

Minutes
Minnetonka City Council
Monday, Jan. 7, 2019

1. Call to Order

Mayor Brad Wiersum called the meeting to order at 6:30 p.m.

2. Pledge of Allegiance

All joined in the Pledge of Allegiance.

3. Roll Call

Council Members Mike Happe, Rebecca Schack, Deb Calvert, Tim Bergstedt, Bob Ellingson, and Brad Wiersum were present.

4. Approval of Agenda

City Manager Geralyn Barone noted that Item 11A required 2/3 majority vote for approval which would be four votes instead of five.

Schack moved, Calvert seconded a motion to accept the agenda with addenda to Items 13A and 14B, as presented. All voted "yes." Motion carried.

5. Approval of Minutes: Nov. 26, 2018 and Dec. 3, 2018 regular council meetings

Calvert moved, Bergstedt seconded a motion to approve the minutes of the Nov. 26, 2018 regular council meeting, as presented. All voted "yes." Motion carried.

Calvert moved, Bergstedt seconded a motion to approve the minutes of the Dec. 3, 2018 regular council meeting, as presented. All voted "yes." Motion carried.

6. Special Matters:

A. Retirement recognition for Bonnie Rislund and Trish Sauer

Wiersum read the recognition and thanked both for their service to the city.

Barone, on behalf of staff, thanked both for all they had done over the years as the voice and face of Minnetonka. It was an honor to recognize their service.

B. Retirement recognition for Jo Colleran

Bergstedt read the recognition.

Colleran commented that she was proud to serve the city and residents of Minnetonka.

Barone noted that she had never seen as much passion for a job as Colleran displayed.

Calvert reiterated Barone's comments and thanked Colleran for everything she accomplished.

Wiersum commented that Colleran had helped the council balance preserving the natural resources with being a growing city.

7. Reports from City Manager & Council Members

Barone reported on upcoming city events and council meetings.

Bergstedt noted that there were only six council members because former Council member Patty Acomb had resigned to serve on the state legislature. Her memory would continue to make a big difference in everything the council would do moving forward.

Wiersum agreed, but noted that she would do a great job representing the city at the state legislature.

8. Citizens Wishing to Discuss Matters not on the Agenda

Luann Toliver, 14801 Wychewood Road, asked the Council to review its policy on transparency. She had been opposed to the electric and gas franchise fees due to the lack of transparency and noted that the fees were not mentioned in various publications that discussed the city's budget increase.

9. Bids and Purchases: None

10. Consent Agenda – Items Requiring a Majority Vote:

A. Resolution designating a new Acting Mayor and Alternate Acting Mayor

Ellingson requested that this item be pulled from the consent agenda. Wiersum announced that the resolution would designate Bergstedt as acting mayor and Calvert as alternate acting mayor for 2019.

Ellingson moved, Happe seconded a motion to adopt Resolution 2019-001 designating a new acting mayor and alternate acting mayor. All voted "yes." Motion carried.

B. Designation of the city's official newspaper for 2019

Ellingson moved, Calvert seconded a motion to designate *Lakeshore Weekly News* as the city's official newspaper for 2018 legal notices. All voted "yes." Motion carried.

C. Resolution supporting the DEED Job Creation Fund Application by Carlson Wagonlit Travel (CWT)

Ellingson moved, Calvert seconded a motion to adopt Resolution 2019-002 supporting the DEED Job Creation Fund Application by Carlson Wagonlit Travel (CWT). All voted "yes." Motion carried.

11. Consent Agenda – Items requiring Five Votes:

A. Resolution approving the preliminary plat of DORN ESTATES, a two-lot residential subdivision with a variance, at 5524 Nantucket Rd.

Bergstedt shared the only change in the resolution was the inclusion of the McMansion policy.

Bergstedt moved, Schack seconded a motion to adopt Resolution 2019-003 approving the preliminary plat, with variance, of DORN ESTATES, at 5524 Nantucket Rd. All voted "yes." Motion carried.

12. Introduction of Ordinances: None

13. Public Hearings:

A. Ordinance amending the city charter regarding council terms of office and vacancies in office

City Attorney Corrine Heine gave the staff report.

Barone clarified that the changes come to the council as recommended by the Charter Commission. If the council wanted to make a change, it would

be reverted back to the commission. The changes would not be in effect for the council's current vacancy.

Wiersum opened the public hearing at 7:11 p.m. No one spoke. He closed the public hearing at 7:12 p.m.

Happe moved, Bergstedt seconded a motion to adopt Ordinance 2019-01 amending the city charter regarding council terms of office and vacancies in office. All voted "yes." Motion carried.

B. Utility rates related items:

- 1) **Municipal water and sanitary sewer rates**
- 2) **Municipal water and sanitary sewer connections fees (REC)**
- 3) **Interest rate for SAC/REC deferral program**
- 4) **Recycling fee**
- 5) **Storm water fee**

Finance Director Merrill King gave the staff report.

Happe asked what the impacts would be if the council did not approve the new rates and fees. King answered that construction projects would need to be halted. Barone explained the increases reflected discussions the council had as part of the five-year Capital Improvement Program. This would cover the costs of policy and funding decisions already made.

Wiersum opened the public hearing at 7:23 p.m.

Dennis Yockers, 3648 Hazelmoor Place, talked about the proposed storm water utility fee increases. He noted that the single-family unit month rate was not based on the size of the property despite the fact that a larger property would have a greater impact. He said he was an emeritus of natural resources management from the University of Wisconsin and recommended the city recognize citizens and businesses that were making significant commitments to water resource management through an adjusted fee structure. Mr. Yockers also encouraged the council to work with other agencies to provide more education and financial incentives for water resources management.

Wiersum closed the public hearing at 7:28 p.m.

Bergstedt said Mr. Yockers made compelling points and wanted the council to add this issue to a future study session.

Calvert thought incentivizing good behavior was interesting and wanted to study it further.

Schack agreed and wanted to add this issue to the study session when the council talked about sustainability.

Wiersum thanked Mr. Yockers for his comments and supported the utility increases as outlined.

Schack moved, Bergstedt seconded a motion to adopt Resolution 2019-004 providing for a change in municipal water rates and sanitary sewer rates. All voted "yes." Motion carried.

Schack moved, Bergstedt seconded a motion to adopt Resolution 2019-005 establishing the interest rates for businesses participating in the SAC and REC deferral program. All voted "yes." Motion carried.

Schack moved, Bergstedt seconded a motion to adopt Resolution 2019-006 increasing the city's monthly recycling fee. All voted "yes." Motion carried.

Schack moved, Bergstedt seconded a motion to adopt Resolution 2019-007 increasing stormwater utility fees. All voted "yes." Motion carried.

14. Other Business:

A. Memorandum of Understanding related to Southwest

Community Development Director Julie Wischnack gave the staff report.

Happe moved, Calvert seconded a motion to approve a memorandum of understanding with Metropolitan Council for a pedestrian walkway easement. All voted "yes." Motion carried.

B. 2040 Comprehensive Guide Plan

Barone informed the council that staff would present each section separately followed by time for questions and comments from the council.

City Planner Loren Gordon gave the report on the Regional Plan – Thrive MSP 2040.

Wischnack gave the report on the Housing Plan.

Calvert asked about the goal of 508 units of income-based housing at 30% area median income or below. Wischnack explained 30% area median income was the hardest housing to build, needed the most subsidy, and was the most difficult to finance.

Happe, after verifying that the plan was over 1,500 pages, acknowledged the huge amount of work that went into it. The Housing Plan started with the knowledge that the Metropolitan Council said Minnetonka would have 10,000 new residents over the next decade. Happe was on the board of a non-profit organization called Minnesota Home Ownership Center. Minnesota was among the worst states for a housing gap meaning the percentage of non-white people who owned homes was extremely low. He wanted to add a commitment to the majority of added units be owned to the goals of the plan. He also wanted to see an emphasis on making it easier for the work force such as first responders and city employees to be able to live in the city.

Schack had a different perspective. She didn't want the city's answer to the problem of affordability to always be rentals, but believed this was a structural issue that went beyond what the city could do. The only way to meet the growth was density and she felt the plan addressed the important issues.

Calvert mentioned some other issues that young people might be dealing with like student loans. She also noted that some people do not want to own or take care of a home.

Wiersum thought it was a complex issue. He would choose owner occupied affordable units every time if given the choice; however, the strength in the apartment market was driven by the recession. The only sure thing was that property values would continue to rise. He wanted to encourage owner occupied housing, but acknowledged the city would need both.

Calvert noted that most apartments were not large enough for families and suggested incentivizing developers to build more bedrooms per apartment.

Happe said with regard to housing the council had the ability to choose what the future would look like.

Barone asked if staff could talk a little more about the population growth numbers given to the city by the Metropolitan Council.

Gordon shared the numbers again and explained that the city needed to plan as if it would happen even if it did not. The math demonstrated that the city could accommodate the growth.

Wischnack commented there were 23,000 households in Minnetonka. Of the 23,000, 10,000 were affordable to 80% area median income or less. Of the 10,000, 5,000 were owner occupied housing. There were a lot of things that made the community accessible, the 1,000 units that were needed were only a small part of the bigger picture.

Bergstedt shared the plan had been chaired by former mayor Terry Schneider and thanked Mr. Schneider and the entire committee for taking on the responsibility. He commended the staff equally.

Gordon gave the report on the Land Use Plan.

Calvert asked if there was any discussion on making Minnetonka Industrial Park mixed use. Gordon said there was already a diverse group of businesses in the park and the committee decided to not open the door to residential. Wischnack noted that people thought that might change in the future, but not quite yet.

Gordon gave the report on the Parks and Trails Plan.

Gordon gave the report on transportation goals and roadway improvements.

Wischnack gave the report on the transit system.

Gordon gave the report on bike facilities.

Calvert reminded the council that former Council Member Tony Wagner was a big proponent of cut outs for buses. She also mentioned that in some areas ride share apps had caused more traffic congestion even as they improved parking.

Wiersum wanted to make sure the city had a strong emphasis moving forward on pedestrian safety.

Gordon gave the report on the Water Supply Plan.

City Engineer Will Manchester gave the report on the Water Resources Management Plan.

Calvert mentioned that there were places where she would like to see stronger language in terms of commitment to water resources protection and commitment to implementation.

Wiersum thought water was taken for granted in the “land of 10,000 lakes” and water quality was diminishing. He wanted the council to do everything it could through education and policy to protect water resources in the community.

Gordon gave the report on Resiliency.

Calvert was interested in incentivizing good behavior of citizens and businesses. She wanted the city to be proactive instead of just reactive.

Wiersum agreed that education of citizens as stakeholders was a big point.

Wischnack gave the report on the Economic Competitiveness Plan.

Gordon wrapped up staff’s presentation.

Wiersum thanked the steering committee.

Steering Committee Chair Terry Schneider complimented the council on its robust discussion of the plan. He thanked the steering committee and staff for their work and believed it was a great document that would help guide the city for the next 20 years.

Dennis Yockers, 3648 Hazelmoor Place, said water resources management was closely tied to water supply and talked about the importance of water infiltration. He thought it was very important to educate citizens because the majority of land in Minnetonka was single family homes.

Calvert moved, Bergstedt seconded a motion to adopt Resolution 2019-008. Schack, Calvert, Bergstedt, Ellingson, and Wiersum voted “yes.” Happe voted “no.” Motion carried.

C. At Large Seat B City Council Vacancy

Barone gave the staff report.

Happe commented that he had given this a lot of thought and had decided filling the vacancy quickly was very important from a governance stand point. Spring election turn out was very low, but the council could have a fast, robust appointment process.

Bergstedt agreed with Happe. He noted that there would be an election either way. Bergstedt was concerned with an April election because of the lack of primary, low voter turnout, single issue candidates, and party politics.

Schack shared she did not have a strong opinion either way. Residents had reached out to her asking for an April election; however, some of those same residents had changed their minds. She felt comfortable pursuing an appointment until the November election.

Calvert had been a proponent of an April election; however, as she had talked through the pros and cons of the options with residents who had contacted her, all of the residents had moderated their views and acknowledged that the city would be fine regardless of the option that the council chose. She compared the voter turn out rates for April and November elections and was in favor of the higher turn out in November. Calvert leaned toward an appointment process.

Ellingson said as a practical matter it would be easier to appoint someone, but he preferred elections.

David Sanders, 11650 Cedar Pass, Hopkins, consented that the council was choosing between two arguments of democracy and understood that it was a close call. He respected the thought processes of each council member. He encouraged the council to think more about the process and less about the candidate; and, to be open to a disruptive influence on the council.

Luann Toliver, 14801 Wychewood Road, asked about the term length for the special election for the At Large Seat B city council vacancy.

Wiersum answered that the term length would run from the time of the election for two years. He said the process was a big deal. If there was an April election, the new member would be seated on May 6, 2019; however, if the council appointed an interim council member, the new member would be seated Mar. 4, 2019. The charter gave the council two options and did not push one over the other. Wiersum was supportive of an appointment because it was a better process and a shorter vacancy time.

Bergstedt moved, Happe seconded a motion to adopt Resolution 2019-009 declaring vacancy in the council for At Large Seat B. All voted "yes." Motion carried. Ellingson voted "no."

Barone outlined the steps moving forward.

15. Appointments and Reappointments:

A. Appointment of representatives to various advisory boards, commissions and committees

Barone gave the staff report.

Schack moved, Happe seconded a motion to approve the appointments. All voted "yes." Motion carried.

B. Resolution designating Commissioners and Technical Advisory Committee members to the Bassett Creek Watershed Management Commission

Wiersum moved, Bergstedt seconded a motion to adopt Resolution 2019-010 designating commissioners and technical advisory committee members to the Bassett Creek Watershed Management Commission. All voted "yes." Motion carried.

16. Adjournment

City Clerk David Maeda announced he had accepted a job as the State Elections Director with the Minnesota Secretary of State. He expressed his gratitude, shared memories, and commented that the City of Minnetonka had been a remarkable organization to work with.

Barone expressed her sincere gratitude. She commented that the city had a culture to allow employees to utilize their gifts and Maeda had done that with elections.

Wiersum said that Maeda was a true professional. This opportunity was an honor and very fitting. The council wished him the best.

Happe moved, Calvert seconded a motion to adjourn the meeting at 10:30 p.m.
All voted "yes." Motion carried.

Respectfully submitted,

A handwritten signature in black ink that reads "Becky Koosman". The signature is written in a cursive, flowing style.

Becky Koosman
Acting City Clerk