1. **Call to Order**
   Mayor Terry Schneider called the meeting to order at 6:41 p.m.

2. **Pledge of Allegiance**
   All joined in the Pledge of Allegiance.

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

4. **Approval of Agenda**
   Wiersum moved, Allendorf seconded a motion to accept the agenda with an addendum it item 14B. All voted “yes.” Motion carried.

5. **Approval of Minutes: None**

6. **Special Matters:**
   A. **Proclamation declaring April 22, 2017 as Earth Day**
      Wiersum read the proclamation.
   
   B. **Proclamation declaring April 28, 2017 as Arbor Day**
      Bergstedt read the proclamation.

7. **Reports from City Manager & Council Members**
   City Manager Geralyn Barone reported on upcoming meetings and city events.

8. **Citizens Wishing to Discuss Matters not on the Agenda**
   County Attorney Mike Freeman provided an update on his office’s activities.
Schneider said that people understood the impact of major crimes and drug use. He said the increase in white-collar crime and people taking advantage of senior citizens may not seem as earth shaking but was dramatic for the victims. He asked Freeman what efforts were being made in that area. Freeman agreed it was dramatic for seniors to be scammed by members of their family or a caregiver. He was working on a case earlier in the day involving a personal caregiver who stole her victim’s credit card and ran up a bunch of bills. He said this was really wrong and he was tough on this type of crime. It was difficult for someone to come forward when it was their own child ripping them off. There was the economic part and the physical violence part. The county attorneys went to the legislature to get an increased felony for physical violation of a senior citizen. Financial crimes were more difficult. He said the a lot of times the criminal justice system was not the answer to a lot of these situations. The answer was for people in the community and senior citizens groups helping to educate seniors on how to be careful with their money. Another important thing was helping seniors understand expressing concerns was not a bad thing.

9.  **Bids and Purchases:**

A.  **Bids for the 2017 Crosby Road Rehabilitation Project**

   Barone gave the staff report.

   Wiersum moved, Bergstedt seconded a motion to award contract to GMH Asphalt Corporation in the amount of $1,486,480.51 for the Crosby Road Rehabilitation Project No. 17401 and amend the CIP. All voted “yes.” Motion carried.

B.  **Bids for storage building**

   Barone gave the staff report.

   Allendorf moved, Bergstedt seconded a motion to reject all bids. All voted “yes.” Motion carried.

C.  **Bids for diseased and miscellaneous tree maintenance and removal**

   Barone gave the staff report.

   Wiersum moved, Allendorf seconded a motion to award contract to Davey Tree Expert Company, dba S&S Tree and Horticultural Specialists, Inc. All voted “yes.” Motion carried.
10. Consent Agenda – Items Requiring a Majority Vote:

A. Agreements from the Metropolitan Council Local Housing Incentive Account funds for Homes Within Reach

Allendorf moved, Bergstedt seconded a motion to approve the sub-recipient agreement with Homes Within Reach. All voted “yes.” Motion carried.

B. Resolution supporting local decision-making authority

Schneider pulled the item from the consent agenda. He said there were a number of proposals at the legislature that would restrict the city’s ability to do what it has a done a good job managing for a number of years. He said it appears the legislature would like to micromanage cities way more than is appropriate. He read the resolution.

Barone said staff was following the proposed legislation closely and was working with local legislators to alert them to the impact. The proposals restrict things like some of the financial authority a city council has in making decisions for its community. Others give away rights to the private sector such as control over right-of-ways.

Wiersum said he strongly supported the resolution and it was a pretty big deal for residents. He said some of the proposals would really strip away local control. This would mean decisions historically made by the city would now be made at the Capitol. He said in a good business sense, the council was close to its customers. If a resident doesn’t like what the council is doing they can talk directly to the council members. This can happen at the state and federal levels but it happens much more easily at the local level. Good government is local. Stripping away local authority would cause the council to be less effective in representing Minnetonka residents. He said sometimes it makes sense for the state to be the decision-making authority but when in doubt, it should come to the local level. The council is uniquely equipped to deal with issues that are much tougher to deal with at the state level.

Schneider moved, Wiersum seconded a motion to adopt resolution 2017-033 supporting the local decision-making authority. All voted “yes.” Motion carried.

11. Consent Agenda – Items requiring Five Votes:

A. Change orders to contract for Trunk Forcemain Lining Project – Phase III and amendment to 2016 Capital Improvement Plan
Allendorf moved, Bergstedt seconded a motion to amend the 2016 CIP to $1,750,000 for the trunk forcemain lining project and ratify the two change orders to the Visu-Sewer, Inc. contract, in the amount of $359,192.45. All voted “yes.” Motion carried.

12. Introduction of Ordinances: None

13. Public Hearings:

   A. Temporary on-sale liquor license for ResourceWest, for use at 14600 Minnetonka Boulevard

   Barone gave the staff report.

   Tarrah Palm, executive director ResourceWest, provided details about the fundraising event.

   Schneider opened the public hearing at 7:20 p.m. No one spoke. He closed the public hearing at 7:20 p.m.

   Bergstedt moved, Wiersum seconded a motion to grant the license. 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.

   Jay Jensen with Shelter Corporation said the tax credit market for the past five months had been in turmoil because no one knew what the federal corporate income tax rate was going to be. Fortunately, in U.S. Bank, there was a large tax credit purchaser with significant presence here. His company had done a number of projects with them before. U.S. Bank quoted him a tax credit price, and while it wasn’t what it was eight months ago, it was better than the alternatives out there, or doing nothing at all. He was optimistic about pulling things together by this summer.

   Bergstedt said this project started about three years ago. The council approved the proposal two years ago. Internally there had been the
extensions. He said the city and council is often criticized for not being transparent and a number of people have moved into Beachside over the past couple of years. Once everything was finally pulled together he thought it would be a neighborly thing to do to bring people up to date that were not previously involved in the process so they are not blindsided.

Jensen said that was a great idea and he would work with staff to send out notices to the area.

Wiersum asked had the tax credit market conditions existed when the project began, would Shelter Corporation have pursued the project. Jensen said the company had been doing affordable housing for 40 years. Back in 2006-2007 during the recession when the real estate market fell into a depression, the tax credit rates dropped into the 60’s and the company still did tax credit projects. They were harder to do and not as many were done. Historically, .89 cents was still really good. He said it was fortunate to be working with a nonprofit who had resources.

Schneider said this wasn’t the only one in this category. Everybody is trying to figure things out and the key was having a solid relationship with the tax purchaser.

Allendorf said when he has talked with residents about when this project would finally break ground he tried to focus on this was not just 27 units but rather was 81 units. This was a significant addition to the community. He suggested this should go out with the other communications Shelter Corporation sends out.

Wiersum moved, Bergstedt seconded a motion to adopt resolution 2017-034 authorizing the execution of related documents that include Second Master Amendment Agreement. All voted “yes.” Motion carried.

B. Preliminary and final plats, with front yard setback variances, and waiving the McMansion Policy, for THE ENCLAVE AT REGAL OAK at 3639 Shady Oak Road and 3627 Regal Oak Lane

Roger Anderson, the agent representing the owner requested that consideration of the item be postponed for approximately one month.

Bergstedt moved, Wiersum seconded a motion to table the item to a future date. All voted “yes.” Motion carried.

C. Approval of a new outdoor attraction at The Big Thrill Factory at 17501 State Highway 7
City Planner Loren Gordon gave the staff report.

Bergstedt said when the outdoor activities first were approved there were some concerns if there would be complaints from neighbors. There have not been any complaints.

Schneider said he has been inside a couple of times with his grandchildren but drives by every day and notices the parking lot is always full. He said the company was meeting a need in the city.

Wiersum said the city was a little careful with the original approvals but that it turned out to be a nice facility.

Bergstedt moved, Allendorf seconded a motion to approve the new outdoor attraction at The Big Thrill Factory at 17501 State Highway 7. All voted “yes.” Motion carried.

D. Resolution approving the subordination of a Contract for Private Redevelopment to HUD

Wischnack gave the staff report.

Wiersum moved, Bergstedt seconded a motion to adopt resolution 2017-035 approving the Subordination of Contract for Private Redevelopment and subordination of a Declaration of Restrictive Covenants to HUD between Glen Lake Senior Housing, LLC; the Minnetonka Economic Development Authority; and the city of Minnesota. All voted “yes.” Motion carried.

15. Appointments and Reappointments: None

16. Adjournment

Bergstedt moved, Wiersum seconded a motion to adjourn the meeting at 7:39 p.m. All voted “yes.” Motion carried.

Respectfully submitted,

David E. Maeda
City Clerk