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**WAYZATA CITY COUNCIL
MEETING MINUTES
APRIL 4, 2023**

AGENDA ITEM 1. Call to Order.

Mayor Mouton called the meeting to order at 7:00 p.m. Mayor Mouton shared the multiple options for joining remotely and submitting comments or questions.

AGENDA ITEM 2. Pledge of Allegiance.

AGENDA ITEM 3. Roll Call.

Council Members present: Mouton, Iverson, MacDonald, Plechash, and Parkhill. Also present: City Manager Dahl, Public Works Director/City Engineer Kelly, and City Attorney Schelzel.

Mayor Mouton noted earlier this evening, the City Council participated in a workshop. The following items were on the agenda:

- Discussion of Proposed Special Event Permit Application for the Wayzata Art and Music Festival by RBA, Inc.
- Local Board of Appeal and Equalization (LBAE) Hearing – (Recessed to April 19, 2023)

AGENDA ITEM 4. Approve Agenda.

Mayor Mouton noted that there has been a change request on the proposed agenda to remove item 8.A. from Old Business and to bring it to the next meeting.

Ms. MacDonald made a motion, seconded by Mr. Parkhill, to approve the agenda, as amended. The motion carried 5/0.

AGENDA ITEM 5. Public Forum.

Mayor Mouton noted that she had received some blue cards from people asking to speak on 8.A, which will be moved to the next City Council meeting. She explained that residents were welcome to make their comments tonight if they like, or could wait until it comes back before the City Council.

Mayor Mouton extended a congratulation to the Wayzata High School student athletes for an amazing and accomplished year. She stated that they want to congratulate the Boys Basketball team on their overtime win against Park Center for the Class AAAA State Title. She stated that they should be very proud that they have brought home the City's 5th State Championship. She noted that she also wants to congratulate the four other State championship teams including Volleyball, Boys and Girls Cross Country, and Boys Soccer. She stated that it is clear that their hard work, leadership, and teamwork have led to being champions.

Jacy Grais, 1044 Lake Street East (via Zoom), stated that she will be out of the country when the former agenda item 8.A. was brought back before the Council. She noted that she had already addressed the Planning Commission and the Council regarding this item. She stated that she had to address what she felt was either a misunderstanding or a

1 disregard for the Comprehensive Plan and the perspectives of the Wayzata citizens. She
2 stated that after seeing how the proposal has been handled and discussion with many
3 neighbors who also expressed frustrations and concerns, she hired an attorney who
4 practices extensively in the area of real estate. She stated that a letter from that attorney
5 was included in the Council packet. She summarized the contents of the letter and noted
6 that she has lived in the west metro for 20 years and has never before considered hiring an
7 attorney for this kind of reason. She reviewed her reasons for opposing this proposed
8 development. She stated that when she looks out of her back yard she sees trees and the
9 lake and does not see a street or a railroad. She stated that there are vast open views and
10 these properties are distinct from other areas of the neighborhood and she feels that should
11 be recognized and considered.

12 Chet Whitley, 1050 Lake Street East, thanked the Council for expending the effort
13 to look at this issue very carefully. He stated that he thinks it would be a good idea to take
14 a look at one lot just off Benton and noted that he had submitted a photo of what he feels
15 would be totally out of character for the street and neighborhood. He explained that the
16 photo shows homes that are separated by 30 feet and the proposed subdivision in this
17 instance would separate the homes by just 20 feet which would be a dramatic difference
18 with the row homes.

19 Jeff Nelson, 1037 Lake Street East, stated that he believes that if the Council does
20 not act by May 4, 2023 that would mean the subdivision would basically be approved de
21 facto. He expressed concern that this was once again being delayed a few weeks and now
22 there is a letter from the attorney hired by Ms. Grais who appears to have sound logic for
23 why the Council should deny this request. He stated that he believed the Council could go
24 ahead and make a decision tonight and not have to table this item. He stated that he thinks
25 that all the neighbors feel that if this had been a two lot subdivision proposal it would be
26 understood, accepted, and appropriate. He stated that they feel the three lot proposal does
27 not meet the criteria which is a very serious issue. He asked the Council to look at the
28 letter from the attorney very carefully.

29
30 **AGENDA ITEM 6. New Agenda Items.**

31 Mr. Plechash stated that he was surprised that item 8.A. was pulled and thinks the Council
32 should reconsider reinstating it on the agenda, partially because he will not be present at
33 the next meeting. He noted that City Manager Dahl knew he would be out of town and
34 was aware that the May 4, 2023 deadline is looming. He stated that he thinks this is more
35 important than going to the DNR and noted that there is a full Council present tonight. He
36 asked if it was possible to amend the agenda once again and discuss that item tonight.

37 Mayor Mouton stated that she was not aware that Mr. Plechash would not be present
38 for the April 18, 2023 meeting.

39 Mr. Plechash stated that he will be flying at the time of the meeting and is not sure
40 that he would be able to leave and fly back earlier in order to be at the meeting.

41 Mr. Dahl stated that there will be another opportunity to consider this item at the
42 first meeting in May. He admitted that it would be pushing it tight to the 120 day limit and
43 noted that they can also work with the applicant to see if they would be willing to extend
44 the deadline.

1 Ms. Iverson stated that there was an item that she brought up 2-3 meetings ago
2 regarding the pay scale of the firefighters. She stated that she would like to give an update
3 on the information that she received.

4 Mayor Mouton stated she thought that information would be discussed during the
5 budget cycle work which begins in a few months.

6 Ms. Iverson thanked City Manager Dahl and Deputy City Manager Yager for
7 getting the pay scale information for her. She stated that she would like to bring it up
8 during the budget cycle discussion because she still feels that they are significantly
9 underpaid for the services that they provide to the City.

10 Mayor Mouton stated that she would like to get through the regular agenda and
11 reconsider the issue raised by Mr. Plechash.

12
13 **AGENDA ITEM 7. Consent Agenda.**

14 Mayor Mouton read the items on the consent agenda and asked if any Council member
15 wished to pull an item for further discussion. Hearing no such request, she asked for a
16 motion to approve the Consent Agenda as presented. Mr. Plechash made a motion,
17 seconded by Ms. MacDonald, to approve the consent agenda:

- 18 a. Approval of City Council Workshop and Regular Meeting Minutes of March 7,
19 2023
20 b. Approval of Check Register
21 c. Approval of Municipal Licenses
22 d. Approval of Professional Services Agreement with Twin Cities Sound and Letters
23 of Agreement with Artists for Sunday Music in the Park
24

25 The motion carried 5/0.

26
27 **AGENDA ITEM 8. Old Business.**

28
29 **AGENDA ITEM 9. New Business.**

30 **a. Consider Award of Contracts for Panoway Boardwalk Construction and
31 Installation Project**

32 Public Works Director/City Engineer Kelly reviewed the bidding process and background
33 of the project. He noted that following review, staff feels that the best product is stainless
34 steel rather than galvanized steel. He reviewed construction details for carpentry, electrical,
35 sitework and Panoway structural installation, and dock supply and installation. He
36 reviewed the staff recommendations for each item and noted that staff is recommending
37 holding off on a decision regarding the dock supply and installation to more closely review
38 the bid details.

39 Mr. Dahl gave an overview of the financial update which shows the project
40 construction budget. He noted that right now the project is about 5.7% over what was
41 budgeted and includes the lowest bid for the docks. He explained that the dock bids came
42 in about 25% over the estimate which is why staff was recommending not moving forward
43 with a decision on this item yet.

44 Mayor Mouton asked about the docks and if Mr. Dahl was referring to the
45 Broadway Docks or the Depot Docks. Mr. Dahl clarified that as part of the entire Panoway
46 project in this particular phase, they are planning to replace and construct all of the

1 Broadway Docks and half of the Depot Docks. He stated that it is possible for the City to
2 construct all of the Broadway Docks and continue to use the existing Depot Docks until
3 they have more funding in place.

4 Ms. Iverson referenced page 84 and asked about the financial information outlined
5 on this page. She stated that it appears as though the City is asking the State for \$8 million
6 in bonds. She stated that the City is bonding for \$6.5 million and asked if they were asking
7 for a higher amount because the expectation was that they would be getting less. Mr. Dahl
8 stated that is a different source and believes 'bonds' can be easily confused. He explained
9 that the \$6.5 million is essentially the loan that the City is taking out from the TIF district.
10 He stated that the \$8.28 million that the City is asking for is essentially a grant that would
11 be above and beyond the \$6.5 million.

12 Ms. Iverson asked what will happen if the City does not receive the \$8.28 million
13 from the State and whether there would be another source available. Mr. Dahl stated that
14 they think they can still bring this project in at or under budget where they do not need to
15 find another source. He stated that it will require some value engineering and noted that
16 they are still in the process of that right now. He stated that the additional money from the
17 State would help offset any increases in budget as well as future phases.

18 Ms. Iverson asked how much of the \$8.28 million dollars would the City need in
19 order to move forward with what is in front of the Council tonight. Mr. Dahl stated that if
20 the City went forward with the project without any alternates, they would use \$815,000 of
21 the bond or grant amount from the State to offset the overage.

22 Mayor Mouton stated that with the bonds that the Council approved, it essentially
23 fronts the money that the City will be getting from the TIF district. She asked if the City
24 was 100% covered for this phase of Panoway. Mr. Dahl stated that with the value
25 engineering that they think is possible, they will be. He stated that the numbers right now
26 show that they are within 1% and explained that staff is pretty confident that they will get
27 there.

28 Ms. Iverson stated that the 'value engineering' portion of this scares her a bit
29 because it feels like a really big unknown. She asked what percentage is normal within the
30 industry right now. Mr. Kelly explained that it is hard to say and noted that while they
31 have been having conversations with the stainless steel contractor, they have offered some
32 potential value engineering changes which look like they will be about \$230,000 which
33 will end up having ripple effects to the bids awarded tonight. He stated that if you remove
34 the dock portion of the project, they are extremely close with their numbers, which is less
35 than 1% and that was why staff wants to move forward with that portion of the project. He
36 stated that from a timing standpoint, the dock portion of the project is not as crucial because
37 they will likely go in after boating season.

38 Mr. Dahl noted that Bob Janssen of KA Construction and Scott Jordan of Civitas
39 are available to answer questions as well.

40 Ms. Iverson stated that she would like the Council to keep in mind that there is a
41 number in the budget for overruns.

42 Mayor Mouton asked about the contingency. Mr. Kelly stated that the contingency
43 right now is at about 10%, but they are suggesting that it be reduced to 6%.

44 Mayor Mouton asked about the recommendation to reduce this amount to 6% and
45 if that would be a bit early in the process to take this action. Mr. Kelly stated that knowing

1 that they have 5 of the 6 bid packages, they feel confident about reducing that contingency
2 number somewhat.

3 Mayor Mouton stated that the City had carried 10% when they did the parking ramp
4 and thinks it may be better to be safe than sorry. Mr. Kelly stated that they do not want to
5 remove this contingency altogether but do want to maintain 6-7%.

6 Ms. Iverson asked about the interest the City will have to pay for the bonds that
7 they are taking out and asked how it would be paid. Mr. Dahl explained that ultimately
8 whatever that number comes out to, will be paid through the TIF.

9
10 Mayor Mouton asked for a motion. Ms. Mouton made a motion, seconded by Mr.
11 Plechash, to Award the structural steel contract to Construction Systems, Inc. in the amount
12 of \$1,985,931

13
14 Mr. Plechash stated that he thinks, with what the Council is approving tonight, he
15 feels the City is on pretty safe financial ground.

16
17 The motion carried 4/1 (Iverson opposed).

18
19 Mr. Plechash made a motion, seconded by Mr. Parkhill, to Award the electrical contract
20 to Laketown Electric Corporation in the amount of \$96,000. The motion carried 4/1
21 (Iverson opposed).

22
23 Ms. MacDonald made a motion, seconded by Mr. Plechash, to Award the contract for
24 carpentry to Ebert, Inc. DBA Ebert Construction in the amount of \$693,200. The motion
25 carried 4/1 (Iverson opposed).

26
27 Mr. Parkhill made a motion, seconded by Ms. MacDonald, to Award sitework and
28 Panoway structure installation contract to Zenith Tech, Inc. in the amount of \$4,370,000.
29 The motion carried 4/1 (Iverson opposed).

30
31 **b. Consider Adoption of Resolution 20-2023 Providing for the Sale of General**
32 **Obligation Temporary Tax Increment Finance Bonds, Series 2023A**

33 Mr. Dahl stated that everything is on time and in the direction of their overall goal of
34 starting construction in June. He noted that there is a time constraint of issuing these bonds
35 by June of 2023 because otherwise they would lose the opportunity to utilize TIF financing
36 for the construction of boardwalk and docks. He gave a brief overview of the funding
37 history and the funding plan for the boardwalk and docks.

38 Stacie Kvilvang, Ehlers and Associates, stated that the Council is being asked to
39 award the sale of \$6.555 million in temporary general obligation tax increment bonds. She
40 stated that if the City gets the \$8.28 million, they will not need the \$6.555 million in bond
41 proceeds, which is why they are issued on a temporary basis. She stated that the temporary
42 bonds are issued for a 3 year term and they can be called as soon as August 1, 2023. She
43 noted that the City has maintained their AAA rating and explained that the bond sale was
44 held today at 10:00 at her office. She stated that they received 4 bids and the lowest
45 responsible bidder was Piper Sandler out of Minneapolis.

1 Mr. Parkhill asked about the interest rate she had mentioned. Ms. Kvilvang
2 explained that the 3.16% is the true interest cost.

3 Mr. Parkhill stated that this amount seems less than he would have expected given
4 some of the rates he has been hearing about. Ms. Kvilvang stated that municipalities are
5 not similar to the private market when it comes to bonds and loans.

6
7 Mayor Mouton asked for a motion on the application. Mr. Parkhill made a motion,
8 seconded by Mr. Plechash, to Adopt Resolution 20-2023 a Resolution Relating to the
9 \$6.555 million General Obligation Temporary Tax Increment Bonds, Series 2023A and
10 Authorizing the Issuance, Awarding the Sale to the lowest responsible bidder (Piper
11 Sandler), Fixing the Form and Details, and Providing for the Execution and Deliver
12 Thereof and Security Therefore. The motion carried 4/1 (Iverson opposed).

13
14 **c. Consider Approval of a Special Event Permit for the Wayzata Art and Music**
15 **Festival to be held by RBA**

16 Mr. Dahl gave an overview of the proposal from RBA to put on two concerts during the
17 Wayzata Art Experience which will be held June 23-24, 2023. He noted that the Council
18 had discussed this at two of their recent workshops and reviewed the main areas of concern
19 that they had discussed.

20 Mayor Mouton noted that the Council had discussed the hours of operation during
21 their workshop discussions and stated that typically, the City's noise ordinance calls for no
22 noise traveling past property lines after 10:00 p.m. She stated that similar to the Beach
23 Bash, it is anticipated that there is a cut off time for the permit of 11:00 p.m. Mr. Dahl
24 stated that this was correct and would be an exception to the City's ordinance.

25 Mayor Mouton stated that they had also discussed a communication plan to slip
26 holders and signage posted around the beach to make sure people were aware of the
27 festival. She stated that they will ask for a bit of grace from the public because this event
28 will be a bit different.

29
30 Mayor Mouton asked for a motion on the application. Ms. Iverson made a motion,
31 seconded by Ms. MacDonald, to Approve a Special Event Permit for Wayzata Art and
32 Music Festival to be held by RBA. The motion carried 5/0.

33
34 Mayor Mouton recessed the meeting at 8:02 p.m. and reconvened at 8:09 p.m.

35
36 Mayor Mouton stated that she wanted to circle back to the request made by Mr. Plechash
37 to put item 8.A. back on the agenda after the Council had agreed to table it to the next
38 meeting. She stated that because the full Council agreed to table it to a future meeting, she
39 was concerned that members of the public who may have been watching may have turned
40 off the meeting because the Council said they would not be discussing that item tonight.
41 She explained that she would not feel comfortable putting it back on the agenda after they
42 had decided to postpone the discussion to a future meeting.

43 Mr. Plechash stated that he understands that concern. He explained that he will be
44 out of town for the next Council meeting and is slated to fly back that evening but will
45 attempt to change his plans and try to get back in time for the meeting. He stated that he
46 thinks it is important for all five of the Councilmembers to be present for that discussion.

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AGENDA ITEM 10. City Manager's Report and Discussion Items.

- a. Upcoming Events/Announcements**
 - No report
- b. Council Member Updates/Announcements**

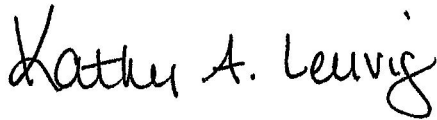
AGENDA ITEM 11. Public Forum Continued (if necessary).

There were no comments.

AGENDA ITEM 12. Adjournment.

There being no further business, Mayor Mouton asked for a motion to adjourn. Mr. Plechash made a motion, seconded by Ms. Iverson to adjourn. Mayor Mouton adjourned the meeting at 8:13 p.m.

Respectfully submitted,



Kathy Leervig
City Clerk

Drafted by Kayla Rokosz
TimeSaver Off Site Secretarial, Inc.