

Monday, April 12, 2021 7:00 PM (immediately following Local Board of Appeal)
CITY OF MINNETONKA BEACH
CITY COUNCIL MEETING MINUTES

Mayor Lindstrom determined that an in-person Council meeting was not practical or prudent because of the COVID 19 health pandemic and that this Council meeting was held remotely using Zoom Teleconferencing. This was done in accordance with MN State 13D.02

1. Mayor Lindstrom called the meeting to order at 6:53 p.m.

- 2. Roll Call:** Mayor Jaci Lindstrom; Council Members: Susan Enlow, Steve Howarth, Vibhu Sharma, and Treasurer Chris Zinn. Staff Members: City Administrator Pat Melvin, City Clerk Heidi Honey, Public Works Superintendent Jason Hilgers.
Absent: Council Member Tracey Breazeale

Guests: Bonnie Schwieger - Abdo Eick and Meyers; Gianna Colombo; Richie Anderson, Greg Blasco, Eric Evenson, Kathleen Metzke (DNR) – Crystal Bay Lake Improvement District (LID);

Lindstrom referred to a curfew in the Metro area starting at 7 pm due to unrest in Brooklyn Park. She assured the public that Orono Police have a plan in place and extra officers on duty.

3. Approve Agenda for the April 12, 2021 City Council Meeting

Howarth motion, Enlow second to approve the April 12, 2021 City Council agenda. Roll Call Vote: Enlow -aye, Howarth – aye, Sharma - aye. All ayes, the motion carried.

4. Approve Minutes –

- 4.1. Regular Meeting of March 8, 2021

Enlow motion, Sharma second to approve the March 8, 2021 Regular City Council meeting minutes. Roll Call Vote: Enlow -aye, Howarth – aye, Sharma - aye. All ayes, the motion carried.

5. Open Forum – no discussion

6. New Business

- 6.1. 2020 Financial Audit – Abdo, Eick and Meyers

Schweiger stated that they provided a clean and unmodified opinion with no additional or unusual audit findings from prior years. Two findings were: 1) an internal control finding regarding preparation of financial statements which is the same as in the past due to limited accounting staff; and 2) a pledged collateral finding that the city's bank balance was over the FDIC insured amount, but it was for a very short amount of time at the end of the year. Schweiger will send their state statute compliance checklist to Melvin. Schweiger reviewed the audit by fund. The increase in personnel was a severance payout to Susanne Griffin; City Hall supplies increase may be from CARES Act purchases; Zoning increase includes resident pass through fees who were invoiced in 2020 but paid in 2021. Creating sub account codes to separate pass throughs from true city expenses zoning and engineering will eliminate that issue. Schweiger discussed the utility rate study for determining future operational and capital needs and how rates will support them. Howarth asked that a prior year comparison be added to the Reserve Summary and distributed to

Council. He asked to discuss how this impacts the way they think about city finances at the next meeting. Howarth also asked for a summary of actual amounts billed to residents at the next meeting (zoning/engineering). Howarth stated even though there is a net deficit, no action is required by the council. Howarth referred to Compensated Absences (p.24) and stated the personnel policy changed effective 2021. He requested it be mentioned as an informational disclosure if these financials are used for bonding in 2021 and update next year.

Howarth motion, Sharma second to accept the audited financial statements for the City of the Village of Minnetonka Beach for the year ended 2020 as audited by Abdo, Eick, and Meyers. Roll Call Vote: Enlow -aye, Howarth – aye, Sharma - aye. All ayes, the motion carried.

6.2. Request to Consider Lifting Gov. Walz COVID Restrictions in Minnetonka Beach
Lindstrom provided an overview stating the library and warming house have been closed since March 2020, City Hall was closed to the public in the early stages of COVID and the Post Office has been open the entire time. City Hall is open with a mask mandate, but City meetings cannot be held in person because of social distancing guidelines. All city parks and playgrounds have remained open throughout the pandemic. Lindstrom referred Colombo's petition representing 13 households with 22 signatures. Lindstrom read the following statement from Colombo: "In general, the residents I spoke to were thanking me profusely for trying to get things open again and trying to get the community together again."

Council discussed the mask mandate and opening city facilities. The mask mandate has not been enforced in the city by community members or police. Residents have gathered in small groups without masks. The city follows the State of MN mandates and restrictions and any modifications thereof. Enlow, Sharma and Howarth agreed that as a Council, they cannot override the state's mandate. Sharma supported opening facilities and allowing people to decide to use them or not. Enlow agreed and added there should be appropriate signing, sanitizing products, instruction to sanitize after use, and limits of one family or a single person based on current orders. Howarth stated that indoor gatherings require a mask and are regulated by size and space. He added the library should be open but limited to a single person or a single family. The warming house is typically closed unless the rink is open. If it used for an event, it would have the same regulations. Sharma stated the governor's current limit for events is 15 people indoors and 50 outdoors with social distancing. It is a changing environment, and the city follows the governor's modifications. Council discussed that the city could do events if they fit the executive orders of the governor.

7. Old Business

7.1. Crystal Bay lake Improvement District (LID) – Richie Anderson
Anderson is looking for the City of Minnetonka Beach to partner with the City of Orono to form a LID for Crystal Bay. The purpose of this LID is to provide stable and ongoing funding for Crystal Bay residents to manage new and existing aquatic invasive species (AIS). He stated the previous treatment for weeds in a corner of Crystal Bay was successful and LMCD harvesters were not effective. LIDs are managed by a board consisting of LID residents who set the budget and collect funds via property taxes. A LID is formed by a petition signed by a majority of the property owners in the proposed district. City and county property with direct access would not be members of the LID and not assessed for the treatments. If the Crystal Bay residents support a LID, the next steps would be to complete a petition and submit it to the count auditor; notice property owners, DNR, PCA and government units within the LID; hold a public hearing; pass a resolution declaring the city's intent to establish a LID; and enter into a Joint Powers Agreement with the City of Orono.

Lindstrom suggested canvassing the city's residents first to determine the level of interest. Anderson agreed but also discussed doing what is best for the lake. The city can decide how it would assess city dock slip renters. Treatments are done annually in June/July and only areas with weeds are treated. Residents who do not want to participate can sign a waiver so the area in front of their property is not treated but all residents in the bay will still be taxed. Howarth asked about safety. Commercial applicators who apply treatments and the LID are insured. The MN PCA, DNR, and EPA have approved the chemicals and they are applied at levels only strong enough to treat milfoil and Curly leaf pond leaf. The LID could deal with other AIS in the future. Howarth discussed representation on the board with the city having substantially less residents. Anderson's goal is to get 70-75% majority support, not 51%. Sharma asked why this is not the DNR's responsibility. LMCD is no longer doing harvesting and DNR removed themselves from control of the lake so citizens are doing it. The DNR provides some grant money for treatments. Homeowners will be responsible for treating their own shoreline area out where the bay wide treatment takes place. Council supported petitioning residents on Crystal Bay to see if they are interested.

Addendum – At the approval of these minutes and after this meeting, it was discovered that homeowners would NOT be responsible for weed treatment of their own shoreline area. 5/10/2021

Howarth motion, Enlow second to move forward with a citizens petition to the property owners on Crystal Bay relative to the establishment of the proposed Lake Improvement District (LID) for the treatment of invasive species on Crystal Bay. Roll Call Vote: Enlow -aye, Howarth – aye, Sharma - aye. All ayes, the motion carried.

7.2. Update on Half Moon Park

Melvin provided a detailed memo in the packet regarding the project. Hilgers met with vendors. Costs are very close to initial quotes. Livingston was to provide dirt for the project, but Melvin is also working on getting dirt from another project because the project is moving forward so quickly.

7.3. Leaf Pick Up Service - Hilgers

Hilgers discussed the current resident leaf pick up service. He supports the city providing the service but thinks lawn service contractors are taking advantage of it and the city is not charging enough to cover costs. He has noted lawn service contractors dumping grass and other things with the leaves in the street. He referred to the city's yard waste, branch and leaf removal procedures and that contractors must haul away debris. Hilgers thinks approximately ½ of contractors haul leaves out of the city. He again stated this is a great program, but fees need to be raised to cover costs. Additional help last year cost \$7,000 in addition to disposal costs. Disposal is \$100 per load for approximately 94 loads per season. Hilgers proposed increasing rates to \$12.82 per resident per quarter to cover current costs for leaf pick up and but that does not include seasonal help, maintenance, or saving for equipment replacement. Enlow thinks that the cost for help should be included, which was \$7,000 last fall. She added that if the city charges for pick up, contractors should be allowed to place leaves in the appropriate place but not include brush or yard waste. Enlow suggested fines/penalty to residents who mix yard waste and brush with leaves. She then discussed communication to residents with what will be accepted, and violations will be assessed a penalty. Hilgers cannot do a lap of the town in one week with all of the contractors working in the city because their leaves are compacted, and he needs to pitchfork them. He suggested creating zones for a more organized leave pick up system which would allow residents to know when he will be in the area. Sharma supported the proposed increase of fees, additional education, and stated they need to figure out how to enforce things in the city. Howarth believes all residents should have

access to the leaf pick up service, but the city can hold a contractor or homeowner to what is allowed for pickup. Council discussed having staff put together a procedure for notification to homeowners for non-compliant activity, amending the fee schedule, preparing rules like signage as a warning and then a fine for subsequent violations. Council supported the proposed fee increase and considering additional fee increases if Hilgers determines help is needed after fall pickup.

8. Consent Agenda

- 8.1. Police Report – March
- 8.2. Fire Report – March
- 8.3. **Resolution 2021 – 17** – Additional 2021 Dock Permit Applications
- 8.4. **Resolution 2021 – 18** – Additional 2021 Dock Variances
- 8.5. Water Tower Update Memo
- 8.6. Garden Gate Contract
- 8.7. Bartlett Tree Contract – Crabapple and Emerald Ash Borer Treatment Program
- 8.8. Safe Assure Contract
- 8.9. **Resolution 2021 – 19** Appoint Lucian Panait to Park Commission
- 8.10. MPCA MS4 Permit Application and SWPPP

Lindstrom referred to item 8.10. and complimented Honey on her work on the complicated application. The city saved thousands of dollars on the work Stantec was going to do on it.

Enlow motion, Howarth second to approve the Consent Agenda. Roll Call Vote: Enlow – aye, Howarth – aye, Sharma - aye. All ayes, the motion carried.

9. Treasurer’s Report

- 9.1. Approve Checks – April 2021
Check #18291 Optum \$50.00 was voided because it should have been an EFT.

Howarth motion, Enlow second to approve 42 checks numbered 18261 through 18303 (with the exception of #18291 being voided) in the amount of \$139,569.38 for April 2021. Roll Call Vote: Enlow – aye, Howarth – aye, Sharma - aye. All ayes, the motion carried.

Melvin asked for authorization to transfer \$2,764.56 from the 4M Bond fund to the Bridgewater account as part of check #18297 payment to Stantec for water tower related work.

Enlow motion, Sharma second to authorize transfer of \$2,764.56 from the 4MBond Fund to Bridgewater Bank. Roll Call Vote: Enlow – aye, Howarth – aye, Sharma - aye. All ayes, the motion carried.

Enlow motion, Howarth second to transfer from 4M Fund #103 Park Donation to Bridgewater Bank in the amount of \$54,624.76. Roll Call Vote: Enlow – aye, Howarth – aye, Sharma - aye. All ayes, the motion carried.

- 9.2. YTD Budget to Actual Report and Prior Year Comparison
Sharma asked about: Item #1400 showing no interest to date. Melvin will follow up with Lynette Rhode on reconciling this; Item #1380 - Reimbursed Expenses is \$25,803 – Melvin will report back to council on what this is for; some line items have amounts but no budget; and Item #2080 - Zoning Administrator shows a negative balance because of pass through payments but new account codes will fix this; and Fire and Police (#2220 and #2205) appear to be over budget, but it may be

due to timing of payments. Melvin will check on it. Melvin will check the full report for blanks and send out an updated one. #2341 Signage - Hilgers will do a sign audit and replace missing signs.

9.3. Outstanding Accounts Receivable

Melvin met with Pete Scherer and his invoice will be paid. He will be meeting with Kiesels and reaching out to Snells. Howarth asked about the process of sending statements for past due accounts. Melvin stated he is being more diligent about collections and he will send additional statements and make phone calls. The letter should have clear indication of the past due amount and that payment is expected for any amount over 30 days. A meeting should be scheduled for accounts over 90 days delinquent.

10. Action Notes and Staff Reports

10.1. Council Meeting Action Notes

Melvin received an updated water treatment plant report, and a meeting is being scheduled to review the options and make a recommendation to council. Utility rate study will begin in May.

10.2. Clerk's Report – written report in packet

10.3. Administrator's Report

Melvin has been working on routine items (payroll, etc.) and had been on vacation.

10.4. Public Works Superintendent's Report – written report in packet

12. Council Reports

12.1. Mayor's Report

Lindstrom has been working on water treatment plant funding. She worked with Rep. Morrison on a bill and Congressman Phillips advised he will support the City in getting financing. Senator Osmek has agreed to carry the bill through the senate. Lindstrom is also researching availability of federal funding. There may be another distribution of CARES Act funding, but the amount is not confirmed.

12.2. Liaison Reports (if necessary):

- Breazeale – absent
- Enlow – She attended the Parks meeting and minutes are in the packet. She attended the fire services planning meeting to determine potential joint powers or merging of departments. Orono is going to create their own fire department and, at the end of 2025, they will pull out of ownership of the Long Lake Fire Station.
- Howarth – left meeting at 11:08 pm
- Sharma – no report
- Zinn – no report

13. Adjourn

Enlow motion, Sharma second to adjourn the meeting. Roll Call Vote: Enlow – aye, Sharma - aye. All ayes, the motion carried.

The meeting adjourned at 11:24 pm.

Members of the Public: Nell Mathews, Jill Bartel, Denny2, Rod, Greg Blasko, Ben iPhone, Kathleen Metzke - DNR, Colby Skelton

Respectfully submitted,

Heidi Honey, City Clerk

City Council Meeting Minutes April 12, 2021