

**WAYZATA CITY COUNCIL
MEETING MINUTES
November 21, 2017**

AGENDA ITEM 1. Call to Order.

Mayor Willcox called the meeting to order at 7:00 p.m.

AGENDA ITEM 2. Pledge of Allegiance.

AGENDA ITEM 3. Roll Call.

Council Members present: Koch, McCarthy, Plechash and Tyacke. Also present: City Manager Dahl, Director of Planning and Building Thomson, and City Attorney Schelzel.

Mayor Willcox reported the Council met in a closed meeting on November 15 to clarify and confirm the conclusions of the performance evaluation of Wayzata City Manager Jeffrey Dahl conducted on November 1. The Council is pleased with City Manager Dahl's work and he has been compensated accordingly.

AGENDA ITEM 4. Approve Agenda.

Mr. Plechash made a motion, seconded by Mrs. McCarthy to approve the agenda. There was no further discussion. The motion carried 5/0.

AGENDA ITEM 5. Public Forum.

a. Comprehensive Plan Update – City Consultant Juliana Panetta with Future iQ
Juliana Panetta, Future iQ, reported the visioning process has been going very well. Think Tank Reconvene has been moved to December 4 at 6Smith and December 12 at City Hall. She reported the Think Tank and Visioning Workshops have been successful and the first night of the Think Tank Workshop was recorded and available on the City's website. The Community Profile and Benchmark Analysis and a full report of the Think Tank is also available for download. Today they were at the high school meeting with students and received some great feedback.

Mr. Tyacke noted the students suggested more fast food type of restaurants instead of sit-down restaurants, such as Raising Cane's.

AGENDA ITEM 6. New Agenda Items.

Mr. Tyacke commented he has had some comments and complaints regarding changes to the menu at the Muni and he suggested further discussion on this topic at a Workshop with the management. The Council agreed.

City Manager Dahl agreed a meeting with the management would be helpful.

Mayor Willcox commented success at the Muni is measured by the finances, but the ambiance expectations should be discussed.

AGENDA ITEM 7. Consent Agenda.

Mr. Tyacke recused himself from voting on item No. 7(b) (Approval of Check Register) due to a payment made to his condominium complex. He requested that the Check Register be pulled from the Consent Agenda and voted on separately.

Mrs. McCarthy requested clarification on item No. 7(b) (Approval of Check Register). She inquired about a charge in the amount of \$288.75 for legal fees related to Blake School financing and a charge in the amount of \$369.59 to The Hotel Landing.

City Manager Dahl responded the payment to Blake School was for legal fees related to the financing the City is participating in with them. The fees are for the bond council to review and

1 make sure their interests and not at risk, and will be reimbursed by the entity that is doing the
 2 refinancing. Regarding the charge for The Hotel Landing, he requested an invoice be sent to reflect
 3 the City's pro rata share of the cost of food for its attendees to the Grand Opening event because
 4 he did not want the City to be at legal risk of receiving gifts with free food and beverages that were
 5 provided.

6 Mayor Willcox requested clarification regarding Resolution No. 52-2017, under Consent
 7 Agenda Item H. Mr. Dahl stated the payback plan is consistent with what the Council reviewed at
 8 the CIP discussion a few weeks ago. At the end of the year, there is an opportunity to re-prioritize
 9 the paybacks and allocate excess funds differently.

10 Mrs. McCarthy inquired if they could receive redlines when they discuss revisions to the
 11 code. Mr. Dahl stated when possible, they will provide this in the future.

12 Mayor Willcox referred to item No. 7(g) (Approval of First Reading of Ordinance 777),
 13 and commented the new ordinance gives the police a lot more tools to enforce the code relating to
 14 massage services. Mr. Dahl agreed and stated the amendments also allow accredited massage
 15 schools from outside of the State of Minnesota. The City Clerk worked with the City Attorney,
 16 Police Chief and City staff to draft the ordinance.

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

19 a. Approval of City Council Workshop Meeting Minutes of November 1, 2017 and City
 20 Council Regular Meeting Minutes of November 1, 2017

21 ~~b. Approval of Check Register~~

22 c. Approval of Municipal Licenses

23 d. Police Activity Report

24 e. Building Activity Report

25 f. Approval of Resolution No. 51-2017 Adopting the 2018 Wayzata City Council Meeting
 26 Schedule

27 g. Approval of First Reading of Ordinance 777 Amending Chapter 523 of Wayzata City Code
 28 (Massage Services)

29 h. Approval of Resolution No. 52-2017 Establishing the Payback of Interfund Loan for
 30 Advance of Certain Costs in Connection with Tax Increment Financing District No. 5

31 There was no further discussion. The motion carried 5/0.

32 Mr. Plechash made a motion, seconded by Mrs. McCarthy, to approve Consent Agenda
 33 Item 7(b) (Approval of Check Register). There was no further discussion. Motion carried 4/0/1
 34 (Tyacke abstained).

36 **AGENDA ITEM 8. New Business.**

37 **a. Consider Approval First Reading of Ordinance No 776 and Approval of 53-2017**
 38 **Authorizing the Issuance and Sale of \$2,905,000 G.O. Water Revenue Refunding**
 39 **Bonds, Series 2017A**

40 City Manager Dahl reported that every year, the City's Financial Advisor, Ehlers and Associates,
 41 goes through the City's outstanding bonds and makes recommendations on refinancing
 42 opportunities. This year, they recommended a refunding opportunity for the General Obligation
 43 Water Revenue Bonds that were issued in 2009 for construction of the Water Treatment Plant. This
 44 refunding is solely for interest savings and does not extend the duration of the bonds. It will require
 45 a public hearing and the awarding of the bond will be on December 19, 2017.

46 Mrs. McCarthy inquired if this was a simple reissuance of the bond in order to have a lower
 47 interest rate and if the savings includes the fee to reissue the bond. Mr. Dahl confirmed this, and
 48 noted it saves the City about \$20,000 a year with the same terms and includes all administrative
 49 fees.

50 Mr. Koch inquired if there was any interest rate risk over the next year. Mr. Dahl stated
 51 the rate will be set in December of 2017.

1 Stacey Kvilvang, Ehlers and Associates, commented they can complete a tax-exempt
2 advance refunding if it is done before the end of the year. This tax-exempt option is being taken
3 away with the new tax reform bill as a way to pay for other tax cuts. The interest rates will be set
4 on December 19, 2017 and the savings will not be realized until 2019.

5 Mayor Willcox inquired if there were any other provisions in the tax bill they need to be
6 aware of.

7 Ms. Kvilvang stated the House bill is eliminating private activity bonds, which may deter
8 development at the local level. However, the Senate bill has preserved the private activity bond.
9 The property tax deduction is also an issue, it could have an impact on affordable housing, and they
10 expect to see the amount of it available slow down.

11 Mr. Tyacke inquired if the interest rates on the bonds are fixed or floating rates, and if the
12 present value is dependent on rate of the refunding bonds.

13 Ms. Kvilvang responded they are fixed rate bonds. It is based on the estimates they have
14 for true interest cost, which is a little over two percent. Once they sell the bonds and know the
15 actual interest rate, it will be recalculated to see the actual savings.

16 Mr. Koch inquired if there is a limit to the number of times they can go through this process
17 to refinance.

18 Ms. Kvilvang responded they can refinancing on current items anytime, but can only do it
19 once with advance refundings.

20 Mrs. McCarthy made a motion, seconded by Mr. Tyacke, to approve the First Reading of
21 Ordinance No. 776 Authorizing the issuance of General Obligation Water Revenue Refunding
22 Bonds. There was no further discussion. Motion carried 5/0.

23 Mr. Tyacke made a motion, seconded by Mr. Plechash, to adopt Resolution No. 53-2017
24 Providing for the Sale of \$2,905,000 General Obligation Water Revenue Refunding Bonds, Series
25 2017A. There was no further discussion. Motion carried 5/0.
26

27 **b. Consider Approval of Resolution No. 56-2017 Approving Detachment/Annexation of**
28 **649 Ferndale Road West**

29 Director of Planning and Building Thomson reported Matthew and Maria Hemsley own the
30 property at 649 Ferndale Road West and have requested the City annex part of the property from
31 the City of Orono to the City of Wayzata since the two cities boundaries bisect it. The existing
32 single-family home is located on the two lots that are located in the City of Orono. The other two
33 lots are located in the City of Wayzata, one of which contains a carriage house and the other is
34 undeveloped. The Orono City Council has reviewed and approved the detachment. If approved by
35 the City of Wayzata, the application will be submitted to the Chief Administrative Law Judge of
36 the State for final review and approval. Staff recommends approval for annexation of the property
37 into the City of Wayzata because the utilities and street access for the property are already located
38 here, the City is already providing fire services to the lot, and there is a tax benefit to the City.

39 Mr. Tyacke inquired if there is any further action required by the City of Orono. Mr.
40 Thomson confirmed no further action was needed.

41 Mrs. McCarthy noted by approving this resolution, the City is increasing its footprint. She
42 inquired if it would affect voting or school boundaries, and also requested to know more about the
43 future of the property.

44 Mr. Thomson responded this will go through the State process to make the owners eligible
45 to vote in Wayzata, but he does not think it will affect the school boundary. The owners plan to tear
46 down the existing house and build a new one on the site. When the City annexes the property to
47 Wayzata, it will take on the R-1A zoning district and the lot line would need to be adjusted as part
48 of the lot combination request.
49

50 Matt Hemsley, owner of the property at 649 Ferndale Road West, commented he donated
51 the existing home on the property to the Wayzata Fire Department for training, and the house has

1 since been torn down. They plan to build a new home in the same spot and it will be a larger, white
 2 colonial house. They will break ground in the spring and hope to have the house completed 18 to
 3 24 months later. The school district boundary is not a concern to them because their kids will attend
 4 Breck.

5 Mayor Willcox inquired what the process was with Orono.
 6 Mr. Hemsley responded he met with the Mayor who was supportive, and his attorney
 7 worked with the City of Orono to develop the resolution that was then adopted.

8 Mr. Tyacke inquired about the property along the road that is not being annexed.

9 Mr. Hemsley explained that area is an extension of the property from across the street.

10 Mr. Plechash made a motion, seconded by Mrs. McCarthy, to adopt Resolution No. 56-
 11 2017 on the Concurrent Detachment and Annexation of Land. There was no further discussion.
 12 Motion carried 5/0.

13
 14 **c. Consider Approval of Resolution No. 54-2017 Appointing a Housing and**
 15 **Redevelopment Authority Commissioner**

16 Mayor Willcox noted they held interviews for candidates before the City Council meeting.

17 City Manager Dahl reported they had a lot of good quality candidates apply.

18 Mr. Koch made a motion, seconded by Mr. Tyacke, to adopt Resolution No. 54-2017
 19 Appointing Steven Fox as a Housing and Redevelopment Authority Commissioner. There was no
 20 further discussion. Motion carried 5/0.

21
 22 **d. Consider Approval of Resolution No. 55-2017 Appointing Planning Commissioners**

23 City Manager Dahl reported they had four applicants for the three openings on the Planning
 24 Commission, one of which will fill the remaining term of Lynn Gruber and begin in December
 25 2017.

26 Mr. Koch made a motion, seconded by Mrs. McCarthy to adopt No. 55-2017 Appointing
 27 Peggy Douglas, Cathy Iverson, and Christine Plantan as Planning Commissioners, with Peggy
 28 Douglas beginning her term in December 2017. There was no further discussion. Motion carried
 29 5/0.

30 Mayor Willcox thanked everyone who applied for the positions on the Commissions.

31
 32 **AGENDA ITEM 9. City Manager's Report and Discussion Items.**

33 **a. Upcoming Events/Announcements**

- 34 • City Offices will be closed Thursday, November 23 and Friday, November 24.
- 35 • Light Up the Lake will take place on Friday, November 24 at 4:00 p.m. at the Depot. He
 36 provided details on the event and noted they will be accepting toy donations.
- 37 • Small Business Saturday will be on November 25.
- 38 • The Jingle Mingle fundraising event for the Officer Matthews family will take place on
 39 Thursday, November 30 at Wayzata Brew Works.
- 40 • Santa and his reindeer will be at Colonial Square on December 5 and December 16.
- 41 • Shop With A Purpose will be on Friday, December 15.
- 42 • The American Institute of Architects has recognized the Mill Street Parking Ramp as an
 43 Honor Award recipient. The award ceremony will be in December, and information will
 44 be provided when it is available.

45
 46 City Manager Dahl noted they have more competition with their liquor sales, but it did not affect
 47 the sales over the weekend. They will continue to boost their marketing and hope sales are better
 48 than expected through the holiday season.

49
 50 **b. Council Member Updates/Announcements**

1 Mayor Willcox recognized Council Members Tyacke and McCarthy who did a great job while
2 participating on the steering committee for the Mill Street Ramp. He also noted there was a great
3 turnout for the fundraiser on November 17 at the American Legion for the "Wayzata to the Wall"
4 event.

5
6 Mr. Plechash wished everyone a Happy Thanksgiving and stated the people of Wayzata have a lot
7 to be thankful for.

8
9 **AGENDA ITEM 10. Public Forum Continued (if necessary).**

10 There were no comments.

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

13 Mr. Plechash made a motion, seconded by Mr. Koch to adjourn. There being no further business,
14 Mr. Willcox adjourned the meeting at 7:58 p.m.

15
16 Respectfully submitted,

17
18 *Becky Malone 12-05-2017*
19

20 Becky Malone
21 City Clerk

22
23 Drafted by Shannon Schmidt
24 *TimeSaver Off Site Secretarial, Inc.*