WAYZATA CITY COUNCIL
MEETING MINUTES
December 1, 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, Director of Planning and Building Thomson, Management/Planning Intern Peters, Police Chief Risvold, and City Attorney Schelzel.

Mayor Willcox reported Council met in Workshop prior to the meeting and discussed the Lake Effect Trust Founding Board Structure and had interviews for various boards and commissions.

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.

Mayor Willcox announced there will be a farewell open house on December 10, 2015 from 4:30 p.m. to 6:30 p.m. for City Manager Heidi Nelson.

AGENDA ITEM 3. Public Forum – 15 Minutes (3 minutes per person).
a. Sheriff Rich Stanek to Provide a Sheriff's Office Update
Sheriff Rich Stanek, Hennepin County, reported they have a good relationship with the City of Wayzata law enforcement and appreciate the City's support for public safety. He gave an overview of the demographics of Hennepin County and the different services the Sheriff's office provides.

Mr. Tyacke asked if there was a plan to better coordinate emergency services for Fourth of July on Lake Minnetonka. Sheriff Stanek replied they have looked at the situation. Alcohol played a huge factor in the emergencies that took place.

Mr. Willcox asked how mental health issues are handled. Sheriff Stanek stated about one-third of the incarcerated population deals with mental health issues with 70 percent being repeat offenders. They are trying to determine how to divert mental illness cases from jail and find other alternatives that are helpful.

b. Presentation of Twelve for Twelve – Highway 12 Safety Coalition
Police Chief Mike Risvold reported that the Highway 12 Safety Coalition has implemented an initiative called "Twelve for Twelve" with the goal of going twelve months with zero fatalities on Highway 12. The coalition consists of local and State elected officials, Minnesota Department of Transportation, concerned citizens, and law enforcement. They meet on the first Thursday of every month at 2 p.m. He described the Towards Zero Death (TZD) program and highlighted accomplishments of the Highway 12 Safety Coalition.

Mr. Mullin asked that the corner of Wayzata Boulevard and the transition from 394 and County Road 112 be looked at and included with the planned Highway 112 improvements in Orono and Long Lake. Police Chief Risvold stated it will be looked at when the 112 project gets going in 2017. At that time, traffic calming measures will be implemented, speeds will be reduced, and improvements will be made to the turn lanes.

c. Bushaway Project Update
City Manager Nelson reported south Bushaway Road is now open from Highways 101 and 5 to the McGinty/Eastman connections. There will be some additional impacts in the spring on the south Bushaway section due to a wall that needs to go in. The City is working closely with the

Metropolitan Council to minimize traffic impacts on roads leading into Wayzata. Work is still being done in the railroad corridor and they are hoping to see a bridge there by July 4, 2016.

AGENDA ITEM 4. New Agenda Items.

None.

AGENDA ITEM 5. Consent Agenda.

Mr. Tyacke commented on item No. 5.i., Approval of Contract with Waters and Company, which is in the form of a proposal. He clarified a contract for professional services would be drawn up along the same lines for approval.

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

a. City Council Workshop Meeting Minutes of November 17, 2015 and City Council Regular Meeting Minutes of November 17, 2015
b. Approval of Check Register
c. Municipal Licenses Which Received Administrative Approval (Informational Only)
d. Approval of Municipal Licenses
e. Approval of Management Consultant Agreement with Interim City Manager Douglas Reeder
f. Approval of Memorandum of Understanding for the Law Enforcement Labor Services and AFSCME Union Contracts for 2016 Health Insurance Contribution
g. Approval of Lease Agreement for 2016 with Wayzata Historical Society for the Wayzata Depot at 402 Lake Street East
h. Approval of Resolution No. 45-2015 Adopting the Updated Lake Minnetonka Emergency Operations Plan
i. Approval of Contract with Waters & Company, A Springsted Company, for Executive Recruitment Services

The motion carried 5/0.

AGENDA ITEM 6. New Business.

a. Consider Resolution No. 46-2015 – Final 2016 Property Tax Levy and Budget, Accept Liquor Operations Business Plan

Mr. Steve McDonald of AEM, Financial Consultant, reported a preliminary budget and tax levy was approved that included a 2.95% levy increase. He presented a levy comparison from 2012 through 2016 and pointed out that the increase in 2016 is the lowest presented in the past five years. The tax capacity rate has decrease from 25.71% in 2015 to 24.72% in 2016. The increase in revenue in the general fund is 4.15%, which mostly comes from property taxes.

Mr. McDonald reported a change to the 2016 budget is the consolidation of departmental transfers to various Capital Improvement Plan (CIP) funds into one line item in the unallocated account in the amount of $715,774. In addition, maintenance items previously included in the CIP were transferred to the operating expenditures of specific departments within the general fund in the amount of $63,500.

Mr. Mullin asked if the 2015 revenues are still projected to be more than expenses. Mr. McDonald stated he will know more later in December.

Mr. Mullin asked if the Park programming expense made the final cut of the budget. City Manager Nelson stated it is funded as a one-time expenditure for 2016 through year-end transfer dollars from last year and is not reflected in the operating budget.

Mr. Mullin asked about the intent and impact of pulling maintenance money out of the CIP and transferring it to operating expenditures of specific departments. Mr. McDonald stated this was done to improve transparency with ongoing operations and it now shows the true cost of things.

Mrs. McCarthy referred to page 85, and pointed out an error, stating the year associated with the column amount should be 2014, not 2013. She also referred to page 106 and the negative balances associated with the Water Fund. Mr. McDonald explained the cash balance has been healthy. Rates for the Water Fund are not set to match the overall expenses. As a result, it changes from year to year. The focus is on the ending cash balance to absorb a slight decrease or to take on an increase. Mrs. McCarthy asked if the transfers should be reduced so that the fund breaks even at the end of 2016. Mr. McDonald stated he would not recommend reducing the funds because they are for specific purposes and the City is able to take existing cash to make up the difference.

Mr. Tyacke referred to page 75, General Fund Summary. He stated it shows a decrease under Administrative and Finance of $25,472. Ms. Nelson stated there is a reduction in full-time wages due to not hiring an Administrative Services Director in 2016. This amount is off set with some consulting expenses to make up for some of it.

Mrs. Anderson referred to page 116 and the proposed CIP projects for 2016, noting $78,000 is listed for software for the Muni. Ms. Nelson stated this amount is part of the projected costs associated with the capital plan that was created a few years ago and slated for 2016.

Mr. Tyacke made a motion, seconded by Mrs. McCarthy, to approve Resolution No. 46-2015 Certifying to the County Auditor the Final Property Tax Levy Payable for 2016 and the Final Budget for the Taxed Payable Year 2016. The motion carried 4/1. (Mullin)

Mr. McDonald provided an overview of the updated business plan for the operations of Wayzata Wine and Spirits (WWS) and Wayzata Bar and Grill (WBG). This plan begins with the 2016 budget and provides a five-year projection.

Mrs. McCarthy stated it would be beneficial to have a plan to improve and measure other areas that have been identified as needing improvement, other than the financial piece. Ms. Nelson stated it was discussed with the managers the quality of what is being offered to the customers and how is it being offered.

Mr. Willcox requested an explanation for projected declining revenue with WBG and the increased revenue with WWS. Mr. McDonald stated the projected results on 2016 are based on what happened in 2015.

Mr. Jeff Petrieni, Wayzata Bar and Grill, General Manager, stated the cost of goods was decreased because previously, they were not in line with industry standards.

Mr. Tyacke stated ending September 30, 2015, there was a cash balance of $1,034,000 in the Liquor Fund, which was up $343,000 from last year at that time. With the budget projected to be flat from 2015-2016, he asked where the surplus is in the cash balance and why the base is not higher for 2015. Mr. McDonald stated the year-end transfers would reduce the surplus that was there at the end of September and once they are made, it would break even.

Mr. Kevin Castellano, Wayzata Wine and Spirits, General Manager, stated they will also begin to measure the average transaction amount and how many people are making purchases. They are also working on detailed product knowledge for staff working in the store. In order to be more competitive in the market, they need to have a knowledge of what to offer for sale. Mr. Petrieni stated the focus has become increasing the quality of level of service and product knowledge with formalized training that is tracked and tested.

Mrs. McCarthy made a motion, seconded by Mrs. Anderson, to accept the business plan for Wayzata Wine and Spirits and Wayzata Bar and Grill.

Mr. Tyacke stated he would like to see the business plans. Ms. Nelson stated staff will provide that to Council.

The motion carried 5/0.

b. Consider Resolution No. 50-2015 Approving Design Review for a Two-Story Medical Office Building at 1120 Wayzata Boulevard East

City Planner Thomson reported the applicant, The Davis Group, is proposing to construct a 16,000 square foot, two-story medical specialty building at 1120 Wayzata Boulevard East. The Planning Commission recommends the Project Design be approved subject to the following conditions:

A. Double doors must be provided on the north entrance to the building along Wayzata Boulevard East.
B. The Japanese Tree Lilac Trees along the Wayzata Boulevard frontage must be replaced with deciduous trees that are three (3) caliper inches in diameter.
C. The Applicant must execute a cross parking easement with the property to the east (1200 Wayzata Boulevard East, PID: 05-117-22-32-0077) for at least three (3) parking stalls. The agreement must be acceptable to, and approved by the City Attorney, and must be filed in the chain of title for both properties.
D. The Applicant must receive written approval from the City Engineer of the final landscape plan, grading erosion and sediment control plan, and utility plan.
E. The final architectural plans must meet the Façade Detail, Brick Joints, Stone Joints, and Parapets, Flashing, Coping requirements, provided in Sections 801.09.11.1D, 801.09.11.1F, and 801.09.11.1H, of the Design Standards, respectively.
F. The Applicant must secure all necessary building permits for construction, and follow all laws and regulations applicable to the Project.
G. All expenses of the City of Wayzata, including consultant, expert, legal, and planning incurred must be fully reimbursed by the Applicant.

Mr. Thomson reported staff added two additional conditions to the proposed Resolution:
A. The Applicant must execute an easement for the shared trash enclosure with the property to the east (1200 Wayzata Boulevard East, PID: 05-117-22-32-0077). The agreement must be acceptable to, and approved by the City Attorney and must be filed in the chain of title for both parties.
B. The access ingress/egress access easement over the City park property to the west must be vacated.

Mrs. McCarthy asked if there was any discussion about the lighting of the signage and what is allowed. Mr. Thomson stated it wasn't addressed at the Planning Commission meeting but the ordinance would require it to be backlit or internally lit.

Mrs. McCarthy stated she has concern about the proximity to Wayzata Boulevard. Mr. Thomson stated one of the standards of design required on Wayzata Boulevard is that the building be placed at the sidewalk edge.

City Attorney Schelzel stated this draft Resolution approves just the design under the design standards and the applicant would still need to comply with the other requirements of the Code. If there is anything that the Code wouldn't require that is a reasonable condition, it should be added.

Mr. Tyacke stated the number of parking spaces and removal and addition of trees were specific requirements at the Planning Commission meeting and asked how they are binding on the applicant. He referred specifically to pages 128 and 129, Sections 2.7 and 2.8, and stated it is part of the application, but not outlined in the recommendation by the Planning Commission or in the conditions outlined in the Resolution.

Mr. Schelzel stated the way this Resolution is currently drafted, is just approving the design. If the Council wants to make the particular elements discussed binding, a condition should be added stating the applicant develop the project in accordance with that specification, and reference that particular part of the design plan. He suggested adding a condition stating, "The applicant complete the project in accordance with the plans submitted with the application."

Mrs. Anderson requested additional discussion in the future about the design standard of having all the buildings that close to Wayzata Boulevard.

By request of the Council, Mr. Thomson commented on the landscaping plan that includes a retaining wall and storm sewer pipes. The City Engineers requested additional information from the applicant to make sure the depth of the pipe did not compromise the structural integrity of the wall.

Mr. Willcox stated the design of the building is plain and the metal awnings give the building an industrial look.

Mrs. Anderson made a motion, seconded by Mr. Tyacke, to approve Resolution No. 50-2015, approving Design Review for a Two-Story Medical Office Building at 1120 Wayzata Boulevard East with an additional condition that the applicant complete the project in accordance with the plans submitted with the application.

Mr. Patrick Giordana, 7001 France Avenue South, architect for the project, stated he is confident the Council will be happy with the building once it was built. He stated they have met and gone beyond some of the requirements with the design of the building and the awnings provide a clean look and will last many years.

The motion carried 3/2. (Willcox and Mullin)

c. Consider Resolution No. 47-2015 Suggesting Charter Commission Nominees to District Court

The Council voted by ballot for the following Charter Commission Nominees to suggest to the District Court: Brian Botham, Mary Fadden, Paul Klapprich, and Gary Orris. (5/0)

Mrs. Anderson made a motion, seconded by Mr. Mullin, to approve Resolution No. 47-2015 Suggesting Charter Commission Nominees of Brian Botham, Mary Fadden, Paul Klapprich, and Gary Orris, to the Fourth Judicial District Court of the State of Minnesota. The motion carried 5/0.

d. Consider Resolution No. 48-2015 Approving Communications Board Appointment

The Council voted by ballot for the Communications Board appointment of Daniel Gustafson. (3/2).

Mrs. Anderson made a motion, seconded by Mr. Mullin, to approve Resolution No. 48-2015 approving a Communications Board Appointment of Daniel Gustafson. The motion carried 5/0.

e. Consider Resolution No. 49-2015 Approving Heritage Preservation Board Appointment

The Council voted by ballot for the Heritage Preservation Board appointment of Elissa Madson. (5/0)

Mrs. Anderson made a motion, seconded by Mr. Mullin, to Resolution No. 49-2015, approving a Heritage Preservation Board Appointment of Elissa Madson. The motion carried 5/0.

<u>AGENDA ITEM 7. City Manger's Report and Discussion Items.</u>

a. Update on Bushaway

There will not be a Bushaway update meeting in December. The focus of the work over the winter will be the railroad corridor.

b. Update on Lake Effect

Civitas will be in town next week to continue meetings with committees. The next community meeting will be on January 12, 2016, and will be web streamed live.

c. Introduction of Interim City Manager

Mr. Doug Reeder, Interim City Manager, stated he has worked for eight different cities, most recently with Osseo as their Interim City Manager.

d. Update on Artwork in Walgreens Windows

Director of Planning and Building Thomson stated that the windows along Wayzata Boulevard are required to have historical images. The Historical Society and Heritage Preservation Board have been notified and will begin working on that project.

e. Other

Mayor Willcox thanked everyone involved in the tree lighting event at the Depot.

Mayor Willcox announced there will be a farewell open house for City Manager Heidi Nelson on Thursday, December 1, 2015 from 4:30 p.m. to 6:30 p.m.

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

There were no comments.

AGENDA ITEM 9. Adjournment.

Mrs. McCarthy made a motion, seconded by Mrs. Tyacke to adjourn. There being no further business, Mr. Willcox adjourned the meeting at 9:31 p.m.

Respectfully submitted,

Becky Malone 12-15-2015

Becky Malone
Deputy City Clerk

Drafted by Shannon Schmidt
TimeSaver Off Site Secretarial, Inc.