

MOUND CITY COUNCIL MINUTES
October 24, 2017

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, October 24, 2017, at 7:00 p.m. in the Council Chambers of the Centennial Building.

Members present: Council Members Kelli Gillispie, Jeff Bergquist, Ray Salazar, and Jennifer Peterson.

Members absent: Mayor Mark Wegscheid

Others present: City Manager and Director of Public Works Eric Hoversten, Administrative Assistant Mary Mackres, Director of Community Development Sarah Smith, Field Officer Stewart Simon, City Engineer Brian Simmons, City Attorney Troy Gilchrist, City Building Official Scott Qualle, Consultant Planner Rita Trapp, Consultant City Engineer Dan Faulkner, Ray Chamberlain, Connie Claire Szarke, Jeff Andersen, Shirley & Vern Andersen, Joseph Venglass, Paul & Linda Andolf, Karen King, Jean Rostad, Jane Anderson, Robert Vanecek, Lynn Vanecek, Alex & Caty Dittrich, Jessica & Justin Teske, Annette Villamil, Audrey Woychick, Dan McCabe, and Rebecca Karnes-Toth

Consent agenda: All items listed under the Consent Agenda are considered to be routine in nature by the Council. There will be no separate discussion on these items unless a Council Member or citizen so requests, in which event it will be removed from the Consent Agenda and considered in normal sequence.

1. Open meeting

Acting Mayor Gillispie called the meeting to order at 7:00 p.m.

2. Pledge of Allegiance

3. Approve agenda

Hoversten offered three amendments to the agenda. Hoversten stated the items were packets of material provided by residents and are item # 7, pages 3031(a)-(e), which is a packet of information from the resident and owner at 4925 Bartlett regarding the Bartlett storm sewer discussion; item # 8, page 3036(a), which is a letter from the resident at 4841 Bartlett regarding the assessment and item # 10, pages 3040(a)-(i), which are two separate resident inputs regarding the agenda discussion on short-term vacation rentals.

MOTION by Salazar, seconded by Bergquist, to approve the agenda as amended. All voted in favor. Motion carried.

4. Consent agenda

MOTION by Salazar, seconded by Bergquist, to approve the consent agenda. Upon roll call vote, all voted in favor. Motion carried.

- A. Approve payment of claims in the amount of \$1,237,570.32
- B. Approve Minutes: 10/10/17 Regular Meeting
- C. Approve Labor Agreement between the City of Mound and the Minnesota Teamsters Public and Law Enforcement Employees Union No. 320 (Public Works Union), effective Jan 1, 2017 through Dec 31, 2018
- D. Approve Pay Request No. 2 from Widmer Construction, LLC in the amount of \$227,781.33 for the 2017 Lift Station and Forcemain Improvements, City Project No. PW-17-05
- E. Approve the following related project requests:
 - 1. Norling Landscapes, \$4,277.00 for the 2016 Street Improvement Project Tuxedo Blvd Phase II and \$405.00 for the 2016 Street Improvement Project - Bartlett Blvd.
 - 2. Braun Intertec, \$5,134.27 for the 2017 Street Improvement Project
- F. RESOLUTION NO. 17-152: RESOLUTION APPROVING AGREEMENT AND CONTRACT FOR INSPECTION SERVICES**
- G. RESOLUTION NO. 17-153: RESOLUTION APPROVING PUBLIC GATHERING PERMIT AND MUSICAL CONCERT PERMIT FOR 2017 TREE LIGHTING EVENT WITH WAIVED FEES**
- H. RESOLUTION NO. 17-154: RESOLUTION ESTABLISHING POLLING PLACES**

5. **Comments and suggestions from citizens present on any item not on the agenda.**

None offered

6. **Mayor Mark Wegscheid requesting action on a resolution recognizing V&S Jewelry & Gifts**

Hoversten proposed a resolution to the Council recognizing the contributions of Vern and Shirley Anderson of V&S Jewelry & Gifts. Hoversten mentioned the wonderful article that was done by the Westonka Historical Society about Vern & Shirley's family business which has been in the community for over four decades as retailers and for being supporters of everything you could think of across the community. Hoversten felt that was a good summary and explanation of all the wonderful things that Vern & Shirley have done for the community. Vern & Shirley and their son Jeff are retiring and going out of business. Hoversten says that V&S will be greatly missed as anchor business partners in the community of Mound.

Acting Mayor Gillispie read the resolution to the audience.

MOTION by Salazar, seconded by Peterson, to approve resolution. All voted in favor. Motion carried.

RESOLUTION NO. 17-155: RESOLUTION RECOGNIZING V&S JEWELRY & GIFTS

7. City Engineer, Brian Simmons Presenting Discussion of 2016 Bartlett Street, Utility and Retaining Wall Improvement Project Storm Drainage Designs, Findings, and Recommendations

Joseph Venglass, 1925 Bartlett, presented an addendum to the Council's packet. Venglass provided several years of rain records to the Council for comparison. Venglass stated that he had no issues caused by rain from 1999 until June 2017. Venglass proceeded to show various rainfall events and the drainage which occurred on the street.

Venglass claimed that the drainage issue was supposed to be fixed in the spring time and it wasn't. Venglass said the drains on Bartlett & Norwood don't work as well as the last location. Venglass showed pictures from across the street where the water did not flow over the curb.

Venglass said he called and talked to people at the City and Bolton and Menk about this problem and Venglass stated Dan Faulkner of Bolton and Menk told him that if the new drainage system doesn't work, they would change it back. Venglass is now irritated that these drains are not being fixed.

Ray Chamberlain, 4913 Bartlett, said he lives next to Mr. Venglass and proceeded to explain the curvature of Bartlett to the Council. Chamberlain said the street tilts towards Mr. Venglass's house and the storm drain has been moved. Chamberlain said that in heavier rain, water flows toward his and Venglass' property and over the curb. Chamberlain said he would like to see the storm drainage issue fixed.

Simmons addressed the Council by saying that Bartlett has a 2% slope. Simmons presented slides regarding industry standards for rainfall accumulation which included the state standard which is 4.23 inches over a 24-hour period. Simmons said that when the City uses MSA funds to build a road, use of these funds require a 4.23 inch event design.

Simmons said that the driveways were surveyed and that the driveway aprons were lower than the back of curb. Simmons said that Bolton and Menk offered to reconstruct the apron and concrete panel and tentatively scheduled the work for last week but Venglass asked for no work to be done this year, so it was put on hold. Simmons said the capacity of the new catch basin is larger than the previous design.

Simmons presented five points that he believes will fix the drainage issue:

1. The system overflow to carry stormwater overland between Mr. Venglass' and Mr. Dion's properties should be more clearly defined and the slope should be

armored against erosion as well as scouring around the outlet into the lake. Removal of an unwanted arbor vitae and reseeding/blanketing of the area lacking establishment is also needed.

2. Mr. Venglass' driveway apron and the adjacent concrete panel should be removed and replaced at a height matching that of the surrounding curbing to prevent premature flow of storm waters on to his property.
3. Mr. Chamberlain's driveway apron and the adjacent concrete panel should be removed and replaced at a height matching that of the surrounding curbing to prevent premature flow of storm waters on to his property.
4. The grating at the catch basins in the low point can be replaced with grates having fewer bars, which are less bicycle friendly, but also less likely to clog with leaves, at Mr. Venglass' request.
5. An additional catch basin was added along the upstream slope at Carlson Park where Bolton & Menk are constructing an offline treatment structure that will capture and remove phosphorus and sediments from the storm water.

Chamberlain said he believes the design standard brought up by Simmons is not adequate. Simmons says the engineers need to have a standard to design to for all residents.

Bergquist suggests adding the asphalt hump to Venglass' driveway to help somewhat with the drainage. Gillispie asked how difficult it would be to get the work done in the spring and Simmons said this would not be difficult at all and could be completed fairly early in the spring dependent on temperature.

Simmons said he still thinks there is a fundamental disagreement about the functionality in the system for water flow changes which would alleviate water into driveways during normal rain events. Simmons said storms of shorter duration and higher intensity may cause the system to not work, however, this would be due to localized flash flooding and not the inability to capture storm water. Salazar noted that the drain pipe is clogged with leaves. Simmons said that there will be some work done to the rip rap to help out though the leaves would be a maintenance issue for the City Public Works department.

Simmons mentioned that Venglass participated in the removal and reconstruction of his driveway as part of the project and this helped accommodate drainage to the side. Simmons suggested that Chamberlain and Venglass sign off on curb height before construction of the new apron.

MOTION by Salazar, seconded by Bergquist, to direct staff to proceed with the 5 items presented by Simmons and schedule as early in spring as possible. All voted in favor. Motion carried.

8. Public Hearings

- A. Action on Resolution Adopting Assessment for 2016 Street, Utility, and Retaining Wall Improvement Project - Bartlett Boulevard PW-16-01, Levy #19672

Brian Simmons, City Engineer, presented information on the assessment for the 2016 Bartlett Blvd. street improvement project. Simmons noted that Mark Onkean of Bolton & Menk will be in the back conference room to address any discussions about specific punch list items.

Simmons said this was the continuation of the hearing that is required when using statute 429 funds in which notices were mailed to homeowners and a public hearing is required to present the final cost of the project.

Simmons said that the assessments are spread across various properties using Equivalent Residential Units (ERUs). ERUs are one each unless property is on a corner, at which time there will be one half ERU per project, equaling one whole ERU by the time both streets are complete.

Simmons then explained that residents could pay their assessments in part or full at City Hall by November 15 and after that time, the assessments would be payable as part of their property taxes for 15 years starting in 2018 at a 5% interest rate.

Simmons proceeded to review the construction schedule and how the assessment costs were calculated. He stated the final cost per ERU is \$4,803.30.

Hoversten mentioned that the 2016 projects on Tuxedo and Bartlett experienced fall and winter break-up of the base asphalt and that as part of the two-year warranty, the contractor had to repair it at their cost. Hoversten said that the City predicts this may happen and that is why the City waits until after winter to complete the final ware course.

Acting Mayor Gillispie opens the public hearing at 8:21 p.m.

Alex Dittrich, 5069 Bartlett, asked about the rate of interest proposed at 5%. Dittrich says that the Federal free funds rate is well below that and notes that 5% is an odd amount. Dittrich proposed that the special assessment interest rate be 2%.

Gillispie said that 5% is the amount that has been the standard for all of the projects starting out 10+ years ago. Gillispie said that the Council would like to keep the rate consistent across the board for all of the projects. Hoversten said that the City has brought the rates down as the market became more favorable. Hoversten said that the 5% rate helps the City cover the incurred costs of the delayed reimbursement.

Salazar mentioned that the City's Finance Director, Catherine Pausche, is not present at the meeting tonight to speak to this. Salazar believes that Pausche can go into more detail about this such as the bond rate of the City and the administrative costs. Salazar encouraged Dittrich to speak with Pausche. Salazar said the interest rate was at 8% in the past.

Hoversten said that the Council could consider a lower rate if the City could get more favorable bond rates and it is a Council decision.

Troy Gilchrist, City Attorney, said that the present interest rate reflects the City's assessment policy. Gilchrist agrees with Hoversten it is in the Council's realm to lower the interest rate; however, at this point, the City would be crunched for time as these assessments need to be certified to the County Auditor by the end of November and the policy would need to be changed prior to that.

Gillispie inquired the procedures needed if the Council were to change the policy. Gilchrist said that if change was pursued, Staff would need to pull together information and the Finance Director would need to give input on the costs and potential savings involved. Gilchrist said if the decrease moves forward, changes would need to be made to the City's assessment policy and adjustments made to the assessment roll with enough time for the rates to be certified by the County by the end of November. Hoversten said that this would also reduce the time in which residents had to make a pre-payment and avoid interest charges.

Gillispie said that the market conditions would not be that different. Salazar said rates have been the same for 5-7 years and the difference would be minimal and the City would be risking some delays. Salazar thinks that if the rates had been worth lowering, it would have been brought to the Council before this time. Peterson responded to Dittrich's comments by saying the Council and Staff do keep the interest rates at the top of their minds whenever these programs are pulled together.

Bergquist mentioned that all the residents paid 5%. Dittrich thinks it should be different now. Gillispie said that the City has done quite a few re-bondings and Council relies heavily on the advice of the City's Finance Director. Gillispie feels any better rates would have been brought to the attention of Council by the Finance Director. Hoversten said that from a Staff perspective, there has not been a significant change in the bond market for the past 2-3 years. Dittrich said that Hoversten and the Council are not bond experts and they are not qualified to make that observation. Gillispie said that the City's Finance Director does have some expertise in this area and always informs the Council on the best rates. Hoversten said that the City has ongoing discussions with their bonding agents so that Staff understands timing and terms and the best circumstances under which to advertise for those bondings. Hoversten added these bonds are competitively awarded, even up to the day of the opening of those bond bids no one can say they have perfect vision on what those bonds are going to present because someone may want to go after those bonds for reasons that Staff doesn't understand. Hoversten says that the

City would certainly want to participate in something like that if there were terms that were favorable to the City.

Hoversten stated that the marketplace, including the cost of money at the federal level and the behavior of other issuers that are bonding right now, are about the same as in previous years and because of these facts, Staff would not recommend to the Council that a change in the proposed interest rate be adopted for this assessment roll.

Gillispie thanked Dittrich for bringing forward the interest rate suggestion. Hoversten said that Staff will review the interest rate as part of the 2018 projects.

Dittrich added he thinks the new road is beautiful and appreciates the striping.

Jean Rostad, 5046 Bartlett, asked for an explanation of the different assessments per property. Simmons explained that each property would be assessed the equivalent of one ERU and if a property is on a corner and fronts two streets, the property is assessed 1/2 ERU per project equaling a total of one.

Dan McCabe, 5038 Bartlett, asked when an assessment is done, is it taken into consideration that the street is used by everyone. Simmons said that assessments are based on the cost to construct a standard city street, which is 28' wide, and that the City pays for any additional depth of pavement and/or width. Simmons said the City built the road a little heavier and wider to accommodate the additional truck traffic. Simmons stated the City pays for that beefed-up version and the assessment is based on the construction of a standard type city street.

Acting Mayor Gillispie closes the public hearing at 8:39 p.m.

MOTION by Salazar, seconded by Peterson, to approve resolution. All voted in favor. Motion carried.

RESOLUTION NO. 17-156: RESOLUTION ADOPTING ASSESSMENT FOR 2016 STREET, UTILITY AND RETAINING WALL IMPROVEMENT PROJECT - BARTLETT BOULEVARD; CITY PROJECT NO. PW-16-01 LEVY # 19672

Acting Mayor Gillispie recesses meeting to change the video tape at 8:40 p.m.

Acting Mayor Gillispie reopens meeting at 8:45 p.m.

Gillispie and the Council changed the order of Agenda Items #9 and #10 in order to respect the time of attendees who are mostly at the meeting to discuss Item #10.

9. Sarah Smith, Community Development Director, with an update on 2040 Mound Comprehensive Plan project

Sarah Smith introduced Rita Trapp, the Contracted Planner for Mound. Hoversten wanted to remind all that the goal tonight is to gain Council's concurrence on what needs to be outward facing in the open house in November. Hoversten said Trapp needs to summarize and focus on the meatiest part of the Comprehensive Plan.

Trapp said the biggest focus is the public open house in November which will focus on soliciting input on proposals for land use and parks.

Acting Mayor Gillispie recesses meeting to change the video tape at 10:32 p.m.

Acting Mayor Gillispie reopens meeting at 10:34 p.m.

Trapp said the focus is on land use and parks, showing the market overview and trends. To summarize, Trapp said there is potential in the City for population and household growth and that residents are asking for a variety of housing types. Trapp said Mound currently has lots of single family housing, so Staff is trying to provide more of a variety such as townhomes. Trapp added the retail footprint of the City should decrease over time and noted that there is limited potential for office or industrial growth. She added that while Mound would still want areas of retail, these could be mixed use with more residential as opposed to commercial so that the market could support it.

Trapp says there are four focus areas - Village Center, Downtown Lakes, Promenade, and Eden which are all identified as mixed use areas.

Downtown Lakes – Trapp said this area has been an area of focus for the City and includes the Harbor area, Auditors Road and the Langdon area with an interest in connecting these areas to the Dakota Trail. Trapp shared example concepts for these areas with the idea being to do townhouse developments with a commercial core. Trapp said that Auditors Road currently acts as a pass-through from Shoreline Drive to Commerce Blvd and the City should be open to the idea of Auditors Road no longer existing. Trapp said she would not include these concepts in the Comprehensive Plan itself but would recommend guidance of mixed use in the Downtown Lake at a rate of 70% residential and 30% commercial.

Gillispie wanted to clarify that the 70/30 is it merely a guideline and not a set thing. Trapp said the City has to give a range to the Metropolitan Council but that there is wiggle room. Bergquist suggested lower level commercial with upper stories as condos.

Eden – Trapp says this is a new area of focus for the City and would provide clearer direction to property owners by illustrating there could be transformation if they have an interest. Trapp added that the area around Shoreline Drive which is a busy road would make certain types of land use more appropriate than others. Trapp said these plans depend on willing owners, willing sellers and people who are interested in redevelopment. Trapp says the City is looking at more residential over time, about 80%.

Trapp said that Staff is thinking of showing these concepts to the public at the open house and informing them the concept are examples of what could happen. Peterson asked how the Council manages it when business owners are asking questions. Trapp said that Staff was planning on sending out a letter to property owners to respond to questions on what the concepts could mean for their property. Hoversten said that the philosophy here is that the City has an excess of commercial and retail space in town. Hoversten added these concepts create guidance to areas where the City think less commercial and more residential would be more sustainable, such as in the Eden area. Hoversten said the concepts provide property owners with options in moving their business to the downtown area.

Promenade – Trapp stated this area was the former Linear district. Trapp said there isn't a concept plan for this area with redevelopment occurring in pockets due to this being a "very chopped-up" area. Gillispie asked if Staff would consider this as mixed use. Trapp said yes, it is considered as mixed use. Salazar said the area is currently 80% residential. Trapp says that yes, it's a beautiful site on both lakes and over time, it is expected the area would transition itself into being more residential. Salazar said that given the changing commercial marketplace, there are not a lot of retail opportunities short of restaurants.

Village Center – Trapp said this area is largely built-up and there are not a lot of opportunities for redevelopment. Trapp said multiple floor residential commercial would be the idea though there is no concept at this time. Trapp added that the thinking for the area is townhomes and multi-family at 70% to 30% ratio for commercial.

Trapp mentioned that the Planning Commission was favorable towards the future land-use plan which was brought forth. She added that one area that the Planning Commission wondered about was the area between Shoreline Drive and Bartlett Blvd and if this is an area of opportunity for mixed use? Trapp said that exploring this opportunity is something that came out of the Planning Commission discussion. Salazar said no. Gillispie said she hadn't thought about that area but would be open to it. Bergquist asked about the plan and said he likes to have the option to go either way. Peterson reminded all that these opportunities for planning and community input are only scheduled for every ten years.

Parks & Open Spaces

Trapp said Staff continues to move forward with initiatives that have been started, including the Parks Commission trying to help people understand the level of service that can be expected in different areas.

Trapp stated the Parks Commission reviewed maps showing the existing bike and pedestrian facilities, as well as regional trails, local trails, sidewalks, on-street shoulder, etc. Trapp said the area of greatest discussion was to improve the trail from downtown to Surfside Park. Trapp said another issue that was discussed was the Dakota Trail crossing. Hoversten added there are things the City could do to improve the trail crossing which will depend on intensity of the Auditors Road piece. Hoversten said the

County is adamant about the trail crossing not being marked on the road. Peterson said that the trail crossing is the #1 thing that people bring up.

Trapp highlighted plan directions, especially to communicate more effectively about what to expect at certain parks.

Trapp said the next steps are the open house on November 20 and after that meeting, Staff will take resident input and prepare an actual draft plan which the Planning Commission and City Council will review prior to finalization.

Trapp said that Staff will begin to publicize the Nov. 20 Open House meeting.

Smith informed the Council that this same information presented tonight was posted on the City's website, as well as in the Comprehensive Plan update. A Comprehensive Plan update was printed in the City's newsletter and there will be a press release for publication. Gillispie asked if notifications were distributed to non-profit organizations in the community. Smith thanked Gillispie for the suggestion and said she would follow up.

10. Sarah Smith, Community Development Director, requesting review/discussion on short term rental/vacation home use

Sarah Smith brought forth information requested by the Council at a previous meeting regarding short-term vacation rental (STVR) properties. Smith said that Staff researched communities around Mound and found that there are many other cities researching this topic as well.

Stewart Simon, Mound Field Officer, presented information that summarizes the research by Staff. Simon noted that there is an increasing trend for alternative lodging to hotels. These STVRs bring people to Mound to enjoy amenities. Simon said that the City is aware of properties being used as STVRs since 2011.

Some of the positives of these STVRs are additional income to business owners in town, support of tourism, etc. Simon noted that there is a shortage of commercial lodging in the Lakes area. Some of the negatives of STVRs are that it brings commercial activity into a residential area, there is no process or standard for resolving complaints, etc.

Simon noted that the City has identified about 21 properties in Mound that are operating as STVRs. Simon estimated that there are 20 complaints about the STVRs and most of these complaints relate to only four properties, concluding most operators are good stewards.

Gillispie asked about complaints on long term rentals. Simon said that most complaints on long-term rentals are about outside storage.

Simon reviewed Mound's regulations that may pertain to STVRs, noting that there is no rental property registration or licensing required by City Code. Simon noted some cities allow STVRs, some do not. Simon spent time reviewing Prior Lake's and Stillwater's regulations and permits regarding STVRs.

Connie Claire Szarke, 1956 Shorewood, said that the property next door usually rents out their house for three nights at a time year round. Szarke said she is suffering from fatigue as she is not getting any sleep due to the renters partying all night long, sitting out on the deck drunk. The owner of the property lives in Minneapolis. Szarke says that the houses are only a few feet apart and that this property charges \$750 per night and there are sometimes 15-25 people there boating, partying, drinking and shouting with dozens of cars parked on Shorewood. Szarke says she has to keep her windows and doors closed. Szarke says she calls the police after 10pm if there is loud partying going on but that she is afraid of revenge from the renters for calling the police. There is no quiet time in her house. Szarke says she does not think this resort business should exist as the property owners are not aware of what goes on and she would like to see this prohibited.

Salazar said he is sorry for Szarke's pain and asked if she has called and discussed these issues with the property owner. Szarke said that she has and the owners were polite, but said they have nothing to do with whoever is there and she should call police. Szarke commented that she has lived in her house for many decades and does not want to have to leave.

Salazar asked if the police break up parties. Szarke said she's not sure as she goes back to bed after she calls police. Szarke says these renters have no consideration for anybody else.

Rebecca Karnes-Toth, 2116 Noble, says they have rented out their house a handful of times and that they had the opposite experience than Szarke and see positive benefits. Karnes-Toth hosted a few week-long events and said they were great and that she encourages renters to go to local events.

Salazar asked Karnes-Toth if this is their personal home and Karnes-Toth said it was, but they do not stay in the home when they rent it out; however, they remain in the area during the rental period. Karnes-Toth said that they advertise their STVR on VRBO and that they meet with potential renters before they come to the area and go over the rules of the home, which they have printed for the renters.

Bergquist asked if Karnes-Toth restricts the number of people that come at one time. Karnes-Toth says that 10-12 people is the most they have had. Karnes-Toth says they have a large 5-bdrm home on a large lot with 100' of lakeshore.

Gillispie asked if Karnes-Toth had talked with the neighbors prior to renting. Karnes-Toth said that they always give their neighbors a heads up as to what is happening.

Jessica and Justin Teske, 1772 Lafayette, said they rent out a guest room and bathroom in their home while they reside there. Teske said the room is constantly rented and it has been an amazing experience and that they recommend local restaurants and business to renters. Teske said they list their home on Airbnb and that regulations in Mound are called for. Teske says that there is more that Airbnb can do if you have horrible guests. Teske says that most of their stays are long-term, around 2-3 months, and that they share their entire home, including kitchen and laundry.

Bergquist asked about the vetting process on Airbnb. Teske said that Airbnb makes you prove your identity, but that no background check is required. Gillispie commented that on Airbnb, renters have to sign a profile and go through the verification process as well. Salazar asked how the Teskes vet people and they said they read the reviews on Airbnb. Gillispie asked if there is a lot of communication with the renters prior to staying. Teske says that this sometimes happens, but they make the house rules very clear on Airbnb. Teske says they have been regular landlords for over 15 years and have more experience than the normal person, but that some of the vetting is just experience and instinct.

Peterson asked the Teskes if there were any rental regulations in the other cities where they rented out their house. Teske commented that there was a permitting process in Plymouth. Gillispie asked Teske if they were listing their home on other websites. The Teskes said they are not as Airbnb has been so great.

Jane Anderson, 5060 Edgewater, thanked the staff for the research and said she lives on a 40' lake lot and that the house next to her is on VRBO. Anderson said she had a great relationship with owners, who encouraged her to call when renters were loud, etc. Anderson sees the need and the value for having STVRs but feels it needs to be regulated.

Anderson said her issue with the rental next to her is that there is no minimum rental time so there is a lot of turnover and heavy partying, overflowing trash, excessive street parking, all of which is a nuisance. Anderson said she doesn't want this going on every day next to her.

Salazar asked if Anderson has spoken with the owner. Anderson said she had and the owner would call the renters and tell them to quiet down. Anderson said that the Lake Minnetonka Conservation District (LMCD) has gotten involved because there are too many boats parked at the dock. Salazar asked Anderson if there were regulations in place, would she consider this to be a good property to rent. Anderson said she thinks that smaller properties should only be allowed to rent for long-term of one month or more.

Gillispie asked which option the Council would consider implementing. Salazar's initial response was that he did not think STVRs should be allowed, but in looking at the big picture, he sees opportunity here. Salazar said doing nothing would be irresponsible and the City can't just say no. Salazar said he feels Options 3 or 4 would work, maybe even a combination of both, which would be permit and inspections. Salazar

recommends the City look at the property that will be rented and how it affects surrounding properties as he feels the Council and City have a responsibility to neighbors as well. Salazar thinks a large property is ideal for this type of STVR, and noted that any new services cannot be borne by the taxpayers. Salazar recommends Option 3 with permitting.

Bergquist originally thought coming into the meeting that this STVR was not a problem, but with the houses and lots being so small, Bergquist now thinks it is a problem. In Bergquist's mind, the lot size would have a lot to do with it. Peterson said she disagrees with the size of the property and feels there needs to be regulations and permits. Peterson thinks it's hard to say what is the perfect size for a STVR. Bergquist is leaning towards Option 4.

Peterson asked how much effort Council would want Staff to dedicate to this. Simon said there are licensing examples out there that Staff can use and that the City could have MNSpect do the inspections and the City can have tiered licenses.

Salazar asked what is to stop people from flying under the radar? Peterson disagrees and thinks that most people follow guidelines for their businesses. Gillispie feels that the general consensus is using a hybrid of Options 3 & 4. Gillispie doesn't want inspections for any rentals.

Gillispie thinks Council should direct staff to work on a hybrid of Options 3 & 4 for licensing and permitting for STVRs. Hoversten is comfortable with taking tonight's discussion and welding it into a hybrid of Options 3 & 4 to draft ordinance language.

MOTION by Salazar, seconded by Peterson, to direct staff to prepare options for STVR, combining Options 3 & 4 and coming back with options for Council to review. All voted in favor. Motion carried.

11. Sarah Smith, Community Development Director, requesting review/discussion on park dedication and fee regulations

Smith stated the Council directed Staff to look at park dedication fees that are being collected. Smith said state statute directs what cities can do with park dedication fees and that Mound's policy for a larger subdivision has been to accept cash in lieu of land. Smith said current regulations call for 10% cash or 10% land, which is applied at the City's discretion. Smith added the Mound city code recognizes only major or minor subdivisions and the fee collected for a major subdivision is either 10% land or cash and the fee for a minor subdivision is a flat \$1100 fee. Smith said Staff researched what other cities have done and their practices are consistent with what Mound has been doing. Smith said Staff is not recommending any changes to park dedication fees.

12. Information/Miscellaneous

A. Comments/reports from Council Members

Hoversten noted the following events:

Oct. 30 - City offices return to winter hours of M-F, 8:00 - 4:30

Nov. 10 - City offices closed in observance of Veterans' Day

Nov. 18 - Tree Lighting will be held on a Saturday this year to deconflict with the transit operations. Tree will be in the Veteran's Plaza circle to give it more visual prominence in the community.

Nov. 20 - Comprehensive Plan open house in the Council Chambers, 6:00 p.m.

B. Reports: Finance Department - August & September 2017

C. Minutes: Parks & Open Space - Sept 14, 2017
Docks & Commons Commission - March 16, 2017

D. Correspondence: CenterPoint Energy Rate Increase Notification
Mound Commission Openings Announcement

13. Adjourn

MOTION by Peterson seconded by Bergquist, to adjourn at 11:23 p.m. All voted in favor. Motion carried.

Mayor Mark Wegscheid

Attest: Catherine Pausche, Clerk