

**CITY OF MINNETONKA BEACH
CITY COUNCIL MEETING MINUTES
Monday February 11, 2013**

Roll Call: Mayor Pro Tem Mike Taylor, Council Members: Jill Bartel, Jaci Lindstrom, Rick Skalla, and Treasurer Randy Gilster.

Absent: Mayor Joann Anderson

Staff Present: City Administrator, Susanne Griffin; City Clerk, Diane Tieg; and Public Works Director, Ben Young.

Guests: Orono Police Officer Brad Schoenherr – Left early due to a police call

1. Call to Order

Mayor Pro Tem Mike Taylor called the meeting to order at 7:03 p.m.

2. Pledge of Allegiance

Girl Scout, Avalon Johnson led the Pledge of Allegiance.

3. Approve Agenda

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

- 3.1. Council Meeting Action Notes
Action notes were reviewed by Council.

4. Approve Minutes

- 4.1. Regular Meeting of January 7, 2013
A motion was made by Council Member Lindstrom and seconded by Council Member Bartel to approve the Regular Council Meeting Minutes for January 7, 2013 to include the names of the annual appointments for each committee and commission and additional verbiage to item 13.2. With all members voting in favor the motion carried.

5. Open Forum – No one was present.

6. Police Report

- 6.1. Police Report – January –
Officer Schoenherr left the meeting to respond to a police call.

7. Park Commission Report – Chair Rezabek and Commissioner Ball

Park Commission Chair Rezabek spoke to Council on how the Park Commission's 2013 CIP funds will be used to combat Emerald Ash Borer (EAB). It is fact that if the ash trees are not treated they will die. The cost to the City for removal of the diseased trees and replacing them is a huge expense. City Hall is 14.7 miles from the designated identified site of EAB.

Commissioner Rob Ball presented the proposed EAB Management Program for Minnetonka Beach. Currently there are 292 ash trees on public property. The Park's recommendation for the \$10,000 CIP funds budgeted would have \$8,000 directed towards EAB management per year for the next three years. After three years the EAB infestation will be re-assessed to determine future treatment. The management program is patterned after the Purdue University research and financial model. Commissioner Ball reviewed four approaches to treat the trees in Minnetonka Beach. The Park Commission recommends proactively treating the critical Ash trees located on city park property, boulevards, and the trees at City Hall. Parks also strongly recommends private property owners have access to the same treatment the City chooses to treat their trees at the owner's expense.

Mayor Pro Tem Taylor asked what type of treatment is recommended. Commissioner Ball responded that the trees would receive an injection rather than a root treatment. Council Member Skalla asked how the Park Commission plans to encourage resident involvement. Commissioner Ball responded that educating the community will now start and Chair Rezabek will have information available along with articles for the Beachcomber. Council Member Skalla also suggested pictures of areas illustrating before and after EAB has infected the trees.

8. Treasurer's Report

8.1. 2012 Audit – Matt Vos from Abdo, Eick and Meyers

Matt Vos of Abdo, Eick and Meyers reviewed the 2012 Audit findings with Council. As in prior years, the auditors were requested to draft the audited financial statements and related footnote disclosures as part of our regular audit. The most effective controls lie in management's knowledge of the City's financial operation. A recommendation for staff is to utilize a disclosure checklist to ensure that all required disclosures are present and the second is to agree the accounting information from QuickBooks to the amounts reported in the financial statements. During the audit, one adjustment was needed to record additional accounts payable relating to retainage on the construction contract for the Water Main Project. Auditor Vos recommends that management review the current year adjustment, obtain an understanding of why the entry was necessary and modify current procedures to ensure that future corrections are not needed.

The City's fund balance policy identifies a targeted level of an amount not less than 65% of the next year's General Fund budgeted disbursements. The City's ending fund balance is above this target level. The overall 2012 operations of the general government function spent \$30,290 less than expected. The City's outstanding debt is required to be funded by various resources such as property taxes, transfers from enterprise funds, etc. Tax levies need to be certified annually. The recommendation to management is to pay particular attention to annual tax levies and transfers to ensure proper funding of debt service. The significant increase in cash for 2012 is mainly due to bond proceeds, which reimbursed a portion of costs paid in the previous years. Of the bond proceeds, \$237,540 remains restricted to capital projects and/or prepayment of the bonds.

Considering the significant increase in debt related to the water main project, the City should consider having a rate study done to ensure operating revenues will cover operating expenses, debt payments, and transfers to the Debt Service fund, repairs, and future expansion. Council asked what the cost of a rate study would be and Mr. Voss responded that the cost would be about \$3,500. Council Member Skalla asked if the study would bring more back than \$3,500. Mr. Voss responded that the rate study would direct Council decisions regarding future tax levies to ensure funding. Mayor Pro Tem Taylor thanked Matt Voss of Abdo, Eick and Meyers for the 2012 audit report.

8.2. Approve Checks

City Administrator Griffin answered questions and reviewed the expenditures with Council.

A motion was made by Council Member Lindstrom seconded by Council Member Bartel to authorize check numbers 13769 through 13816 in the amount of \$118,167.58 for February 2013. With all members voting in favor the motion carried.

A motion was made by Council Member Skalla seconded by Council Member Bartel to authorize check number 13768 in the amount of \$2,840.68 dated January 25 2013. With all members voting in favor the motion carried.

8.3. Budget Report – Budget report updated

Treasurer Gilster reported that the budget is off to a good start. Treasurer Gilster was asked to review reserves, transfer to capital, CIP fund and determine whether to maintain the current percentage or carve out a portion and reinvest elsewhere then report back to Council at the next meeting. The office expense indicates that 40% of the budget has been spent. City Administrator Griffin stated the office expense is actually due to the lease of the copier changeout and related expense being reimbursed by Metro Sales. The new copier will provide the needed options for Staff at a cost savings from the maintenance agreement and less expense per copy.

Mayor Pro Tem Taylor has requested Treasurer Gilster and City Administrator Griffin to provide a comparison from the previous year so Council has a point of reference. The report to Council should show year over year, month compared to previous year month, and year to date.

9. Consent Agenda

9.1. Fire Report – January

9.2. **Resolution 2013 – 12** Club and Sunday On-Sale Liquor License for Lafayette Club

9.3. **Resolution 2013 – 13** Resolution amending Resolution 2013- 05 Appointing LMCC Representatives; Randy Gilster and Leonard MacKinnon as **primary** representatives.

9.4. **Resolution 2013 – 14** Supporting Continuation of CDBG Funding for Western Communities Action Network

City Administrator Griffin offered clarification on Resolution 2013-13 that the City is allowed to have two primary members. Representative MacKinnon has his home on the market and if the home sells he may no longer reside in Minnetonka Beach. The resolution would resolve that issue by stating both Representatives are appointed as primary alleviating the need to do another resolution should Representative MacKinnon move from the area.

Motion was made by Council Member Bartel and seconded by Council Member Lindstrom to approve the Consent Agenda. With all members voting in favor, the motion carried.

10. New Business

10.1. **Resolution 2013 – 15** Consider LMCC Resolution in Support of Exclusive Representation by the LMCC in Cable TV Franchise Negotiations.

LMCC Representative MacKinnon addressed Council by summarizing Resolution 2013-15 which is confirming that Minnetonka Beach will not negotiate a franchise agreement with MediaCom individually. Some communities are negotiating their own agreements in hopes to obtain a better rate. Currently the communities of Medina, Independence, and Victoria are negotiating on their own concentrating on installation of service in their underserved areas. LMCC Representative

MacKinnon recommends Minnetonka Beach continue to have the LMCC oversee this process. Council Member Skalla expressed opposition to the resolution. Council discussed signing the resolution reasoning we are already a member of the LMCC. Council Member Skalla stated it further complicates the membership should Minnetonka Beach decide they do not want to participate in the negotiation process. LMCC Representative MacKinnon stated if the City sees value in what the LMCC provides then the resolution should be signed. Minnetonka Beach is a member of the LMCC by a joint powers agreement and by signing the Resolution it confirms support of the LMCC. Representative MacKinnon stated that by not signing the resolution it could have an effect on the Mediacom franchise negotiations.

A motion was made by Council Member Bartel and seconded by Council Member Lindstrom to approve Resolution 2013-15 LMCC Resolution in Support of Exclusive Representation by the LMCC in Cable TV Franchise Negotiations. The following voted in favor thereof: Council Members Bartel and Lindstrom. The following voted against: Council Member Skalla. The motion carried.

10.2. Fire Lane Access at Swimming Beach

Resident John Whitaker, 2200 Huntington Point Road West, lives next to the fire lane access located off Lafayette Road. The past four winters this access has become extremely busy with ice fishing enthusiasts using the access to bring their ice fishing houses onto Lake Minnetonka. The traffic has created a dangerous situation for Mr. Whitaker's small children due to vehicles traveling at high speeds, disposing of alcoholic beverage cans and garbage along the roadway, and noise disturbances due to traffic during all hours of the night. Resident Andrew Myers, 2429 Woodbridge Road and Ward Myers, 2532 Lafayette Road also addressed the Council regarding the fire lane access. Both had video of the trail of traffic entering the fire lane during the week. Limiting parking in the area is not a solution since the vehicles drive onto and park on the lake. There is an average of 40 plus vehicles daily.

The residents asked Council to consider to establishing a policy for the fire lane access. The City of Tonka Bay uses classifications for each of their fire lanes. Ward Myers suggested installing posts in the middle of the fire lane to deter vehicle usage. The summers are not as busy at the fire lane but there are Minnetonka Beach residents that use it to launch their small boats and jet skis.

Staff will compose verbiage and bring back to Council at the next meeting. The language will include limiting the fire lane access by putting a single pole in the middle of the entrance to allow snowmobiles but no trucks or cars. Staff will get legal opinion before providing the verbiage to Council for approval.

11. Staff Reports

- Director of Public Works Report – Public Works Director Young reported that switches, conduit, and wires were replaced at the Woodbridge lift station.
- Clerk's Report
City Clerk Tiegs reported she will be attending the Minnesota Clerks and Finance Officers Annual Conference in March. She will attend study tracks on insurance, legislative process, bond disclosure, and data practices.
- Administrator's Report
Planning Commission Recommended Action on Variance Process Changes

City Administrator Griffin updated Council on the Planning and Zoning Checklists which have been developed. The Planning Commission has reviewed the checklist and Staff will begin using the checklists for a while before Council action is requested. Council reviewed the checklists and has expressed some concerns. Council would like to re-visit the checklists and duty re-assignment at a study session for evaluation. Council Member Skalla would like to evaluate the workload that will be placed on Staff. This working session should be with the Planning Commission and Council at a date to be determined.

Council Liaison Lindstrom has requested previous meeting minutes of the Council's discussion regarding the Planning and Zoning checklist to better understand what had transpired. Council Member Bartel asked why the Planning Commission would be involved in the study session. The response is that originally the Planning Commission reviewed the checklist and had full discussion with Planning and Zoning Administrator Krier.

The Council asked Staff how they felt about the new responsibilities and if it would add too much to the current workload. City Administrator Griffin responded that this is a new process for both her and City Clerk Tiegs. There is a learning curve and until actually processing a new building permit application or variance request and using the checklist there is not an answer to that question. City Clerk Tiegs responded that when it comes to measuring setbacks and answering questions from a resident she is concerned that all information is correct and there are no legal missed steps.

City Administrator Griffin reported on the Minnehaha Creek Watershed District proposal. Hennepin County Commissioner Jeff Johnson's proposal for the Minnehaha Creek Watershed District is to organize four existing watershed districts and seven existing watershed management organizations into three watershed management organizations. The idea is to improve governmental effectiveness with better transparency and improvement in water quality. There will be financial and control impacts which would affect Minnetonka Beach. Council requested that Staff invite someone to speak at the next meeting regarding the proposal for a better understanding of the impact it will have on Minnetonka Beach. City Administrator Griffin will invite Eric Evenson of the Watershed District to speak at a Council meeting and define the proposal what the actual timeline is for legislation.

12. Council Reports

- Mayor's Report – No Report
- Liaison Reports – No Reports
- Council Member Skalla is the liaison for the Parks Commission. The quarterly meetings scheduled are a problem for him to attend due to travel. City Clerk Tiegs said the Park Commission will be re-visiting the schedule and there may be some date changes discussed during the April 2, 2013 meeting.

13. Motion was made by Council Member Lindstrom and seconded by Council Member Bartel to adjourn the meeting at 9:40 p.m. With all members voting in favor the motion carried.

Respectfully submitted,

Diane Tiegs, City Clerk