Council Present: Patty Acomb, Dick Allendorf, Tim Bergstedt, Bob Ellingson, Tony Wagner, and Mayor Terry Schneider. Brad Wiersum was excused.

Staff: Geralyn Barone, Perry Vetter, Merrill King, Julie Wischnack, Kevin Maas, Brian Wagstrom, John Vance, Jeff Sebenaler, Scott Boerboom, Phil Olson, Jeremy Koenen, Will Manchester, Joel Merry, Liz Berger, Kelly O'Dea, Sara Woeste, Dave Johnson, Corrine Heine, Jim Malone, Darin Ellingson, and David Maeda

Schneider called the meeting to order at 6:30 p.m.

1. City Manager’s Report

   City Manager Geralyn Barone asked Public Works Director Brian Wagstrom to give an update on the solar gardens, and he did.

   Fire Chief John Vance provided an update on the private fire hydrant program.

   City Engineer Will Manchester gave an update on the Libb’s Lake street reconstruction project and the removal of trees.

2. Ridgedale Area Ordinance Discussion

   Community Development Director Julie Wischnack gave the staff report.

   Schneider indicated the PID ordinance needs to be updated and made more relevant. Some traffic management criteria and general guidelines would be appropriate, and the ordinance could be simplified. Schneider was reluctant to specify minimum sizes and suggested using the guide plan narrative as a controlling factor.

   Wagner noted the dilemma of being too limiting. He thought more intensity near the mall was appropriate, while the neighborhood expectations were for lower height near the residential area.

   Allendorf asked if the ordinance was changed, if Wells Fargo could say it came in under the original ordinance and therefore were grandfathered in. Wischnack said that could only happen if Wells Fargo formally submitted an application, which they have not yet done.
Bergstedt noted the staff report indicated there were only eight properties in the Ridgedale Mall area that have potential for redevelopment. There was the current ordinance and the overlay district. He thought it was important not to get too prescriptive when so few properties were involved. Being overly prescriptive could have a much broader impact on redevelopment and making people jump through too many hoops.

Wischnack said staff would draft a framework and map out possible density for each area. The goal would be to allow flexibility yet vision and tie in some incentives.

3. **2017 – 2021 Capital Improvement Program (CIP)**

Barone noted over the past few years the council during its review of the CIP had discussed a number of ideas with an eye toward the future. These included the proposed light rail station areas, possible trail connections, infrastructure and public safety needs. Staff had made some difficult decisions in what to include in this year’s proposed CIP. She presented the staff report.

Wagner supported the middle approach for trail system buildout. He prefers construction of trails along county roads. As a way to reduce expenses for new trails, Wagner suggested marketing to current property owners along trail routes the potential to donate trail easements at the time they sell their home.

Acomb said she wanted to make sure there was emphasis put on school locations when determining what trails should be built. She said earlier in the day she asked Barone how long it would take to build out the system at the current pace and was told it would take around 35 years. Acomb felt this was too long and she would like to see a more aggressive approach understanding that came with a price tag.

Allendorf said he had not had residents come to him asking that trails be built out faster. He felt the mindset that the trails had to be built out in a certain timeframe was wrong. He said what should be done was balance the costs to residents with the costs of the trails.

Acomb said she often hears from residents with safety concerns about walking to an area in the city.

Schneider noted the original trail system goal was to connect city parks via the system, and he felt that had been accomplished to a certain extent. He added a shift has been made from providing trails for very active recreation to a
transportation system. Schneider identified three buckets for trails: critical commercial connections, as in the Ridgedale area; general recreation; and transportation corridors where safety is a concern.

Schneider disagreed with using General Fund taxes to fund trail construction at a faster pace. He noted recreation trails can be built a little bit at a time. He said Ridgedale connections would occur with redevelopment of the area, recreation trails could be done a little at a time, and the cost for trails along county roads that are quite unsafe would be major. He suggested figuring out where the needs are and then put a referendum question before the voters related to trail funding. The referendum would be similar to the parks and open space referendum approved by Minnetonka voters.

Wagner suggested he was open to looking at a referendum for trails, but wanted to prioritize north-south routes over east-west routes.

Allendorf said he would support that idea. If voters approved a trails referendum, he could no longer say he had not heard from residents asking that the trails be built out. He said after reading the staff report he would have a difficult time approving trails against approving police vehicles.

Finance Director Merrill King said the CIP financing methodology recommended by staff was developed during the recession when the city very carefully cut its budget including layoffs. She said the city was very fortunate to have a tax base that stayed relatively strong despite the recession. She presented information showing recent history and planning for use of the city’s fund balances to finance capital budgets.

Barone said her concern with conducting a referendum for trails was the potential implications of it failing to pass. How would the trails be funded? It would be difficult to raise the levy or use a franchise fee if voters voted down the referendum.

Bergstedt noted the city had cable franchise fees, electrical franchise fees, and the staff report indicated the city had not used a natural gas franchise fee like neighboring cities. Those cities were using the natural gas franchise fees for a number of things like trails and sidewalks. He asked why staff was not recommending looking at a natural gas franchise fee at the current time. Barone said when she had previously brought up the idea to the council she didn’t sense a warm reception to the idea. It was included in the staff report as an option for the council to consider if it wanted to be more aggressive with trails.
Wagner said his concern with using fees for trails was he preferred the fee be used toward something more closely related like the electric franchise fee use for burying power lines.

Ellingson requested that the electrical lines be buried along Woodhill Road.

Allendorf said it seemed to him that there needed to be a balance with what would be done. If the 2.3 percent increase was the total increase for the tax levy for this year, he would say to himself that was pretty balanced, but he assumed there would be a 3-4 percent operating increase as well. That would mean going to residents with a 6-7 percent levy increase. He said there had to be other ways to raise revenues, or cut back on trails, or fund trails a different way that wouldn't jolt residents with a 6-7 percent increase. He felt the budget stabilization reserve was working exactly the way it should and that it showed staff was doing a good job with the budget. He didn’t think the approach should change to using that unspent money towards trails.

Wagner noted six out of the past seven years there had been a surplus in the budget stabilization fund. This meant a trend had been established. He thought the capital projects should be adequately funded through the levy.

Allendorf said he didn’t understand Barone’s concern about a referendum and what would happen if it failed. He said if that happened, it would indicate residents were not supportive of putting that much funding toward trails.

Bergstedt said he could support the proposed 2.3 percent increase. It was a big number and when the council looks at the budget in the fall, he would take a hard look at the increase. He said the fact there was a budget surplus the past few years was an indication of a healthy economy.

Acomb said in looking at the 2.3 percent increase she would put trails in the “wants” category rather than the “needs category,” but she had a high “wants” for trails.

Allendorf said he didn’t like the “either/or” nature of the document. Rather he thought the approach should be a balancing act amongst revenue streams. Given the trend of surpluses since 2009, especially if the surplus was not spent on trails, he did not see why a 2.3 percent increase was needed.

Regarding light rail transit, Schneider supported staff’s recommendation not to fund the station-ready costs for the area south of Smetana Road and east of Feltl Road. He suggested if area property owners wish to be specially assessed for
the improvements, he would consider that. Other council members generally agreed.

Barone presented information about providing vouchers for residents who lose trees in the right-of-way as part of a street reconstruction project. Council showed general interest in a program to replace trees removed in the city’s right-of-way. Allendorf was wary of the “slippery slope,” but was still supportive of “only a tree voucher.” Wagner and Bergstedt additionally suggested more education in the Minnetonka Memo on planting in rights-of-way. Staff will develop a voucher program for tree replacement.

Barone reviewed the parks and recreation section of the CIP.

Schneider suggested moving the budget for the Glen Lake Activity Center to 2021 in order to provide vetting time. He supported using only the Community Investment Fund when it is funded, but would need to understand the full benefits of the project. Wagner expressed concern about expending $10 million on a facility isolated in one corner of the city and preferred a more central location.

Schneider noted the Bennett Family Park request should outline what public purpose is met, and Allendorf agreed.

The council briefly discussed the Public Safety Facility Study and generally concluded that it should be constructed earlier rather than later in the five-year period of the CIP. The council was aware that bonding for trails could occur during the same general time period as a public safety facility.

Schneider asked that the support for the Big Willow Park Enhancement project come from the community.

Wagner reiterated his support for constructing north/south trail routes, rather than east/west.

Wagner asked if there were water body remediation matching grants for “impaired lakes.” Barone noted grants are available and explained this could appropriately be discussed as part of the operating budget instead of the CIP.

Barone said staff would take the council’s comments into consideration, including bonding for trails, and would modify the recommendations.

4. 2017 – 2021 Economic Improvement Program (EIP)
Wischnack presented information about the EIP.

5. **Adjournment**

The study session adjourned at 9:33 p.m.

Respectfully submitted,

David Maeda  
City Clerk