WAYZATA CITY COUNCIL
MEETING MINUTES
May 5, 2015

AGENDA ITEM 1. Call to Order and Roll Call.

Mayor Willcox called the meeting to order at 7 p.m. Council Members present: Anderson, McCarthy, Mullin, and Tyacke. Also present: City Manager Nelson, City Planner Gadow, City Engineer Kelly, Public Works Director Dudinsky, and City Attorney Schelzel.

AGENDA ITEM 2. Approve Agenda.

Mr. Tyacke made a motion, seconded by Mrs. McCarthy, to approve the agenda, as presented. The motion carried 5/0.

The Council acknowledged it held a series of Workshops regarding downtown parking, funding to support a shuttle trolley, Rotary Club interest in public art at East Lake Street, and a request to provide an artifact from 9/11 for a City memorial.

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

a. Presentation of Centennial House Awards

Kim Anderson, Chair of the Heritage Preservation Board (HPB), Sue Sorrentino, HPB Member, and Bruce Biser, HPB Member, described the 2015 Centennial House recognition and presented awards and cakes for the following properties: 139 Grove Lane, the Amy Davies House, presented to Kathy Grendahl; 553 Harrington Road, presented to Margaret and Dewalt Ankeny; 138 Broadway Avenue N., presented to Bill and Joan Malikowski; and, 717 Wayzata Boulevard, presented to Duane and Janet Christianson.

Kim Anderson announced the following events: presentation of Annual Report and Mayor's Award on May 9 and Kids at the Cabin event in Shaver Park on May 29. Lunds & Byerlys was thanked for providing cakes; Judy Starkey was thanked for the research she conducted; and, Merilee Babcock was thanked for the drawings on the certificates.

b. Presentation of 2014 Fire Department Annual Report and Update on Second Call Fire Department

Fire Chief Klapprich presented the Fire Department's 2014 Annual Report reflecting 302 calls with 40% of the calls in June, July, and August. He recognized personnel with notable years of service and one retirement and stated the Fire Department's average response time on the 235 calls for service in Wayzata was 5 minutes.

The Council asked about the situation of multiple false alarms and high number of incidents compared to other cities. Chief Klapprich responded that alarm malfunctions has not been a major problem and does allow an opportunity for education. He explained the parts of Orono and Woodland covered by the Fire Department are the largest areas and the other cities are the mutual aid calls, which do not happen as often. Chief Klapprich described how Woodland is served while Bushaway Road is closed.

Chief Klapprich stated the Wayzata Fire Station was recently audited by the insurance company. He explained the City's classification, improvement made to equipment and water storage, and stated he is hopeful that the rating will improve so that resident's fire insurance rates will decrease. Chief Klapprich reported on Second Call, which provides support for larger unbudgeted equipment, and announced membership options and the May 18, 2015, Annual Meeting. The Council commended Fire Chief Klapprich and the volunteer Fire Department for the exceptional service and encouraged all to consider Second Call membership.

c. Introduction of New General Manager at Wayzata Bar and Grill

Ms. Nelson introduced Jeff Pietrini, the new General Manager at Wayzata Bar and Grill. Mr. Petrini introduced himself and described his professional background. He stated a lot of things are being done well at the Wayzata Bar and Grill, but he is looking to maximize profits, and improve the quality and presentation of the products provided.

The Council welcomed Mr. Petrini and reminded him he now cares for an establishment that is owned by over 4,000 people who care deeply about it.

AGENDA ITEM 4. Consent Agenda.

Mrs. Anderson made a motion, seconded by Mr. Tyacke, to approve the consent agenda:

a. Approval of Workshop Minutes of April 21, 2015 and Minutes of April 21, 2015
b. Approval of Check Register
c. Approval of Municipal Licenses
d. Municipal licenses which received administrative approval (informational only)
e. Approval of 165/213 Central Avenue Development Agreement
f. Resolution 19-2015 Consenting to Issuance of Health Care Revenue Refunding Bonds to Refinance Health Care Facilities Located in the City
g. Approval of Communications Policy

The motion carried 5/0.

AGENDA ITEM 5. New Business.

a. Consider Resolution No. 21-2015 637 Harmony Subdivision

Mr. Gadow provided background information on the request, noting that in 2014, Fritz Gullickson submitted a development application requesting concurrent Preliminary and Final Plat subdivision approval to divide a 37,565 square foot parcel into two single-family lots at 637 Harmony Circle. Charles Cudd and Company provided new residential drawings to the City in March of 2015. The Planning Commission recommended approval with conditions including preservation of an existing Burr Oak tree. Mr. Gadow described the option to move the house pad for Lot 2 back an additional 8 to 10 feet and outlined additional conditions as listed in the meeting packet and resolution.

Mr. Schelzel clarified that the updated resolution under consideration embodies the conditions as detailed by Mr. Gadow in Section 4. Mr. Gadow described what was included within Attachment A. The Council acknowledged the Planning Commission has thoroughly vetted this application.

Rick Denman, 3515 Meadow Lane, Minnetonka, a Principal of Charles Cudd and Company, stated they have received feedback from others in the neighborhood, believe the homes should fit well into the neighborhood, and will try to save the existing oak tree. However, the oak tree is old and has some hollowness so he cannot guarantee it will survive beyond four to five years. The Council thanked Charles Cudd and Company for being responsive to the neighbor's concern and Mr. Denman for setting the house on Lot 2 farther back.

The Council asked about posting the street for no parking (during construction) and timing of access for large construction equipment. Mr. Denman stated he would be happy to work with staff on restricting parking to one side and scheduling construction equipment to limit conflicts. With regard to the addition of landscaping on the north side to create more privacy for that property, Mr. Denman stated he would be happy to talk with him about it.

The Council expressed support for setting the house on Lot 2 farther back by ten feet and asked about the resulting impact to the height of the building. Mr. Gadow explained Mr. Denman has requested a bit of flexibility relating to building height, but no more than one foot. This means the height cap would be 24 feet (Lot 2) and 25.9 feet (Lot 1). Mr. Denman noted the City had previously approved a height of 28 feet so, actually, this is a bit of a penalty. He stated he is trying to be sensitive to the neighbor's concerns. Mr. Gadow explained this is a different circumstance because the City is trying to get the applicant to meet something that matches the scale and character of the neighborhood.

The Council considered whether the email from Ms. Krisan Osterby, a professional landscaper, about caring for the Burr Oak tree be referenced in the resolution as it included good suggestions. Mr. Gadow stated this email could be referenced in consultation with the City Forester.

Jeanne Osterby, 636 Harmony Circle, stated why she is not happy with the height of the proposed homes and inquired about the affordability of the homes and proposed building materials for the homes. She asked the Council to consider the resident's petition and requirements of the Comprehensive Plan. The Council thanked Ms. Jeanne Osterby for taking the time to learn the process and submitting the petition on behalf of and advocating for her neighborhood.

The Council discussed whether to amend to resolution to require that six evergreens be planted between Lot 1 and the neighbor to the north and whether to add conditions on how to handle the oak tree. Mr. Schelzel suggested adding language to Condition K: "referencing the recommendations in the email from Ms. Krisan Osterby."

Mr. Denman assured the Council they will use best management practices to do what they can to save the oak tree but he is not comfortable being held to the recommendations in the email as he is unsure about the expense of those suggestions. The Council agreed the intent was that the recommendations in the email would be referenced, not dictated.

Mrs. Anderson made a motion, seconded by Mr. Tyacke, to Adopt Resolution No. 21-2015 Approving Concurrent Preliminary and Final Plat at 637 Harmony Circle as revised to add a condition to require the planting of six evergreen trees between Lot 1 and neighbor to the north; to revise Condition K to reference that the tree preservation efforts would be in coordination with the City Tree Consultant and consulting the recommendations from Ms. Krisan Osterby in an email dated March 1, 2015; and, to revise Condition P to indicate the house on Lot 2 will be set back an additional 8 to 10 feet.

Mr. Mullin stated he is supportive of this application but, for the record, is concerned with over legislating and cautioned the neighborhood that with the current Code, the house on the lot two doors down could be replaced with a 35-foot home height without coming before the Council. He supported a more reserved approach in the future. The Council acknowledged the subdivision process requires consideration of many factors including the look, feel, and character of the neighborhood and that is part of the deliberation. It was noted the Council supported a workshop discussion to revisit that policy and issues raised in the neighborhood petition.

The motion carried 5/0.

b. Consider Resolution 20-2015 for Subdivision at 313 Central Avenue

Mr. Gadow reported Pillar Homes and Gary Gravier have submitted a development application requesting concurrent Preliminary and Final Plat subdivision approval and a corresponding Shoreland Conditional Use Permit for increased hardcover for a new three-lot subdivision at 313 Central Avenue S. The project would require the removal of an existing structure on the property and a subdivision of the parcel. Mr. Gadow reviewed the considerable discussion on tree removal and how to preserve the existing residence that was constructed in 1904 on this property. He reviewed the recommended conditions to address the existing residence, noting the building concept plans have been submitted for review. The Planning Commission recommended approval with conditions.

The Council inquired if there was a condition to require replacement of the trees being removed, the extent to which pervious pavers offset the hardcover, timeframe for preservation of the existing residence, and how to assure a good faith effort to preserve the existing residence. Mr. Schelzel referenced Section 4.1c of the resolution and advised the Planning Commission had some confidence in the developer to act in good faith, which was also demonstrated in the public record through statements made by the Historic Preservation Board that they had worked with the developer to explore that possibility.

K.C. Chermak, 575 Far Hill Road, owner of Pillar Homes, described the landscaping plan for the property to provide year-round screening. He stated he has several estimates on the cost of relocating the existing residence, advised of interested candidates and potential sites. He displayed a proposed site plan to relocate the existing residence by the Post Office. If approved, the existing residence would be used for meeting space (not a residence). He stated he is looking for ways to reduce the expense of the potential relocation.

Cathy Iverson, 220 Central Avenue South, stated she received correspondence from someone who wants to buy the existing residence, leave it where it is, and restore it. She noted the existing residence is one of six 1904 houses left in Wayzata. She commented on the importance of historical homes and outlined the differences between the proposed houses and existing houses in this neighborhood. Ms. Iverson expressed concern with the impact of tree loss and cautioned the Council about setting a precedence that will impact this neighborhood forever. She requested the Council table consideration of the resolution and take more time to look at the impact to this neighborhood.

With regard to a potential new offer, Mr. Schelzel advised it is not the prerogative of the Council to inject itself into the negotiation between private property owners over property rights. However, if the basis for Council action or inaction on the Application goes to criteria in the Subdivision Ordinance, or Planning Commission Report and Recommendation, then that would be a proper basis.

Messrs. Tyacke and Willcox stated support for the Planning Commission's recommendation and commended Mr. Chermak for attempting to fulfill the recommendations of the Planning Commission. It was noted the proposed lot sizes meet Code requirements and character of the neighborhood. Mr. Mullin stated he had nothing to add.

Mrs. McCarthy expressed concern with the impact of additional traffic in a family neighborhood with small streets and the height and scale of the proposed homes not matching the existing neighborhood. Mrs. Anderson stated she is sensitive to what is happening with this neighborhood and thinks the applicant has worked hard to save the existing residence, which is vital. She supported tabling to get more information on what can happen with this unique application and to find more options. Mrs. Anderson stated her concerns with the current application relating to meeting the Comprehensive Plan requirements, the character of the neighborhood, the number of trees proposed to be taken down, the grading plan that will change the topography, the building of three houses and instead of two because it does not fit with the natural rhythm and character of the neighborhood, and request to exceed the hardcover.

Gary Gravier, 313 Central Avenue S., clarified that the property has been purchased, is not for sale, and he applying for this subdivision that has been recommended for approval by the Planning Commission. Mr. Gravier stated there is no other opportunity and they want to move forward with this application.

Mr. Tyacke made a motion, seconded by Mr. Willcox, to Adopt Resolution No. 20-2015 Approving Concurrent Preliminary and Final Plat and Shoreland Conditional Use Permit at 313 Central Entrance Avenue South. Roll call vote, the motion carried 3/2 (McCarthy and Anderson).

c. Consider Lease for Beach Concession Operations

Mr. Dudinsky reported staff has been in discussions with McCormick's regarding a five-year lease of the south side of the City Beach House to be re-purposed as a concession operation. The expense to the City would be for construction improvements at $29,858.00, and for permanent equipment at $17,073.97. McCormick's expense for non-permanent equipment would be $24,896.25. The concession stand building improvements were budgeted for the General CIP in the amount of $25,800 and in the Lakefront CIP in the amount of $20,600. The tenant will provide all equipment necessary for the operation and if approved, concession operations would begin around Memorial Day until Labor Day. Staff recommends, if the Council chooses to approve the proposed Beach Concession Operation Lease, that it be subject to final review and approval of the City Attorney.

The Council pointed out that $46,000 was budgeted, the City is expected to pay $47,000 with McCormick's paying $25,000, and the City will receive 12% of the sales revenue for the period of this agreement. The Council asked about projections for the five-year lease and to what fund that 12% would be allocated. Mr. Schelzel stated this agreement will be reviewed by his office and recommended adding the projected revenue for Years 2-5 to the agreement. Ms. Nelson stated it is the prevue of the Council but would make sense to give it to the Lakefront CIP.

The Council discussed the Lakefront Plan and terms of the agreement and requested language within that five-year lease allowing the City to terminate 90 days following the end of any operating season. The Council acknowledged that based on revenue projections it may take 7-8 years to recoup the City's investment but there is benefit with a public/private partnership to bring this amenity to the lakefront and the investment may be recouped sooner if revenue increases after the first year.

Ms. Nelson reviewed the Council's past consideration relating to this decision and explained that McCormick's had approached the City about this partnership and was willing to take the risk. She also advised of staff's discussion with McCormick's about the future of the Section Foreman's House. The Council indicated it was unwilling to consider a first right of refusal for the Section Foreman's House. Mr. Schelzel reviewed the terms of the agreement related to termination by either party. Following discussion, the Council indicated it supported this endeavor and getting through the initial five-year lease with McCormick's before decisions are made with other vendors.

Mrs. McCarthy made a motion, seconded by Mr. Mullin, to approve a five-lease with McCormick's, as revised and subject to final review and approval of the City Attorney. The motion carried 5/0.

Mr. Willcox recessed the meeting at 10:20 p.m. The meeting was reconvened at 10:25 p.m.

d. Consider Bid Awards for 2015 Street Project

Mr. Kelly reported the Public Works Department received four bids for the 2015 Street Reconstruction project on Friday, May 1, 2015. This project includes Beaver Dam Street, Edgewood Court (off Lake Street), Ferndale Road South, Ferndale Road West (to Peavy Bridge), Gardner Street (east of Benton), and Bovey Road/Ferndale Woods. The project was designed by WSB & Associates and estimated at $1,764,550. It is proposed to be funded using the Street Capital Improvement Program (CIP) for $1,417,300, Stormwater CIP for $347,250, and a Minnehaha Creek Watershed District (MCWD) Low Impact Development (LID) grant for $36,500. The project would start in June 2015 and be completed in October 2015. Staff recommends going with the lowest bidder, Valley Paving at $1,590,774.51.

Mrs. Anderson made a motion, seconded by Mr. Mullin, to award the bid for 2015 Street Project to the recommended low bidder, Valley Paving at $1,590,774.51. The motion carried 5/0.

e. Consider Ad for Bid for Roundabout Landscaping and Pedestrian Trail along Circle A Drive

Mr. Kelly explained the Public Works Department is requesting that the Council consider putting two projects out for bid for construction in 2015. The first project is landscaping of the roundabout at the east end of Lake Street. It is estimated at $79,650 and contemplates lighting within the roundabout for an additional $20,000. Mr. Kelly answered questions of the Council relating to the type of lighting proposed.

Mr. Mullin made a motion, seconded by Mrs. Anderson, to seek bids for the roundabout landscaping at the east end of Lake Street inclusive with the lighting at $99,650. The motion carried 5/0.

Mr. Kelly stated the second project is a pedestrian facility along the west side of Circle A Drive. This project has been proposed with three alternatives: 1) Concrete sidewalk directly behind curb for $82,050; 2) Construct boardwalk loops from concrete sidewalk, extending into and through east buffer for an additional $113,500 to Alternative 1; and, 3) Remove the sidewalk from back of curb and meander a boardwalk through and across the wetlands for $248,400. Staff requested direction on the Circle A pedestrian facility.

The Council discussed the alternatives and concluded that the buffer is the important objective and a decision on the walkway is premature at this point based on conversations with Presbyterian Homes about this wetland buffer.

f. Consider Bid Award for Lift Station #5

Mr. Dudinsky explained that refurbishing a City lift station is a routine process and occurs on a 15-20 year cycle. It is generally limited to the replacement of pumps, valves, and electrical and control systems. Lift Station #5 was constructed in 1990 and takes sewage flows from the Boatworks property, Depot property, and Beach/Bath House. This refurbishing is necessary and has been budgeted for $41,100 in the 2015 Sewer Capital Improvement Fund. The Boatworks development has recently prepared a lease for new space to accommodate a microbrewery that is expected to increase sewage flows to Lift Station #5. Staff feels it may be short sighted to just refurbish Lift Station #5, an upgrade is needed, and recommends the Council approve low bid for the upgrade of Lift Station #5 in the amount of $227,440 to Minger Construction.

The Council asked for clarification on payment for the project. Mr. Dudinsky stated the project cost is $260,419 and less the City budgeted $41,100, it leaves a balance of $219,319. The City will use SAC to pay for one-half with the outstanding balance of $109,660 to be paid by Boatworks as agreed. Once approved, there is up to an eight-week lead time so the project would start after J.J. Hill Days and be completed prior to winter weather.

Mrs. Anderson made a motion, seconded by Mrs. McCarthy, to award the bid for Lift Station #5 to the recommended low bidder, Minger Construction at $227,440. The motion carried 5/0.

AGENDA ITEM 6. City Manager's Report and Discussion Items.

a. Upcoming Workshop Dates

Ms. Nelson reviewed topics to be discussed at the May 19 Workshop at 5:00 p.m. and the May 21 Workshop with Presbyterian Homes with the time to be determined.

b. Resolution for Trolley Contribution

Ms. Nelson indicated staff will prepare a resolution for the City's 2015 contribution to the trolley.

c. Other

Mrs. Anderson reminded everyone of the May 16 Dig-It event and thanked staff and volunteers for their efforts. Mr. Willcox reported on the successful buckthorn pull in the Big Woods.

Ms. Nelson reported the first quarter General Fund Operating budgets are as expected with no surprises.

AGENDA ITEM 7. Public Forum Continued (if necessary).

There were no comments.

AGENDA ITEM 8. Adjournment.

Mrs. Anderson made a motion, seconded by Mrs. McCarthy to adjourn. There being no further business, Mr. Willcox adjourned the meeting at 11:00 p.m.

Respectfully submitted,

Becky Malone 05-19-2015

Becky Malone
Deputy City Clerk

Drafted by Shannon Schmidt, *TimeSaver Off Site Secretarial, Inc.*