

**Minutes
Minnetonka City Council
Monday, December 6, 2021**

1. Call to Order

Mayor Brad Wiersum called the meeting to order at 6:31 p.m.

2. Pledge of Allegiance

All joined in the Pledge of Allegiance.

3. Roll Call

Council Members Deb Calvert, Bradley Schaeppi, Kissy Coakley, Brian Kirk, Rebecca Shack and Brad Wiersum were present.

Council Member Susan Carter was absent (excused).

4. Approval of Agenda

Wiersum requested Item 14.B be moved after Item 14.D to allow Assistant City Manager Mike Funk to recuse himself.

Schack moved, Calvert seconded a motion to accept the agenda as amended with addenda to Items 12.A, 14.A and 14.D. All voted "yes." Motion carried.

5. Approval of Minutes:

A. November 22, 2021 regular meeting

Calvert moved, Kirk seconded a motion to approve the minutes, as presented. All voted "yes." Motion carried.

6. Special Matters: None

7. Reports from City Manager & Council Members

Acting City Manager Mike Funk reported on upcoming city events and council meetings.

Coakley provided the council with an update from the DEI task force.

Coakley reported last Wednesday she visited Purgatory Park. She stated she appreciated the work Minnetonka residents were doing to maintain this park.

Schack stated she attended a Southwest Light Rail Corridor Management Committee meeting and noted the project was coming along nicely.

Schack noted she attended the Winter Market last weekend. She thanked staff for keeping this going and for finding so many wonderful vendors.

Calvert reported she went to the Jewish Community Relations Hannukah party.

Calvert explained she spoke with Friends of the Parks regarding budgeting and the city's natural resources plan.

Calvert stated she attended the Southwest Suburban Cable Commission where equipment replacement was discussed.

Wiersum reported he has a busy travel week last week with the League of Minnesota Cities noting at the beginning of the week he visited Plainview, Wabasha, Austin, Carver, and Janesville. He commented at the end of the week he was in Rochester for a Minnesota Mayor's Together meeting.

Wiersum noted he attended a Zoom meeting on Thursday night where he testified on behalf of the City of Minnetonka to the House Redistricting Subcommittee.

8. Citizens Wishing to Discuss Matters not on the Agenda:

Terry Deaver, 16483 Canterbury Drive, explained her quality of life and the quality of life of her neighbors was being negatively impacted by a neighbor's pickleball court. She reported the court was installed this past spring and it has been very disruptive. She estimated her neighbors played on their pickleball court seven to ten hours per week. She indicated she spoke to her neighbors about her concerns, and she was told there was nothing they could do about it. She encouraged the council to consider putting regulations in place that would address the installation of sports courts in residential neighborhoods.

9. Bids and Purchases: None

10. Consent Agenda – Items Requiring a Majority Vote:

A. West Metro Home Remodeling Fair Joint Powers Agreement

Calvert moved, Kirk seconded a motion to approve the agreement. All voted "yes." Motion carried.

B. Resolution approving joint powers agreements with the State of Minnesota for access to the criminal justice records

Calvert moved, Kirk seconded a motion to adopt Resolution 2021-123. All voted "yes." Motion carried.

C. Resolution establishing polling places for the 2022 State Primary and General Election

Calvert moved, Kirk seconded a motion to adopt Resolution 2021-124 . All voted "yes." Motion carried.

D. 2022 general liability insurance and workers' compensation renewals

Calvert moved, Kirk seconded a motion to authorize renewal of policies as outlined. All voted "yes." Motion carried.

11. Consent Agenda – Items requiring Five Votes:

A. Applications for renewed liquor licenses for 2022

Schaeppi thanked staff for providing the council with police report information on the liquor licenses.

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

B. Items concerning Mister Car Wash at 17600 State Highway 7

Schaeppi stated he was concerned with how cars would be queuing on this property.

Calvert moved, Schack seconded a motion to adopt Resolution 2021-125. All voted "yes." Motion carried.

12. Introduction of Ordinances:

A. Ordinance amending Minnetonka City Code Section 835 relating to waste collection/disposal and recycling

Public Works Director Will Manchester gave the staff report.

Calvert asked what the unintended negative consequences would be of changing the ordinance. Manchester explained staff considered the negative consequences and did not feel there were any.

Calvert questioned when yard waste could be dropped off. Street and Parks Operations Darin Ellingson reported yard waste was accepted in the spring (April through mid-May) and fall (mid-September through mid-November).

Calvert feared that the yard waste limitations would be problematic if they miss the deadline and their collector does not take yard waste. Manchester stated he could discuss this concern further with the haulers.

Schaeppi asked if the city received any feedback from the haulers regarding the proposed ordinance. Manchester indicated the ordinance was sent to the haulers and staff had not received any feedback from them directly.

Schaeppi stated he would like to know how many residents are contributing to the organics program. Manchester commented the ordinance would require all haulers to track the tonnage of organics collected for the licensing period.

Kirk discussed how the ordinance required residents to keep their garbage and recycling containers hidden. He noted post World War II homes have smaller garages which would make it difficult for residents to store three different containers and a vehicle within. He believed the requirement was an undue burden and suggested Item 7 be modified to read: Garbage containers may be stored along the side of the home instead of the front of the home. Community Development Director Julie Wischnack reported 30% of the nuisance complaints revolve around garbage enclosures.

Kirk noted he lives in Ward 1. He commented on a war that was waged this summer against long grass and garbage containers. He indicated his garbage cans were photographed and he explained he does not have room in his garage for the bins. He estimated 50% of the homes on his street have bins outside on the side of their garage. He requested the council consider how storing yet another bin would impact Minnetonka residents.

Schack stated believed this was a worthy topic for the council to address.

Kirk commented on how it was a race to pick up the last load of leaves. He noted he has a bin full of yard waste that waits until next spring to be collected. He suggested the dates for yard waste collection be reconsidered in order to better accommodate residents. He reported the leaves were very late in turning this year, which meant residents were cleaning up their yards later in November.

Calvert agreed it would be good to look into adjusting the yard waste pick up dates. She indicated she was concerned with the must versus may but wondered if the market would sort itself out.

Coakley explained she was open to discussing the placement of garbage and yard waste bins. She stated she has had neighbors that have received notice from the city, noting this neighbors have small garages. She feared how having another bin would impact these neighbors.

Acting City Manager Mike Funk reported the placement of the bins was a policy decision for the council. He explained the council could gauge the appetite of residents by putting this matter in the community survey next spring.

Wiersum stated the council was being asked to introduce an ordinance, but he believed the concerns that have been raised were meaningful. He explained this meant more information and time would be appropriate in order to come up with creative approaches, especially given the high level of complaints the city receives regarding the storage of garbage bins each year. He encouraged the communications department to provide the public with further information on the benefits of organics recycling. He believed people wanted to be cooperative, but needed more knowledge on the situation.

Schack moved, Calvert seconded a motion to introduce the ordinance. All voted "yes." Motion carried.

13. Public Hearings:

A. On-sale intoxicating liquor license for Kazoku Minnetonka, LLC at 5445 Eden Prairie Road

Community Development Director Julie Wischnack gave the staff report.

Wiersum opened the public hearing.

There being no comments from the public, Wiersum closed the public hearing.

Kirk moved, Calvert seconded a motion to continue the public hearing from November 8, 2021, and grant the license. All voted "yes." Motion carried.

B. Utility rates related items:

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

Finance Director Darin Nelson gave the staff report.

Kirk asked if the city charges SAC/REC fees in the same manner as other cities. Community Development Director Julie Wischnack discussed how the city charged equivalency fee on top of SAC/REC fees. She noted some cities charged higher rates than Minnetonka, and some were lower.

Kirk inquired if there was a nexus for all of the fees and the utilities that are being collected. Nelson reported all of these costs were placed into an enterprise fund and not the general fund.

Wiersum questioned if the sewer variable rate was a straight pass through fee. Nelson stated this was the case noting the city matched the fees being charged by the Met Council.

Wiersum commented the city read the meters monthly, but billed out quarterly. He discussed how this large bill could impact residents. He asked if the city had ever considered billing out monthly or finding other ways to make the billing cycle more user friendly. Nelson explained the current system does not have that capability, but noted the current system would allow residents to receive bills via text or online and also allowed residents to pay ahead in order to reduce the shock of a quarterly bill.

Calvert stated Minnetonka was one of the only cities that was looking proactively at its water and sewer infrastructure. She questioned if this forethought was leading to higher utility rates for residents. Nelson stated this was part of it, but noted there were many factors that impacted utility rates, such as soils and the age of the community.

Schaeppi thanked staff for the detailed report on the city's utilities. He stated it would be helpful to see what comparable cities are charging for utilities.

Wiersum opened the public hearing.

There being no comments from the public, Wiersum closed the public hearing.

Kirk stated he was proud of the way the city proactively manages its utilities.

Wiersum indicated he talked to a number of residents this year about utilities and noted Minnetonka's rates may be higher, but explained this was due to the age of the city's system, the type of soils in the community, the number of watermain breaks, and the fact that Minnetonka does not charge assessments for street improvements. He commented further on how beneficial it would be for the city to get ahead on the utility system in order to reduce the number of watermain breaks each year. He was proud of the fact the city was investing in its utility system so that it didn't have to spend additional dollars in the future.

Kirk moved, Calvert seconded a motion to hold the public hearing and adopt Resolution 2021-126, Resolution 2021-127, Resolution 2021-128, and Resolution 2021-129 All voted "yes." Motion carried

Wiersum recessed the city council meeting.

Wiersum reconvened the city council meeting.

14. Other Business:

A. Items relating to the 2022 operating budget and levies:

- 1. Public consideration of proposed budget and levies**
- 2. Resolution adopting a budget for the year 2022 and revised budget for 2021; setting a tax levy for the year 2021, collectible in 2022; and consenting to a special benefit tax levy of the Minnetonka Economic Development Authority**
- 3. Resolution setting a tax levy for the Bassett Creek Watershed Management Tax District for the year 2021, collectible in 2022**

Acting City Manager Mike Funk and Finance Director Darin Nelson gave the staff report.

Wiersum invited the public to speak on the 2022 operating budget and levies. There were no comments from the public.

Schack stated she had a good dialogue with several residents who shared their thoughts on the budget. She explained she was comfortable with the budget and levy as proposed, however, she wanted to acknowledge that these increases do have impacts to homeowners. She discussed the public safety and infrastructure investments the council was making and noted she was willing to move forward on the budget and levy.

Coakley commented she was prepared to support the budget as presented, but recommended in 2023 she would like to see changes made with respect to the programs the city was investing in, to ensure they were fair, equitable and serving all members of the community. She reported she would like to see the city investing more dollars in affordable housing to make sure families are able to come to Minnetonka. She wanted families to be able to live and accumulate wealth while in Minnetonka.

Kirk asked if the HRA levy was being approved.

Wiersum reported the HRA levy would be approved at the EDA meeting. Nelson indicated comments could be made at this time regarding the HRA levy.

Kirk thanked staff for their tremendous work on the budget and tax levy. He understood this was a difficult task. He commented on the proposed budget and stated he understood the needs of the community. He indicated he was willing to support the 5.6% increase and hoped the 2023 budget would include some level of contingency in order to allow for cuts. He commented the HRA levy was important because it allowed the city to support affordable housing in Minnetonka. He discussed how the Homes Within Reach program assisted families, but may not allow them to accumulate wealth. He stated Homes Within Reach allows people to live in homes in Minnetonka, with low interest loans and caps the appreciation because those living in the home were paying for the home only and not the property. He commented on how rental rates were increasing in the community which made it hard for people to save for a down payment on a home. He stated it was important for people to be able to accumulate wealth in order to reach retirement at a reasonable age, while also allowing for greater education opportunities. He indicated he was pleased the city was working to support affordable rental units in the community.

Schaeppi commented on the city's efforts to address affordable housing in Minnetonka. He noted he had a conversation with a resident and this resident stated they had to forego somethings in order to make ends meet and asked what the city had to do without. He stated he was struggling with understanding what, if anything was cut. He explained next year he would like to see staff meeting the council halfway, providing more transparency and offering choices in order to see if there were cuts that could be made.

Calvert stated public safety was one of the major responsibilities of elected officials. She noted she was disappointed about the safer grant and recommended ongoing education be made to the public regarding fire response times. She discussed why the city was migrating from a paid on-call staffing model to a more professional model in order to reduce response times. She thanked staff for the wonderful report and preparation of the budget. She indicated the council had the opportunity to make cuts, but she appreciated the fact the city was making investments in its infrastructure, for DEI measures and towards sustainability efforts. She commented further on the budget and stated she believed the council was making responsible choices.

Wiersum reported when the preliminary levy was approved it was at 5.6%. He understood the council had every intention of trying to reduce this level, however he also understood that there were no good cuts at this time. He supported the

risks within the budget, especially given the rate of inflation at this time. He explained 2.3% of the 5.6% levy increase was tied to the capital improvements program. He indicated this meant the council was only able to make comments or cuts on 59% of the budget. He stated moving up the budget process may be the right thing to do in order to improve communication and provide greater transparency regarding the all of the pieces that go into the budget. He explained he signed up for some housing committees with the Municipal Legislative Commission and other organizations because housing was so fundamental. He reported Minnetonka was committed to affordable housing. He stated he understood housing was fundamental to living and succeeding in the community. He discussed how there was a great need for affordable housing in the metro area and stated the city wants a stake in this game providing both affordable rental and ownership housing. He noted he was supportive of the HRA levy because this was an opportunity to be on the curative path for affordable housing.

Calvert commented further on the benefits of the HRA levy.

Schack discussed the federal funds and affordable housing trust funds that were available to assist with affordable housing. She appreciated the fact that the city had greater goals when it came to affordable housing. She looked forward to having more robust conversations regarding affordable housing in the future.

Schack moved, Calvert seconded a motion to receive public comment on proposed budget and levies, and adopt Resolution 2021-130 and Resolution 2021-131. All voted "yes." Motion carried.

C. Items concerning Dick's House of Sport and Ridgedale at 12437 Wayzata Boulevard

City Planner Loren Gordon and Community Development Director Julie Wischnack gave the staff report.

Kirk discussed how the 90 degree parking on the west side may interfere with pedestrians and asked for comment from staff regarding this matter. He commented he did not want children running out in front of vehicles along the field. Gordon discussed the parking plane with the council and stated staff was supportive of the proposed plan with the pedestrian crossings. Wischnack explained there had to be a balance between the number of parking stalls and noted the 90 degree spaces assisted the mall with reaching a desired number of parking spaces.

Matt Lesh, Director of Development for Brookfield Properties, introduced himself and his team members to the council. He thanked staff for the detailed presentation and thanked the council for their time. He discussed how the project

was designed to provide connectivity between the mall and the community. He commented further on the site improvements and described how the retail market was changing. He indicated he appreciated the partnership he had with Dick's and looked forward to bring the House of Sport to Ridgedale.

Shannon Yeakel, Director of Real Estate Development for Dick's Sporting Goods, stated she was excited about bringing this new concept with a multi-purpose field to the City of Minnetonka. He discussed how the field could be used for practices and games.

Schaeppi stated he appreciated the continued investment in the mall. He commented he was struggling with the fact the city was being asked to pay the mall to make safety improvements in the parking lot. He noted the city has already invested substantially in a park and landscaping around the mall, but the only way to get a connection to this park would be to pay for this connection.

Mr. Lesh discussed the capital investment the mall was making in this project and noted an agreement was reached to have the city pay for this connection in order to enhance the project.

Calvert stated she was a proponent for public/private partnerships. She commented on the amount of money the city has invested in the mall area and noted there was a growing chorus of people that are concerned with the amount of money being spent on the mall. However, she noted she has also lived places where communities have not invested appropriately in the properties that were the economic engine. While she understood the appetite was decreasing for funding the exterior improvements to the mall, she noted the pedestrian connection this was an enhancement she could support. She indicated this project would accomplish a goal that the city has had for a long time.

Schack agreed conceptionally with her colleagues that it was somewhat difficult to make an investment in the malls infrastructure in order for them to generate more money, but she also knows that malls were dying and she did not want this to happen in Minnetonka. She indicated the mall was the commerce hub for the community and a trail through this area made sense.

Coakley commented she was supportive of this project. She anticipated the connection and the field would be good for the community.

Kirk stated he has spoken to residents regarding the city's investment in parks. He discussed how important it was for the mall to succeed. He reiterated the fact that he was concerned with the proposed parking but would let staff resolve this issue.

Wiersum thanked the council for providing their input. He commented on how investing in a path through the Ridgedale Mall was the right thing to do. He discussed how difficult it has been for malls over the past few years. He indicated he did not want the mall to reach a tipping point because it was the commercial center for the community. He explained this project would give the mall another dimension in order to keep it viable going into the future. He supported the project moving forward noting it would be good for the mall, for Dick's Sporting Goods and for the community.

Kirk moved, Schack seconded a motion to adopt Ordinance 2021-25 and Resolution 2021-132 on items pertaining to Dick's House of Sport and Ridgedale. All voted "yes." Motion carried.

D. Concept Plan for redevelopment of the property at 14317 Excelsior Boulevard

City Planner Loren Gordon gave the staff report.

Dean Dovolis, DJ Architecture, discussed the plans for the building noting he was working to make it compact in order to save more trees. He noted the units would have patios and direct access to the street. He indicated the neighbors were interested in getting a sidewalk along Stewart Lane.

Kirk questioned how stormwater would be managed on this site. Mr. Dovolis reported the roof would be used to contain water. He noted the guest parking lot would manage the remainder of the water on the site.

Kirk appreciated that the applicant had worked to save as many trees as possible. He liked the fact that the building would have underground parking. He noted he was not excited about seeing five stories from the south but believed four stories from the north was appropriate given the fact this was a transition property between townhomes and a commercial development.

Calvert agreed with Councilmember Kirk this was the right type of fit for this site. She believed the applicant was proposing to construct an attractive building and supported the proposed building materials. She thanked the applicant for working to preserve trees and for offering to make the proposed pedestrian connections. She also appreciated the fact that affordable housing units would be created through this development.

Schack indicated this was a tricky parcel to development and she appreciated the project as proposed by the developer. She anticipated this building would provide nice units for the future tenants. She stated this would be a large building for the one acre parcel, but believed it made sense.

Coakley requested further information regarding if this building would support long-term tenants. Mr. Dovolis described how legacy tenants were becoming more common and noted long-term leases were drawn up for these tenants.

Schaeppi disclosed that he coached Mr. Dovolis' son at Minnehaha Academy. He explained he liked the building and he anticipated this housing would meet a need in Minnetonka. He thanked the developer for meeting with the neighbors and for preserving the trees.

Wiersum indicated this was a very challenging site. He stated originally he wasn't sure if an apartment should be located on this transitional site. He understood the neighbors did not want a large building on it. However, he really appreciated the proposed building. He appreciated the fact that the developer was working to save the oak trees on the property. He commented by moving the building to the west, people would be able to see around the corner. He anticipated the proposed density in this area would do well given the amenities surrounding this property. He indicated he would be supporting the proposed concept on this site.

Keith Weigel, 14209 Glen Lake Drive, explained he and his wife were the first to move into the Lakeside Estate Townhomes to the east to the proposed development. He reported he was a homeowner that sold his home in order to downsize to a townhome. He indicated his developer built 13 units in the Glen Lake area. He recommended that the same type of townhome development be considered for the subject property. He commented if this project were to move forward that the building not be four stories. He suggested a compromise be considered to allow for a three story building. He understood Zvago was four stories and noted the previous requests that have been denied were three stories. He questioned why the council would now consider a four story building. He commented further on how disruptive this project would be for the neighborhood. He asked if the city knew if the grocery store was committed to remaining in the neighborhood. He inquired why such large buildings were being proposed for small lots in the community in Glen Lake, while single story buildings were being built elsewhere in Minnetonka.

B. City Manager recruitment process

Human Resources Manager Dawn Pearson gave the staff report.

Schaeppi stated he supported Option 3.

Kirk reported he supported Option 3 as well, but asked if this could be done without a search firm.

Wiersum stated this would be an option and discussed how other cities in the metro were approaching their search for a new city manager.

Calvert indicated she had been involved in several executive searches and she supported Option 3 as well. She believed a search firm would be the best option for the city and its staff given the amount of work that would be involved.

Schack agreed Option 3 would be the best option for the city. She did not believe it was in the city's best interest to have the HR department hiring their boss.

Coakley noted she liked the internal and external option for hiring the next city manager, but after hearing from Councilmembers Calvert and Schack she now supported the city having assistance from a search firm.

Wiersum supported the city hiring a search firm. He described how the city council was the board of directors and the city manager was the CEO. He explained he supported hiring a professional to assist with the hiring process for the city manager because this firm would be experts at this work. He supported the HR department making a recommendation on the research firm.

Calvert stated she would want the criteria to be very clear for staff. Pearson noted the council would be setting the criteria.

Schaeppi recommended the DEI task force also be contacted for comment on the criteria.

Wiersum reported he wanted staff involved in the hiring process because all meetings held by the council regarding the candidates would be subject to open meeting laws. City Attorney Corrine Heine reported this was the case.

15. Appointments and Reappointments: None

16. Adjournment

Schack moved, Calvert seconded a motion to adjourn the meeting at 10:47 pm.
All voted "yes." Motion carried.

Respectfully submitted,



Becky Koosman
City Clerk