

**Monday, June 12, 2023 6:00 PM
CITY OF MINNETONKA BEACH
CITY COUNCIL MEETING MINUTES**

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

Absent: Tracey Breazeale

Staff Present: City Administrator Heidi Honey, City Clerk Jane Burgess, and City Engineer Alan Offerman

Guests: Planning Commission Chair Jeff Breazeale, and Liz Vandam of the Westonka Historical Society

- 1. Mayor Pagano called the meeting to order at 6:00 p.m.**
- 2. Pledge of Allegiance** – Led by Clerk Burgess
- 3. Approve Agenda for the June 12, 2023 City Council Meeting.**

Halverson motion, Sharma second to approve the June 12, 2023 agenda. All ayes, the motion carried.

- 4. Approve Minutes –**
 - 4.1. Regular Meeting of May 8, 2023

Halverson motion, Sharma second to approve the May 8, 2023 City Council meeting minutes. All ayes, the motion carried.

5. Police Report

5.1. Police Report May presented by Sargent Hennessy

Sgt. Hennessy reported that Orono Police responded to a low number of standard calls for service, and there was not an uptick in burglaries in our City. Mayor Pagano asked Sgt. Hennessy for tips to prevent burglaries and theft and he suggested that residents leave lights on, keep doors and vehicles locked, and remove keys, valuables, and garage openers from outside vehicles. He added that cameras are good, and lights deter crime. The police want residents to call 9-1-1 if they see anything suspicious, especially if they don't recognize a vehicle. Pagano requested that Burgess include this information in the Beachcomber.

6. Guests Liz Vandam, Westonka Historical Society

Vandam presented the announcement of the consolidation news, effective October 1, 2023, between the Westonka Historical Society, the Excelsior-Lake Minnetonka Historical Society. The Museum of Lake Minnetonka, who is the steward of the streetcar boat Minnehaha, and the Wayzata Historical Society.

Vandam added that they have worked on the consolidation efforts for the last four years, and it is exciting that now the history of Lake Minnetonka can be told TOGETHER. Each city is a chapter in the big book about the lake and no city's history is going away. She stated that consolidation means sustainability and one larger organization has a voice more easily heard and there is strength in working together. The museum presence in Mound will remain and the combined archives with the three other organizations will be located in the lower level of the Wayzata Library. The new organization would like to come back and speak at a Minnetonka Beach City Council meeting in early 2024.

Sharma asked how current and how far back do items go at the historical society. Vandam stated in addition to items that are over 100 years old, the 1960's and 70's are considered historical. The 1965 tornado that went

through this area was a big historical moment. She said residents should contact the historical society for possible pertinent item donations and Burgess will include this request in the Beachcomber.

7. Open Forum 6:14 no discussion

8. Old Business

8.1. MN Shoreland Rules and City Code Amendments – Planning Chair Breazeale

8.1.1. **Ord No 140**, 2nd series – Amending City Code Appendix A Zoning Regarding: 3.3. Common District Requirements – Building Height and Septic Systems; 3.4. Lot Size; 3.7(F) Shoreland District – Water-Oriented Accessory Structures and Hardcover; and 8.4 Definitions

Mayor Pagano stated that there has been a great deal of work done on three big issues. The first one is the DNR Code Compliance work completed over the last six to seven months by Planning Commission Chair Breazeale, the task force, and the Planning Commission. He added that the second item relates to all the work done relating to the water treatment plant project, and thirdly, the CIP budget process is underway.

Breazeale explained that the Ord.140 amendment, that council will vote on at this meeting, is the amendment to the current code that was presented in March to council. The DNR then asked for an edit to boulder walls which was completed. He stated that this ordinance amendment is the second package rewrite completed as the ADU amendment completed and approved previously was the first package. This brings the 2017 City Code into compliance with the areas of flexibility and restrictions.

They discussed building height as it pertains to the DNR Shoreland Model Ordinance and the current City Code. Sharma asked what would happen if the Lafayette Club decided to install a cell phone tower on their building. Chair Breazeale assured council that this could not occur as there is no change.

Honey clarified that the ordinance amendment will be published in full in the newspaper as there is not a full council present to vote to publish it in summary per the Resolution in the packet.

Pagano praised Chair Breazeale, the Planning Commission and the Task Force for working collaboratively completing this part of the code rewrite project in six-seven months rather than a full year.

Sharma motion, Halverson second to approve Ord. No. 140 2nd Series - Amending City Code Appendix A Zoning Regarding: 3.3. Common District Requirements – Building Height and Septic Systems; 3.4. Lot Size; 3.7(F) Shoreland District – Water-Oriented Accessory Structures and Hardcover; and 8.4 Definitions. All ayes, the motion carried.

8.1.2. MN Shoreland Rules and City Code Amendments Update – Chair Breazeale

Chair Breazeale distributed his handout at the meeting. He explained the process of how he reviewed the entire City Code for this section, and also studied the DNR Shoreland Model Ordinance, which is very short and organized, as part of the approval process. He added that the City's current code is cumbersome and hard to follow as it has so many layers and sections and goes seven levels deep. The 1996 code is much shorter and doesn't cover everything needing to be covered. The DNR had requested that the Shoreland ordinance rewrite be completed by December of 2023. He stated that he spent several days reordering and renumbering the current ordinance so it can be compared to the DNR's ordinance, side by side.

Chair Breazeale added that he would like to present to the Planning Commission, at their meeting next week, the concept that the City Code be amended by reordering it, but with no change to the words. This

will allow him to identify the major issues to complete the project. He showed council how he mapped the DNR ordinance against the City's code and how he cleaned it up as the city code was hard to follow. He added tables for easy reference, which are easier to follow and shorter. He referenced many sections where the DNR ordinance was easier to follow and made recommendations to follow their model to improve the City's code.

Sharma asked what would happen if the Lafayette Club decided to sell to a property developer and they would ask for a code variance opening the door to high density housing. Chair Breazeale stated that he would have to study that, however, the City has minimum one acre lot sizes, and 150 feet minimum lot width.

Administrator Honey stated that the entire city is zoned residential, single-family homes, and the Lafayette Club operates on a conditional use permit. Any changes would have to comply with the city code and receive council approval. Sharma stated the Club could sell and create a bunch of one acre lots.

Honey clarified that their conditional use permit would have to be amended in order for non-single-family homes to be built. Sharma added that the Lafayette Club is the reason the City has a 30% hardcover limit due to their green space. If the Club wants to change, the hardcover limit could go down to 25%.

Chair Breazeale added that the Club must comply with City Code or request a variance, and Council would have to approve it. He added that he will look into conditional use permit rules. He also created a timeline as to how to finish the code compliance rewrite by the end of year. The Shore Impact Zone question with the DNR is next to be completed, and he is recommending that the tree protection section which is quite large, be moved into a new section called Vegetation and Land Alteration.

He is asking for a bit more time for cleanup than originally planned, going into the next year to make sure everything is done right. Administrator Honey supported this idea stating that it would be very beneficial to clean it all up at once. The current code is very difficult to navigate, and staff often must call Phil Carlson for clarification and answers. For example, information about fences is currently in four or five separate places in the current code, and it would be better to have it all in one place.

Halverson stated that she likes the way the plan is laid out going forward. She added that Chair Breazeale did a great job, and she agrees with Administrator Honey's organizational suggestions.

City Engineer Offerman stated that he likes the layout as proposed, and these changes will streamline the process working with city staff, which will be very beneficial.

Mayor Pagano stated that Chair Breazeale delivered everything he said he would on time, and this is his fifth time doing so in seven months. His sense of collaboration, ownership, leadership, and teamwork simplified these projects and moved them forward way beyond expectations. He added that City Council is good with the process.

Chair Breazeale stated that it was great working with the task force on these projects and he feels that they work well together.

8.2. Comments on water treatment plant site visit – Chair Breazeale

Chair Breazeale stated that the Planning Commission agreed that the new water treatment plant project should be planned so there is minimal impact on the Arcola Woods. The overall focus is conservation, and they want a tree replanting plan that can be done immediately upon construction completion. He added that they received clarification that a large semi will only come every two – six years for their portion of service. They hope that the delivery and service entrance can be a driveway size of approximately 12 feet. Engineering will look at that request but has to take into consideration water and sewer line spacing. One commissioner said alternative locations should be considered to not take out

any of the woods. Another was concerned about light pollution. Chair Breazeale stated that the Planning Commission appreciated Hilger's time spent walking through the Arcola Woods with them and explaining the details.

Sharma stated that he recalled that when the new water tower was going to be built, the resident at 2503 Woodbridge Rd was made aware of the project. He hopes that she has been informed of the water treatment plant project. Administrator Honey stated that she and staff have discussed the plan with her, answered her questions, and listened to her input. Sharma also requested that trees be saved when possible and options considered that would minimally impact tree loss.

9. Public Hearing opened at 6:50 pm; closed 6:50 pm.

9.1. Stormwater Pollution Prevention Program – SWPPP - Annual Report and Public Hearing
Administrator Honey explained the SWPPP part of the MSR4 sewer permit, and the City's report completed annually. The reports include the educational items completed each year regarding the City's efforts to protect the lake, and include public education, brochures, website information, processes in place, and stormwater management reporting which is part of City Code. Stormwater runoff mitigation processes are reported and Stantec assists the City with this report. Written procedures are updated in case of an audit. Offerman added that Best Management Practices comply to City Code, and residents are required to complete this with building projects.

Mayor Pagano opened the public hearing at 6:50 pm for public comments. Hearing no comments, he closed the public hearing at 6:50 pm.

10. Finance

10.1. Financial Dashboard

Highlights: the City has some upcoming maturities at Ehler's in July, August, and October. He is staying on top of them as rates are much higher than they used to be. The investments are treasuries, not CD's, and cannot simply be flipped and get out of them as Sharma asked. Zinn stated that Ehler's said this would not be beneficial to the City. Highlights in Accounts Payable include payments for DNR code compliance expenses, a City Attorney expense as Honey consulted him about the possibility of year-round road restrictions. Everything else is standard expenses. The cash balances are \$400,000 above what they were the prior year, so the City is not spending more than taking in.

10.2. Treasurer's Guidance and Direction for CIP and Budget Process

Mayor Pagano stated that Treasurer Zinn added dimension and depth to the CIP process four years ago working with former Mayor Lindstrom and projecting out ten years. He added that Zinn will help with the CIP process in September. Zinn spoke about last week's CIP Review meeting and that each committee and commission gave input into the CIP. The CIP will then be reviewed by City Council and the CIP Review Committee. The amount, which is usually about \$150,000, or 10% of the total City budget, can only be lowered, not raised. He added that many people tried hard to get the City funding for the water treatment plant including Myers, Morrison, Phillips, and Stantec, but so far nothing has been awarded for the plant. Zinn stated that there is still an opportunity for federal money specific to PFAS filtration, and we should know something about that in July. The City can reapply for state money, but there are specific requirements and limitations.

Administrator Honey stated that the City would have to design the plant around those requirements, which would cost more. Mayor Pagano stated that the plant cannot begin construction in 2024 if the City keeps pursuing state funding. Zinn stated that the risk of existing plant failure outweighs the pursuit of funding.

Zinn added that the CIP infrastructure projects done since he has been treasurer have been very costly. For example, the City spent \$2.6 million on a portion of water main replacement. The new water tower was \$1.3 million. Zinn stated that the City must provide safe water and that is the #1 priority, and a new, yet simple in

design water treatment plant is needed. He added that when the city does these types of projects it must be fiscally prudent and responsible, both with design and financing options. The goal is to keep taxes down for residents. Zinn stated that the City's portion of property taxes is only 20-25%. He added that this water treatment plant is an investment for now and for future residents.

Pagano added that the City put their hat in the ring for some odds and ends funding for watermain with a Friday deadline. The City will continue to seek funding, including county, state and federal sources.

11. Consent Agenda

- 11.1. Fire Report – May
- 11.2. Three Rivers Park District – Trail Report
- 11.3. League of MN Cities Insurance Trust Tort Liability Waiver
- 11.4. **Resolution 2023 – 19** Resolution in Support of funding for water treatment plant
- 11.5. **Resolution 2023 – 20** – Additional City Dock Permit Applications
- 11.6. Resolution 2023 – 21 – Additional Dock Variances
- 11.7. Resolution 2023 – 22 Resolution in Support of Funding for Remaining Watermain Replacements
- 11.8. Council Meeting Action Notes
- 11.9. Approve Checks: June 2023

Sharma motion, Halverson second to approve the consent agenda. All ayes, the motion carried.

12. Staff Reports

12.1. Administrator's report

Administrator Honey stated that it has been a busy month, and highlights of items underway and projects she completed include:

- Applying for 2024 state funds for water mains
- 22 tree removal requests at an average of one hour per request involving multiple staff members. The process is more time-consuming than staff expected. Fawn and Jason completed the tree inspection certification program.
- Spent a great deal of time on a resident petition, circulated in her neighborhood, against the Tree Preservation and Removal ordinance adopted last fall. Answered numerous questions she had and had her and another resident complete a data request for the information they requested because of their concerns.
- The resident at 2217 Huntington Pt Rd. E., which is the house just north of Dock 10, installed their dock in such a way that made Dock 10 be installed about 6 inches towards the home to the south of the dock, and it is in their dock use area. The City is waiting for a letter from the LMCD's attorney, which will be sent to the 2217 Huntington Pt Rd. E. resident, as they are in violation of the LMCD's rules. The City will then send a letter to the property owner so this is documented, and we will know where Dock 10 should be correctly installed next year.
- Parks will be using some CIP EAB Ash tree treatment funds for Oak Chestnut Borer treatments instead as it's better to try to save the Oak trees instead of smaller Ash trees.
- Received a \$3,000 fee for removal of trees without a permit. The City will use this money for future tree work.
- Began researching Cannabis ordinances due to legalization at the state level.
- Received easement information from HCRRA on the Northview wall and discussed repair and excavation with Three Rivers. HCRRA supported the plan as long as the work remains in the easement.

- Of note, there is a letter in the packet referring to the back and forth between Long Lake and Orono's accuracy challenge of Long Lake Fire's response times reported.

12.2. Clerk's Report

Burgess stated that items and projects completed out of the ordinary workload include:

- Rented four more City Dock slips for a year to date total of 65 rentals. There are 15 slips open that are mostly jet ski/fishing boat size, but many are in very shallow water due to the recent drought years.
- Attended the Minnesota Municipal Clerk and Finance Manager Institute for a week completing Year One of the three-year certification program.
- Building permits: issued building (\$3.2M valuation to date), plumbing (\$169K valuation to date), Mechanical (\$239k valuation to date), and ROW/grading permits working closely with the City zoning and engineer at Stantec, Metro West, the City's building official, homeowners, contractors, and vendors. Many building projects were over \$50,000 in valuation, so she drafted their performance agreements and had preconstruction meetings with the contractors, homeowners, and Administrator Honey so all are aligned. Last year at this time, there was \$5.2M in valuation of building permits issued, or a -39% drop this year from last year at this time. Home Sales are -41% with only two sales this year to date. There were four sales last year during this same time period.
- Updated City website: Ongoing items and events. Reach out to Civic and other resources for info for communication in Weekly SPLASH! eblast creation and execution, Beachcomber, Shoreline Drive message board. Selling a great deal of Civic merchandise at City Hall.
- Park Commission: Updated Parks calendars, hard and green asset inspection lists, spring cleanup event with Junior Civic and residents. Worked with Chair Petersen preparing for June 6th meeting agenda and packet, completed meeting minutes. Worked with Park's various vendors with contracts and even negotiated one at a lower price.
- General Clerk Duties and Reporting: Submitted required County and other Clerk reports some involving new home and demos in the City, MN Dept of Revenue Licensing reporting now including City licensed tree removal contractors. Update Resolutions logging and filing.

12.3. Public Works Superintendent Report

Hilgers stated that a contractor is prepping City streets tomorrow and patching them on Wednesday. The flagpole at the beach is under repair as a pulley broke. Kyle Zinn and Kyle Lewis are earning service hours by helping public works doing a variety of projects for Hilgers including mulching.

12. Council Reports

13.1. Mayor's Report:

Mayor Pagano said that as a newly elected mayor, he has observed and listened so far this year. He plans to do his State of the City this fall, with a conceptual and directional focus. It will build on simplifying the ability to do City business over time due to collaboration and communication. He added that committees and commissions are intersecting and making things clearer amongst them all, but there are numerous touch points to each transaction. He will take a mid-term approach as to what the City will be doing in the next 3-5 years, drawing on strong leadership from various chairpeople. He added that Chair Breazeale is a perfect example of clarity and simplification of process and communication. Pagano also plans to draw from his years of Park Commission experience. The original Park Commission 5YP, approved by council in October of 2019, had two phases. The first phase is Operational Excellence and establishing process and procedures. This phase has sustained over three changes in Park Commission leadership. The second phase of 5YP is park usage and design based on resident input. He has worked with Park Commission Chair Petersen and others on this concept, including the future of Ray Peters Park and discussed some potential ideas from residents. He also noted that Chair Petersen has really grabbed hold of the chair position and is doing a great job. They

decided to implement phase two and look at the usage and design plan in the City's Comprehensive Plan to see where the City wants to go as a park system. Pagano added that more details will emerge to determine the vision of park system. Operationally the City is rock solid.

Pagano stated that there is celebration and sadness as this is Sharma's last meeting as city council member. He stated that there will be a formal acknowledgement of Sharma's service to the Dock Committee and City Council. He added that Sharma brought the City into the future as a forward thinker. Pagano thanked Sharma and stated that he was always respectful and always respected.

13.2. Liaison Reports (if necessary):

- Breazeale – absent
- Dovolis – He attended the Utilities Commission meeting where they discussed the City's antiquated sewer system and last summer's sewer break. There was discussion to allocate \$10,000 for a sewer study in 2024. Arcola Lane force mains long run and must be done all at once. They discussed the pros and cons of hooking up LRHA to Minnetonka Beach water. He also attended the LMCC meeting and reported that there are currently no other cable provider options in the area other than Mediacom. Jim Lundberg will present at the July City Council meeting on how the Cut the Cable movement has affected the LMCC and they are running out of money. Dovolis added that there is a 10% reduction in the already low number of cable subscribers per year, but they are creative in finding options to keep the LMCC going. In ten years, they may be out of money. They might sell their building and move into one of the city halls. Dovolis stated that the LMCC wants each member city to help fund the LMCC. The funding will need to increase as the number of subscribers decreases. Production Manager Chris Vogt of the LMCC resigned as he moved to Texas after 17 years there, and Tyler Raabe is taking his place, having worked closely with Chris for several years.

Sharma stated that the future is fiber not cable, and the ability to lay fiber is so much easier than cable. Dovolis stated that perhaps the City should reach out to appropriate companies to encourage a fiber option be offered in our area.

- Halverson – She attended the Long Lake Fire Advisory meeting and Orono Mayor Walsh was there as well. She stated that the bulk of discussion was equipment budgeting for upcoming years. There was an update on shared services with the West Suburban Fire District. Their official start date is July 1st, and they are looking for a future main station location.
- Sharma – no report

14. Adjourn

Sharma motion, Dovolis second to adjourn. All ayes, the motion carried.

The meeting adjourned at 7:28 pm.

PUBLIC IN ATTENDANCE – The following people signed the attendance sheet: Jace Dovolis and Bill Whiteley

Respectfully submitted,

Jane Burgess, City Clerk