

**Monday, December 11, 2017 7:00 PM**  
**CITY OF MINNETONKA BEACH**  
**CITY COUNCIL MEETING MINUTES**

**Roll Call:** Mayor Mike Taylor; Council Members: Jill Bartel, Paul Kozloski, Jaci Lindstrom and Andrew Myers; Treasurer Steve Howarth. Absent: none.

**Staff Present:** City Administrator Susanne Griffin, City Clerk Heidi Honey, Public Works Superintendent Brian Berent, City Engineer Darren Amundsen

**Guests:** Police Sargent Chad Stensrud

- 1. Mayor Taylor called the meeting to order at 7:00 p.m.**
- 2. Clerk Honey led the Pledge of Allegiance.**
- 3. Approve Agenda for the December 11, 2017 City Council Meeting.**  
Lindstrom stated that Mr. Burak will not be in attendance and she asked to table his report to January. Griffin will send a letter to remind him to appear in January.

**A motion was made by Council Member Lindstrom and seconded by Council Member Bartel to table Agenda Item 7.1 Resident Report from Bob Burak to the January Council meeting. With all members voting in favor, the motion carried.**

**A motion was made by Council Member Bartel and seconded by Council Member Lindstrom to approve the agenda as amended. With all members voting in favor, the motion carried.**

- 4. Approve Minutes –**
  - 4.1. Regular Meeting of November 13, 2017

**A motion was made by Council Member Lindstrom and seconded by Council Member Myers to approve the November 13, 2017 Regular City Council meeting minutes. With all members voting in favor, the motion carried.**

- 4.2. Truth in Taxation Hearing of December 4, 2017  
Council Member Bartel noted a typo on 3.1 and on page 2. Clerk Honey will make the changes.

**A motion was made by Council Member Myers and seconded by Council Member Bartel to approve the December 4, 2017 Truth in Taxation Hearing minutes as amended. Members voting in favor: Bartel, Kozloski and Myers. Abstained: Lindstrom. The motion carried.**

- 4.3. Special City Council Meeting of December 4, 2017

**A motion was made by Council Member Bartel and seconded by Council Member Myers to approve the December 4, 2017 Special City Council meeting minutes. Members voting in favor: Bartel, Kozloski and Myers. Abstained: Lindstrom. The motion carried.**

**5. Open Forum** – no comments.

**6. Police Report**

6.1. Police Report – November 2017

Sgt. Stensrud reviewed the November activity report which included construction parking complaints and a failed alcohol compliance check at Lafayette Club where alcohol was sold to a minor. He also noted an underage consumption violation at Ray Peters Park. There have been package and mail thefts from unlocked vehicles in Mound. Sgt. Boris will be taking Sgt. Stensrud's place at Council meetings for the next three years while Stensrud works investigations.

**7. Resident Report**

7.1. Update from Mr. Burak on Possible Violation of City Nuisance Ordinance at 2328 Lafayette Road

Tabled to January meeting during Approval of the Agenda.

**8. Staff/Consultant Reports**

8.1. **Public Works Superintendent** – Brian Berent, Superintendent

Berent researched holiday lighting. There is only one exterior outlet at City Hall. He recommended planning for next year and having outlets installed outside if needed. City Hall received lighting bids for \$734 to \$1,000 to light the peaks and shrubs in the front. The library does not have any exterior outlets and many extension cords or solar lights would be needed to light up the trees along the trail. Council agreed there is flexibility in next year's budget for holiday lighting at City Hall. They will decide at the July meeting.

Berent reported on a water service break at 2468 Lafayette Road caused by a contractor. The contractor is responsible for the repair and Berent estimated water loss of 10,000 gallons.

Berent handed out quotes for a truck from Astleford and a box from Aspen. The truck had a full DOT inspection and another DOT inspection will be conducted after the new box is installed. Berent will request a mechanical evaluation with a compression test. Council previously authorized up to \$30,000 for the truck, title, tax, and mechanical evaluation. The truck quote is for \$25,612.50.

Berent then discussed the box. The cost of a new box is \$20,610.00. A used box would cost more with shipping. Berent discussed the value of the current truck with the box intact. Council discussed paying \$20,000 for a new box or transferring the old box on the new truck for \$8,000.

**A motion was made by Council Member Lindstrom and seconded by Council Member Kozloski to authorize Brian Berent to purchase a new box for the amount on the Aspen quote of \$20,610.00. With all members voting in favor, the motion carried.**

Berent discussed purchasing an asphalt roller trailer for \$4,500. He had \$2,000 budgeted for a trailer and has \$2,700 left in his asphalt budget. He asked for authorization to use the remainder of the asphalt budget toward the trailer.

**A motion was made by Council Member Kozloski and seconded by Council Member Bartel to authorize Brian Berent to increase the trailer budget to \$4,500, with \$2,500 coming from the asphalt budget. With all members voting in favor, the motion carried.**

**8.2. Feasibility Study on Replacing all Remaining 4” Water Mains – Darren Amundsen, City Engineer**

Amundsen gave a summary of his presentation to the Utilities Commission on December 7, 2017 regarding replacing remaining 4-inch water mains for Lafayette Road, Cottage Lane, a Hill Road connection, Old County Road to Brooks Lane, and Brooks Lane to Westwood. He reviewed the project pros, cons and challenges. All replacements will replace old pipes, increase local fire flows, may improve rusty water and some have relocation benefits (i.e. off private property). Council discussed required easements. Amundsen reviewed fire flows.

Lindstrom stated that the Utilities Commission recommended adding Hill Road and Lafayette Rd. 4” main replacement to the CIP for the bond issue for 2018. They also recommended adding all of the remaining 4-inch projects to the priority list. The cost to replace the remaining 4” mains is \$1,378,000 and the total cost for all of the projects is \$2,225,290. The total includes drainage on Beach Lane and the Lafayette Road storm sewer. Bonding includes construction costs plus 30% for easements, engineering and legal fees. The proposal increases the bond approximately \$158,000. Approximately 35% of the water mains would be left to replace after this work is completed. Amundsen suggested combining road projects with utility projects to save money on restoration.

**A motion was made by Council Member Lindstrom and seconded by Council Member Myers to accept Engineer Amundsen’s report. With all members voting in favor, the motion carried.**

**9. Consent Agenda**

- 9.1. Fire Report –November
- 9.2. **Resolution 2017 – 46** – Designating Polling Place for 2018 Elections
- 9.3. **Resolution 2017 – 47** – 2018 Council Meeting Dates
- 9.4. **Resolution 2017 – 48** – Appointment of Chris Dovolis to the Park Commission
- 9.5. 2018 LMCD Multiple Dock License Application Without Change
- 9.6. Employee Benefits Addendum for 2018

**A motion was made by Council Member Bartel and seconded by Council Member Kozloski to approve the Consent Agenda items. With all members voting in favor, the motion carried.**

**10. Treasurer’s Report**

- 10.1. Consider Motion to Approve December Checks

Howarth stated the revised profit and loss statement shows an excess of revenues over expenses of \$100,116 and projected excess reserves for year-end remain at \$63,000. He reviewed the A/R Aging Detail. Griffin explained that Steinfeld’s builder wanted to appeal the charges but wants to discuss it with the homeowner prior. Griffin asked him to send specifics on what he is objecting to. He may meet with the Mayor and Griffin or attend a Council meeting. Howarth directed Griffin to send a letter asking him to either pay the bill or provide a written explanation of their dispute. Maxwell is also disputing his bill. Griffin explained that he had a unique circumstance regarding building his garage. He was told the city attorney will be involved to help him with an encroachment agreement and he would incur costs. He didn’t end up building as planned. Howarth asked about the process when meeting with residents to settle bills. Council discussed who bears the burden of proof when money and time is spent investigating complaints. The City Attorney did not recommend the draft policy regarding complainants and billing. Taylor and Griffin will forward information from Attorney Hilke to Council so they can discuss the topic at future meeting. Kozloski, Lindstrom, Bartel and Myers agreed to authorize Taylor to meet with residents to settle their invoices.

**A motion was made by Council Member Bartel and seconded by Council Member Myers to approve 41 checks numbered 16449 through 16489 in the amount of \$46,261.79 for December 2017 expenses. With all members voting in favor, the motion carried.**

10.2. YTD Budget and Previous Year Comparison Report

10.3. Motion to authorize payment of 2017 invoices received between December 12-31, 2017 to be approved at the January Council meeting

Howarth asked that Griffin review the bills with him and then he will contact Bartel to authorize payment of them.

**A motion was made by Council Member Lindstrom and seconded by Council Member Bartel to authorize payment of 2017 invoices received between December 12-31, 2017 to be approved at the January 2018 Council meeting. With all members voting in favor, the motion carried.**

Bartel asked about construction parking issues. Griffin explained that parking regulations are thoroughly discussed at preconstruction meetings with builders and homeowners and are part of performance agreements.

## **11. Old Business**

11.1. Amendment to 2018-2022 Capital Improvement Program

Howarth referred to the revised CIP distributed tonight representing changes from the December 4th meeting and utility project updates. Howarth suggested reclassifying the \$20,000 for the transportation study to reflect that it is for a speed study and safe crossing. Griffin will combine the projects and clarify it in the title. At the December 4 meeting, Council suggested dividing the truck and leaf loader into two categories for \$30,000 and \$20,000. It increases the amount in the CIP by \$20,000. Howarth is projecting an excess of \$63,714 for 2017 and suggested allocating up to \$20,000 of that for the box. Griffin updated expenses to date during the meeting, including the unexpected \$4,700 water main expense, and reported the projected excess revenue over expenses is \$48,309 for 2017. Council discussed using \$20,000 from reserves to pay for a box in 2017 leaving approximately \$28,000 in excess reserves. Griffin explained that the spreadsheet is a combination of all funds.

**A motion was made by Council Member Bartel and seconded by Council Member Myers to amend the 2017 Capital Budget as discussed using unused 2017 funds to purchase a leaf truck, City Hall maintenance and \$20,000 from CIP reserves for a leaf box. With all members voting in favor, the motion carried.**

Council discussed that changes to the 2018-2022 CIP (bond funded portion) increases it by \$158,000.

**A motion was made by Council Member Lindstrom and seconded by Council Member Bartel to amend the bond funded projects in the 2018-2022 CIP to \$2,225,290. With all members voting in favor, the motion carried.**

**A motion was made by Council Member Lindstrom and seconded by Council Member Bartel to amend the 2018-2022 Capital Improvement Program budget as amended above. With all members voting in favor, the motion carried.**

11.2. Resolution 2017-49 – 2018 Final Budget and Tax Levy

Howarth stated at the December 4<sup>th</sup> meeting, they discussed the possible use of reserves or a proposed tax increase of 5.6%, which is an amount of \$25,000. He recommended using the \$25,000 grant that they are expecting to receive in 2018, which would reduce the expenses by \$25,000. Myers suggested taking \$25,000 out of reserves to reduce taxes, and use the payment toward bond funding.

Howarth summarized his discussion with Ehlers, the City's Bond Advisor. Reserves are considered in the City's bond rating. However, there is no requirement to maintain the 65% reserve to protect the bonds after issuance. Maintaining 65% is good for planning for future improvements. Per City Policy, Council would be required to develop an action plan to restore reserves to 65% if funds drop below it. He went on to say the most prudent way to use reserves would be to use them off set bonds for significant financial impact. Kozloski stated the City needs to be sensitive to the impact on residents of the amount bonded for projects.

**A motion was made by Council Member Bartel and seconded by Council Member Kozloski to use the \$25,000 from grant money to the 2018 budget to reduce the tax liability to 3%. With all members voting in favor, the motion carried.**

**A motion was made by Council Member Kozloski and seconded by Council Member Lindstrom to adopt Resolution 2017-49 adopting a 2018 budget of \$146,066.18 and affirms that the following sums of money be raised by tax in 2018 upon the taxable property tax levy certification of \$986,565.47. Of this amount, \$118,392.75 is levied for GO bond debt (principal and interest), and \$868,172.72 is levied for general property tax. With all members voting in favor, the motion carried.**

Howarth then explained that enterprise reserves are unrestricted for their use and the targeted amount in the reserves is recommended by the accountant and not mandated. Council would need to take action to remove reserves from the enterprise funds and the funds can be used for bonding. The reserves that could be considered to offset bonding from the enterprise funds would be approximately \$300,000.

Howarth then read the following statement and asked they be included in the minutes.

Mr. Mayor, Council Members and Citizens,

At the last meeting of this body (December 4, 2017) we reviewed and discussed the budget for 2018 as well as many other important matters relevant to the possible 2018 Bond Funding and our City's financial position and reserve status. Several good questions were asked and discussed during that meeting. I responded at that time with information that was to the best of my understanding and belief. I have tonight substantially confirmed my prior responses without exception to these questions and comments based on subsequent discussions and communications with our accountants and investment advisors.

However, I find it reprehensible that certain council members used terms and made unwarranted allegations in our December 4th meeting which were dilutive to the healthy discussions. I see no room

for discussions of and I quote "slush funds, funny money, monopoly money, playing games and hiding money under the bed" in relation to city finances or financial matters. I refute any such inference with respect to city finances as these words might infer, to the best of my belief. Furthermore I was accused of obfuscating facts with respect to the city's enterprise fund and the status of city's water and sewer reserves. As I pointed out last Monday, and I remind council once again this information was provided in the auditor's report and management letter from FY16, which is a public document and was reviewed by the auditor with this council. These allegations and inferences are unwarranted and completely false.

As treasurer of this organization it is with great responsibility I accept this role and as a good steward of public monies, I believe it is not productive and not acceptable to make unwarranted inferences of misuse of public funds. If any council member believes this is the case, I would like to be informed as soon as possible. And if that is not the case, I suggest this body not condone that conduct which could be very misleading to the public. I understand managing the financial statements can at times be confusing and I stand ready to clarify any city finance matters to the best of my knowledge

Should this behavior continue unchecked by this council, I will reconsider my position as Treasurer as I cannot and will not be associated with an organization that allows its governing body to speak in these misleading terms.

Myers said he thought Howarth took the comments the wrong way because they were used for examples. Kozloski also thought comments were taken the wrong way. Taylor doesn't think anyone believes the city is recklessly spending taxpayer's dollars and he hopes nobody believes that is the case at this meeting or who listens to meeting audio. He went on to say the budget process this year was the most rigorous process that he has ever been involved in as part of council. He thought there was a lot of education, a lot of clarification, and he thinks they came up to a good point. He went on to say that he hopes as they go through the process again next year, they will be more educated. He hopes everyone feels like they made the right decision at the end of the day. Bartel thinks they need to be careful of terminology. Taylor added they don't want to leave the impression that they don't take the money seriously.

11.3. Resolution 2017 – 50 – Authorizing Partial Bond Payment from Water Revenues  
Griffin stated they do this annually to transfer to pay down debt.

**A motion was made by Council Member Bartel and seconded by Council Member Myers to adopt Resolution 2017-50 authorizing Partial Bond Payment from water revenues as follows; using water revenue funds to pay \$81,155.55 of the scheduled total debt levy of \$118,392.75 leaving \$37,237.20 for Minnetonka Beach's bond payments for 2018. With all members voting in favor, the motion carried.**

11.4. City Attorney RFP and Process

Griffin designed the RFP in packet and the process is similar from when they hired the zoning administrator. Council reviewed the RFP. Suggested changing the contract start date on page 2 to February 15, 2018. There is a tentative list of attorneys to send the RFP to and Griffin will also check with the League of MN Cities and the state bar association for potential candidates. Resident Nell Mathews commended Griffin on the RFP. She stated it focuses a lot on litigation, and suggested more focus on municipal law experience because the City needs a day to day advisor with land use experience. Municipal law firms have specialty attorneys for when those needs arise. Myers

suggested talking with Amundsen and Gozola for recommendations on candidates. Griffin said the scope of work list is not prioritized. Resident Nell Mathews made some suggestions to the RFP and she suggested Mike Bloom and Bob Abdo are good resources who can help with the process if they want. Howarth suggested requesting a projected fee schedule for next the five years. Griffin will make changes and have them reviewed by Myers and Mike Bloom.

**A motion was made by Council Member Lindstrom and seconded by Council Member Bartel to approve the changes to the RFP and authorizing Griffin and Myers to move ahead with the process. With all members voting in favor, the motion carried.**

Griffin then asked them to make a decision on the process. Myers and Griffin will do the initial review of responses and ranking to narrow down the applicants. Griffin, Myers and Taylor will create a short list to consider for interviews and provide an update in January.

## **12. New Business**

### **12.1. Joint Cooperative Agreement and Contract for Fire Service**

Myers reported that he, Mound Fire Chief Greg Pederson, Kozloski and Howarth met. The current contract will automatically renew on January 3, 2018 unless the City requests an extension. Myers asked the City to amend the contract for a renewal date of June 1, 2018 to allow for six months to research other fire departments for potential service and different cost structures by Mound. If the amendment is not executed before December 31, 2017, Myers recommends providing a Notice of Termination on or before January 2, 2018 which would terminate services for 2019. The Mound Mayor, City Administrator, and Mound Fire Chief would need to approve the amendment.

**A motion was made by Council Member Myers and seconded by Council Member Kozloski to amend the contract to change the renewal date from the January 3, 2018 to June 1, 2018, and have it executed by December 31, 2017. If it is not executed by December 31, council authorizes the city to provide a Notice of Termination to the City of Mound. With all members voting in favor, the motion carried.**

Council discussed best way to reach out to other fire departments. Myers offered to reach out to other cities. Taylor will reach out to the Mound Mayor. Taylor asked they not reach out to other cities until January after they hear back from Mound. Council discussed an RFP process.

### **12.2. Resolution 2017 – 51 – Opposing Merger of Hennepin County and Minneapolis Crime Labs**

Taylor stated there is a proposal to merge the crime labs of Hennepin County and Minneapolis. The county sheriff and Orono Chief of Police are concerned about the impact of the merger on service in the suburbs. The City's County Commissioner is opposed to it. If adopted, Griffin will forward the resolution to Sheriff Stanek, Police Chief Corey Farniok, the County Board, and Commissioner Callison.

**A motion was made by Council Member Myers and seconded by Council Member Bartel to adopt Resolution 2017 – 51 Opposing Change to the Administration of the County Crime Lab without Consultation with Communities Affected by the Change. With all members voting in favor, the motion carried.**

## **13. Action Notes and Staff Reports**

13.1. Council Meeting Action Notes

The Lafayette Road tree is not on city property so trimming is not the City's responsibility. Halverson provided an update on the safe crossing which was added to the packet tonight. A public input session will take place December 18. Honey will email the input session information to residents. Bartel asked to add follow up on open items from the zoning code update.

13.2. Clerk's Report

No report.

13.3. Administrator's Report

Administrator Griffin stated that there was a water main break on Huntington Point Road West and a resident submitted a bill to repair her ice maker. There was no water to it when the water was turned off causing it to require repairs. Honey confirmed that Berent informed the resident that the water would be turned off for the repair. Council did not see how it is related and did not approve paying for the repair.

**15. Council Reports**

**15.1. Mayor's Report**

Taylor discussed the Comprehensive Plan timeline. The City needs to comply with a checklist from the Met Council. After reviewing the current comp plan with the Met Council rep, the rep stated that the 2008 Plan could be modified with updated information. Taylor reconvened the Long Range Planning Committee to discuss the requirements and a path for development. The committee reviewed the 2008 Plan and sent input to Griffin. They will assign categories to subgroups for processing and seeking community input from all commissions and committees. He then reviewed the timeline.

**15.2. Liaison Reports (if necessary):** Kozloski – Docks, Bartel – Planning, Lindstrom – Utilities/Civic, Myers – Parks

Lindstrom stated the Utilities Commission has three new commissioners: Santiago Abraham, Mike Lang and Bill Raisbeck. Tea and Toddies was well attended and Civic members did a great job.

**A motion was made by Council Member Myers and seconded by Council Member Lindstrom to adjourn the meeting. With all members voting in favor, the motion carried.**

**The meeting adjourned at 10:52 pm.**

**PUBLIC IN ATTENDANCE – The following people signed the attendance sheet: Nell Mathews, Santiago Abraham, Sue Kozloski, and Brad Jans.**

**Respectfully submitted,**

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**Heidi Honey, City Clerk**