1. Call to Order

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

2. Pledge of Allegiance

All joined in the Pledge of Allegiance.

3. Roll Call

Council Members Brad Wiersum, Tim Bergstedt, Tony Wagner, Bob Ellingson, Dick Allendorf, Patty Acomb, and Terry Schneider were present.

4. Approval of Agenda

Wiersum moved, Bergstedt seconded a motion to accept the agenda, as presented. All voted “yes.” Motion carried.

5. Approval of Minutes: December 5, 2016

Allendorf moved, Acomb seconded a motion to approve the December 5, 2016 regular council meeting minutes, as presented. All voted “yes.” Motion carried.

6. Special Matters: None

7. Reports from City Manager & Council Members

City Manager Geralyn Barone reported on upcoming meetings.

8. Citizens Wishing to Discuss Matters not on the Agenda

9. Bids and Purchases:

A. Approval of Avolve Software purchase

   Barone gave the staff report.

   Acomb moved, Wiersum seconded a motion to approve the contract to purchase Avolve Software. All voted “yes.” Motion carried.

10. Consent Agenda – Items Requiring a Majority Vote:
A. 2017 general liability insurance and workers’ compensation renewals

Allendorf moved, Wagner seconded a motion to authorize renewal of the city’s insurance policies through LMCIT for package policies with the following options:

1) $25,000/$150,000 deductible for the package policies
2) 100% Open Meeting law coverage
3) No waiver of statutory limits
And the renewal of the LMCIT workers’ compensation policy with a $10,000 deductible. All voted “yes.” Motion carried.

B. Designation of the city’s official newspaper for 2017

Allendorf moved, Wagner seconded a motion to designate Lakeshore Weekly News as the city’s official newspaper for 2017 legal notices. All voted “yes.” Motion carried.

C. City manager performance pay

Allendorf moved, Acomb seconded a motion to approve a lump sum merit pay amount of $1,430.27. All voted “yes.” Motion carried.

11. Consent Agenda – Items requiring Five Votes:

A. Resolution accepting gifts, donations and sponsorships given to the city during 2016

Allendorf moved, Wiersum seconded a motion to adopt resolution 2016-135 to accept the list of gifts, donation and sponsorships for 2016, which have a total estimated value of $187,223.55. All voted “yes.” Motion carried.

B. Applications for renewed precious metal and secondhand dealer licenses for 2017

Allendorf moved, Wiersum seconded a motion to approve the precious metal and secondhand dealer licenses for Evergreene Jewelers; Ideal Diamond, Inc.; Best Buy #4; Best Buy Mobile #2975; Best Buy #2621; and Shane Co. for license year January 1, 2017 through December 31, 2017. Wiersum, Bergstedt, Ellingson, Allendorf, Acomb, and Schneider voted “yes.” Wagner abstained. Motion carried.

12. Introduction of Ordinances: None
13. Public Hearings:

A. Resolutions regarding utility related items:
   1) Municipal water and sanitary sewer rates;
   2) Municipal water and sanitary sewer connection fees;
   3) Recycling fee; and
   4) Stormwater rates.

Finance Director Merrill King gave the staff report.

Schneider opened the public hearing at 6:48 p.m. No one spoke. He closed the public hearing at 6:48 p.m.

Allendorf said he knew the water and utility rates needed to increase but the level of increase, around $72 per year, might cause concerns. He suggested not only including information in the city’s newsletter but also including an insert in the utility bills. The increase won’t hit people until they see the bill and he said when it did hit, people would expect a good explanation for the increase.

Wiersum moved, Acomb seconded a motion to adopt resolution 2016-136 approving municipal water and sanitary sewer rates; Resolution 2016-137 approving municipal water and sanitary sewer connection rates; Resolution 2016-138 approving the recycling fee; and Resolution 2016-139 approving stormwater rates effective January 1, 2017. All voted “yes.” Motion carried.

B. On-Sale & Sunday On-Sale Intoxicating liquor license for Fun Eats and Drinks, LLC (dba Champps), 1641 Plymouth Road

Barone gave the staff report.

Schneider closed the public hearing at 6:51 p.m.

Wagner moved, Bergstedt seconded a motion to grant the license and renew the license for 2017. All voted “yes.” Motion carried.

14. Other Business:

A. Resolution amending loan documents executed in connection with the multifamily housing revenue obligations issued for the benefit of CHC Minnetonka Affordable Housing LLC; and authorizing the
execution and delivery of an amendment document in connection with the request

Community Development Director Julie Wischnack gave the staff report.

Gina Fiorini, from Kennedy and Graven, said in May 2016 the council approved the issuance of conduit revenue bonds for the multi-family housing project. The proceeds were to be loaned to the Minnetonka Affordable Housing LLC to construct the Music Barn apartments, acquire and rehab the Elmbrooke Apartments, and rehab eight units in Golden Valley. On August 8, 2016, the council approved short term financing for the project. The plan was the developer would refund the short term financing with long term housing revenue bonds sometime before the end of the year. As part of the short term financing there was a provision establishing a mandatory redemption date of December 31, 2016. The borrower was now requesting the redemption date be extended to May 31, 2017. They expected to pay sometime early in the year. The permanent part of the project would be secured by a FHA mortgage and would require HUD approval. There also was a new tax credit investor involved. The bonds would continue to be secured solely by the revenues from the facilities.

Wiersum asked if the change in administration would exacerbate the amount of time to get the federal approvals done. Fiorini said she was not sure but did not think anything major would change before May.

Allendorf asked what the schedule was to begin construction on the project. Wischnack said she estimated it would begin in the spring. Staff would hold a neighborhood meeting to bring the neighbors up to date on the project.

Bergstedt moved, Wagner seconded a motion to adopt resolution 2016-140 authorizing the execution of related documents that include Master Amendment Agreement and Amendments to Note. All voted “yes.” Motion carried.

B. Items concerning Groveland Elementary School at 17310 Minnetonka Blvd and 3217 Groveland School Road:

1) Conditional use permit
2) Site and Building Plan Review
3) Comprehensive Plan Amendment
4) Resolution designating no parking area
City Planner Loren Gordon gave the staff report.

Wagner asked for information about the new sidewalk and curbing in the area. Gordon said the current curbing ends just north of the parking lot on the east side and extends a little further on the west side. Staff would like the school district to build the sidewalk from Minnetonka Boulevard up to the new parking lot. The timing would need to be reviewed because of 2021 street improvements in the area. Wagner said he drives by the school every day and noted there were drainage issues in the area. While he appreciated the parking restrictions, he had some concerns about how it would functionally work. When he drops his daughter off at the school between 7:15 and 7:40, there were usually one to eight other cars there and when he picks his daughter up there were usually four to 12 cars. Parents have to go inside and sign that their son/daughter is being dropped off or picked up. The resolution indicated the parking restrictions would begin immediately upon council approval. He thought it would be better to wait until a broader traffic management plan has been updated.

Wiersum said it was well known that the parking in the Sanctuary neighborhood was very tight. He questioned if there were any discussions about Sanctuary having some access to the school parking lot if there was a need. Gordon said the topic was discussed over the years as Sanctuary was built out. Concerns are still being raised about the lack of parking on the private street. What has been discussed in the past was on street parking on Groveland School Road. He wasn’t sure what the conversations were between the residents and the school district. Wiersum recommended if the issue comes up, that some creativity and flexibility be allowed to address the problem.

Schneider said in situations where residential property abuts a street with no parking typically if there was a special event like a wedding reception or graduation, the residents could obtain a special permit that allowed parking for a limited time. He said it would be nice to alert this neighborhood of that option. This wouldn’t address the daily issue of Sanctuary needing more parking.

Acomb asked if parents could park in the parking lot when signing their children in and out. Wagner indicated that staff parking fills the lot. His thought was once the changes were complete, the parking issue would be revisited. Acomb said for her the safety issue was the top issue to be addressed. At the planning commission hearing, neighborhood residents raised safety concerns about all the cars in the area and parents dropping off and picking up students. Her question for the school district was if there
were parking spaces in the parking lot that could be designated for parents dropping off and picking up students.

Schneider said during the interim before the traffic management plan was done, if signs were posted and no parking was enforced for the west side parking, but short term parking was allowed on the east side for a certain distance, drivers would drive around so their door wasn’t opening on to the street. This might be a reasonable accommodation that could be made until a long term permanent plan was developed.

Paul Bourgeois, executive director for finance and operations for the Minnetonka School District, said in terms of the overall plan the district was open to doing whatever it took to alleviate the concern. There would be ample capacity to solve the problem once the parking lot was built. In the meantime, there were around five more months left in the existing school year where the existing setup would still be used. The district would be open to interim solutions. He noted there were three stormwater ponds included in the project so a lot of the current runoff would be absorbed. He thought the sidewalk was a good improvement. Agreements were in place with St. Luke’s.

Wiersum asked for more information about the timing. Bourgeois said the hope was for the contractor to start as soon as possible once construction conditions allow. The district is looking at bidding the project out with a June 30 substantial completion date.

Acomb applauded the district and church for working together in coming up with a win-win for both. There were many improvements including pedestrian safety and stormwater treatment improvements.

Wiersum moved, Wagner seconded a motion to adopt resolution 2016-141 approving a conditional use permit and site and building plan review; adopt resolution 2016-142 approving a comprehensive guide plan amendment from low density residential to institutional. All voted “yes.” Motion carried.

15. Appointments and Reappointments:

A. Appointment to the senior citizen advisory board

Schneider moved, Allendorf seconded a motion to approve the appointment of Frederick Leverentz to the senior citizen advisory board, to serve a two-year term, effective December 20, 2016 and expiring on May 31, 2018. All voted “yes.” Motion carried.
16.  Closed meeting as permitted by the attorney-client privilege (Minn. Stat. 13D.05, subd. 3) to discuss pending litigation

Heine gave a staff report.

Schneider moved, Bergstedt seconded a motion to convene in a closed session to discuss Minnesota Fine Wines & Spirits’ appeal of the city’s decision not to grant a liquor license. All voted “yes.” Motion carried.

17.  Adjournment

Bergstedt moved, Wiersum seconded a motion to adjourn the meeting at 8:37 p.m. All voted “yes.” Motion carried.

Respectfully submitted,

David E. Maeda
City Clerk