

**Minutes
Minnetonka City Council
Monday, February 13, 2023**

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, Kissy Coakley, Brian Kirk, Rebecca Schack, Kimberly Wilburn, Deb Calvert, Bradley Schaeppi, and Brad Wiersum were present.

4. Approval of Agenda

Calvert moved, Kirk seconded a motion to accept the agenda as amended adding Item 10.C. All voted "yes." Motion carried.

5. Approval of Minutes:

A. January 13, 2023 special study session minutes

Calvert moved, Kirk seconded a motion to approve the minutes. Coakley, Kirk, Schack, Wilburn, Calvert, Schaeppi voted "yes." Wiersum "abstained". Motion carried.

B. January 23, 2023 study session minutes

Calvert moved, Kirk seconded a motion to approve the minutes. Coakley, Kirk, Schack, Wilburn, Calvert, Schaeppi voted "yes." Wiersum "abstained". Motion carried.

C. January 30, 2023 regular meeting minutes

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

6. Special Matters: None.

7. Reports from City Manager & Council Members

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

Calvert explained she attended Kids Fest and she was pleased by the tremendous attendance. She thanked the city's recreation staff for their efforts on this event.

Calvert reported the mayor, city manager, police chief and herself held a meeting with the faith community several weeks ago. She indicated this group had not met in a while and was able to speak about events occurring in the community.

Wiersum stated February was Black History Month and he appreciated the informational posters that had been posted at city hall.

Wiersum noted he attended the regional meeting of mayors today where the group heard from a panel of female mayors on the topic of equity.

8. Citizens Wishing to Discuss Matters not on the Agenda: None.

9. Bids and Purchases:

A. Bids for the Water Treatment Plant #15 Chemical Room Improvements Project

Public Works Director Will Manchester gave the staff report.

Coakley requested further information on how this water treatment plant is used to benefit the residents of Minnetonka. Manchester explained this water treatment plant treats the city's drinking water. He reported the city can pump water out of the ground faster than it can be treated, and this plant was providing the city with more treatment capacity.

Schack moved, Coakley seconded a motion to award the contract. All voted "yes." Motion carried.

10. Consent Agenda – Items Requiring a Majority Vote:

Coakley requested Item 10.B be pulled from the consent agenda for further discussion.

A. Resolution amending Council Policy 1.3

Wilburn moved, Calvert seconded a motion to adopt Resolution 2023-011. All voted "yes." Motion carried.

B. Resolution authorizing the expenditure of fiscal year 2022 and 2023 opioid settlement funds

This item was removed from the consent agenda for further discussion.

C. Approving the Collective Bargaining Agreement between the city of Minnetonka and Law Enforcement Labor Services (LELS) #442

Wilburn moved, Calvert seconded a motion to approve the Collective Bargaining Agreement between the City of Minnetonka and Law Enforcement Labor Services (LELS) #442. All voted "yes." Motion carried.

B. Resolution authorizing the expenditure of fiscal year 2022 and 2023 opioid settlement funds

Coakley explained she spoke with staff regarding how the funding would be utilized by the city. She suggested the city also consider making an investment in social services. City Manager Mike Funk reported the state of Minnesota was part of the national opioid lawsuit against the pharmaceutical companies. As a result of this lawsuit, \$300 million was being awarded to the state of Minnesota. He stated 75% of these funds were being retained by the state and counties and 25% would be awarded to cities. He estimated the city would be receiving \$425,000, spread over the next 18 years. He indicated these funds would have to be spent for a specific and dedicated purpose. He commented further on how staff has been working to find the best ways to repurpose these funds on behalf of the community. He noted \$25,000 of the funding would be used for a social worker.

Police Chief Scott Boerboom reported the settlement funds can be used for treatment, prevention and other equipment. He described how staff evaluated its current programming to see how these funds could be utilized to assist with meeting these requirements. He commented on the equipment that would be purchased to assist officers with detecting and handling fentanyl drugs.

Coakley thanked Police Chief Boerboom for the additional information.

Schack commented on how challenging the times were for social workers and noted she was supportive of the city meeting the needs of its social workers.

Wiersum reported this settlement was significant. He stated it was his understanding there were other opioid producers and future settlements may be possible. Funk explained in the last week and a half he has learned there were other companies that may be included in future lawsuits and settlements.

Coakley moved, Calvert seconded a motion to adopt Resolution 2023-012. All voted "yes." Motion carried.

11. Consent Agenda – Items requiring Five Votes: None.

12. Introduction of Ordinances: None.

13. Public Hearings:

A. On-sale intoxicating and Sunday on-sale intoxicating liquor licenses for MN Opus Operating VII LLC, dba Minneapolis Marriott Southwest, located at 5801 Opus Parkway

Community Development Director Julie Wischnack gave the staff report.

Wiersum opened the public hearing.

Megan Kunze, attorney representing MN Opus Operating VII LLC, thanked the council for considering this request. She explained the reason this item was before the council was because there was a change of ownership. She clarified that the management of the hotel and the services at the hotel would remain the same.

Wilburn moved, Calvert seconded a motion to continue the public hearing to March 27, 2023, for final consideration. All voted "yes." Motion carried.

14. Other Business:

A. 2023 budget revision - The Marsh

Kirk recused himself from this item noting he works for the YMCA.

City Manager Mike Funk and Recreation Services Director Kelly O'Dea gave the staff report.

Wiersum discussed how the future uses for The Marsh were still unknown and asked if any future uses had been taken off the table. Funk stated everything was on the table at this time. He reported staff was meeting with perspective interested parties at this time and has been receiving countless phone calls about businesses interested in becoming a part of The Marsh facility. He commented further on how the City of Minnetonka was known for its wellness and how he believed, The Marsh would be a community asset long term.

Schack explained he was caught off guard hearing about The Marsh reopening on social media. She asked if there was a way to keep the council up to speed

on this project. Funk stated the intent with staff's messaging was to be proactive and to inform the public. He reported Mr. O'Dea would be coming back to the March study session to provide the council with additional information on The Marsh.

Calvert stated this potential purchase has generated a great deal of interest from the public. She understood there were residents on both sides of this issue and explained the council understood this purchase was not risk free. She believed even with potential operational losses, this property would be a benefit to the community. She looked forward to learning more from the work the consultants would do and hearing from the community further.

Schaeppi stated he believed this was a fantastic site that had a lot of opportunity. He understood the community was excited about this properties potential and he appreciated all of staffs efforts. He explained he generally supported the idea of trusting staff in this process. However, the purchase of this property involved millions and millions of dollars. He commented further on his 20 years of experience in real estate transactions. While he appreciated all of the interest in this purchase, he believed the council had to consider the right approach. He was of the opinion that one table of information was not adequate given the fact the city council was being asked to spend millions of dollars. He supported the city having a healthier process when considering this purchase. He discussed the options before the council and what impact each option would have on the community. He stated he wanted this property to have a positive impact on Minnetonka. He explained he would be voting against this motion because he believed there was an opportunity for a better process. He supported the city putting this purchase on pause in order to assist with addressing the \$1 million operating loss. He indicated he could support studies for this property. He stated his position on this purchase was based on City Charter Section 7.01 Subd.1 and he read verbatim, "The council has full authority over the city's financial affairs and must use sound discretion in exercising this authority". He questioned if the council was using sound discretion when it comes to this purchase.

Schack reported the council spoke about spending this money and noted she did not taken the purchase lightly. She discussed the cost to carry this property. She indicated she agreed with much of what Councilmember Schaeppi stated. She explained she had hoped the council would have more information on what The Marsh looks like before it reopens. She indicated she did not have a problem approving the budget, but felt uneasy with a five page packet with no supporting information about estimated revenues. She questioned what this information was based on. She commented she was not trying to be critical, but she felt it was irresponsible to move this forward without further information. She stated she did not want to see the city opening The Marsh in only to have it closed again. She questioned if the city should wait on the reopening until further information was

available. She stated when it comes to the budget, she could support moving that forward.

Coakley explained she appreciated Councilmember Schaeppi's comments. She indicated she understood what was being approved at this time and she trusted staff to do their due diligence. While she understood there may be an up front loss, she believed staff would keep this project moving in the right direction.

Wilburn requested staff provide the council with further information on the numbers at the next study session meeting.

Calvert indicated the council spoke briefly about a fee structure for The Marsh. She explained she would like the council to discuss this topic further at a future study session meeting. She stated she has heard the concerns of her fellow councilmembers. She noted the purposes of this vote was to develop a budget and indicated staff was continuing to work on the plans for The Marsh.

Wiersum thanked the council for their comments. He reported the council does have a responsibility to the taxpayers which meant the council had to move forward appropriately and carefully. He discussed how nothing had been taken off the table. He commented on how the city was in unchartered waters because this process was moving along quickly. He explained this was leading the council to require additional information and analysis when considering what decisions should be made. He referred to The Marsh as a "leaky bucket" noting the property would cost the city money going forward. He indicated he would be supporting the proposed budget for 2023 and asked that staff provide the council with further information on the numbers.

Funk stated he appreciated all of the comments from the council. He explained the council was being asked to make tough decisions and noted staff has been working diligently to create a high level budget. He reported this budget was presented to the council in order to assist with a partial opening of The Marsh. He indicated staff would continue to work on the numbers and the proposed fee structure.

Calvert moved, Coakley seconded a motion to adopt Resolution 2023-013.
Coakley, Schack, Wilburn, Calvert and Wiersum voted "yes." Schaeppi voted "no". Motion carried.

15. Appointments and Reappointments: None.

16. Adjournment

Calvert moved, Schack seconded a motion to adjourn the meeting at 8:01 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
City Clerk