civic Committee has two new Co-Chairs, Robin Stockinger and Tracey Breazeale, and they will be meeting with Administrator Griffin regarding reporting information for the Beachcomber, etc.

**13.2. Council Liaison Reports**

Kroll thanked Council Members Bartel and Taylor for filing for office again for the November election, along with Mayor Anderson. No one filed for the Treasurer position.

Bartel said the October Planning Commission meeting will have side lot setbacks on their agenda.

Ferguson noted open enrollment time is coming up for health insurance. He will structure a suggested health savings plan for employees with current insurance provider Health Partners for the October Council meeting.

**14. Adjournment**

**(Linn motion, Bartel second to adjourn the meeting at 11:15 p.m.; all ayes).**

Public Present:

Ann Brilley, Patty Rezabek, Bill Hite, Jr., Lisa Smith, Scott Bremer, and Boe Carlson.

Note: The above list is not a complete list as not everyone signed in.

Staff Present:

City Administrator Susanne Griffin, City Clerk Marilyn Regnier, and Planning & Zoning Administrator Dick Krier. Minutes recorded by City Clerk Regnier.