

**Minutes  
Minnetonka City Council  
Monday, October 26, 2020**

**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 Bradley Schaeppi, Kissy Coakley, Brian Kirk, Rebecca Schack, Susan Carter, Deb Calvert and Brad Wiersum were present.

**4. Approval of Agenda**

Calvert moved, Kirk seconded a motion to accept the agenda, as amended adding Item 6B – Election Judge Appreciation Day Proclamation. All voted “yes.” Motion carried.

**5. Approval of Minutes:**

**A. September 15, 2020 strategic planning session**

Schack moved, Kirk seconded a motion to accept the minutes, as presented. All voted “yes.” Motion carried.

**6. Special Matters:**

**A. Extra Mile Day Proclamation**

Schaeppi read a proclamation in full for the record declaring November 1, 2020 to be Extra Mile Day in the city of Minnetonka.

Read the proclamation.

**B. Election Judge Appreciation Day Proclamation**

Wiersum read a proclamation in full for the record declaring November 3, 2020 to be Election Judge Appreciation Day in the City of Minnetonka. He thanked all election judges and the city staff members who oversee the details of each election.

Read the proclamation.

**7. Reports from City Manager & Council Members**

City Manager Geralyn Barone reported on upcoming city events and council meetings. She stated election day was Tuesday, November 3, 2020 and noted polls would be open from 7:00 a.m. to 8:00 p.m.

Calvert discussed the process that could be followed to allow voters to put their ballots into the tabulator. She thanked all election judges for their tremendous service on behalf of the community.

Carter commented on the discussions the council has had recently surrounding diversity and inclusion. She explained she received several resident calls and noted there are people watching and hearing what the council has to say about race and diversity. She thanked the residents that reached out to her.

Schaeppi stated he appreciated all of the election staff, election judges and Hennepin County. He reported the state of Minnesota had a safe and secure voting system because the state invests in elections.

Wiersum explained he attended the ribbon cutting for the solar garden the City of Minnetonka subscribed to. He indicated the electricity that will be generated by this solar garden will go to two customers, Cargill and the City of Minnetonka. He appreciated the fact that the city's electricity was now being generated by solar power, which was a positive step towards sustainability.

Wiersum commented on a League of Minnesota Cities webinar he attended last week. He noted the videos from this webinar were available on LMC's website.

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

**9. Bids and Purchases: None**

**10. Consent Agenda – Items Requiring a Majority Vote:**

**A. 2021 general liability insurance and workers' compensation renewals**

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

**B. Southwest Corridor Investment Framework Cooperative Agreement**

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

**C. Resolution approving the final plat of CARLSON CENTER 18th ADDITION at 801 Carlson Parkway**

Kirk moved, Calvert seconded a motion to adopt Resolution 2020-088 approving the final plat. All voted "yes." Motion carried.

**D. Updated Coronavirus Relief Fund reporting plan**

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

**E. Resolution regarding grant application to Hennepin County for the New Park at Ridgedale**

Kirk moved, Calvert seconded a motion to adopt Resolution 2020-089. 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 liquor license for Cedar Hills Ribs, Inc., 11032 Cedar Lake Road**

City Manager Geralyn Barone gave the staff report.

Wiersum opened the public hearing.

Kirk moved, Calvert seconded a motion to open the public hearing and continue to November 23, 2020. All voted "yes." Motion carried.

**B. On-sale wine and on-sale 3.2 percent malt beverage liquor licenses for YMCA at The Marsh, LLC., located at 15000 Minnetonka Boulevard**

Kirk reported he would be recusing himself for this agenda item.

City Manager Geralyn Barone gave the staff report.

Michael Kielkucki, The Marsh representative, stated he was available for questions or comments.

With there being no comments, Wiersum closed the public hearing.

Wiersum reported The Marsh was owned by Ms. Ruth Stricker, who passed away recently. He explained Ms. Stricker's estate has given The Marsh to the YMCA to continue operation in Minnetonka. He noted this was a wonderful gift for the city and the surrounding community.

Calvert moved, Schack seconded a motion to continue the public hearing from Sept. 21, 2020 and grant the licenses. Calvert, Schaeppi, Coakley, Schack, Carter and Wiersum voted "yes". Kirk "abstained". Motion carried.

#### **14. Other Business:**

##### **A. Resolution for the Groveland-Bay Improvements Project**

Public Works Director Will Manchester gave the staff report.

Calvert asked what would happen if something significant was discovered during the archeological study. Manchester explained he would work with state archeologists on how to proceed. He reported the project would be delayed and residents would be updated.

Calvert commented on the driveway widths that were not in compliance with city code and questioned how these would be brought into compliance. Manchester indicated the city's driveway ordinance would be followed for this project. He stated staff would meet with property owners that were not in compliance with city code in order to get the driveway width down to 20' or 30'.

Calvert inquired how staff would address the water logged soil in the project area. Manchester reported a soils report would be completed and noted staff would be working with a geotechnical engineer. He stated at times bad soil is removed and replaced with stable soil or rocks. He indicated it was not uncommon for the city to find wet soils in project areas.

Schaeppi thanked staff for the thorough report. He noted he does not live in the project area. He asked if staff had considered installing a sidewalk along the full length of Groveland School Road. Manchester stated this had been reviewed by staff. He noted a sidewalk was not included in the overall plan. He explained the cost for this sidewalk would be quite low if the council wanted to have it included.

Calvert commented on the drainage concerns in the improvement area and questioned what improvements would be made to the stormwater management.

Manchester discussed the stormwater management improvements that were included in the proposed project.

Wiersum asked how the needs of disabled individuals would be met during the improvement project. Manchester stated the city would have an onsite inspector that would be available to address any special concerns. He encouraged residents with special needs to contact Mitch Hatcher or himself.

Wiersum commented it was great that McKenzie Point Road had been included in this improvement project. He indicated this was a challenging road.

Schaeppi thanked the residents that reached out to him regarding concerns they had with the project. He appreciated the collaboration with St. Luke's and Mr. Yonkers. He looked forward to seeing this project completed.

Calvert wished staff the best of luck on this challenging and involved project. She encouraged residents to be patient throughout the process.

Kirk disclosed that he was a member of St. Luke's and noted he spoke to the city attorney regarding this matter. It was his understanding being a member was not a conflict of interest. He commented these improvements would be very welcomed once they were done.

Wiersum stated this was a challenging part of the city because it was close to the lake and there were some low areas. He understood the city's engineers were familiar with dealing with these challenges. He reported this was a big and expensive project. He was proud of the fact this project would be completed without special assessments.

Calvert moved, Carter seconded a motion to adopt Resolution 2020-090. All voted "yes." Motion carried.

**B. Resolution authorizing the certification of delinquent utility charges to Hennepin County, and approve writing-off stale uncollectible accounts**

Finance Director Darin Nelson gave the staff report.

Kirk stated in the midst of a pandemic it was concerning to him to see the 37% increase. He commented the number of delinquencies has risen. He questioned if staff has noticed a change in the delinquent payments. Nelson stated staff has seen a slight uptick over time. He noted there was a spike in April but the last two months have had a decreased number of delinquencies when compared to 2019.

Coakley asked if staff knew the percentage of homeowners versus renters that had delinquent utility bills. Nelson reported he did not have this break down. He indicated it was typically a pretty good mix.

Coakley stated she had a concern with lowering the threshold while still having the penalties. She believed this would be tough on homeowners that were already struggling during the pandemic. Nelson indicated this was a concern during the pandemic. He explained staff was looking at the process from the enterprise fund standpoint.

Schack stated landlords were being asked to shoulder a lot of responsibility through this pandemic. She questioned if the burden would be shifted from renters to the property owners. Nelson commented any delinquencies would be filed against the property owner because they would be responsible for delinquent utilities.

Schack asked if escrow accounts would assist delinquent residents with paying their utility bills. Nelson explained he was uncertain if this would help or hinder residents.

Coakley inquired if the \$25 administrative fee would be charged if a resident were to pay the outstanding utility bill prior to being certified. Nelson explained the council was being asked to certify the outstanding balances this evening, which meant the administrative fee would be charged going forward. He noted the administrative fee had been reduced from \$50 to \$25 this year.

Coakley questioned if the letters that were sent to delinquent utility bill property owners included a list of resources that were available to residents. Nelson stated these letters were sent two months ago. He did not recall that resources were referenced in these letters. He reported the city's website has resources listed. He indicated he could make this suggestion for next year's letters.

Schaeppi commented he generally supports the new utility procedures. He understood it was frustrating to get bad news but he appreciated the fact that the city had a strong process in place to get outstanding utility bills paid. He requested further information regarding the 10% fees. Nelson discussed the one-time charge 10% fee that was charged for certifying utility bills. In addition, he noted a 10% late fee was charged for outstanding utility bills. He noted this 10% fee was not compounding.

City Manager Geralyn Barone explained that the vast majority of renters in the City do not pay a water bill. She reported in most cases multi-family apartment buildings have only one water meter and were not charged for their water or sewer usage.

Nelson commented if a customer calls the city and is having trouble paying their bill city staff provides this resident with a list of available resources.

Schack stated she supported certifying the delinquent utilities, along with writing off the uncollectible accounts. She did not believe it would be in the city's best interest to kick this can down the road.

Schack moved, Carter seconded a motion to adopt Resolution 2020-091 and approved writing-off the stale uncollectible accounts. All voted "yes." Motion carried.

**C. Reinstating the utility bill late fees and the termination of water services**

Finance Director Darin Nelson gave the staff report.

Kirk questioned how much revenue would the city be losing if the late fees were not reinstated. Nelson reported the city typically makes \$120,000 per year in late fee revenue. He stated to date the city has only received \$18,000.

Calvert asked how many water shut offs the city had in a typical year. Nelson explained he has not been part of a water shut off. He indicated this tends not to take place because this creates a public health crisis. He stated the city tends to keep water services on and works to collect the outstanding fees through other means. He reported the city has not shut off any water services in the past year.

Calvert inquired if the council could reinstate the utility bill late fees without approving the termination of water services. Nelson stated one could be approved without the other, they were not tied together.

Schack explained she understood the reason this request was being brought to the council. She indicated she had a problem with the optics of this resolution. She stated this resolution appears to imply the city was at a point in the pandemic where things were better and sends the wrong message. She anticipated there were still hard times ahead for small businesses, restaurants and those working in the hospitality industry. She did not believe it made sense to approve this at this time.

Calvert agreed with Councilmember Schack. She explained she grew up in a suburb of Detroit where water shut offs were a pandemic all by itself because the city was experiencing economic difficulties. She commented she did not want water shut offs to be an option during the pandemic. She agreed that there were dark days still ahead and she recommended the resolution not move forward at this time.

Carter stated she did not like any part of this resolution either. However, she stated it has been more than seven months since the city has been able to collect late fees in order to assure the quality services that are promised to Minnetonka residents. She questioned how the city would continue to have enough funds to cover all of its expenses if residents did not have to pay their utility bills or late fees. Nelson discussed the amount of funds that are being collected from utility bills. He reported the loss of the late fees has not been detrimental to the city to date.

Carter stated she could then agree that now was not the time to approve this resolution.

Schack commented she did not want the city to have to rely on fines and penalties in order to support day to day operations or affordable housing.

Calvert stated she understood the importance of these late fees to the city's budget. She explained she was acutely aware of the serious pressures that are being put on the budget because of the pandemic. However, she understood that water was a fundamental need to stay healthy. For this reason, she recommended the late fees not be reinstated at this time.

Schaeppi indicated he appreciated the comments from his fellow councilmembers. He stated he was struggling with the water shut off issue. He reported there were other cities that were much more aggressive on this issue. He understood the city was in the middle of a pandemic and that water was necessary at this time. However, he indicated he could support the late fees moving forward.

Coakley commented on the importance of residents paying their mortgage in order to stay in their homes. She stated she would support sticking with the city plan.

Kirk commented a lot about this resolution was about optics. He explained he would hate to see that residents were taking advantage of the fact the city was not charging late fees at this time. He indicated this does not appear to be the case at this time. He stated the city was losing revenue because late fees were not being charged. He anticipated this may be the new normal and the council needs to recognize that fact. He indicated the council could reconsider instituting late fees some time next spring or summer. He reported he could support the reinstatement of water shut offs at this time, but not the late fees.

Wiersum stated he appreciated all of the comments that were provided by the councilmembers. He indicated he was very concerned about the optics of this resolution. He explained the pandemic was not getting better, but rather was getting worse. He commented stimulus money was running out and hardships



were not over. He appreciated the fact that during August and September, residents were paying their utility bills at a similar rate as 2019. He discussed the amount of money that had disappeared from the city's budget for 2020 and noted these funds could not be used elsewhere. He stated compelling arguments could be made for both sides of this argument. He commented further on water shut offs and asked if the city should have a tool in its tool box if it was never used. He indicated he was rather torn on this issue and noted the optics were bad.

Calvert asked if this resolution were not approved if this issue could be readdressed in several months. Barone reported this item could come back to the council in a few months if the council wanted to revisit the resolution at a future date.

Wiersum stated another option available to the council would be to table action on this item for 60 days as this would allow the council to reevaluate what was happening with respect to the pandemic in two months. Barone suggested if the item were to be tabled that the item be tabled for 90 days.

Schack moved, Kirk seconded a motion to table action on this item for 90 days.  
All voted "yes." Motion carried.

**15. Appointments and Reappointments: None**

**16. Adjournment**

Calvert moved, Kirk seconded a motion to adjourn the meeting at 8:41 p.m. All voted "yes." Motion carried.

Respectfully submitted,



Becky Koosman  
City Clerk