

**Minutes
Minnetonka City Council
Monday, June 14, 2021**

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

Council Member Susan Carter was absent (excused).

4. Approval of Agenda

Calvert moved, Schack seconded a motion to accept the agenda with addenda to Items 6.D, 10.C, 14.A, and 14.C. All voted "yes." Motion carried.

5. Approval of Minutes:

A. May 24, 2021 regular meeting

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

6. Special Matters:

A. Review of the 2020 financial report with the City's audit firm of BerganKDV

City Manager Geralyn Barone stated Andrew Grice with Bergan KDV was in attendance to provide the council with a presentation on the 2020 financial report. She thanked the finance department staff for all of their assistance on the 2020 audit.

Andrew Grice, BerganKDV, reviewed the 2020 financial report with the council. He reported the city received a clean or unmodified opinion which provides assurance that the financial statements are fairly presented in all material aspects. He was pleased to report the audit firm had no findings from within the

Government Auditing Standards, Uniform Grant Guidance or the Minnesota Legal Compliance. He discussed the communications letter and commented further on the general fund budget to actual, along with reviewing the enterprise funds. He commended the city on its strong financial efforts and asked for comments or questions.

Wiersum commented on the operation of the ice arena and how it was impacted by COVID. He questioned if the use should be reclassified if the percentage was hovering between 95% and 105%. Mr. Grice explained there should be some improvement in terms of reducing the unrestricted in this fund. He reported this fund was very consistent for the four years prior. He commented the general fund was the fund that would be responsible for bailing the ice arena out.

Finance Director Darin Nelson stated the capital outlay for the ice arena fund was also being supported by the capital replacement fund. He stated staff would be taking this under consideration this summer throughout the budgeting process.

Wiersum discussed how the city's fund balance had improved by \$2.6 million in 2020. He asked if this improvement may enable the city to provide some flexibility on the tax rate in the coming year. Nelson indicated the current budget utilizes \$2.5 million of the fund balance for capital outlay projects for 2021. He stated when the fund balance was used it was not used for operating needs to provide relief, but rather are used for capital projects. City Manager Geralyn Barone reported staff would be providing the council with a sneak peek at the budget forecast at next week's study session meeting.

Kirk commented on the tax levy increase from 2019 to 2020 due to staff corrections and salary adjustments. He inquired if this was realized. Nelson reported the increase was realized after making the necessary staff corrections and salary adjustments. He commented further on how salaries were impacted by COVID.

Nelson thanked Mr. Brice and his staff members for their assistance on the 2020 audit.

Wiersum thanked Mr. Brice, Finance Director Nelson and the entire finance department for their efforts on behalf of the City of Minnetonka.

B. LGBTQ+ Pride Month Proclamation

Calvert read a proclamation in full for the record declaring June to be LGBTQ+ Pride month in the City of Minnetonka.

C. Monarch and Pollinator Awareness Month

Kirk read a proclamation in full for the record declaring July to be Monarch and Pollinator Awareness month in the City of Minnetonka.

D. Juneteenth Proclamation

Coakley read a proclamation in full for the record declaring June 19, 2021 to be Juneteenth in the City of Minnetonka.

7. Reports from City Manager & Council Members

City Administrator Geralyn Barone reported on upcoming city events and council meetings.

City Attorney Heine provided the council with an update on a change that was made to the open meeting law.

Schaeppi requested further information from staff on how the community can speak publicly at a city council meeting. Barone reported city council meetings are now live and in the council chambers again. She explained residents can view meetings live on the website, via the local cable channel, the replay through the website or in person. She indicated residents are able to speak in the council chambers in person. In addition, residents are able to phone in, which would require people to register prior to the meeting.

Wiersum encouraged residents of Minnetonka to be mindful of their water usage and lawn sprinkling.

Wiersum stated it was great to be back in the council chambers for this meeting.

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

John Anderson, 10798 Cedar Bend, discussed Ordinance 8.3. He stated he was concerned that this policy does not represent the right intention. He commented in January of 2021 he received a notice from the city to cut down four trees on his property with a March 27, 2021 deadline. He indicated he did not cut these trees down and the tree cops were at his door and told him he had to remove these trees or he would be charged \$4,000 for the work. He explained he was a senior citizen and he does much of this work himself. He believed this ordinance was a huge governmental over reach. He stated the University of Ohio believes the Emerald Ash Borer was going to kill 99.9% of every ash tree in North America. He expressed concern that the city was putting an undue burden on senior citizens. He requested the city council review the ordinance and consider other alternatives besides tree removal.

Mike Mornson, 1010 First Street, introduced himself to the council stating he was the City Manager at Hopkins. He explained he was the past president of the League of Minnesota Cities. He introduced a number of individuals that were in attendance at the meeting from the League of Minnesota Cities. He thanked Mayor Wiersum for his tremendous leadership on behalf of the community. He stated he appreciated the great relationship Hopkins had with the City of Minnetonka.

D. Love, First Vice President of the League of Minnesota Cities, introduced himself to the council. He stated he was the Mayor of Centerville. He recognized and thanked Mayor Wiersum for his service as the president of the League of Minnesota Cities. He indicated he was grateful to be able to speak this evening and to be able recognize Mayor Wiersum for his strong leadership throughout the city, region and state of Minnesota. He thanked the city council for sharing Mayor Wiersum with the state and indicated he would be a tough act to follow.

Dave Unmacht, Executive Director of the League of Minnesota Cities, discussed the travel that occurs in a typical year at LMC and explained his attendance was a surprise to Mayor Wiersum. He thanked the City of Minnetonka, their great staff and the community for their participation with the LMC. He congratulated Mayor Wiersum for his dedicated service to the LMC over the past year which was a very difficult year.

Wiersum thanked Dave, Mike and Dee for this recognition. He indicated he was much better at dishing out compliments than taking them. He stated serving the City of Minnetonka has been a tremendous privilege to him. He believed the City of Minnetonka was a top flight organization. He reported the League of Minnesota Cities was also an excellent organization. He stated he was proud of his service with the League and he was very surprised by Dave, Mike and Dee's attendance this evening. He encouraged people to stay hopeful and commented his number one goal was to continue to urge people to stay vigilant through these challenging times. A round of applause was offered by all in attendance.

9. Bids and Purchases:

A. Agreement with PFM for investment management services

Finance Director Darin Nelson gave the staff report.

Schaeppi explained the term of the contract was month to month. He asked what the format would be for staff to report back on the success of the investment management services. Nelson discussed how the investments would be benchmarked for review purposes.

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

10. Consent Agenda – Items Requiring a Majority Vote:

A member of the public and Schack requested Item 10.F be pulled from the Consent Agenda for further discussion.

A. Resolution Amending Council Policy 2.1, Standards for Investments and Banking

Schack moved, Calvert seconded a motion to adopt Resolution 2021-045. All voted "yes." Motion carried.

B. Final plat of DAMYAN'S ADDITION, a 2-lot subdivision at 9598 Ann Lane

Schack moved, Calvert seconded a motion to adopt Resolution 2021-046 approving the final plat. All voted "yes." Motion carried.

C. Resolution Requesting Funding from the 2022 State of Minnesota Capital Budget

Schack moved, Calvert seconded a motion to adopt Resolution 2021-047 of support for the application of funding from the State's general obligation bond proceeds. All voted "yes." Motion carried.

D. Communications System Subscriber Agreement

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

E. Auto Theft Prevention Grant Agreement

Schack moved, Calvert seconded a motion to adopt Resolution 2021-048. All voted "yes." Motion carried.

F. Resolutions approving a conditional use permit and final site and building plans for Bauer's Minnoco / Custom Hitches and Auto Repair at 13118 Excelsior Boulevard

Lou Quinn, 4740 Baker Road, explained he lives across the street from the Bauer's Express. He stated his neighbors called him and asked him to come down regarding some of the activity that was occurring at this auto repair shop. He commented on the new building that was being proposed and stated he was

concerned with the number of vehicles that would be located on the property. He reported the site already had 14 cars and 32 u-hauls onsite. He questioned where the new building would be located given the large number of vehicles that were already stored on the property. He discussed how Mr. Bauer had expanded the rear parking lot (without a permit from the city) and explained trees have been removed. He indicated this work was adversely impacting the adjacent residential homes. He requested the city look into the activity that was occurring on this property because dirt was running into the holding pond. He stated he wanted to be assured the corner was safe for bicycle traffic and that the concerns of the adjacent neighbors were taken into consideration given the fact he has removed the buffer in the rear of the property.

Wiersum thanked Mr. Quinn for providing the council with this information. He encouraged Mr. Quinn to provide his photographs to staff.

Mr. Quinn reviewed the photographs with the council and staff.

Wiersum requested comment from staff on this item. City Planner Loren Gordon discussed the history of this property and reviewed the staff report with the council. He explained staff would work with the applicant to ensure the buffer was made right between this site and the neighbors. He indicated there would not be additional hard surface which meant the stormwater pond did not have to be upsized.

Kirk explained the east side of Baker Road was used for parking vehicles that were using u-hauls. He commented on how a trail was being proposed for this side of Baker Road. He stated he had concerns with parking the cars along Baker Road and asked if this concern had been addressed by the proposed plans. Gordon commented there was no parking proposed along Baker Road.

Kirk reported he has seen half a dozen cars parked along Baker Road, depending on the time of year and asked that this not be allowed. Gordon stated the city has a parking ordinance that gets to the customer traffic on the site and does not get to the business operations and number of u-hauls that can be parked on site. He noted this could be addressed through the conditional use permit on the site. He understood the number of u-hauls on the site fluctuated greatly.

Schaepfi questioned what the impact would be of allowing the building to be constructed on this property, while still allowing for vehicles and u-hauls to be parked on the site. He stated he did not want to see u-hauls or customers parking on Baker Road. Gordon stated he has not had any parking concerns brought to his attention.

Kirk clarified he lives near this property. He explained the u-hauls are all kept on site, but noted the customers renting the u-hauls sometimes park along Baker Road when they pick up a U-Haul, especially at the end of the month.

Schack commented there may be some issues that border on nuisance that are separate from the request before the council. She believed the proposed project would be an improvement to the site. She thanked the applicant for providing a bike oasis. She stated she understood the parking concerns but it was her hope the site would get cleaned up through the proposed improvements. She indicated she supported the planning commission and staff's recommendation.

Calvert stated she agreed with Councilmember Schack's comments. She noted she lived on Baker Road and she appreciated the business on this corner. She anticipated this proposed building would enhance the property and would lend some more organization to the site. She anticipated the nuisance issues could be addressed by the city in the future if they persist. She stated she supported the planning commission and staff's recommendation.

Coakley commented she has rented u-hauls from this property on several different occasions. She explained this was a pretty tight property and she had concerns with the number of trucks on the lot. She indicated she was concerned about how the lighting from this property was spilling onto adjacent properties. She stated she would be more comfortable if staff and the council were to address some of the issues that have been brought up in further detail prior to making a decision on this request.

Kirk reported the applicant was requesting a conditional use permit without any variances. He was of the opinion the proposed plan would allow for greater organization of the site. For this reason, he explained he would be supporting the request.

Wiersum stated he was a customer of Bauer Minnoco and he understood there was an ebb and flow to the number of U-Haul trucks that were on the property. He believed that the proposed plans would improve the property. However, he wanted to assure that the property was used in an improved way. He suggested that an upper limit be set on how many vehicles and trailers can be placed on the lot at any one time. He stated he would be supporting this project moving forward but challenged staff to consider putting some restraints on the property. In addition, he challenged the neighbors to keep an eye on this property. Gordon stated these were good comments. He noted he speaks to Mr. Bauer pretty regularly and he would continue to have conversations with him.

Schack moved, Calvert seconded a motion to adopt Resolution 2021-049 and Resolution 2021-050 approving a conditional use permit and final site and building plans. All voted "yes." Motion carried.

11. Consent Agenda – Items requiring Five Votes: None**12. Introduction of Ordinances:****A. Ordinance relating to interim uses in the I-1, Industrial, and PID, Planned I-394, zoning districts**

City Planner Loren Gordon gave the staff report.

Schack requested further information regarding the interim use and how a garden center is regulated. Gordon explained garden centers are considered an interim use.

Schack questioned if interim uses are granted on a yearly basis. Gordon reported interim uses are approved on a temporary case by case basis.

Wiersum encouraged the planning commission to consider the time element that should be considered for interim use permits. He stated he believed temporary uses should be for one year or less.

Kirk moved, Calvert seconded a motion to introduce the ordinance and refer it to the planning commission for a recommendation. All voted “yes.” Motion carried.

13. Public Hearings:**A. Temporary on-sale liquor license for Boom Island Brewing Company LLC, 5959 Baker Road**

City Manager Geralyn Barone gave the staff report.

Wiersum opened the public hearing.

Jesse Pittman, 5959 Baker Road, thanked the council for considering his request. He stated he was looking forward to hosting an event again this summer.

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

Calvert moved, Schack seconded a motion to hold the public hearing and grant the license. All voted “yes.” Motion carried.

B. On-sale intoxicating liquor license for Tavern Minnetonka LLC., dba The Tavern Grill Restaurant & Bar at 12653 Wayzata Boulevard, #2400

City Manager Geralyn Barone gave the staff report.

Wiersum opened the public hearing.

Tim Cary, 12653 Wayzata Boulevard, thanked the council for considering his request. He stated he was looking forward to coming to the City of Minnetonka.

Schack moved, Kirk seconded a motion to open the public hearing and continue to July 12, 2021. All voted "yes." Motion carried.

Wiersum recessed the city council meeting.

Wiersum reconvened the city council meeting.

14. Other Business:

A. Items concerning a multi-family residential development at 5959 Shady Oak Road

City Planner Loren Gordon gave the staff report.

Tony Kuechle, Doran Development, thanked the council for their time and consideration. He stated it was great to be before the council live and in person. He provided the council with a presentation on the redevelopment of the former Isla site. He reported he was proposing to construct 350 apartment units with 489 parking stalls. He noted there would be a mix of studio, one, two and three bedroom units with 5% of the units being at 50% AMI, 5% of the units at 60% AMI and an additional 5% of the units being at 80% AMI. He reported this would provide 52 units of affordable housing. He commented he had taken into consideration the feedback he received regarding the initial architecture and noted the apartment building has been modified. He stated he has been working with the neighbors to the north in order to increase the setback of the building from the adjacent townhomes. He indicated he has also added an eight foot privacy fence that would be landscaped on both sides. He discussed the landscaping and public art plan in further detail with the council.

Ben Lindau, Senior Design Architect for Doran Development discussed the building plans in further detail with the council. He commented on how the architecture had been made unique, comfortable and familiar to Minnetonka. He indicated the façade had been broken up and the windows were now oversized.

The location of the trail connection was described. Lastly, he commented on the energy efficiency initiatives that would be taken on for this project.

Mr. Kuechle discussed the amenities that would be included on the amenity deck stating it would include grill stations, an area of heated concrete, fire pits, pergolas, outdoor projector, and an outdoor swimming pool. He stated the project would also include a game room, entertainment suites, conference room, touchdown areas, bike lounge, a theater room, dog run, and meeting spaces.

Calvert thanked the applicant for working really hard on this project and for being both flexible and responsive to the city council. She stated she appreciated all of the natural materials that would be used on the site. She questioned if anyone had further information regarding the low-toxicity fiber cement that would be used on the building. Mr. Kuechle described how he worked through the zoning code in order to define what building materials can be used in this project. He stated he tried to work within city code to find building materials that articulate an architectural style that would be pleasing.

Calvert stated she would like to explore this topic further at a future worksession meeting.

Kirk indicated he was most concerned about how the townhomes to the north would be impacted by this apartment building. He understood the building had been articulated back away from the lot line. He questioned if there would be balconies on the north side of the building. Mr. Kuechle reported this was the case.

Kirk commented he appreciated the time that was spent on the shadow study and he stated he feared how some of the taller buildings within Opus were impacting adjacent properties. Mr. Kuechle discussed the setbacks of the Burk building versus the proposed building.

Calvert stated she understood this building was transit oriented housing that was very close to the light rail. She explained the council would have many buildings yet to consider within Opus. She questioned where extra cars would be put in the parking ratio was off. Mr. Gordon indicated staff was always learning on how to adapt projects that were more walkable. He reported this project was parked at 1.1 stalls per bedroom. He commented staff was not concerned with the proposed parking.

Wiersum discussed a book he recently read by Bill Gates regarding greenhouse gases and how concrete is a major contributor of greenhouse gas to our environment. He asked if more environmentally friendly options were being considered by the developer long term. Mr. Kuechle explained concrete technology was evolving and he noted a lot of the materials used on this building were precast concrete panels.

Wiersum asked if there would be any stacking of cars within the garage at the entrance and exit. Mr. Kuechle indicated he did not believe this would be a concern.

Calvert stated this project has evolved a great deal and she was grateful for the work the developer did with the neighbors. She indicated she liked the appearance of the building and she believed the amenities were amazing. She commented she appreciated the numerous ways that people would be able to gather socially within the building. She thanked the developer for pursuing all of their energy efficiency initiatives.

Schaepi thanked the developer for his hard work on this project. He stated he appreciated the investment Doran Development would be making in the City of Minnetonka. He indicated he appreciated the bike lounge that was proposed within the building. He believed the applicant went above and beyond through the shadow studies. He stated he loved the project and appreciated all the developer had done to taken into consideration the feedback of the city council.

Schack thanked the developer for being both responsive and flexible. She indicated she appreciated the level of affordability that was included in this project. She was of the opinion parking would be a non-issue for this project and noted she supported the project as presented.

Kirk thanked the developer for listening to concerns that were voiced by the neighbors and the city council. He commented further on how Opus was developing and stated he would be supporting the project as proposed.

Wiersum thanked the developer for this project and stated it had come a long ways from its original plans. He explained he appreciated how diligently Doran Development had worked with the city to revise this project based on the feedback received from the neighbors and city council. He described how the Southwest LRT line has seen some setbacks over the past year. He indicated this was a big building and he appreciated the redesigned architecture. He thanked the developer for constructing an energy efficient building and for providing 15% of the units as affordable.

Calvert moved, Schack seconded a motion to adopt Ordinance 2021-10, Resolution 2021-051 and Resolution 2021-052. All voted "yes." Motion carried.

B. Diversity, equity and inclusion update

City Manager Geralyn Barone gave the staff report.

Coakley requested further information on the upcoming community conversation and questioned why the city was not involved. Barone discussed the partnership Police Chief Boerboom has with the We Are Better Together community group. She commented on the two meetings that were held at Grace Apostolic and she understood it was difficult for some in attendance to have law enforcement or the city involved. She explained a panel was being pursued for the next event, which would be held on June 22, 2021, which would have two potential city councilmember candidates. She indicated staff had concerns with the fact city resources would be spent on this event. City Attorney Heine commented on what the rules were for using a city facility for an event if the event was not sponsored by the city. She indicated the police department could co-sponsor the upcoming panel discussion in order to assist with providing city facilities and promotion of the event. However, city personnel policy prohibits city employees from using their official authority or influence for the purpose of interfering with or affecting the results of an election or nomination for office. She explained city staff are very conservative when it comes to the potential for staff to be viewed as promoting an individual in an election. For this reason, in her judgement, the police department should not co-sponsor the upcoming event because this could be viewed as impropriety given the fact two of the panelists would be candidates for city council.

Schack encouraged the diversity task force to consider finding ways to engage the public that was connected to the city in a safe and inviting manner.

Informational only.

C. Affordable Housing Update

Community Development Director Wischnack and Economic Development and Housing Manager Alisha Gray gave the staff report.

Calvert explained she passed an email along to staff that was forwarded to the council through the addenda. She requested further information regarding the equitable scorecard. She commented she appreciated the fact that the eviction moratorium would be pushed back further, but feared how this would impact people who were still struggling to find work. She questioned how ARP could be used to support landlords and renters. Wischnack explained the eviction cliff was continuing to get pushed back or extended. She noted she was in a regional housing group and she had faith some kind of action would be taken regionally, or the city could take action at some point in the future. She then defined how staff views an equitable scorecard.

Calvert requested further information regarding the city's rental licensing program. Wischnack discussed how rental properties have to be registered with the city and are inspected by the city on an annual basis.

Calvert encouraged the city to consider how to manage the sale of rental properties to ensure renters are protected. Gray reported this topic was being reviewed by the state legislature in order to create a comprehensive approach at the state level.

Wiersum stated he supported the city continuing to pursue naturally occurring affordable housing.

Received the report.

15. Appointments and Reappointments: None

16. Adjournment

Calvert moved, Kirk seconded a motion to adjourn the meeting at 10:41 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