

Monday, September 11, 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, and Jason Mohr

Absent: Treasurer Chris Zinn

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

Guests: none

1. **Mayor Pagano called the meeting to order at 6:00 p.m.**

2. **Pledge of Allegiance** – Led by Clerk Burgess

3. **Approve Agenda**

Halverson requested that the agenda be amended to include item #4.1 adding the August 14, 2023 Regular City Council meeting minutes that were mistakenly omitted from the meeting packet and agenda.

Halverson motion, Dovolis second to approve the September 11, 2023 agenda as amended. All ayes, the motion carried.

4. **Approve Minutes**

4.1. Regular City Council meeting minutes of August 14, 2023

Halverson motion, Breazeale second to approve the August 14, 2023 regular City Council meeting minutes. Breazeale aye, Halverson aye, Mohr aye. Dovolis abstained as absent. The motion carried.

4.2. Special Meeting of August 23, 2023

Halverson motion, Dovolis second to approve the August 23, 2023 Special City Council meeting minutes. All ayes, the motion carried.

5. **Open Forum - 6:05 no discussion**

6. **Finance**

6.1. 2024 Fee Schedule

Administrator Honey presented proposed changes and additions in the 2024 fee schedule. She stated that City Docks fees have not been increased in 13 years. They were never raised to offset increases in staff wages or dock-related litigation over the last 10 years as well. Due to the CIP request for rip rap at Crystal Bay dock sites, dock fees were raised for 2024 by 24% or (\$72 - \$140 per dock depending on location) to pay for the cost of this project over the next five years. There could be other future rip rap needs at other City dock sites as well, so she recommended raising the fees for all City Dock slip holders.

She added that the fee for false alarms increased to match the Orono Police Department fees. Staff recommended increasing Grading and Filling, and Right of Way permit fees to \$250 from \$50 as these permits are very time-consuming, and generally require a great deal of communication and coordination between City staff, contractors and other vendors, and City zoning and engineering administrators. Honey stated that the increases for planning and zoning services are proposed draft increases anticipated by Stantec. They are subject to change as Stantec finalizes their rates at the end of the year. Garbage, Recycling and

Yard Waste services provided by Republic Services increased 3.5% per their contract. The Water Treatment Plant fee is based on Ehler's Utility rate study. The Sewer rate is also based on the Ehler's Utility Rate Study as well, but there is a CIP request for a \$10,000 force main study. She added that the Finance Committee recommended increasing the Sewer fee to an additional \$10 per quarter to pay for most of this study in the same calendar year. Honey stated that an additional \$11 per quarter would be the correct amount to meet this purpose. Most of it would be collected in 2024 with the final amount paid in the first quarter of 2025. She stated that all water usage related fees are based on the Ehler's Utility Rate Study.

Honey will include the Ordinance to adopt the 2024 Fee Schedule in the December 4th meeting packet to allow for any changes the council may have. Dovolis asked where the Stantec zoning and engineering fees go and commented that the fees are very high. Honey explained that most Stantec fees are passed through to the resident for whom zoning or engineering work was done. He asked if the Garbage fee can be rounded off and Honey explained that the City is not supposed to make money from these services, and the bill is exactly what we are charged by Republic Services. She added that the Ehler's Utility Rate Study was based on those exact fees.

6.2. Resolution 2023 – 32 – Adopting the 2024 – 2033 Capital Improvement Program

Administrator Honey presented the updated or new items in the draft 2024-2033 CIP. Those items include:

- Library and Ray Peters warming house roofs – moved to be aligned with other roof replacements in 2026
- Swim Beach Paver repair – This was a place holder because there may be dirt removal grading work that can correct the problem of water pooling on the pavers. To replace the entire section would be very costly. Hilgers recommends that the City decide if pavers are needed all the way to the road or just for a segment of the area.
- Rip Rap Repair – Park Commission asked to combine their multiple bi-annual requests for rip rap into one request to do Crystal Bay City docks where rip rap is most needed. The amount included \$5,750 that was approved in 2023. Honey proposed increasing the dock fees by 24% to pay for the \$36,000 rip rap project over the next five years.
- Mower and Bagger – price decreased from \$11,000 to \$6,00 based on trade in values. The mower is on a three-year replacement cycle
- F550 truck– price increased to \$100,000 from approved CIP amount of \$70,000
- Snow bucket and snow tires – new item. Current tires are worn out and need to be replaced
- City Hall sidewalk repair – There are segments of the sidewalk in the rear of the building needing repair as drainage issues create sidewalk ice that can be easily corrected in the front of the building.
- Light poles at Ray Peters Park– one pole is very dangerous and needs to be replaced. The other is in poor condition but could wait a year for replacement
- Shoreline Drive Message Board – Civic's request was to dress up the sign with framing, larger posts or flowers. Park Commission did not support flowers and the sign is meant to be there when there's a message and be removed when there is not, so it would be difficult to attach larger posts or a frame to it.
- Existing Water Plant improvements – this is a placeholder in the event repairs are needed. The new plant is to be built in 2025 so it is unlikely that any repairs would need to be made to the existing plant. The \$75,000 was not for a specific repair. These costs would be removed when the new plant is built.
- Iron filter media replacement – placeholder, new plant to be built beginning 2024
- Fire hydrants – costs updated to reflect new pricing for hydrants and staggered bi-annually
- Water Tower inspections – removed from CIP, part of Public Works budget
- Relief valve – removed. To be purchased as part of water plant
- Force Main Study – the details are in the Utilities Commission meeting minutes. Force mains push sewage to the lift stations in a few locations in the City. The request is to assess them and determine replacement or repair needs.

- Woodbridge/Lafayette water solution – Hilgers and Stantec can make the water drain better there or better direct it with asphalt edging at that intersection. Trucks either cut corners or make wide turns so the intersection may be improved by widening it. This would not be a complete water solution, but would help that intersection handle water and trucks better.
- Northview Wall - Bids are \$80-\$100k. The new wall would be made with a more substantial stone that will stay in place longer, and the County said that as long as it stays in the easement the wall project is fine to do.

Honey stated that the CIP is generally about \$150,000. This proposed CIP budget is \$252,700. The levied amount can be reduced by the end of the year, but it cannot be increased. Final approval is at the December 4th council meeting.

Pagano noted that in looking at the yearly CIP totals, although the 2024 CIP budget is \$252,700, that includes the Northview Wall project at \$80-\$100,00. The 2025 CIP budget is \$361,200, but that includes \$160,000 or so in improvements for the existing water treatment plant, which will be removed as there will be a new plant built. 2026 has \$174,900 in the CIP budget, but the \$44,000 expense for the existing water treatment plant will be removed so the budgets are close to the target annual amount.

Pagano added that the first impact to residents for the new water treatment plant will be levied to them at a rough estimate of \$3,200 a year beginning in 2025. Approved last year by the City Council, the expense of the new plant will be paid for by resident user fees and tax levy split in half. He recommends that council members have a wholistic view of the CIP budget and consider the overall financial impact residents will have in future years. He added that home values are going up to \$75 million next year in Minnetonka Beach which will also impact residents.

Breazeale motion, Halverson second to adopt Resolution 2023 -32 as presented approving the 2024 – 2033 Capital Improvement Program. All ayes, the motion carried.

6.3. Resolution 2023 – 33 – 2024 Preliminary Budget and Proposed Tax Levy

Honey presented the proposed 2024 budget and explained that it is as tight as possible with no wiggle room for general City fees and expenses. She reviewed income revenue sources followed by the expense side of the budget. She noted that for income under Permits, City Dock permit fees increased the most as discussed earlier and \$35,000 in interest earnings is anticipated. She explained that on the expense side of the budget, the CIP is broken out into the General Fund, Sewer Fund and Water Fund. Bond payments are included for the 2019 and 2021 bonds, and there is a placeholder to insert the 2024 bonds when issued. She listed the remaining categories in the budget and noted that the expense for Elections is higher than normal as there are four elections in 2024 instead of two. Under Public Safety she explained that under Building Inspections, a portion of the plan review fee is paid to the City’s Building Official Metro West. She noted that there are no big changes for Public Works next year.

Honey stated that under the Water Fund budget, water related fees and revenues were based on the Ehler’s Utility Rate Study, along with the sewer and stormwater fees.

She added that the Preliminary Budget and Tax Levy for 2024 must be certified with Hennepin County by the end of September. The tax levy cannot be increased, it can only be reduced.

Breazeale motion, Halverson second to adopt Resolution 2023-33 Approving the Proposed Tax Levy Certification for the year 2024. Be it resolved by the City Council of the City of Minnetonka Beach, County of Hennepin, Minnesota hereby adopts a proposed 2024 budget of \$2,164,715.87 consisting of: \$1,677,783.38 General Fund, \$362,825.05 Water Fund, and \$124,107.44 Sewer Fund; and affirms that the following sums of money be raised by property tax in 2024 upon the taxable property tax levy certification

of \$1,424,370.43. Of this amount, \$238,160.00 is levied for General Obligation bond debt (principal and interest), and \$1,186,210.43 is levied for general property tax.

Be it further resolved, the 2024 scheduled debt levy for the Series 2019A Bond in the amount of \$168,000.00 will be levied in the full amount of \$161,900.00, and there will be sufficient water revenues to make the debt service payments.

Be it further resolved, the 2024 scheduled debt levy for the Series 2021A Bond in the amount of \$109,252.50 will be levied in the amount of \$108,640.00, and there will be sufficient funds in water revenues to make the debt service payments. All ayes, the motion carried.

7. Consent Agenda

- 7.1. Orono Police Report – September 2023
- 7.2. Fire Report – September 2023
- 7.3. **Resolution 2023 – 34** Set Truth in Taxation Hearing for December 4, 2023
- 7.4. **Ord. No. 141, 2nd Series** – Amending City Code Appendix A (Zoning) Regarding: 3.7(F) Shoreland District – Design Criteria; and 8.4 – Definitions
- 7.5. **Resolution 2023 – 35** – Authorizing Publication of Ord. No. 141, 2nd Series by Title and Summary
- 7.6. **Ord. No. 143, 2nd Series** – Amending City Code Chapter 5 Regarding the Use of Tobacco and Cannabis in Public Places
- 7.7. Re-adopt **Resolution 2023 – 30** – Authorizing Publication of Ord. No. 143, 2nd Series by Title and Summary
- 7.8. **Ord. No. 142, 2nd Series** – Amending City Code Appendix A (Zoning) Regarding Shore Impact Zone
- 7.9. **Ord. No. 144, 2nd Series** – Amending City Code Appendix A (Zoning) Re-ordering and Re-numbering Code
- 7.10. **Resolution 2023 – 36** – Authorizing Publication of Ord. No. 144, 2nd Series by Title and Summary
- 7.11. LMCC Budget
- 7.12. Council Meeting Action Notes
- 7.13. Financial Dashboard – September 2023
- 7.14. Approval of Checks – September 2023

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

8. Staff Reports

8.1. Administrators Report

Administrator Honey summarized items of interest that she worked on over the last month, noting that a great deal of time was spent on the CIP, budget and fee schedule. She also worked on updating the zoning code with Planning Commission Chair Jeff Breazeale and the work group. She worked with Ehler’s on bond scenarios with maturing bonds and reinvesting them. Honey added that she is working on an insurance claim for a fire hydrant that was hit and worked with the Orono Police Chief on a Hazard Mitigation Plan. She had a request for council regarding the Swim Beach Paver Repair Project below.

Halverson motion, Breazeale second to reallocate \$1,000 to the Swim Beach Paver Repair Project increasing it to \$4500 from \$3500, taking the money from the existing Water Treatment Plant repairs fund in order to complete the project now. All ayes, the motion carried.

8.2. Clerk’s Report

Clerk Burgess presented highlights from the last month stating that she worked with Honey on the budget, CIP and fee schedule. She worked with Parks on their 2024 budget all mindful of drafting a conservative budget. Also, as an ongoing effort to keep City spending down and cut any unnecessary expenses, she was able to obtain credits from some vendors on the Accounts Payable side, and change invoice delivery methods to coincide with once monthly check issuance to eliminate late fees. She worked on the resident hit and run of another resident’s fire hydrant and mailbox over Labor Day weekend. She dealt with numerous complaints about construction traffic on City streets, making sure the school buses can pass through as well as emergency

vehicles. She has also received complaints of contractors working outside of construction hours. Burgess worked with the City's IT specialist when the server went down accommodating his hours required at City Hall to install the new server and iron out problems along the way that affected staff's day to day operations.

She and Hilgers met with the Hennepin County Environmental Specialist at the Swim Beach to discuss water testing methods as it relates to failed E coli tests so frequently this summer. There is a possibility that testing may not have been done correctly leading to test failures. We were assured that interns will be better trained for water sampling next summer understanding the critical need for testing to be done accurately. Burgess has welcomed many new residents to the community lately with eight turnovers in the last six weeks or so. She makes sure they get all their questions answered and fills them in on the events and procedures of the City. Burgess informed the council that Hennepin County Commissioner LaTondresse resigned which is why there is a special election in 2024 to fill his vacant seat. The legislative changes with extended early voting and other election changes that occurred have required her to attend in person and Zoom webinars on various process changes.

8.3. Public Works Superintendent Report – no report

8.4. Mark Your Calendars – Honey gave a reminder of upcoming meeting dates. The next council meeting is on Tuesday, October 10th, Monday, November 13th, and there are two meetings in December. The December 4th meeting is the Truth in Taxation meeting, and the regular council meeting is on Monday, December 11th.

9. Council Reports

9.1. Liaison Reports

Breazeale – She stated that the last two Park Commission meeting minutes are in the packet. Parks discussed that their Five-Year Plan will be coming to an end next year. They will discuss their ideas and approach for the new Five-Year Plan and use the existing one as a guideline. The commission will dig deep into areas that should stay the same or how they should change with a big discussion on how parks fit into the community. They will provide an update on this project at the October City Council meeting. They hope to have a fall cleanup event with Junior Civic on the last Saturday of October, and that will be discussed at the next Civic Committee meeting. The Civic September 30th Progressive Dinner invitations have been received by residents.

Dovolis – no meetings

Halverson – She stated that Planning Commission Chair Breazeale provided her with an excellent update of the DNR compliance/zoning code project done by the Work Group and himself. They hope to have compliance recommendations for the December Planning Commission meeting which might be tight, but they are confident that they can be finished by March of 2024. After public hearings and council review, the DNR should have their final report between January and April. The original task force members have provided a great deal of support and consultation with this project as well. The group has a lead for each section now to work with J. Breazeale and Honey to be most efficient. and Halverson stated that she is very thankful they have taken on this big project, and it has saved the City a lot of money not hiring this work out. Breazeale asked what was spent in the past on zoning code amendments, and Pagano stated that it cost \$60,000 the last time code amendments were done. This project would have cost \$100,000 if the City hired Stantec to do it. The next meeting of the Work Group is September 19th.

Mohr – no report

9.2. Mayor's Report

Pagano thanked Honey and Burgess for doing a great job in creating the council packets which are a great working tool and save everyone a great deal of time. He stated that all the packet pieces are like a puzzle

linked together as one goes through the financial and scheduling sections, and are easily assimilated by council as they are able to grasp the whole picture. He thanked council members for reading the packets and coming prepared to meetings. He also thanked Burgess for completing the meeting minutes that recap what was said as sometime in the future they will be referenced.

Pagano asked if council members can let himself or staff know if they are going to be out of town for planning purposed.

Pagano added that a resident complaint was filed regarding the new fence at the Lafayette Club by Hole #7. What is challenged is the City Zoning Administrator's decision that this item did not need a CUP amendment. The appeal will go to the Planning Commission at their September 26th meeting. They will make a recommendation to the City Council acting as the Board of Adjustment and Appeals. There will be a public hearing at the October 10th City Council meeting, and the Board of Adjustment and Appeals will make their final decision at that meeting.

11. Adjourn

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

The meeting adjourned at 7:00 pm.

PUBLIC IN ATTENDANCE – The following people signed the attendance sheet: Bill Whitely

Respectfully submitted,

Jane Burgess, City Clerk