

**MINUTES
MINNETONKA CITY COUNCIL
REGULAR MEETING, MONDAY, AUGUST 7, 2006**

1. CALL TO ORDER.

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

2. PLEDGE OF ALLEGIANCE.

All joined in the Pledge of Allegiance.

3. ROLL CALL.

Councilmembers Terry Schneider, Bob Ellingson, Brad Wiersum, Al Thomas, Dick Allendorf, and Jan Callison were present. Councilmember Wagner arrived at 6:38 p.m.

4. APPROVAL OF AGENDA.

Wiersum moved, Thomas seconded a motion to accept the agenda with the addendum. All voted "yes." Motion carried.

5. APPROVAL OF MINUTES: None.

6. SPECIAL MATTERS:

A. Recognize former state representatives Ron Abrams and Barb Sykora for their years of community service.

The council recognized Ron Abrams and Barb Sykora for their years of service in the Minnesota House of Representatives. Callison noted Abrams was unable to attend the meeting tonight.

Sykora thanked the council for their recognition and also for being so wonderful to work with over the past 12 years. She noted she thoroughly enjoyed her work as a state representative and looks forward to whatever comes next.

B. Minnetonka Community Action Recognition awards for Burwell House tour guides Gayle Andrs and Joan George.

The council recognized Gayle Andrs and Joan George for their work together to coordinate the school education program at the Burwell House.

Callison noted one of the council's concerns in investing resources in the Burwell House was whether it would be used by the

community. She commended the efforts of Andrs and George to ensure Burwell House has been used by the community and especially the school children.

Andrs thanked the council for the recognition and stated she enjoys the opportunity to tour guide and to work with school children and the community at the Burwell House. George invited the council to visit the Burwell House this summer.

C. Recognition of the Minnetonka Police Explorer Post.

The council recognized the Minnetonka Police Explorer Post program and their advisors for their contribution to the city of Minnetonka.

Wagner arrived at 6:38 p.m.

Kelly Phillips, Minnetonka Police Department, thanked the mayor and council for their continued support of the post and congratulated all the young people participating in the program.

Callison stated it is a pleasure to recognize the program and thanked all participants for their hard work.

7. REPORTS FROM CITY MANAGER & COUNCIL MEMBERS.

City Manager John Gunyou noted last weekend the city hosted the State American Legion baseball tournament at Big Willow Park, and it was a good showcase for the park and the maintenance crew. He noted the Tour de Tonka bike ride was also held last weekend, and the police department received a lot of compliments for controlling major intersections. The public works department also received recognition for preparing the streets.

Gunyou reported on the schedule for upcoming council meetings. He also noted August 22 is the city's 50th anniversary celebration, and invited the public to attend.

Callison noted a recent article in the *Star-Tribune* highlighted the financial difficulties faced by the city of Duluth related to the cost of retiree health insurance. She asked Gunyou to provide an explanation of Minnetonka's situation. Gunyou responded that is not an issue in Minnetonka, since the city does not cover retirees for health insurance. State law does require the city to make the city's health insurance program available to retirees, but similar to COBRA, retirees must pay their own premiums.

Wiersum stated he attended the Wizard of Oz at the art center and was very impressed by the performance and encouraged people to take advantage of future productions.

8. CITIZENS WISHING TO DISCUSS MATTERS NOT ON THE AGENDA.

No one appeared.

9. BIDS AND PURCHASES:

A. Consideration of bids for the Plymouth Road Storm Sewer Improvement Project No. 5615.

Gunyou provided the staff report.

Schneider moved, Thomas seconded a motion to award the bid for the Plymouth Road Storm Sewer Project No. 5615 to GL Contracting in the amount of \$123,682.00. All voted "yes." Motion carried.

10. CONSENT AGENDA (Items Requiring a Majority Vote):

A. Resolution authorizing the installation of traffic control devices at various locations within the city of Minnetonka.

Allendorf moved, Wagner seconded a motion to adopt Resolution No. 2006-098 approving the following traffic control devices:

- 1) No parking signs on the south side of Hanus Road between County Road 101 and Bluebird Lane.
- 2) Stop sign on Glenavon Court at Glenavon Avenue.
- 3) Stop sign on the south cul-de-sac of Ridgewood Road at Ridgewood Road.
- 4) Stop sign on Essex Place at Essex Road.

All voted "yes." Motion carried.

B. Resolution appointing election judges for the Primary Election on September 12, 2006.

Allendorf moved, Wagner seconded a motion to adopt Resolution No. 2006-099 appointing the election judges for the September 12, 2006 State Primary Election. All voted "yes." Motion carried.

C. Ordinance amending the juvenile curfew.

Allendorf moved, Wagner seconded a motion to adopt Ordinance No. 2006-15 amending Section 1005 regarding juvenile curfew. All voted "yes." Motion carried.

11. **Items requiring Five Votes:** None.

12. **INTRODUCTION OF ORDINANCES:** None.

13. **PUBLIC HEARINGS:**

A. Public hearing to consider a resolution that vacates public drainage and utility easements at 6001 Shady Oak Road for True North Investments.

Gunyou provided an overview of the staff report, noting this is a routine vacation of an easement.

Callison opened the hearing at 6:49 p.m. No one wished to speak, and Callison closed the hearing at 6:49 p.m.

Allendorf noted the resolution indicates the private easement is to be terminated; he asked if that is certain. Gunyou responded this action relates to just the utility easements.

Callison clarified there is no action on the southern easement. Gunyou concurred.

Allendorf moved, Wiersum seconded a motion to adopt Resolution No. 2006-100 vacating the drainage and utility easements, subject to completing the following conditions before the city releases the resolution:

- 1) Deed a new easement to the city. The description of the new easement is subject to staff approval.
- 2) Relocate the storm sewer and any other utility lines within a new easement and remove the existing pipe, as required by staff.
- 3) Provide title evidence as required by the city attorney.

All voted "yes." Motion carried.

B. Public hearing to consider a temporary on-sale wine license for the Hopkins-Minnetonka Family Resource Center for a fundraiser on October 7, 2006.

Gunyou provided an overview of the staff report and noted this is also a routine item; a similar event was held last year and staff recommends approval.

Callison opened the hearing at 6:51 p.m. No one wished to speak, and Callison closed the hearing at 6:51 p.m.

Wagner moved, Schneider seconded a motion to grant a temporary on-sale wine license for the Hopkins-Minnetonka Family Resource Center for a fundraiser on October 7, 2006. All voted "yes." Motion carried.

14. OTHER BUSINESS:

A. "McMansion" Policy.

City Planner Geoff Olson provided the staff report.

Wagner asked whether the policy is intended to use Floor Area Ratio (FAR) by itself or in combination with lot-behind-lot setback requirements. Olson responded that both tools will be used. He expected that this policy as well as the lot-behind-lot ordinance will be placed on the planning commission agenda. When the planning commission discussed the lot-behind-lot issue a number of months ago, members were concerned about how to restrict house size. The consensus was to regulate building mass, and the FAR approach achieves that.

Allendorf stated he likes the flexibility recommended by staff in limiting the FAR to the largest within 400 feet of the house, with the provision that it be on the same street. He asked for further explanation of that provision. Olson responded staff looked at a couple of examples. This policy is intended to ensure that houses are not visually incompatible on any one street. He noted staff also considered whether intersections should be taken into account, and planning commission feedback will be sought regarding that issue. Allendorf responded that makes sense.

City Attorney Desyl Peterson added this is a policy rather than an ordinance so it provides the flexibility to modify the policy as it might meet certain conditions attached to a specific application. For example, if an intersection really does define a neighborhood, the policy could be expanded to include more than one street.

Allendorf commented the Comprehensive Plan deals with areas and neighborhoods, and this policy deals with in-fill homes that

change the character of the neighborhood. He asked what the expectation is regarding how the Comp Plan will fit in and change this policy. Olson responded that is a difficult question to answer. Staff and council have not sat down to determine what the nature and scope of the Comp Plan will be yet. It may be that as the process begins, it will broaden the policy rather than replace the policy. It may consider if 22,000 square feet is still the right minimum lot area. This will be one piece of the discussion.

Wiersum stated he likes the recommended policy and likes the flexibility provided. However, he questioned whether 400 feet is sufficient. He added this policy puts tools in the toolbox and moves the city in the right direction.

Thomas agreed he would also like to discuss the 400 feet standard after the planning commission reviews the policy. He would like the planning commission to review the possibility of using an average FAR rather than allowing the possibility that one home may blow an entire street out of proportion.

Callison asked how many homes would be within a 400-foot distance. Wiersum responded it is four homes on each side. Callison stated she is not as concerned about one large home changing a neighborhood, but rather whether change that may be needed may be stifled in a neighborhood because of the small size of the largest house. If the largest house is the standard, then this might not permit people to upgrade their property.

Callison disagreed that the public purpose is to encourage smaller, more affordable homes on smaller lots. In her opinion, the purpose is the preservation of neighborhood character. This is not a very good tool to create affordable homes. She would like to see the emphasis changed in the policy.

Callison considered whether additions should be included, especially if they are in the back of houses. The focus should be on the street vista of the homes. She is trying to balance neighborhood character with property rights and efforts to improve homes. She does like the idea this is a policy that can be worked on before it is formally adopted.

Schneider agreed with Callison that the city should err on the side of preserving property rights while still achieving the goal of maintaining neighborhood character. In most cases, an addition on the back of a home would not require a variance, so it would not fall under this policy. He was pleased with the emphasis in the policy

regarding the negative impact on neighborhood character. He also liked the idea that if the city can see a defined house plan to ensure a good fit, then the proposal might be acceptable. Developers in particular will not be able to speculate; they will have to put some thought into the home, and that is a positive change. The process of having a policy before adopting an ordinance has a lot of merit.

Wagner agreed the placement of the house provides more flexibility to guide the neighborhood character issue. He would like to see planning commission discussion regarding FAR versus side yard setbacks and the combination of the two.

Allendorf stated in considering the Louis Avenue homes, it seemed the house the council approved could lead to the whole neighborhood being redeveloped. He suggested the planning director provide more specifics about examples like Louis Avenue. For example, if the policy says the largest FAR within 400 feet, this is an example of what could happen in this neighborhood. If the policy relies on average, this is what could happen in this neighborhood. That approach would provide the planning commission and council the best idea of what could happen with each scenario.

Gunyou stated staff did discuss whether an area that would lend itself to redevelopment could be stifled because of the small size of existing homes. As a result, the recommended policy includes an escape clause – specific house plans. Louis Avenue is a good example where the specific plans were available and the council could see how the proposed development would fit into the neighborhood.

Schneider agreed with Allendorf that it would be nice to review the possible neighborhood examples as applications come before the council.

Wiersum moved, Wagner seconded a motion to refer the draft McMansion Policy to the planning commission with the council comments provided from the meeting. All voted "yes." Motion carried.

B. 2007-11 Capital Improvements Program.

Gunyou presented the staff report.

Callison thanked the staff for their considerable efforts in putting together the CIP.

Allendorf noted the council has significantly increased funding for road improvements over a two-year period and is paying for it with an increase in taxes. He asked staff to share how other communities with roads in similar condition are funding their road improvements and the impact on their citizens.

Gunyou responded Minnetonka is far from unique; every city is facing the same road maintenance challenge. In Minnetonka's case, the roads need to be maintained and replaced, but growing cities have an even steeper challenge because they must also expand their road systems. City funding options are fairly limited – roads must be funded from either property taxes or the city's share of the state gas tax, which has not gone up for 18 years. As more cities qualify for state funding, the city of Minnetonka has been receiving about the same amount for the last 10 years, and road costs have increased during that time. The amendment on the fall ballot to dedicate all of the motor vehicle sales tax for transit and highway funding would increase the city's share by about \$200,000 a year. In the long run, cities need far more funding, and that means the gas tax should be increased and the distribution formula updated. A street utility fee has been proposed in recent years, but neither the legislature nor governor has supported that funding source, which would work similarly to the storm water utility fee.

Allendorf stated he heard that Edina is in the same situation with their roads, and their approach was to levy special assessments on each home in the \$10,000 to \$12,000 range. Minnetonka has chosen not to assess for a number of reasons and the only alternative was to increase property taxes. He asked Gunyou if other communities are using Edina's approach or some other variation.

Gunyou responded many cities do assess a portion if not all of road construction on the adjacent property owners. Some cities have increased the homeowner's share of that assessment. Since Minnetonka has not historically special assessed, it would be difficult to make that change. Doing so now would create an inequity between the newly assessed homeowners and those not charged earlier. Also, special assessments are not tax deductible on residents' federal and state income tax returns, so it is actually cheaper to have it in the property tax base.

Callison noted the staff looked at bonding and ultimately chose not to recommend it. Gunyou responded a road's needs are ongoing and that bonding is more appropriate for one-time needs. Road

maintenance and reconstruction will require a considerable amount of money every year over the next 30 or 40 years. Borrowing money also ends up costing the city more. The pay-as-you-go approach allows more dollars to be put into asphalt, rather than making interest payments.

Wiersum moved, Thomas seconded a motion to adopt Resolution No. 2006-101 adopting the 2007-11 Capital Improvement Program. All voted "yes." Motion carried.

15. APPOINTMENTS and REAPPOINTMENTS: None.

16. ADJOURNMENT.

Thomas moved, Allendorf seconded a motion to adjourn the meeting at 7:40 p.m. All voted "yes." Motion carried.

Respectfully submitted,

Laura L. Ronbeck
Acting City Clerk