

**Minutes
Minnetonka City Council
Monday, September 13, 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, Susan Carter, Brian Kirk, Rebecca Schack, and Brad Wiersum were present.

Council Members Kissy Coakley (excused) was absent.

4. Approval of Agenda

Wiersum suggested Reports from Council Members be moved to the end of the agenda and be discussed as Item 14.I.

Calvert moved, Schack seconded a motion to accept the agenda as amended with addenda to Item 10.B, 13.A, 14.C, 14.D, 14.E and 14.I. All voted "yes." Motion carried.

5. Approval of Minutes:

A. August 16, 2021 study session

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

B. August 23, 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. Report from City Manager

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

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

9. Bids and Purchases:

A. Bids for the Shady Oak Lake Outlet Project

Public Works Director Will Manchester gave the staff report.

Kirk asked if the outlet would be located on the south side of the trail. He noted the milfoil was thick in this area. Manchester explained staff was evaluating the milfoil location and would be completing a study this fall. He indicated staff does not see any concerns at this time.

Kirk questioned if there would be greater tree loss due to the depth of the pipe. Manchester commented there would be limited tree loss. He indicated most of the excavation would occur within the trail and street to minimize the tree loss.

Kirk moved, Schack seconded a motion to award the contract and to amend the CIP. All voted "yes". Motion carried.

10. Consent Agenda – Items Requiring a Majority Vote:

Schaeppi stated he would like to pull Item 10.C for further discussion.

A. Final plat of ISLAND OAKS, a residential six-lot subdivision, at 16509 McGinty Road West

Calvert moved, Carter seconded a motion to adopt Resolution 2021-082. All voted "yes." Motion carried.

B. Ordinance authorizing the sale of a portion of city-owned property at 14840 Highway 7

This item was moved to Item 14.D2.

C. Ordinances amending City Code 1120 (small cell wireless) and 1105 (driveways), regarding right-of-way management

This item was pulled from the Consent Agenda for further discussion.

D. Resolution for the Opus Lift Station Secondary Forcemain Project

Calvert moved, Carter seconded a motion to adopt Resolution 2021-083. All voted "yes." Motion carried.

C. Ordinances amending City Code 1120 (small cell wireless) and 1105 (driveways), regarding right-of-way management

Schaeppi reported the city has very little local control over small cell wireless towers. He explained there was language within the ordinance stating small cell wireless towers would be allowed "where feasible". He requested further comment from staff on this. City Attorney Corrine Heine advised the language under concealment states when feasible, concealment elements must be incorporated into the proposed design of the small wireless facility installation. She reported staff proposed this change to the ordinance because one of the applicants wanted to put its facility on an existing Xcel electric distribution pole and Xcel has limitations on what they will allow. For this reason, the city wants to facilitate small cell facilities co-locating on existing poles. She indicated the second change in Section 3 of the ordinance applies only to new support structures, requiring new support structures have to be a minimum of two lot lines or a minimum of 200 feet away from existing support structures on the same side of the street, when feasible. She commented there were some streets that have a high number of poles and the proposed language will help with proper pole distribution.

Schaeppi moved, Schack seconded a motion to adopt Ordinance 2021-14 and Ordinance 2021-15. All voted "yes." Motion carried.

11. Consent Agenda – Items requiring Five Votes: None

12. Introduction of Ordinances:

A. Gas franchise ordinance with CenterPoint Energy Resources Corp.

City Attorney Corrine Heine gave the staff report.

Wiersum reported this was an ordinance introduction and would come back to the council on October 4, 2021.

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

B. Ordinance regarding tree protection

City Planner Loren Gordon gave the staff report.

Calvert thanked staff for all of their work on this ordinance. She discussed how trees provide habitat for other forms of wildlife and she appreciated the fact there were some non-native trees across from her house. She requested the city explore the advantages and disadvantages of valuing non-native tree species in Minnetonka. She discussed the woodland preservation ordinance requirements and recommended the woodland preservation areas be further protected once it has had 25% of its trees removed.

Kirk stated he would like to ensure property owners rights are also protected. In addition, he recommended staff seek comment from developers on the proposed tree ordinance. He questioned if the tree ordinance was fair or was it pushing things too far. Community Development Director Julie Wischnack reported Minnetonka has one of the tougher ordinances to follow. She explained staff encourages developers to do their homework prior to purchasing property.

Kirk recommended the planning commission consider the greater good be considered. He indicated he loves the trees, but also understood the occasional exception should be made.

Schaeppi thanked staff for their efforts on this ordinance. He noted he just had to removed a diseased tree from his property. He asked how the city becomes aware of diseased trees. Gordon explained this is typically triggered by redevelopment projects, are noticed along a right-of-way, or because staff has been prompted to go to the site. He described how the city forester/arborist assists with determining tree health.

Schaeppi stated he concurred with Councilmember Calvert and explained he would like to learn more about the preservation and value of non-native trees.

Schack commented she saw the perspective of the 25% woodland preservation, and how this could compound over time. She explained it would be interesting to see how other communities were addressing woodland preservation matters. She recommended the city keep the public good in mind when it comes to affordable housing or alternative housing stock. She wanted to be assured that the proposed ordinance was not keeping the city from having additional affordable housing options.

Calvert stated she appreciated the comments from Councilmember Schack, but also understood the city had to protect the environment from heat islands and climate warming for everyone.

Wiersum explained reorganizing and simplifying the ordinance was a good idea. He commented on a meeting he attended several years ago that addressed the value of trees in communities. He encouraged the planning commission to think about how the climate was changing and to consider what trees would thrive in

Minnetonka. He stated all trees were good and he wanted to see all trees be resilient.

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

13. Public Hearings:

A. Resolutions for special assessment of 2020-2021 projects

Finance Director Darin Nelson gave the staff report.

Wiersum opened the public hearing.

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

Kirk moved, Carter seconded a motion to adopt Resolution 2021-084, Resolution 2021-085, Resolution 2021-086, Resolution 2021-087, Resolution 2021-088, Resolution 2021-089, Resolution 2021-090 and Resolution 2021-091. All voted "yes." Motion carried.

14. Other Business:

A. Item related to the Birke at 11700 Wayzata Boulevard

Community Development Director Julie Wischnack gave the staff report.

Calvert moved, Kirk seconded a motion to adopt Resolution 2021-092. All voted "yes." Motion carried.

B. Resolutions pertaining to the Affordable Housing Trust Fund

Community Development Director Julie Wischnack gave the staff report.

Schack commented this was a creative tool to assist with affordable housing and noted she supported the proposed resolutions. She thanked staff for all of their efforts on this matter.

Calvert concurred and thanked the city's legislators for allowing Minnetonka to be part of a pilot program. She stated she was proud to have this valuable tool in place to assist with affordable housing.

Carter reported by 2026 the city could add another \$1 million or upwards of \$6 million for affordable housing. She appreciated both the courage and creativity the city had in finding new ways to fund affordable housing.

Wiersum stated the legislature had to take special action on this item. He appreciated the innovation and determination the city had in addressing affordable housing.

Calvert moved, Schack seconded a motion to adopt Resolution 2021-093, Resolution 2021-094, Resolution 2021-095 and Resolution 2021-096. All voted "yes." Motion carried.

C. Resolution for the Minnetonka Boulevard Trail Project

Public Works Director Will Manchester gave the staff report.

Schack thanked staff for the detailed staff report. She asked if this project was coming out of order in the city's trail priority. She questioned if the crosswalks were included from the trail expansion fund. Manchester explained this project was slightly out of order but this was discussed in the past. He noted this was not a huge shift. He indicated the payment of the crossings was included in the project, but noted the crossing at Groveland would be a separate CIP item.

Schaeppi thanked staff for all of their work on this project. He understood there were a lot of passionate neighbors that live within this project area. He explained this was an exciting project for the residents living in Ward 3. He discussed how this trail would be a great connection to have in the community. He asked when discussions on the design of the islands would be closed. Manchester stated staff was still open to feedback. He noted staff would be working in coordination with Bolton & Menk on this project.

Schaeppi commented how RRFB signals help in assisting with vehicular compliance at pedestrian crosswalks. He shared some data with the council regarding this and thanked staff for providing the council with this information. He discussed his experiences biking in the community and explained he appreciated all safety measures that could be put in place for cyclists and pedestrians. He requested staff investigate if it would be more effective to have a sign posted over the roadway along with a flashing sign.

Kirk stated he understood this was a very time consuming project for staff. He explained he appreciated the five foot shoulder for bikers and noted this lane would keep the sidewalks safer for walkers. He commented he also appreciated the island median.

Wiersum reported pedestrian safety was vitally important for the community. He stated he understood the trails in the community were an important amenity to the residents of Minnetonka. He explained he was supportive of the safety

measures that were included in this plan. He encouraged all drivers and pedestrians in the community to be safe.

Carter stated she lived in the project area and greatly appreciated the new trail. She was of the opinion the families in the neighborhood would take advantage of the new trail and would be walking their children to and from school.

Carter moved, Schaeppi seconded a motion to adopt Resolution 2021-097. All voted "yes." Motion carried.

D. Items relating to Goddard School, a daycare facility, at 14900 Highway 7

City Planner Loren Gordon gave the staff report.

Calvert thanked staff for working to save an oak tree on this property. She explained she appreciated the landscaping work as shrubs are not a replacement for trees. She noted this project would be a tremendous improvement to this site.

Schaeppi reported the applicant lives on Towns Road right next to him and noted the applicant was shifting from being a lifelong educator to being a new business owner.

Taryn Kline, Goddard Systems, thanked the council for their time and consideration.

Calvert moved, Schaeppi seconded a motion to adopt Ordinance 2021-16 and Resolution 2021-098. All voted "yes." Motion carried.

D2. Ordinance authorizing the sale of a portion of city-owned property at 14840 Highway 7

Community Development Director Julie Wischnack gave the staff report.

Calvert moved, Schaeppi seconded a motion to adopt Ordinance 2021-17. All voted "yes." Motion carried.

Wiersum recessed the city council meeting.

Wiersum reconvened the city council meeting.

E. Items concerning Doran Development at 5959 Shady Oak Road

City Planner Loren Gordon gave the staff report.

Kirk discussed the pollinator friendly landscaping and questioned if a honeybee hive would be included. Gordon clarified the applicant would be working with the University of Minnesota Bee Lab to have a wide variety of pollinator species included in the project. He explained staff reached out to Doran Development and was informed bee hives would not be constructed.

Kirk commented how honeybees compete with the rusty patch bumblebee and stated he would like to keep the rusty patch bumblebee protected.

Kirk moved, Calvert seconded a motion to adopt Ordinance 2021-18 and Resolution 2021-099. All voted "yes." Motion carried.

F. 2022 – 2026 Economic Improvement Program (EIP)

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

Calvert asked if the city were to revert back to a regular payment system for the DPA that was made annually or bi-annually, and could this program last more than 10 years. Gray reported the EDAC reviewed this several years ago and at that time the discussion was around not creating a burden for new homeowners. She explained if the city were to revert back to monthly payments, the program could be extended out further, but would come at the cost to having new homeowners making payments.

Wiersum stated the \$47,000 made in repayments each year was getting smaller. He commented even if repayments fell by 50%, the program could still be extended 10 to 13 years.

Schaeppi questioned what Minnetonka residents were gaining by the money spent on transit each year. Wischnack explained the benefit of the fee was to support commuter services. She noted the fee was paid based on the city's population.

Schack commented another component was assistance or advice provided to employers regarding carpool sharing programs, van sharing, bike to work, etc. She explained during the COVID pandemic, there was also assistance provided for those beginning to telework. She commented on the work being done in I-494. She believed Minnetonka received a good value for the amount that was paid by the city.

Wiersum inquired how much the city expended supporting businesses in 2020 and what was the response from businesses. Gray stated the city had \$225,000 committed to business assistance and the city had an overwhelming response to these funds from local business owners. She indicated other state and county

programs have also rolled out to assist Minnetonka businesses that were struggling.

Wiersum stated he was proud of the fact Minnetonka stepped up and helped its businesses and residents that were in need of help. He believed these dollars made a real difference to the local businesses and residents.

Carter asked what staff's understanding was of going into a round two or nuisance secondary response to COVID. Gray stated by completing a business survey staff would have a better understanding as to what needs are not being met and the remaining funds could be tailored to meet these needs.

Calvert questioned what pot of money the original business grants came from. She inquired what type of service a special service district would provide. Gray reported the initial funds were reallocated from the HRA Levy Loan Program. She commented there was another pool of ARPA funds that could be used to assist with business grants. Wischnack commented further on the purpose of a special service district in the community noting there was a petition process for local businesses in order to create a special service district.

Wiersum explained he understood there were small businesses that were stretched very thin and may be susceptible to failing. He inquired if the city had funds to assist businesses in these circumstances. Gray reported the city had \$50,000 available in 2021, along with an additional \$750,000 in ARPA funds that could be used to assist struggling businesses.

Further discussion ensued regarding LRT and how COVID has impacted this transportation service.

Kirk questioned if the city would have to dedicate land to sheltered bus stops for future bus lines. Wischnack explained this would be the city's responsibility.

Calvert requested further information regarding the motor vehicle sales tax (MVST) money. Wischnack provided the council with clarification on this topic and explained the city could pull out of its contract with Metro Transit. However, when discussed by the council previously, it was believed the city was receiving a good value for the dollars spent.

Carter stated as the city commits to more affordable housing, expands its efforts regarding sustainability and doubles down on climate, these were extensions of the city's commitment to transit. She reported these would be ways the city makes Minnetonka a place for all people that want to live, work and play here. She commented if plans are not made for connector transit buses and increased ridership on rail, which has been underestimated for middle and higher income

individuals, then the city was not manifesting its goals around affordable housing, sustainability and climate.

Calvert explained this was an excellent document and stated she appreciated the on point comments made by Councilmember Carter.

Wiersum commented on the affordable housing/homes within reach section of the document. He noted he supported the city investing \$125,000 in the HRA levy. He reported he supported homes within reach but also supported maximizing the city's utility for dollars expended. He discussed how the city's role with homes within reach had changed noting there were maybe one or two homes in the program per year. He commented on the value of having owner-occupied affordable housing in the community and encouraged the council to consider the bang for the buck with this program.

Carter stated she spoke with Acting City Manager Funk regarding this topic and suggested the council prepare to further discuss the communities that were providing funding for homes within reach. She explained it appeared to her there were only two communities actually providing local funding, Minnetonka and Richfield, while other communities were relaying federal dollars. She stated she was also interested in the revolving loan program that was in place in Edina.

Schack moved, Kirk seconded a motion to adopt Resolution 2021-100. All voted "yes." Motion carried.

G. 2022-2026 Capital Improvements Program (CIP)

Finance Director Darin Nelson gave the staff report.

Schaeppi asked if staff had an idea of the expense for the Tonkawood project. Nelson reported engineering staff was working diligently on this to ensure estimates were coming back conservatively and on target. Public Works Director Will Manchester reported staff was working to get as close as they can on the pricing for this project.

Schaeppi commented he looked forward to learning more about how passive and active dollars are spent by the city.

Kirk moved, Calvert seconded a motion to adopt Resolution 2021-101. All voted "yes." Motion carried.

H. Items related to the 2021 preliminary tax levy:

- 1) Resolution setting a preliminary 2021 tax levy and preliminary 2021 HRA levy, collectible in 2022, and a preliminary 2022 budget,**

and consenting to a special benefit tax levy on the Minnetonka Economic Development Authority

2) Resolution setting preliminary 2021 tax levy, collectible in 2022, for the Bassett Creek Watershed Management Tax District

3) Motion accepting American Rescue Plan Act grant award and distribution plan G

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

Calvert explained it was always difficult to vote to support an increase in property taxes. She understood that there were people still hurting from the pandemic and she appreciated staff's efforts to keep the levy down. She noted this was a more modest levy than would normally be approved due to the ARPA funds. She thanked staff for their hard work and for the detailed presentation.

Schack stated over the past two years staff has been asked to do a lot. She appreciated all of staff's efforts and for being conservative with costs. She noted she was supportive of the preliminary budget and tax levy.

Kirk asked what the value was of 1% of the tax levy. Nelson reported this equated to \$450,000.

Kirk explained that bringing on nine firefighters would cost the city approximately \$950,000 which was 2% of the tax levy. He commented one of the most significant comments made this evening was that Minnetonka does not rely on special assessments to complete its streets and this should be taken into consideration when looking at the overall tax rate for the city when compared to neighboring communities. He thanked staff for all of their efforts and noted he would be supporting proposed tax levy.

Carter commented she supported the tax levy at 5.6% and had hope of improving these numbers by December. She believed staff had done a great deal of cutting prior to bringing the preliminary budget and tax levy to the council and she appreciated these efforts.

Schaepfi thanked staff for all of their efforts. He commented on the expenditures the city had in the coming years and stated it would be interesting to see where the tax levy came in for 2022 and 2023.

Wiersum understood that less was always better than more when it came to property taxes. However, he also understood it was important to have great services for Minnetonka residents. He believed staff had brought forward a good

budget and he looked forward to discussing this further prior to December. He noted 40% of the levy increase was due to capital improvements. He discussed how Minnetonka differed from other communities because it does not have municipal liquor or hotel taxes. He commented further on how the median value homeowner would be impacted by the proposed levy and stated he anticipated the council would be hearing from residents. He hoped the city would receive the safer grant as this would assist with bringing down the levy. He stated he appreciated all the city and its staff provided for Minnetonka residents.

Kirk moved, Calvert seconded a motion to adopt Resolution 2021-102, Resolution 2021-103 and approve the motion accepting American Rescue Plan Act Grant Award and Distribution Plan G. All voted "yes." Motion carried.

I. Reports from Council Members

Calvert wished all those who celebrate a happy new year and meaningful Yom Kippur. She discussed the terroristic threats that were made against the Bethel Synagogue in St. Louis Park and noted 30 headstones were overturned in a Jewish cemetery in St. Paul. She hoped that people across the country could redouble their efforts in tolerance and acceptance for people that are different than they are.

Schaepi thanked Audrey, the aqua tots recreation teacher for her good work on behalf of the community.

Carter commented the council's previous conversation regarding the development of the Bensman farm. She reported Trish, who used to live in this area, sent her a note sharing good news. She explained Carol Bensman recently visited the new development and liked what she saw. Ms. Bensman appreciated the fact that the neighborhood fought to build less homes.

Schack thanked staff and commission members for participating in a tour of the new projects in the community.

Kirk discussed the ribbon cutting ceremony that was held for the multi-use mountain bike trail at Lone Lake Park. He noted this was a well-attended event and he appreciated how many families were already enjoying the trail.

Wiersum stated he was pleased to be at the ribbon cutting ceremony for the bike trail at Lone Lake Park. He explained the people using this trail were very appreciative which included walkers, bikers and snow-shoers. He was of the opinion the benefit of this trail would be significant to the community.

Wiersum discussed the farewell events that were held last week in honor of City Manager Geraldyn Barone.

Wiersum commented on the regional conference of mayors event he attended noting ARPA funding was the main topic of discussion.

15. Appointments and Reappointments: None

16. Adjournment

Kirk moved, Schack seconded a motion to adjourn the meeting at 10:44 pm. 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