WAYZATA CITY COUNCIL
MEETING MINUTES
December 15, 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, Interim City Manager Reeder, Director of Planning and Building Thomson, Public Services 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.

Mayor Willcox reported that Council met in Workshop prior to the meeting and reviewed and discussed information related to the proposed Mill Street parking ramp design and financing, the Wayzata Country Club shooting range, and a development concept for 529 Indian Mound East.

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

a. Recognition of Holiday Lighting and Decorating Contest Winner

Beth Anderson, Watermark Stationary, 775 East Lake Street, announced McCormick's as the winner for the Holiday Lighting and Decorating Contest.

b. Bushaway Project Update

Trudy Richter, representative for Shafer Consulting Company, presented an update on the Bushaway Road project, and reported that the digging for the shoofly track is completed. The railroad made a firm commitment to put their track panels and ties in place during the winter, which takes about 30 days. In early spring, there will be a final closure to simultaneously build the new curve and also do the last retaining wall at the pinch point.

Mr. Tyacke asked how long it will take to build the bridge. Ms. Richter stated she did not know but would get the information to the Council.

c. Dock Storage

Ms. Cathy Carlson, 226 Minnetonka Avenue North, stated she is concerned about how the temporary docks are being stored along the Lakeshore. Director of Public Service Dudinsky stated staff will look into it.

AGENDA ITEM 4. New Agenda Items.

Mrs. Anderson suggested that the Council discuss if there are ways to utilize the financial task force.

Mr. Wilcox gave some of the history of the task force, and stated they were helpful during the recession and have been annually updated on the financial status of the City.

Mrs. McCarthy stated they did very good work and there may be an opportunity to use their skills with the big initiatives the City is undertaking.

Mr. Willcox stated the City should keep the task force in mind as a resource but be careful not to burden them with too much work.

AGENDA ITEM 5. Consent Agenda.

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

a. City Council Workshop Meeting Minutes of December 1, 2015 and City Council Regular Meeting Minutes of December 1, 2015

b. Approval of Check Register
c. Municipal Licenses Which Received Administrative Approval (Informational Only)
d. Approval of Municipal Licenses
e. Police Activity Report
f. Building Activity Report
g. Approval of LCMD Community Room Use Agreement and Cable TV Video Production License Agreement for 2016
h. Approval of the 2016 Lease Agreement with the Wayzata Chamber of Commerce for the Wayzata Depot at 402 Lake Street East
i. Approval of Revised Contract with Fred Miller for Videography Services
j. Approval of Fire Service Contracts for 2016 with the City of Woodland and with the City of Orono
k. Approval of Addendum to Recording Secretary Service Agreement with TimeSaver Off Site Secretarial, Inc.

The motion carried 5/0.

AGENDA ITEM 6. Public Hearing.

a. Micro-brewery Off-Sale Malt Liquor License (Growler Sales License); Sunday Micro-brewery Off-Sale Malt Liquor License (Sunday Growler Sales License); and Micro-Distillery Liquor License (Micro-Distillery) at Wayzata Brew Works, LLC DBA "Wayzata Brew Works" at 294 Grove Lane East, #150

City Manager Nelson reported on the application, stating Wayzata Brew Works will have a first floor indoor micro-brewery and micro-distillery, and outdoor patio on the south side of the establishment.

Mr. Robert Klick, Wayzata Brew Works President, stated he wants to bring a first class and family-friendly brewery and distillery to Wayzata.

Mrs. McCarthy asked about the current ownership of Wayzata Brew Works and whether the original owners will still part of the business. Mr. Klick stated Mr. Cavanaugh is no longer involved or part of the ownership of the business.

In response to Mr. Tyacke's question about citations at other restaurants, Mr. Klick stated people need to drink responsibly and he will train his staff and work with Wayzata City Police to make the environment as safe as possible. He further clarified that Wayzata Brew Works is not affiliated with the brewery and taproom in Excelsior.

Mr. Klick thanked the City staff and Council for all their patience and work with this application, and stated they plan to open in mid-February 2016.

Mayor Willcox opened the public hearing at 7:25 p.m.

Mr. Michael Mergens, representing Berry & Co, Inc., 253 Lake Street East, commented that the property's parking requirements with TCF Bank state, that TCF is not receiving any compensation for this and can terminate the parking agreement at any time with 30 days' notice. He indicated this parking agreement should be in place for as long as the liquor license, until the next renewal period, and requested a hold be put on the issuance of a license until the parking agreement timeline matches the micro-distillery license.

City Attorney Schelzel stated Mr. Mergens is referring to a condition for the land use approval, and not criteria for approval of a liquor license, though failure to meet any condition of a land use approval could jeopardize the business.

Director of Planning and Building Thomson commented that Berry & Co, Inc. had raised this with staff, and there was a comprehensive look at parking issues for the microbrewery and tap room when the CUP was approved in January 2015. The components looked at were possible parking across the street, potential construction of proof of parking stalls, and a shared use with peak hour demands not all happening at the same time.

Mr. Tyacke asked if any of the parking across the street was dedicated parking for Wayzata Brew Works. Mr. Thomson responded there were no dedicated spots, but the plan was for Wayzata Brew Works to team up with a valet service and utilize the spots across the street with that service.

Mayor Willcox closed the public hearing at 7:32 p.m.

Mrs. McCarthy made a motion, seconded by Mrs. Anderson, to approve Micro-Brewery On-Sale Taproom Liquor License, Sunday Micro-Brewery On-Sale Taproom Liquor License, Micro-Brewery Off-Sale Malt Liquor License, Sunday Micro-Brewery Off-Sale Malt Liquor License, and a Micro-Distillery Liquor License for Wayzata Brew Works, LLC DBA "Wayzata Brew Works" at 294 Grove Lane East, #150. The motion carried 5/0.

AGENDA ITEM 7. New Business.

a. Approve Structure and Membership of Lake Effect Conservancy and Approve Contract Addendum with Groundwork

Director of Planning and Building Thomson gave a brief overview of the action steps the Council should pursue pertaining to the Lake Effect Conservancy.

Ms. Mary deLaittre, Lake Effect Project Coordinator, reported on moving forward with the Lake Effect Conservancy and gave the following recommendations: 1) Create the Organization concept; 2) Appoint the Board Designees; and, 3) Fund the Start-up. The names of the board designees are Rick Born, RBA Consulting, Owner Boat Works; Mick Johnson, President Park Nicollet Foundation; Dan Koch, Onit, LLC, President/Founder; Andrew Mullin, Wayzata City Council Representative; and, Tyler Purdy, Managing Director, Bayview Capital Group.

By request of the Council, Ms. deLaittre commented on why an organization like the proposed Conservancy is put in place. She explained that because civic projects take a long time, a Conservancy provides continuity throughout the project, fosters private fundraising opportunities, and is important for long-term maintenance operations and programming.

Mrs. Anderson asked for clarification with the language of approving board designees, rather than board members. City Attorney Schelzel stated that the term designee is used because there is not yet a Conservancy board to which people can be appointed. Ms. deLaittre stated these members will be slated to become part of the proper founding board but can become involved in the project and the establishment of the Conservancy prior to that time.

Mrs. Anderson asked about the process that was used to select the recommended board members. Ms. deLaittre stated she drafted criteria that would be considered in a good board member, noted how many times a person's name was cross-referenced or recommended, and attempted to put together a diverse group that represents the City of Wayzata. She explained that the remaining board seats would be filled with people on the original list that she was not yet able to contact.

Mr. Tyacke stated he has concern under the proposed contract amendment that the City's consultant is the sole source for legal advice and accounting advice, noting it is taking away the decisions from the board members. Ms. deLaittre replied someone has to set up the organization and there is the potential the board members may not be the same throughout the length of the contract.

Mr. Tyacke stated he feels it is premature to have consulting before the schematic design is even seen or approved by Council. Ms. deLaittre stated the schematic design will be delivered in late February and the idea is to have everything in place before then. The consulting services at this point are very basic and include providing expertise and shepherding the project through the process, providing expertise on how to set up an organization, setting up accounting services, and basic communications around the creation of the organization.

Mr. Tyacke asked why the City's consultant is providing the legal and accounting services for the conservancy under the proposed contract. Mr. Schelzel stated there would be a need for legal and accounting services at the organizational and formation stage of the conservancy, which would be different from the needs of the conservancy on an ongoing basis. Having the City involved in the formation stage would allow the City to make sure the organization was formed with the desired structure, mission and goals. Once the organization is up and running, the board could pursue different legal and accounting services as needed.

Ms. Nelson clarified the concept of the Conservancy is that it is a City initiative that runs parallel with the Lake Effect Project. It becomes a shepherding organization that carries the project forward. The work of Civitas will be done in early March. With the schematic design they provide, there will be a detailed plan with phases and associated costs. There needs to be an organization that keeps the fundraising going through each phase.

Mrs. Anderson stated she understands the costs and effort that goes into setting up a 501(c)(3), and it seems like the City is double paying since it has the staff and other consultants that could do what is needed. It sounds like the proposed Conservancy board is basically a fundraising board. Mrs. Anderson stated she would like to discuss if there is a conflict of interest in having a City Council member sit as part of this board that comes to the Council to ask for approval and recommendations.

Ms. Nelson stated if staff can help out with the process at a lower cost, it will happen. The proposal outlined in the contract addendum with the Lake Effect Project Coordinator was just showing up front that there will be costs associated with the start up of the Conservancy and the project designed by Civitas. From a staff perspective, the business that is already handled by the City Manager and Director of Planning and Building is a 'full plate' and the work required with this project could become a full-time job.

In response to Mrs. Anderson's previous comment about conflict of interest, City Attorney Schelzel stated every 501(c)(3) should have a conflict of interest policy and would recommend one be adopted for the Conservancy. That policy would require a disclosure of any interests and then a determination pursuant to that policy whether a board member can participate in the discussion and vote on a matter, or needs instead to recuse themselves. He further stated, as he understands that role of the Conservancy, there is nothing that would preclude having a Council member serving on the board of this organization.

Mr. Tyacke stated if the City Manager is managing the contract with the Lake Effect Project Coordinator, the Coordinator should instead be paid on an hourly basis for what is needed, since there is no way to know how much time is going to be needed, and then let the board hire who they need to get their job done going forward.

Mrs. McCarthy stated she would support the expansion of the Conservancy board to a minimum of seven and possibly nine. There also needs to be Wayzata residents and women on the board with the skill set needed to do the job.

Mrs. McCarthy referred to the proposed contract with the Lake Effect Project Coordinator and asked for clarification on the contract fee. Ms. deLaittre stated it is set up as a monthly retainer, and not payment on an hourly basis. She stated it was set up this way because it is a change of role, and will become almost a full-time position at close to 40 hours per week. Due to the amount of time needed, it would be more expensive to pay her on an hourly basis.

Mrs. McCarthy stated there is a lot of ambiguity with the "not-to-exceed" amounts outlined in the proposed contract. She requested more detailed information about the scope of services provided, or to have proposals that exceed a certain dollar amount be presented to Council for review and approval, as opposed to getting written approval by the City Manager.

Mr. Mullin stated he supports the comments of other Council members about the need for diversity on the Conservancy board. He further stated that the decision before Council for approval needs to be broken down into separate parts: does the Council agree with the concept of the Conservancy, the proposed board members, and what are the consulting services needed to support the project overall.

Ms. Cathy Iverson, 220 Central Avenue South, stated she is not comfortable with having one person designate who sits on the Conservancy board and suggested having someone on there that has a design or architectural background. She is concerned with the amount of money that has already been spent on the project.

In response to Ms. Iverson's comments, Mr. Willcox stated the criteria for selection of the Conservancy board is different due to the skill set required for the role. He noted that current City staff is fully employed with current projects and if this additional project were given to them to handle, it would be delayed. It is important to have a person designated specifically for this project. He requested more detail in the proposed contract with Lake Effect Project Coordinator.

Mr. Mullin made a motion, seconded by Mr. Tyacke, to approve in concept the Lake Effect Conservancy structure, mission, role and partnership agreement philosophy, approve the Board Designees for the future Lake Effect Conservancy Founding Board, and to direct City staff work on more detail for the Contract Addendum with Mary deLaittre to be reviewed and discussed by City Council at a future date.

Mrs. Anderson stated the Conservancy board members should go through the same process as people selected for other boards with the City. She will not vote in favor of the Conservancy board designees, not because of who is on the board, but because of the process in how they were selected.

Mr. Willcox stated it is a special board that requires a specific talent in fundraising capabilities and it needs to be approached differently.

The motion carried 4/1. (Anderson)

The Council recessed at 8:36 p.m. and reconvened at 8:43 p.m.

b. Consider First Reading of Ordinance No. 756 - Telecommunications

Director of Planning and Building Thomson reported on the Ordinance revisions recommended by the City Council at a previous meeting and the proposed revisions that have been made to the Ordinance by staff in response to Council's direction at that meeting.

In response to Mrs. McCarthy's questions about the tower approval process, Mr. Thomson stated a telecommunications company's request to do the work on a city owned tower would be reviewed by staff, but a lease or lease amendment for having equipment on the tower would need approval of the City Council.

City Attorney Schelzel stated the final version of the Ordinance that is being considered is the one that was distributed at the meeting, which did not make it into the meeting packet.

Mrs. Anderson asked about the authorized locations of towers under the Ordinance, and possibly having a tower on the east side of town. Mr. Thomson stated some alternative locations can be looked at, but the language in the Ordinance needs to remain tight so that towers are not allowed everywhere.

Mr. Willcox stated if coverage cannot be accomplished through antennas, then towers will need to be used. Mr. Schelzel stated the way the Ordinance is drafted identifies the two sites the City believes will work. If another viable site is identified, the Ordinance could be amended to include this site.

Mrs. McCarthy made a motion, seconded by Mrs. Anderson, to approve the First Reading of Ordinance No. 756, Commercial Telecommunications Facilities and Residential Accessory Communication Devices, as presented.

Mr. Schelzel clarified the attachment to Ordinance No. 756, Exhibit A, is the latest version of the Ordinance presented to Council at the meeting.

The motion carried 5/0.

c. Accept Downtown Parking Project Report

City Manager Nelson presented the proposed final Downtown Parking Project Report. Staff is requesting Council take action to accept the report for use as the project moves forward.

Mrs. McCarthy referred to figure number 14 on page 240 and stated it would be helpful to have the trolley and dock master staff costs included in the numbers. She asked for clarification on the cost allocations. Ms. Nelson stated the cost associated with the trolley and dock master staff will increase the annual cost per square foot from seven cents per year to ten cents per year.

The Council discussed the cost allocations outlined in the report at length. Ms. Nelson explained how the capital costs and operations of the ramp are handled. Only the commercial properties that need to satisfy a parking requirement due to redevelopment or change in use would be subject to the annual lease cost for the capital cost and the operations and maintenance associated with that specific stall.

Mrs. McCarthy stated it would be helpful to have a visual representation of what each property owner would have as an additional expense based on their current use and square footage.

Mr. Tyacke stated the recommendation to amend the City Code (Section 20.15 Parking Requirements) to reflect the parking ratios and to establish the district under the Special Service District statue should proceed together before any construction begins. Ms. Nelson stated it was recommended to establish the district at the time of the construction of the ramp so that value is seen by the commercial district.

The Council agreed it would be providing value to commercial properties with the valet service, dock master staff, and wayfinding signage. This would be charged to the commercial properties that are self-parked and do not need additional parking. The commercial properties that are not self-parked and need additional parking would not be charged until construction on a ramp began.

Mr. Mullin made a motion, seconded by Mr. Tyacke, to accept the Downtown Parking Project Report. The motion carried 5/0.

Mr. Willcox stated in the Workshop meeting before the Council meeting, Council met with a group of architects that presented several design concept alternatives to address some of the concerns with and objectives for the parking ramp design.

After discussion, the majority of the Council expressed support for pursuing the design alternatives and asking for a proposal from this group of architects. Mr. Mullin suggested to making a list of project components that need to be included in the design in order for a compromise to be reached at the end of the process. It was also suggested to form a committee of design experts along with staff and members of the community.

Mr. Tyacke made a motion, seconded by Mr. Mullin, to request a proposal from Walker Parking Consultants/HGA to create design alternatives for the parking ramp. The motion carried 5/0.

Mrs. Anderson made a motion, seconded by Mr. Tyacke, to move forward with the parking ordinance amendments and the establishment of the parking and mobility district. The motion carried 5/0.

d. Award Bid for Rehabilitation of Well #5 and Water Treatment Plant #2 Booster Pump

Public Services Director Dudinsky reported that the Public Works Department has received three bids for the rehabilitation of Well No. 5 and Booster Pump No. 1. The Public Works Department recommends approval of the low bid of $67,697.00 from Keys Well Drilling Company.

Mrs. McCarthy made a motion, seconded by Mrs. Anderson, to award the low bid of $67,697.00 to Keys Well Drilling Company. The motion carried 5/0.

AGENDA ITEM 7. City Manger's Report and Discussion Items.

a. Strategic Plan Update

City Manager Nelson reported on the progress of the strategic plan that was adopted in July 2015.

Mr. Tyacke asked who will be responsible for administering and reporting on the Muni business plan. Ms. Nelson stated the City Manager is ultimately responsible, and Mr. Pietrini and Mr. Castellano are responsible for carrying out the plan on a daily basis.

b. Update on Telecom Feasibility Study – Soil Borings

Director of Public Service Dudinsky reported that the soil borings taken in November at the preferred site of Wayzata Middle School for the telecom tower indicated poor soils. The boring company went back to the site and hit bearing ground at 98 feet. The same type of soil is located to the west.

Mrs. Anderson asked if it would be advisable to get a cost estimate at this site as well as at the Public Works site since the bearing ground is so far down in the soil. Mr. Dudinsky stated Wayzata Middle School is the preferred location by the tenants and the soil at the Public Works site is not much better.

Regarding the access road at the Wayzata Middle School site, Mr. Dudinsky stated the school is okay with an access coming through the main lot since it is being built during the summer.

Mr. Dudinsky stated there are two options to consider: 1) Move ahead with the feasibility study and the FCC investigation and application, and provide a finished report to the Council in April; or, 2) Spend the next month finishing up the soil investigation report, get it out to the manufacturers, get preliminary bids, and provide a financial report to the Council. At that point, a decision could be made to move forward with the first option, finishing the report in May.

The Council agreed to pursue option No. 2. Mrs. McCarthy requested a meeting with Mr. Romsos and Mr. Reeder to discuss what the overall plan is when the soil reports are completed.

c. Other

City Manager Nelson updated the Council on the Bushaway Bridge project stating it would be precast beams set across the tracks on top of the two abutments. The deck will be poured on top of those beams and will be paved after that.

Ms. Nelson noted her last City Council meeting as Wayzata City Manager, and thanked the staff and Council for the opportunity to serve the City of Wayzata. The Council acknowledged and thanked Ms. Nelson for her work and service in Wayzata.

<u>AGENDA ITEM 8. Public Forum Continued (if necessary).</u>

There were no comments.

<u>AGENDA ITEM 9. Adjournment.</u>

Mrs. Tyacke made a motion, seconded by Ms. Mullin to adjourn. There being no further business, Mr. Willcox adjourned the meeting at 10:13 p.m.

Respectfully submitted,

Becky Malone 01-05-2016

Becky Malone
Deputy City Clerk

Drafted by Shannon Schmidt
TimeSaver Off Site Secretarial, Inc.