

Monday, April 10, 2023 6:00 PM
CITY OF MINNETONKA BEACH
CITY COUNCIL MEETING MINUTES

Roll Call: Mayor Joe Pagano; Council Members: Tracey Breazeale, Chris Dovolis, Jennifer Halverson, Vibhu Sharma and Treasurer Chris Zinn.

Staff Present: City Administrator Heidi Honey, City Clerk Jane Burgess and Public Works Superintendent Jason Hilgers; Stantec City Engineers Alan Offerman and Ryan Capelle

Guests:

1. Mayor Pagano called the meeting to order at 6:50 p.m.

Clerk Burgess led the Pledge of Allegiance

2. Approve Agenda

Halverson motion, Breazeale second to approve the meeting Agenda. All ayes, the motion carried.

3. Approve Minutes –

3.1. Special Meeting of March 13, 2023 – City Assessor Pre-Board of Appeal

Sharma motion, Halverson second to approve the Special City Assessor Pre-Board Meeting Minutes of March 13, 2023. All ayes, the motion carried.

3.2. Regular Meeting Minutes of March 13, 2023

Sharma motion, Breazeale second to approve the Regular City Council Meeting Minutes of March 13, 2023. All ayes, the motion carried.

4. Open Forum

No discussion

5. Old Business

5.1. Water Treatment Plant - Stantec

City Engineer Offerman and Engineer Capelle presented Stantec's Water Treatment Plant Options for Discussion. They explained the EPA's announcement on March 14th regarding proposed limiting of the amount of PFAS in drinking water to the lowest level that tests can be detected. The EPA announced a proposed limit of 4 parts per trillion for two common types of PFAS compounds called PFOA and PFOS. These limits are lower than those currently enforced by MDH. Current test results indicate the water in Minnetonka Beach meets current health-based guidance in Minnesota.

In December 2022, Minnetonka Beach authorized Stantec to begin moving forward with the design of a new 0.7 million gallons per day water treatment facility to replace the existing plant. Unfortunately, the current proposed treatment process does not include the removal of PFAS substances, which will be required of cities. There was also discussion about possible federal funding for the PFAS removal requirement for cities, and timing of such potential funding awards as it pertains to shovel ready requirements.

Stantec presented three options to consider moving forward with PFAS treatment in the new water plant. Depending on which route is ultimately decided, it would influence overall project costs. The estimated costs below are on top of the \$6.6M previously authorized by Council in December 2022.

Option 1: Design and construction of a concrete facility to house treatment equipment attached to the proposed water treatment plant including final design for the PFAS treatment equipment to be installed in

the future. Total estimated project costs are \$1.3M.

Option 2: Design and construction of a concrete facility to house treatment equipment attached to the proposed water treatment plant including final design for the PFAS treatment equipment to be installed as a part of the water treatment plant project. Total estimated project costs are \$2.25M.

Option 3: Move forward with the current proposed design of the plant which does not include PFAS treatment and plan to possibly retrofit the plant in the future if / when PFAS treatment is required. This option has no current project cost implications however it would incur additional costs in the future if a decision were made to eventually treat for PFAS substances.

After a great deal of council discussion and questions asked of City engineers, it was decided that Stantec will present to council, at the May 8th meeting, the following:

Since required PFAS filtration should be considered, along with overall project costs and implications to residents, they will present an additional option proposal to ultimately design the PFAS treatment in the wing of the building, but as an Alternate, and according to the schedule laid out in their memo in today's packet. When bids are obtained in approximately February of 2024, council can decide at that point if they want to proceed with the Alternate wing and what that will entail. The Alternate can bid in such a way that maybe it is just the building shell with or without the components.

6. Finance

6.1. Summary Report of City Finances

Treasurer Zinn presented his April Financial Dashboard. He stated that the City's cash position is strong relative to the prior year. He added that rates keep rising and money market funds are at 4.68% which is very good news. Because of these high rates, he recommends that the City's CD's and other investments managed by Ehler's, the City's investment advisory firm, be rolled over as soon as possible to take advantage of these higher rates. He reported that the City has \$4.45 million in outstanding debt. He said discussions will continue for costs, financing and incremental debt that will occur for the new water treatment plant.

He listed some of the City's higher dollar amount accounts payable invoices paid in the last month. Sharma asked questions about the Bridgewater VISA use and Honey explained that the majority of those expenses are for public works used mostly for fuel. Zinn explained that the US Bank invoice is for the City copier lease. He added that Hilgers was able to do cold patching of streets for \$1,096 recently, so that was paid for in the check run as well. Hilgers explained the lights repaired at the skating rink.

Zinn stated that at this time the City is underbudget with legal and zoning expenses, but noted that this can change. Honey stated that the zoning code updates will generate expense in this category.

6.2. YTD Budget to Actual and YTD by Class – Q1 2023

Zinn stated that seasonal expenses are on track, and the City is on track at 25% of annual expenses used to date. City Dock rental revenue has been received and the new quarterly \$150 Water Treatment Plant fee began on the Q1 utility bill which is due on May 5th. He added that streets and other seasonal expenses will be seen later in the year. He closed with stating that the City is operating according to plan.

6.3. Capital Improvement Program Schedule and Process for 2024 – 2033 CIP

Zinn explained the CIP process and stated that there will be future CIP discussion as it relates to the water treatment plant. Honey added that at their April 27th meeting, the Planning Commission began their annual process of collecting input for the 2024-2033 CIP. The Capital Planning Review Committee, (CPRC) consists of chairs of the Planning Commission, Finance Committee, Utilities Commission, Park Commission

and key staff/consultants. They will meet in June to review and evaluate the preliminary CIP after all input has been collected and make recommendations to the Planning Commission on the final draft. The Planning Commission will hold their public hearing on June 26th for CIP public comments. After that, the Planning Commission will then make a recommendation to City Council for their July council meeting for final plan adoption, and basis for the 2024 CIP budget.

7. Consent

- 7.1. Police Report – March
- 7.2. Fire Report – March
- 7.3. **Resolution 2023 – 15** – 2023 Dock Applications
- 7.4. Gardens by Lynn Contract – Gardening Services
- 7.5. Bartlett Tree Service Contract – Crabapple and EAB Treatment
- 7.6. Safe Assure Contract – Safety Program
- 7.7. Waterfront Restoration Contract – Beach Weed Removal
- 7.8. AJ’s Property Maintenance Contract – Turf Restoration
- 7.9. Council Meeting Action Notes
- 7.10. LMCD Municipal Certification for Watercraft for Hire
- 7.11. Natural Shore 2023 Contract – maintenance Swim Beach native plantings
- 7.12. Approve Checks: March 2023

Sharma motion, Breazeale second to approve the Consent Agenda. All ayes, the motion carried.

8. Staff Reports

8.1 Administrator’s Report

Honey reported that she spent a lot of time working with Stantec and Dean Phillips office on the application for Community Project Funding/Congressionally Directed Spending. The EPA posted acceptable levels of PFAS while she was working on the application, so she was able to incorporate the City’s test results and reference the EPA standards in the application. Applications for the water treatment plant PFOS treatment project and remaining watermains were submitted as two separate projects. As part of the application process, she was asked to commit to specific people she thought she could get letters of support from which were due in April. On March 22 at 1 pm, she received an email from Dean Phillips office asking to review their summary of the application for accuracy and also provide letters of support from the community, news articles and anything else that showed evidence of support from the community for the project. These items were due Friday, March 24 at noon. In less than 48 hours she reached out to the elected and appointed officials in the community and was able to get 50 letters, some of which arrived minutes before the deadline. As it was spring break, many were not only out of town, but many were out of the country.

She added that on April 6th she received an email from Senator Tina Smith’s office asking if they too could submit the City’s project for consideration by the Appropriations Committee for the Community Project Funding/ Congressionally Directed Spending. That was submitted April 7th, and the City should know more soon.

Honey stated that she has learned a great deal about PFAS, PFOAS, PFBA, PFHXA, etc. relating to the water treatment plant and possible additional EPA filtration requirements for cities.

Honey stated that she reformatted the zoning code proposed amendments in a manner familiar to the DNR. Planning Chair Breazeale, the task force and Honey met with the DNR on April 7th. The City’s proposed amendments were acceptable to the DNR, and Wes Saunders, of the DNR, was pleased to see the effort the City is making to go back to the 1992 agreement. In an effort to get these amendments into effect before the building season goes wild, she added that they have a tight timeframe. Staff will need to notice a public hearing on April 15th for May 15th, and she hopes to get additional clarifications and updates completed as

requested by the DNR by April 15th. They will review and provide either suggested modifications or conditional approval by the May 15th public hearing.

Honey stated that she started the annual CIP process by sending letters and forms to each committee and commission asking for their requests to be returned by May 8th. She also worked with Park Commission Co-Chair Kim Petersen and Jason Hilgers on breaking down the parks and public works budgets into their specific areas so their spending can be better tracked. All of this will be posted to Parks account codes for better understanding of how the money is spent.

Jane, Jason, Alan and I met with a property owner who wants to do some improvements by the lake. We all emphasized the fact that he can only maintain what he has. Permit application coming soon

8.2. Clerk's Report –

Clerk Burgess reported tasks completed beyond the regular City Clerk functions. She applied for and the City was awarded a \$948 wellness grant for staff to use for purchasing items that help with their fitness and wellness plan. She attended the Minnesota Municipal Clerk and Finance Officer conference in St. Cloud with 300 statewide city clerks and finance managers. She participated in a variety of sessions with topics including land use and zoning, data practices, council relations, emergency management, and federal grant opportunities. She reported that year to date City Staff has issued \$1.1 million (valuation) for building permits, \$142,000 for mechanical permits and \$104,000 for plumbing permits for residents. She completed three sets of minutes, two for council and one for Parks, and processed more City Dock applications.

8.3. Public Works Superintendent Report

Hilgers reported that citywide brush pickup will start next week, and he has been patching and seal coating roads and this past rough winter did a tremendous amount of damage to them. He and council discussed options for being able to patch all city streets, not just half of them at a time. Zinn, Honey and Hilgers will work on a plan for this if possible, looking at the budget and CIP. Hilgers added that catch basins in the City are breaking as well.

9. Council Reports

9.1. Mayor's Report

Mayor Pagano praised former Mayor Lindstrom for her continued efforts at the legislature, working with Congressman Phillips, Kelly Morrison and Andrew Myers in pursuit of funding for the new water treatment plant. He thanked everyone for their work on the new plant, and acknowledged that the treatment plant add-on's, such as PFAS filtration and building requirements for that process, will ultimately impact residents' budgets.

9.2 Liaison Reports

Breazeale – Breazeale stated that at the April Park Commission meeting vendor contracts were approved for recommendation for approval by council at this meeting. Parks has begun their City Hard Asset Inspections process. May 13th is the date for the Junior Civic/Park Commission Spring cleanup event with resident volunteers. They will focus on Swim Beach Park but will clean up park areas as time allows. She reported the discussions Parks had about the future of Ray Peters Park and discussed uses for that area other than a skate park possibility. They want to have a task force survey the residents for their input on the park and use suggestions. She added that at their meeting, Civic Committee members suggested that perhaps Ray Peters could have a pickleball court and other ideas that would appeal to multi-ages. All understand that there is nothing budgeted for changes at Ray Peters at this time, and Pagano added that Parks will need to be given a clear directive by council for forming a task force. She reported that the Progressive Dinner will be in September and the Newcomers Party will be May 21st.

Dovolis – Nothing to report at this time.

Halverson – Halverson reported that she and Administrator Honey attended the LMCC meeting where a presentation showed that the LMCC’s revenue is down significantly due to people in this area discontinuing their cable use. She also stated that she went to the Long Lake Fire Advisory meeting where they reviewed their CIP, and will have more to report next month. Loretto and Hamel Fire Departments formed a co-op. Medina is working through their options for the future. Long Lake and Orono are still in negotiations about fire services.

Sharma – nothing to report at this time.

10. Adjourn

Halverson motion, Dovolis second to adjourn the meeting. All ayes, the motion carried.

The meeting adjourned at 8:27 pm

PUBLIC IN ATTENDANCE – Nell Mathews

Respectfully submitted,

Jane Burgess, City Clerk