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**WAYZATA CITY COUNCIL
MEETING MINUTES
May 17, 2022**

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, Buchanan, Iverson, and MacDonald. Council Members absent: Plechash (with prior notice) Also present: City Manager Dahl, Community Development Director Goellner, Administrative Services Director Yager, Assistant Planner Quarles, Parks Planner Kieser, and City Attorney Schelzel.

Mayor Mouton noted earlier this evening, the City Council participated in a workshop. The following items were on the agenda:
Tree Preservation Ordinance and Staffing
Discussion of the 2022 Community Survey Results

AGENDA ITEM 4. Approve Agenda.

Mr. Buchanan made a motion, seconded by Ms. MacDonald, to approve the agenda, as presented. The motion carried 4/0.

AGENDA ITEM 5. Public Forum.

AGENDA ITEM 6. New Agenda Items.

Council Member Iverson stated that she would like to get an update from City Engineer/Director of Public Works Kelly on staffing for boulevard maintenance for the summer. City Manager Dahl stated that staff should be able to give an update at the next meeting and suggested that it take place at the Council Workshop.

AGENDA ITEM 7. Consent Agenda.

Mayor Mouton read the items on the consent agenda and asked if any Council member wished to pull an item for further discussion.

Council Member Buchanan asked about item 7.h. and if the fee was \$205 regardless of the size of the sidewalk café. Mr. Dahl stated that the fee is uniform regardless of the size.

Council Member Iverson stated that with regarding to item 7.h., she wants to make sure that the three tables on the side of Benedict's are not simply used for bussing and for dirty dishes which is what she saw last year.

Mayor Mouton asked if the City had anything that would limit the use of the tables beyond dining. Mr. Dahl stated that he does not believe the Code gets into that level of detail. Community Development Director Goellner agreed that the Code language is not that detailed. She stated that she will review the Code and can have a conversation with

1 Benedict's about ways to screen that type of back of house operation. Mr. Dahl noted that
2 the City has leverage in this situation because this is being done on public land, so he thinks
3 it is a good idea to have that conversation with them. City Attorney Schelzel noted that
4 there are some aesthetic requirements included in the Code that can be enforced.

5 Council Member Iverson stated that she also wanted to discuss the width of the
6 sidewalk in front of the outdoor café at Gianni's. She stated that about a month ago she
7 was walking with her crutch and a car pulled up to the curb, opened their door, and she ran
8 into it. She stated that there is not enough room there and expressed concern about the
9 narrow sidewalk in this location and stated that she does not think this makes the City more
10 walkable. She asked if there could be a way to work with the applicant to make this a bit
11 wider and adjust the space so there is room for people to walk without having a car door
12 opened into them and noted that she believes this is a safety issue.

13 Mayor Mouton stated that this had been approved in the past and asked if there had
14 been any changes in the structure or overall width. Mr. Dahl stated that an Encroachment
15 Agreement was approved a few years ago which allowed the frame of the structure which
16 gets to the five foot width. He noted that with this agreement there is the ability to work
17 with the applicant to perhaps move some of the planters back a bit to create some more
18 space. He noted that the Council could also reconsider the Encroachment Agreement as a
19 separate issue from the Sidewalk Café permit. Council Member Iverson stated that she does
20 not have a problem with the sidewalk café but is concerned about the encroachment. Mayor
21 Mouton suggested that the Council have a separate conversation on this issue.

22 Council Member Iverson noted that she had also had a conversation with City
23 Manager Dahl about having a Council discussion regarding the demand for valet services.
24 Mr. Dahl noted that the City Engineer/Public Works Director Kelly reviews the valet
25 details this annually, which is being done right now and noted that the decisions have
26 typically been left up to him. He asked that the Council allow staff a bit more time to
27 update the agreements before there is a conversation on this issue. Mayor Mouton stated
28 that she would support that and suggested that perhaps there could be more spaces allocated
29 to allow for quicker ingress and egress out of the designated areas. Council Member
30 Iverson noted that she has seen violations and believes this warrants a discussion at a
31 Council Workshop. Mr. Dahl stated that he will plan to give an update to the Council at
32 the next meeting.

33 Hearing no additional requests, Mayor Mouton asked for a motion to approve the
34 Consent Agenda as presented. Mr. Buchanan made a motion, seconded by Ms.
35 MacDonald, to approve the consent agenda:

- 36 a. Approval of Approval of City Council Workshop and Regular Meeting Minutes of
37 April 5 and April 19, 2022 and the Local Board of Appeal and Equalization Meeting
38 Minutes of April 19, 2022
- 39 b. Approval of Check Register
- 40 c. Approval of Municipal Licenses
- 41 d. Receipt of Police Activity Report
- 42 e. Receipt of Building Activity Report
- 43 f. Adoption of Resolution 20-2022 Accepting Donation from the Wayzata Lions Club
- 44 g. Approval of Resolution 21-2022 Authorizing a Grant Application to the
45 Legislative-Citizen Commission on Minnesota Resources (LCCMR) for Panoway
46 on Wayzata Bay

1 h. Approval of the Annual Renewals of the 2022 Sidewalk Cafe Permits
2 The motion carried 4/0.

3
4 **AGENDA ITEM 8. Public Hearings.**

5 **a. Consider Approval of On-Sale Intoxicating and Sunday On-Sale Intoxicating**
6 **Liquor Licenses for Z&H Boatworks, LLC, dba Macanda located at 294 Grove Lane**
7 **Suite W 180**

8 Mr. Dahl gave an overview of the history, background, hours of operation, renderings of
9 the patio, and the City process for review of the application for a new restaurant in the
10 former Brew Works site, called Macanda.

11 Mayor Mouton opened the public hearing at 7:24 p.m. No one came forward to
12 speak. There being no one wishing to speak, Mayor Mouton closed the public hearing at
13 7:24 p.m. She invited the representative from the restaurant to address the Council.

14 Aaron Switz, Co-Owner of Z&H Boatworks LLC, 20100 Lakeview Avenue,
15 Deephaven, gave an overview of the restaurants that they own in the area. He explained
16 that this restaurant will be high-end Mexican food and the intent with the interior is to make
17 people feel like they are on vacation. He noted that they are hoping to open on June 21,
18 2022.

19 Council Member MacDonald asked about the record bar. Mr. Switz noted that
20 inside the space there is about a 500 square foot area and the idea is for it to be a listening
21 bar, which is popular in Japan. He stated that they have partnered with Down in the Valley
22 and a high-end amp company and stated that they feel it should be a nice place to people
23 to hang out before dinner and listen to records.

24 Mayor Mouton noted that this is the first consideration from the Council for this
25 establishment and asked if the City anticipates having any other 'asks' of the Council for
26 this space, such as parking and other space considerations. Mr. Dahl stated that they are
27 operating under a previously approved PUD and have worked through the parking process.

28 Mayor Mouton asked about the stage that is in the lake which was installed by Brew
29 Works without Council approval. She asked if that had been done with any kind of
30 permitting and whether it would have any kind of inspection. She asked if it would carry
31 forward with Macanda if it receives approval. Mr. Switz noted that they are planning to
32 remove the stage in the lake.

33 Mayor Mouton asked if staff had checked with other municipalities to ensure that
34 there had not been other liquor violations or unpermitted uses. Mr. Dahl explained that the
35 Police Department runs a full background check and they found no issues.

36 Mayor Mouton expressed her appreciation to the applicant for his investment in the
37 City.

38 There being no further discussion, Mayor Mouton asked for a motion. Ms.
39 MacDonald made a motion, seconded by Mr. Buchanan, to Approve On-Sale Intoxicating
40 and Sunday On-Sale Intoxicating Liquor Licenses for Z&H Boatworks, LLC, dba Macanda
41 located at 294 Grove Lane Suite W 180. The motion carried 4/0.

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1 **AGENDA ITEM 9. New Business.**

2 **a. Consider Acceptance of the City's 2021 Audited Financial Reports**

3 Administrative Services Director Yager explained the requirement for an annual
4 independent audit of the City's financials and noted that they City has retained MMKR to
5 complete the audit. She introduced Bill Lauer of MMKR and explained that he would be
6 giving a high level overview of the 2021 Audit.

7 Bill Lauer, MMKR, gave an overview of the auditor's role and things that are
8 reviewed within the audit process. He stated that the City received an unmodified 'clean'
9 opinion; a finding of internal control over financial reporting related to limited segregation
10 of duties because of the limited staff members; no issues as far as compliance with
11 government auditing standards; a Minnesota legal compliance issue surrounding payroll
12 declarations not being obtained for some seasonal employees. He gave an overview of
13 other recommendations that came out of the audit related to review of transactions and the
14 unclaimed property report. He gave a high level overview of the City's financial
15 information and fund balances related to both Governmental Funds and Enterprise Funds.

16 Mayor Mouton asked who was responsible for filing the report related to
17 Unclaimed Property. Ms. Yager stated that this will be done by the Senior Accountant.
18 Mayor Mouton asked where things were in terms of the Procurement Policies. Ms. Yager
19 noted that those updates are things like the internal thresholds for how the City makes
20 purchases and what approvals are required before they are made. She explained that much
21 of it will be set by State statute and are things that staff already does. She noted that what
22 was mentioned by Mr. Lauer was referencing only the situation where City Manager Dahl
23 would initiate a purchase by himself and who else would be looking at that transaction.
24 She stated that the plans are to follow the recommendation made by MMKR and have her
25 position have that overview. Mayor Mouton noted that she understood that segregation of
26 duties has always been difficult for the City because of their size.

27 Mayor Mouton asked when the City would anticipate getting the water rate study
28 back. Mr. Dahl noted that staff just discussed this today and now feel this is the appropriate
29 time to move forward with the rate study, so the plans are for it to commence within the
30 next quarter. Ms. Yager noted that the City will get the results of the rate study as part of
31 the 2023 budget process.

32 Mayor Mouton asked for a motion. Ms. Iverson made a motion, seconded by Ms.
33 MacDonald, to Accept the City's 2021 Audited Financial Reports. The motion carried 4/0.

34
35 **b. Consider Adoption of Resolution 22-2022 Approving a Site Alteration Permit
36 and Schematic Design for Section Foreman House at 738 Lake Street East**

37 Community Development Director Goellner gave an overview of the site and proposal for
38 the Section Foreman House to be rehabilitated as a lakefront learning center. She explained
39 that the Design Review Committee met seven times and reviewed their design priorities
40 and she explained how they had garnered community input through surveys and meetings.
41 She reviewed the financial and budget considerations surrounding the project and noted
42 that the estimated cost is \$1,325,000 which will be funded by private donations and a grant
43 from BNSF. She noted that staff has recommended a fire suppression system for the
44 building which would increase the cost by an additional \$40,000 above and beyond the
45 original estimated cost.

1 Rebecca Muchow, Architect, Cushing Terrell, gave a high level overview of the
2 proposed modifications to the building/site, and noted that they are being very cognizant
3 of the historic nature of this project. She stated that due to ADA compliance they are
4 making some modifications to some of the doorways as well as an accessibility ramp. She
5 reviewed the renderings and some of the interior plans for the basement, main level, and
6 upper level.

7 Quentin Collette, New History, gave an overview of the history of the Section
8 Foreman House and noted that it was originally constructed in 1902 and had additions in
9 the 1940s and in 1963. He noted that it has been owned by the City since 1992. He stated
10 that it was designated locally as a Heritage Preservation Site in 2020 and gained a place on
11 the National Register of Historic Places in 2021.

12 Assistant Planner Valerie Quarles, reviewed the zoning and future land use
13 guidance from the Comprehensive Plan for the site. She explained that it is currently zoned
14 R-2 and the proposal is for it to be changed to Parks and Open Space which is a proposed
15 new district. She noted that the main entitlement process will be the site alteration permit
16 that will be required. The Heritage Preservation Board recommended approval on April
17 14, 2022 and the Planning Commission recommended approval on April 18, 2022.

18 Ms. Goellner noted that this has been a multi-disciplinary effort and wanted to
19 mention that there were also contributions from Parks Planner Nick Kieser and from Public
20 Works staff.

21 Council Member Iverson asked how long the \$1,325,000 estimate will be valid
22 because it may take a while to raise the funds. Ms. Goellner stated that the cost estimate
23 was created by ETM and Associates and noted that the City will update those estimates
24 throughout the next year and referenced the involvement of Nor-Son and Onyx as part of
25 this process. She reminded the Council that the cost estimate includes 10 years of
26 operations and maintenance.

27 Ms. Muchow gave an overview of what Nor-Son had included in their estimate and
28 noted that this will be updated at each design phase. She noted that she can provide
29 additional details, but did not have that information with her this evening.

30 Council Member Iverson stated that she would like to see specific information on
31 the construction costs so the City can have a realistic idea of what those costs are and how
32 they may increase depending on how long it takes to raise the funds for the project.

33 Mr. Buchanan asked for information on what the Council was being asked to vote
34 on. Ms. Goellner explained that the Council was being asked to vote on the Site Alternation
35 Permit and the Schematic Design which is also referred to as the 30% level design which
36 includes the general scope of the building footprint and floor plan. She stated that it is a
37 high level design and does not include things like lighting or furnishings which will be
38 covered closer to the final design.

39 Mayor Mouton stated that she would like to see the initial renderings that Civitas
40 had provided in order to compare it to what is being seen tonight. She stated that, to her,
41 it feels like it is very different and wants to make sure that the City is not deviating too
42 much from what they had brought to the residents to garner support for the project. She
43 asked for details about the BNSF grant and noted that she thought in the presentation it
44 showed a range and note a specific dollar amount. Ms. Goellner stated that the BNSF grant
45 is for \$25,000 which is specifically for historic interpretive signage about railway history
46 for either the interior or exterior of the home. She stated that the range figure she was

1 referring to was related to the fire suppression system which will increase the cost for
2 design and construction by about \$40,000. Mayor Mouton stated that she unaware that the
3 BNSF grant was only for use on specific items and noted that she thought it was a grant
4 that would offset the fundraising that would need to be done. Ms. Goellner stated that the
5 current cost estimate does not include all the detail of interpretive signage but noted that
6 the comments from the community lead staff to believe that they want to see a lot of
7 signage. She explained that if the Council supports the schematic design and feels
8 comfortable moving forward staff would pay more attention to cost estimating for these
9 types of details.

10 Mayor Mouton asked if the plans were taking the history of the building, in and of
11 itself in account, but also the other components such as materials and the flow of everything
12 from the depot on down. She explained that the City had hired Civitas to create this holistic
13 multi-phase project that was ultimately intended to be in harmony with one another. She
14 stated that she wants to make sure that this was discussed with the Design Review
15 Committee and that the focus was not just on the house. Ms. Muchow stated that the design
16 team has had a few calls with Scott Jordan from Civitas to talk about this exact thing and
17 shared examples of topics they had discussed. Ms. Goellner explained that there have been
18 a lot of discussions in recent weeks about how to coordinate this work. She displayed the
19 one rendering that was put together by Civitas and noted that it is different than what they
20 are currently proposing. She explained that differences and gave an overview on the
21 thought process behind their recommendations.

22 Mayor Mouton asked if there had been any discussion about security cameras
23 because the City has experienced vandalism and this is an isolated location. Ms. Goellner
24 stated that this has been brought up to Police Chief Schultz and he is interested in having
25 security cameras in this location so that will be part of the 90% design details.

26 Council Member MacDonald commended all the work that has been done on this
27 conceptual design and stated that she supports it.

28 Council Member Buchanan stated that this project has had a lot of eyes on it and
29 thinks it has been well presented.

30 Council Member Iverson stated that she also supports this resolution.

31 Mayor Mouton thanked the Design Review Committee, the Heritage Preservation
32 Board, the Conservancy, Council Members, Planning Commission, Cushing Terrell, and
33 staff who have been party of this process. She stated that she likes the simplicity of what
34 has been presented. She noted that she felt this will allow the City to resurrect a piece of
35 history where there are so few left in the country and put it to an amazing use.

36 Mayor Mouton asked for a motion on the application. Mr. Buchanan made a
37 motion, seconded by Ms. MacDonald, to Adopt Resolution 22-2022 Approving a Site
38 Alteration Permit and Schematic Design for Section Foreman House at 738 Lake Street
39 East.

40 City Attorney Schelzel suggested that the Council include in the motion that the fire
41 suppression system will be included in the next phase.

42 Mr. Buchanan accepted a friendly amendment to the motion, amended second by
43 Ms. MacDonald, to Adopt Resolution 22-2022 Approving a Site Alteration Permit and
44 Schematic Design for Section Foreman House at 738 Lake Street East, and direct that the
45 fire suppression system by included in the next phase of design. The motion carried 4/0.
46

1 Council Member Iverson asked for a brief recess.

2
3 Mayor Mouton recessed the meeting at 8:49 p.m. and reconvened at 8:59 p.m.

4
5 **c. Consider Adoption of Resolution 19-2022 and Approve First Reading of**
6 **Ordinance 812 Approving Zoning Ordinance Amendment to Create New**
7 **Parks and Open Space Zoning District and to Rezone Certain Properties to**
8 **Such District**

9 Ms. Goellner noted that the idea to create a new Parks and Open Space zoning district idea
10 came from Parks Planner Kieser before he was even the Parks Planner and asked him to
11 present this information to the Council.

12 Parks Planner Kieser explained that this resolution essentially approves a zoning
13 text and map amendment to create a new zoning district called Parks and Open Space and
14 to rezone those specific properties. He reviewed a map of the 11 parks and 15 open space
15 properties that are proposed for rezoning, including: Klapprich; Shaver; Margaret Circle;
16 Post Office; Heritage; Big Woods; Nature Center; and Future Eco Park/Section Foreman
17 House. He noted that all of the properties are City-owned and reviewed their current zoning
18 designations. He explained that the goal with this zoning change was to preserve and
19 protect these properties from any future development. He reviewed the proposed language
20 for the ordinance amendment and reviewed the discussion that took place regarding
21 setbacks and building height. He stated that various reviews of this information took place
22 with the Zoning Task Force, Parks and Trails Board, the Community meeting, and at the
23 Planning Commission. He reviewed comments made by Henry Miles regarding the 'Little
24 Woods' area that he has worked hard to restore and is currently helping to maintain it. Mr.
25 Miles wanted to ensure that this space is preserved in the future and was supportive of the
26 rezoning effort but asked that the City to create some kind of plan for the future
27 maintenance of this parcel. He noted that staff has had a few discussions with Mr. Miles
28 on the future of this parcel.

29 Mayor Mouton asked if the northern parcel would be included in the rezoning. Mr.
30 Kieser stated that area is right-of-way so it is not an actual parcel nor does it have a PID,
31 so the City cannot 'zone' it something. He noted that the Planning Commission recognized
32 Mr. Miles for the work he has done in this area.

33 Mr. Kieser reviewed other public comments that were received and noted that the
34 overall recommendation from the entities that reviewed this proposal was for approval.

35 Council Member Iverson asked for clarification on page 47 of the packet that the
36 addresses listed were the addresses of the parkland. She asked for an indication of the
37 actual location of 330 Central Avenue South, 1115 LaSalle Street, and 120 Central Avenue
38 South. Mr. Kieser indicated the location of the spaces Council Member Iverson had asked
39 about.

40 Mayor Mouton stated that there is a lot of talk about Panoway and it being a park,
41 but neither Panoway or the marina were included on the parks map. Mr. Kieser stated that
42 the City is currently working on the property ownership of the Panoway parcel and
43 explained that staff had wanted to make sure that their proposal for the rezoning was only
44 for City-owned properties. He stated that they are working with the railroad on the
45 ownership with the thought that it could eventually be rezoned into this zoning district.
46 Mayor Mouton asked if the beach should be included in the parks. Mr. Kieser stated that

1 the playground near the beach and the marina is actually part of Shaver Park, so it is
2 included.

3 Mayor Mouton asked about the area behind the properties on the west side of
4 Glenbrook and confirmed that it would become park space. She asked if the City
5 anticipated any long term taxing implications to the City or the homeowner if this is
6 officially designated as a 'park'. She stated that she wanted to make sure the City was
7 considering any unintended consequences that there may be. Mr. Kieser noted that he was
8 not sure how the zoning district would change it, but explained that it being developable
9 does not change because it is a wetland/pond area, so it is not developable. He stated that
10 this parcel is currently zoned R-3A so he does not think there will be any tax implications
11 with this change. Mr. Dahl explained that as long as the City owns it and is not making
12 revenue off of it, it would not be taxed. Mayor Mouton asked about the homeowners who
13 have yards adjacent to this park space and whether they could anticipate having any
14 changes to their property valuations. Ms. Goellner stated that she is not sure if there would
15 be sufficient assessing data to prove that either way. She stated that she is not sure if
16 proximity to the park would increase the value or if it would just be a perception. Mayor
17 Mouton noted that she just wants to make sure the City is prepared if there ends up being
18 any implications due to the change in zoning when it comes to next year's valuations.

19 Council Member MacDonald commended Parks Planner Kieser for this idea and
20 stated that she likes that it adds an extra layer of protection for the parks and open spaces.

21 Council Member Buchanan thanked Parks Planner Kieser for finding this 'flaw' in
22 the Code and noted that he thinks it makes total sense.

23 Council Member Iverson stated that she also supports this change but wanted to
24 make sure that the uses and design elements would still come before the Council.

25 Mayor Mouton stated that she also supported it and complimented Parks Planner
26 Kieser for bringing those forward and thinks it is a feather in the City's cap to memorialize
27 these spaces.

28 Mayor Mouton asked for a motion on the application. Mr. Buchanan made a
29 motion, seconded by Ms. Iverson, to Approve Adoption of Resolution 19-2022 Approving
30 Zoning Ordinance Amendment to Create New Parks and Open Space Zoning District and
31 to Rezone Certain Properties to Such District. The motion carried 4/0

32 Mr. Buchanan made a motion, seconded by Ms. MacDonald to Approve First
33 Reading of Ordinance 812. The motion carried 4/0

34
35 **AGENDA ITEM 10. City Manager's Report and Discussion Items.**

36 **a. Upcoming Events/Announcements**

- 37 • Recognized Kathy Ovshak, Senior Accountant, for the 25th successful audit
- 38 • Congratulated Parks Lead and fire fighter Kurt Klapprich who has been serving the
39 community for 40 years
- 40 • Recognized Administrative Services Director Yager for being awarded the Aaron
41 Sather Emerging Leader Award from the Minnesota City Manager Association
- 42 • Recognized Community Development Director Goellner for presenting about
43 Panoway to a National audience of several hundred people in San Diego, California
- 44 • Recognized City Clerk, Kathy Leervig for completing her clerk certification in St.
45 Cloud last week

- 1 • Expressed appreciation to the community members who helped make Dig-It Day
2 and the Spring Splash on the Panoway plaza last week extremely successful.
3 • He noted the successful Panoway Open House that was held on May 10, 2022. He
4 explained that if residents were not able to attend the event, there is a survey
5 available on the City's website where people can give their feedback.
6 • Staff and some of the Council will be observing and learning about the beer making
7 process because General Manager, Jeff Pietrini has arranged for Excelsior Brewing
8 Company to brew a special beer to commemorate the 75th anniversary of The Muni
9 in September.
10 • Walk-zata will be held on June 4-5, 2022

11
12 **b. Council Member Updates/Announcements**

13 Mayor Mouton congratulated Administrative Services Director Yager on her award and
14 stated that it was a huge accomplishment and well-deserved. She noted that City Clerk
15 Leervig already does an amazing job so the fact that she is continuing to push and grow in
16 her field is amazing. She thanked everyone who came out for the Spring Splash and Dig-
17 It Day events. She wished City Manager Dahl and Administrative Services Director Yager
18 well for their upcoming birthdays.

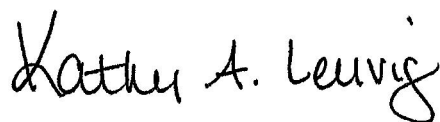
19
20 **AGENDA ITEM 11. Public Forum Continued (if necessary).**

21 There were no comments.

22
23 **AGENDA ITEM 12. Adjournment.**

24 There being no further business, Mayor Mouton asked for a motion to adjourn. Ms.
25 MacDonald made a motion, seconded by Ms. Iverson to adjourn. Mayor Mouton
26 adjourned the meeting at 9:33 p.m.

27
28 Respectfully submitted,

29
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31
32 

33 Kathy Leervig
34 City Clerk

35 Drafted by Kayla Rokosz
36 *TimeSaver Off Site Secretarial, Inc.*