

**WAYZATA CITY COUNCIL  
MEETING MINUTES  
March 4, 2014**

**AGENDA ITEM 1. Call to Order and Roll Call.**

Mayor Willcox called the meeting to order at 7 p.m. Council Members present: Amdal, Anderson, Mullin and Tanner. Also present: City Manager Nelson, City Planner Gadow, City Engineer Kelly, Public Works Director Dudinsky, Police Chief Risvold, and Steve McDonald of AEM.

**AGENDA ITEM 2. Approve Agenda.**

Mr. Tanner made a motion, seconded by Mr. Amdal, to approve the agenda, as presented. The motion carried 5/0.

**AGENDA ITEM 3. Public Forum – 15 Minutes (3 minutes per person).**

**a. Emergency Management and Train Safety Update**

Police Chief Risvold provided an emergency management update including training disciplines and preparedness should a hazardous materials spill (i.e., oil tanker car) occur in Wayzata. He stated an elected officials training will occur in the fall related to preparedness. Chief Risvold answered questions of the Council related to coordination of joint services, methods to identify of hazardous material, and practices for evacuation.

Ms. Nelson stated she attended a State Legislature hearing related to rail safety during which the focus was preparedness measures and resources to the local level. She explained that railroads are federally regulated and Burlington Northern has made a commitment to use new tankers and also changed rules to slow trains within urban areas. Ms. Nelson stated staff will continue to monitor these issues.

Chief Risvold commented on the importance of a good relationship and open communication with Burlington Northern, noting it had been responsive in the past to the City's concern and did not raise the speed of trains within Wayzata.

**AGENDA ITEM 4. Consent Agenda.**

Mr. Gadow explained that as part of the Lakefront Effect, staff was asked to be more proactive in grant writing to fund those components. The St. Paul Riverfront Corporation informed staff about Great River Greening and its work with native plantings. Staff made application for a \$19,000 grant with a \$5,000 City match. These funds will be used for native restoration along the wetland pond that is next to the Section Foreman's House. Mr. Gadow stated the work will also involve removal of trash and invasive species and staff will seek volunteers to help with this work. The Council thanked Mr. Gadow and St. Paul Riverfront Corporation for seeking out and obtaining these funds.

Mr. Tanner made a motion, seconded by Mr. Amdal, to approve the consent agenda:

- a. Approval of Workshop Minutes of February 18, 2014 and Minutes of February 18, 2014
- b. Approval of Check Register
- c. Second Reading of Ordinance #744 Vacation of Street Right-of-Way and Public Utility Easements at Elm Lane
- d. Approve Cooperative Agreement with Great River Greening
- e. Approval of Municipal Licenses
- f. Municipal licenses which received administrative approval (informational only)

The motion carried 5/0.

**AGENDA ITEM 5. Public Hearing.**

**a. Consider On-Sale Intoxicating Liquor License including Sunday Sales for Anderson Franchise Investments, Inc. DBA "Peoples Organic" at 755 Lake Street E.**

Ms. Nelson presented the request of Anderson Franchise Investments, Inc. dba Peoples Organic at 755 Lake Street East, for an On-Sale Intoxicating Liquor License including Sunday Sales. She indicated they propose an outdoor café and staff recommends approval. If approved, opening is expected on May 1, 2014. Ms. Nelson read City Code language relating to the number of liquor licenses that can be issued in Wayzata and explained the ratio of food to liquor (50/50) that was required.

Aricka Lahren, Peoples Organic general manager at Minnetonka location, described menu offerings of organic wine, liquor, vegetarian and other options for breakfast, lunch, and dinner.

Mr. Willcox opened the public hearing at 7:25 p.m. There being no input, Mr. Willcox closed the public hearing at 7:25 p.m.

Mrs. Anderson made a motion, seconded by Mr. Amdal, to grant an On-Sale Intoxicating Liquor License including Sunday Sales for Anderson Franchise Investments, Inc. dba Peoples Organic at 755 Lake Street East. The motion carried 5/0.

**AGENDA ITEM 6. New Business.**

**a. 2013 Year in Review and Financial Report**

Ms. Nelson presented the Year in Review of items accomplished in 2013 and those remaining to be completed in 2014. She stated interviews were conducted and employment offered to fill the Communications Specialist position.

Steve McDonald, City's financial consultant with AEM, presented the fourth quarter 2013 financial report that showed positive financial results in all funds of the City. In addition, the cash balance increased \$2.2 million over last year so there is currently \$17.7 million in cash and investments. This was driven by the positive increase in the General Fund but all Enterprise Funds also contributed to that cash balance increase. Mr. McDonald stated the projected fund balance will be 60% of the total 2014 budget, or 20 percentage points above the targeted reserve. He noted these were unaudited numbers so there may be some adjustments when the audit is completed. Mr. McDonald recommended the \$820,000 cash balance be used in accordance with the Fund Balance Policy and Council discussion related to Bushaway project amenities.

Mr. McDonald presented scoreboards for the Muni and bottle shop, noting the budgeted targets were met with increases in all 12 months over the prior year. He stated in 2012 the net income percentage was 15.79% and in 2013 it increased to 19.92%.

With regard to the liquor operation and use of future increment to relieve debt or invest in other areas of operation, Mr. McDonald explained that opportunities were identified and there has been a lot of effort to cleanup the inventory, turns, and margins to assure correct pricing, which will drive sales. Improvements are in the works for 2014.

Mr. McDonald presented the February 24, 2014 memorandum that identified \$951,548 (unaudited) in excess funds available for transfer. It was noted that \$475,000 was needed to fund the City's contribution to the Bushaway Road project (Hennepin County cost participation items, underground electric, hardscape materials, and railings), leaving \$476,000. Mr. McDonald answered questions of the Council relating to projected CIP cash balances and explained a deficit of \$166,000 is anticipated in the 2015 Street CIP as a result of the Bushaway Road project. However, using \$475,000 from the 2013 cash balance would address that deficit. He also reviewed anticipated decreasing balances in the Equipment CIP and the Park CIP based on identified park projects.

The Council acknowledged the 2013 surplus was derived from building projects and permits and it had previously determined to no longer use such surpluses to fund service levels but, rather, to use such surpluses for items such as infrastructure and maintenance. The Council

1 discussed the Fund Distribution Policy, noting the Strategic Plan addresses enhancing City  
2 projects related to the Lakefront and/or Parks.

3 Mr. Mullin pointed out that during the period of 2008-2012, the Lakefront Fund and Park  
4 CIPs were starved due to the low level of development and related activity. He supported  
5 allocating the remaining 50% of the fund balance equally between the Lakefront CIP and Park &  
6 Recreation CIP and not transfer any fund balance into General Improvements, Equipment  
7 Revolving, or Streets Revolving. Mr. Mullin noted under the Fund Distribution Policy, only 8%  
8 would be transferred to the Lakefront CIP and Park & Recreation CIP. He pointed that Muni  
9 profits are not modeled for next year so the forecasted 2015 Street CIP shortfall could be funded  
10 from that source.

11 Mr. Amdal asked whether Muni profits could be used for the Parks & Trails  
12 CIP/amenities instead of being used for roads. Mr. McDonald stated if the Muni performs at the  
13 2013 level in 2014, there should be profits to transfer.

14 Mrs. Anderson voiced support to use windfall funding towards projects that do not  
15 currently have a source of funding, such as the cellular towers that are part of City's parks. She  
16 also supported better definition of what funds the Parks & Trails CIP as well as the Lakefront CIP  
17 and options for alternative funding.

18 Mr. Tanner asked if there were any projects coming up that would require a large reserve  
19 rather than using 50% of the fund balance towards the Parks & Trails CIP and Lakefront CIP. He  
20 suggested staff prepare a spreadsheet of anticipated projects/expenditures for consideration prior  
21 to allocating fund reserves.

22 Mr. Dudinsky stated the dynamics of the Equipment Fund are fluid and change, such as  
23 the ability to address heavy use of a snowplow or other equipment failure. He stated he relies on  
24 Mr. McDonald to assure funds are available as there may be higher expenditures in equipment  
25 repairs than expected six months ago.

26 The Council acknowledged that allocating 50% of the fund balance to the Bushaway  
27 Road project results in enhancing City assets as it involves beautification.

28 Mr. Mullin made a motion, seconded by Mr. Amdal (for discussion purposes), to accept  
29 the 2013 financial report and authorize staff to transfer excess funds in the amount of \$821,291 as  
30 follows: \$475,000 to Bushaway Road enhancements; \$200,000 to Lakefront Improvements,  
31 \$200,000 to Parks & Trails; \$40,000 to Street Improvement Revolving Fund, and, \$36,000 to  
32 Equipment Revolving Fund.

33 The Council discussed the motion, noting it does not include funding for the General  
34 Improvements category.

35 Mrs. Anderson asked about funding of cellular towers, which has not been addressed in  
36 previous years. Mr. Mullin noted this was not a project discussion, that is CIP, and the motion  
37 allocates funds to general areas for investment.

38 Mr. Amdal stated support for the motion as the Council had started the Lakefront  
39 initiative, formed a Parks & Trails Board, and wants those areas to take off. He suggested the  
40 Council address allocation of funds generated from cellular towers as these funds are currently  
41 transferred into the Water and Street Funds.

42 Mr. Mullin invited that dialog as part of a broader policy discussion to pool those  
43 resources into a similar model to the General Fund transfer, noting another relevant policy  
44 discussion is to return excess funds to the taxpayers.

45 Mr. Willcox stated he finds the motion to skew too heavily into the Lakefront CIP and  
46 the Parks & Trails CIP and would prefer a transfer of \$200,000 to Infrastructure with \$276,000  
47 split between the Lakefront and Parks & Trails CIPs.

48 Mrs. Anderson supported definition around on-going funding for Parks & Trails and  
49 Lakefront, the projects that would fall into each, and projects targeted for funding. The Council  
50 agreed with the need for tighter definition in Capital Funds of 'maintenance' versus  
51 'improvements.'

1 The motion carried 3/2 (Tanner, Willcox).

2 Ms. Nelson stated the 2015 budget will start in April of 2014 and as part of that process,  
3 discussion will take place relating to on-going funding for Parks & Trails and Lakefront, how to  
4 allocate cellular funds, and how to better align sources with uses.

5 It was noted that tonight's Council's action related to a policy action on a planful change  
6 made in 2008 to assure the levy aligned with services provided and that any increment from other  
7 sources is applied towards future capital.

8  
9 **b. Review Lakefront Framework and Plan**

10 Mr. Gadow indicated staff had revised the Framework based on comment and prepared a draft  
11 resolution relating to the Lakefront Framework that would be formally considered at the March  
12 18, 2014, Council meeting.

13 Patrick Seeb and Tim Griffin, St. Paul Riverfront Corporation, presented the updated  
14 Lakefront Framework and Plan that incorporated feedback received by the City Council Steering  
15 Committee, and Advisory Committee. Changes made to the graphics/images were described to  
16 better explain what is intended, added FAQs, strengthened language between the City and  
17 stewardship organizations, identifying Section Foreman's Park, clarifying 2014 objectives and  
18 indicating that each initiative becomes the starting point for community discussion rather than  
19 being the final word.

20 Mr. Griffin explained the process used with SRF and City staff to measure the  
21 Framework Plan and use unit costs to determine assumptions and develop a cost range for each of  
22 the nine initiatives, in total estimated at \$32-\$37 million.

23 Mr. Seeb stated these nine Strategic Initiatives are a starting point and each will take on a  
24 life of its own, occurring incrementally as opportunities arise, and being shaped by the  
25 community. He presented a range of potential funding partners to forward the initiatives, purpose  
26 of those programs, award cycles, and dollar ranges.

27 Mr. Tanner clarified that he and Mr. Mullin had indicated at the start that they would not  
28 support funding through special assessments or taxing of the community. Instead, funding was to  
29 come from grants, aid, and private donations. Mr. Seeb stated that is understood and the  
30 illustration was to present a range of funding opportunities. He recommended the City identify  
31 "low hanging fruit" and immediate opportunities, such as the work with Great River Greening  
32 and eastern gateway project. Mr. Seeb stated there is opportunity for the Council and community  
33 to follow a process to organize around and commit to a high priority item and suggested that be a  
34 first order of business upon approval of the final Framework.

35 Ben Storch, 460 Highcroft Road, stated he understands the need for a safe bicycle lane;  
36 however, he would ask where snow would be stored or vehicles stack/turn if the center lane is  
37 removed. He also asked whether the railroad had to approve this Plan as it could not  
38 accommodate a second track. Mr. Storch stated his main concern relates to funding, noting that  
39 even if each of the identified partners donated \$500,000, it would leave \$31.4 million unfunded.

40 Mr. Seeb reviewed the 2014 objectives and stated if the Plan is supported by the Council  
41 tonight, formal action will be considered at the next meeting. He recommended, as an aid to the  
42 leadership of the City, a private sector body should be organized to be involved with continued  
43 community engagement, raising funds, and project advocacy.

44 Ms. Nelson stated the Plan identifies opportunities for public/private partnership and as  
45 redevelopment is addressed, there may be a role for the HRA. Mrs. Anderson supported having  
46 other Boards and Commissions keep the Lakefront initiatives in mind, perhaps with an annual  
47 review.

48 Mr. Amdal stated support to leave the option of special assessments in the Plan as it may  
49 be enacted for Mill Street improvements. He noted another lakefront community is considering a  
50 local sales tax, which should also remain in the City's 'tool box.'

1 Mr. Mullin stated he did not envision in 2008 that between 2012 and 2017 half a billion  
 2 dollars would be invested in Wayzata, independent of the Lakefront, through public (Hennepin  
 3 County and Metropolitan Council) and private (Presbyterian Homes and others) developments.  
 4 Mr. Mullin stated if this Lakefront Plan had been in place in 2010, he may have considered  
 5 differently those investments that changed Wayzata more than anything within the Lakefront  
 6 Plan. He noted the intent of the Strategic Plan was to address safety and access to the Lake,  
 7 environmental stewardship, historic preservation, and economic development. Mr. Mullin stated  
 8 from a policy perspective, he views the Lakefront Plan as being a list of initiatives that could be a  
 9 conduit to take advantage of public/private investment. He asked people to consider the Plan as it  
 10 was initially contemplated, as a tool to make sound community investments for the future. Mr.  
 11 Mullin suggested identifying the projects that are already planned or contemplated in the CIP. He  
 12 noted there was a happy medium in what falls to Wayzata and what falls to the Region, State and  
 13 Federal levels and the Council is responsible to find a win-win position for the community.

14 Mrs. Anderson acknowledged the participation of the community in this groundbreaking  
 15 initiative to add their voice and input, as well as the consultants and staff on their effort. She  
 16 stated the Plan has great value and she supported a discussion in how to move forward and  
 17 answer questions that have been raised as to who manages the programming. Mrs. Anderson  
 18 agreed the Lakefront Plan is a framework and by no means 'set in stone.' She stated Mr. Storch  
 19 raised the point, and she agreed, that the Lakefront Plan misses all the great things that Wayzata  
 20 already has and should not change. Mrs. Anderson suggested creation of a matrix to identify  
 21 what will be enough. She stated there is a need to incorporate a process of post analysis and  
 22 timing within the discussion of implementation.

23 Mr. Willcox supported the suggestion of Mr. Mullin to identify what is already within the  
 24 CIP, 'low hanging fruit,' and what the City already has. He noted the intent is to "do no harm"  
 25 and supported revising the resolution to not put so much emphasis on staff. The Council  
 26 supported the suggestion of Mr. Willcox to revise the final "Be it Finally Resolved" paragraph to  
 27 state: "...City Council authorizes staff to begin the process of implementation of the  
 28 recommendations of the Final Framework Report under the close guidance of the City Council  
 29 which will establish sequencing and priorities based on objective needs and feasibility." To  
 30 assure it is clear the community would continue to be engaged, the Council agreed with the  
 31 suggestion of Mrs. Anderson to revise the paragraph above to indicate: "...for the completion of  
 32 the initial Community Engagement process and the Lake Effect Final Framework Report; and."  
 33

### 34 **c. Consider New Organizational Structure**

35 Ms. Nelson described the analysis conducted of the organizational structure, primary  
 36 recommendations, and new organizational structure. She then presented a financial analysis and  
 37 impacts, noting \$136,000 was required, \$115,000 was available, leaving a net funding need of  
 38 \$21,000. Ms. Nelson answered questions of the Council relating to the terms of the AEM  
 39 contract.

40 Mr. Dudinsky stated the new organizational chart allows opportunity for staff  
 41 development and leadership role, which is vital for succession planning. He explained that if  
 42 approved, providing services for Long Lake may progress to include engineering.

43 Ms. Nelson stated the consultant will assist with writing a job description for the  
 44 Administrative Service Director position and she will gain assistance from finance colleagues  
 45 during the interview process. Ms. Nelson estimated recruitment occurring in April with a  
 46 recommendation to hire in July.

47 Mr. Tanner made a motion, seconded by Mr. Amdal, to approve the new organizational  
 48 structure. The motion carried 5/0.  
 49

1 **AGENDA ITEM 7. City Manager's Report and Discussion Items.**

2 Ms. Nelson announced upcoming meetings, the May 17, 2014 Dig It event, grand opening of  
3 Lund's, and provided updates relating to the Bushaway Road project.

4 The Council asked staff to schedule a workshop discussion on the absenteeism rate on  
5 Boards, Commissions, and Task Forces, establish an expectation, and develop policy for such  
6 appointments. Staff was also asked to communicate the Council's concern relating to the  
7 negative impact of absenteeism with members of Boards, Commissions, and Task Forces.

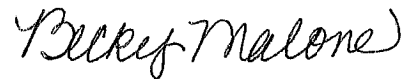
8  
9 **AGENDA ITEM 8. Public Forum Continued (if necessary).**

10 There were no comments.

11  
12 **AGENDA ITEM 9. Adjournment.**

13 Mr. Tanner made a motion, seconded by Mr. Amdal to adjourn. There being no further business,  
14 Mr. Willcox adjourned the meeting at 10:05 p.m.

15  
16 Respectfully submitted,

17  
18 

19  
20 Becky Malone  
21 Deputy City Clerk

22  
23 Drafted by Carla Wirth  
24 *TimeSaver Off Site Secretarial, Inc.*