



CITY COUNCIL MEETING AGENDA
TUESDAY AUGUST 29, 2023

CITY COUNCIL MEETING TIME: 6:30 PM

1. Call to Order
2. Pledge of Allegiance
3. Roll Call

PRESENT: Mayor Johnson and Councilors Betts, Grotting and McCoy

ABSENT: Councilor Spencer

STAFF: City Administrator Kaltsas and City Administrative Director Simon

VISITORS: WHPS Chief Kroells, Andrew Grice

see attendance sign-in sheet

4. ****Consent Agenda****

All items listed under Consent Agenda are considered to be routine by Council and will be acted on by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- a. Approval of City Council Minutes from the August 1, 2023, Regular City Council Meeting.
- b. Approval of Accounts Payable (Batch # 1; Checks Numbered 22215-22229, Batch # 2; Checks Numbered 22230-22241, Batch # 3; Checks Numbered 22242-22254 and Batch # 4; Checks Numbered 22255-22269).
- c. Large Assembly Permits:
 - i. 7888 County Road 6 - September 7-9, 2023.
 - ii. 4505 County Road 92 N. – September 30, 2023
 - iii. 2752 Copeland Road – September 2, 2023 and September 9, 2023
- d. Temporary Liquor License: Horseman Stables (4505 County Road 92 N.)
- e. Agriculture Preserve Application:
 - i. PID No. 36-118-24-34-0001
 - ii. PID No. 36-118-24-13-0001

Motion by Grotting, seconded by McCoy to approve the Consent Agenda. Ayes: Johnson, McCoy, Grotting and Betts. Nays: None. Absent: Spencer. Abstain. None. MOTION DECLARED CARRIED. 4-0

5. Set Agenda – Anyone Not on the Agenda can be Placed Under Open/Misc.

6. Reports of Boards and Committees by Council and Staff.

Betts attended the following meetings:

- Night to Unite – 3 Parties

Grotting attended the following meetings:

- Night to Unite – 1 Party

Spencer attended the following meetings:

- Night to Unite – 4 Parties
- Lake Minnetonka Cable Commission Exec Committee Meeting
- Copeland Rd Open House
- Lake Minnetonka Cable Commission Committee Meeting

McCoy attended the following meetings:

- Budget Workshop
- Bob Steffl Funeral
- Upcoming Sept 7th upcoming event WHPS vs MP Fire Dept softball game

Johnson attended the following meetings:

- Night to Unite – 4 Parties
- Hwy 55 Exec Committee Zoom Meeting
- MP Historical Library Fundraiser
- Met with Matt Crawford – Haven Homes
- Orono School Board Meeting
- LMC Policy Committee Meeting
- Interview for potential police officer
- MP Fire Dept Meeting
- Bob Steffl Funeral

Copeland Road Meeting. Approx 50 people attended. Full length of the road map of the road so everyone could gather around. Everyone could state their concerns and issues. Brad Spencer did a nice job at presenting on behalf of the city on what the process would look like. Bode explains why we do things the way we do to maintain the road. City engineer went over issues they found. We presented high level numbers associated with paving, updated gravel. Long Q&A session after. We heard a lot about speed, maintenance, and snow. When we did the last overlay project, we paved entrance ramps coming on the road. We heard that the asphalt was slick. Bode said we don't put salt down on gravel. We are looking at paving an additional area of that road that doesn't impact gravel piece and so people can get out on Hwy 12 more safely. To consider paving, we need a high level of support. It was clear there were many that were not interested in paving – increased speed and traffic and cost.

Grotting – what about Nelson Rd?

Kaltsas – it still is not a through paved road. Then you have riskier gravel the rest of the way. We did put out road counters. The golf course traffic is all going south. Not much going North. 2500 trips per day. On the north end 700/750. That is about the traffic of the

residents alone. The golf course traffic is not coming north to 12. We have an email list on keeping the residents updated. Our target is 2024-2025 city wide gravel road update. Grotting – laying more ¾” to help the overall base

Kaltsas – as years go by we are losing more gravel. We haven’t replaced as well as we have. We have closed hwy 12 twice which puts a lot of traffic on other roads. Two driest years make it hard to maintain. We lost a guy with 40 years of experience on a road grader. That is not an easy replacement. That is an art. Our guys are trying to get better. It is a major loss for us.

Grotting – it’s a good time and opportunity to look at an overall city gravel update.

7. West Hennepin Public Safety Monthly Report for July 2023 – Chief Gary Kroells.
 - July 2023-2024 complaints for Maple Plain and 325 Independence and 135 Maple Plain.

8. Presentation of the 2022 Financial Audit – Andrew Grice

- a. 2022 Financial Audit – Report for year-end December 31st 2022

State Statute that city undergo an annual audit financial statements each year. It is the auditors to provide assurance that the financial statements are fairly stated.

We are giving a clean or unmodified opinion on the financial statements. That is the best you can get from the auditor. Congratulations on receiving that again this year.

- b. 2022 Audit Presentation - 2 finding to reports this year.

Materials weakness level – most severe internal control deficiency. Prior period adjustment proposed. Equity interest and joint ventures related to the WHPS commission was not presented in the prior year's financial statement. Did recommend this adjustment.

Significant deficiency – mid-level finding. Related to the reconciliation to escrow balances. Complexities as it relates to how these are reconciled so we recommend some improvements to this process to ensure they continue to be fairly stated.

MN Legal Compliance – Deposits, investments, statutes related to contracts, bidding etc., there were no findings to report.

General Fund – Monitoring Budget vs Actual

Adopting and monitoring budget – Final Budget \$3.4m in revenue, Balance budget

- Actual revenues \$3.7m. Almost all of that was in licenses and building permits.
- Expenditures \$3.4m – vacancies and contracted services and capital outlay for roofing project not budgeted for Public Works garage. Surplus of \$14k for the year.
- General fund Revenue Comparison chart – decrease .5% or 24k from 2021 to 2022
 - Misc Revenue Decrease– 179k to 19k.
 - Large donation related to Spirrow Academy Charter School that did not re-occur in 2022.

- Decrease in inter-governmental revenues related to small cities assistance grant.
- Offset by increased taxes, increase in levy, also increase in licenses and permits.
- Taxes and assessments are the majority of general fund revenue at 85% followed by licenses and permits which increased 12%
- Expenditures – Public safety services at 53% followed by general govt at 23% and public works at 21%
- General Fund – Fund balance. Increased in 2022 by 14k. Measures financial health. What is available for cash flow if unexpected items that may come up. Goal is no less than 40-50% of the year's budget expenditures. 2022 was at 48% and city complied.
- Sewer utility fund
 - \$269k operating revenues
 - Operating expense– up to 341k
 - Equity position is at \$794k which is highest in the last 5 years.

Johnson – staff and I met to go over more details on the audit. Good staff to do work behind the scenes to get a good audit.

Grotting – the loss in sewer utility fund - is that an ongoing concern?

Kaltsas – it is just a depreciating factor. We have been doing studies on our sewer fund.

We have tried to increase the cost reasonably to have this fund independent of the tax based. Sometimes taxpayers have had to cover some of the expenses of this, but we try to keep it independence. When Bridgevine comes online, it will be a huge deal for our sewer fund. We are adding 10% more customers with zero additional infrastructure. I think it will help our fund substantially.

Betts – your presentation was very easy to read and clear so thank you.

Grice – thank you, I appreciate that.

Johnson - thanked Grice for coming out to report.

Kaltsas – we will publish the audit results online so public can see.

Motion by Betts, seconded by McCoy to approve the 2022 financial audit report for the city. Ayes: Johnson, Betts, McCoy, Grotting. Nays: None. Absent: Spencer. Abstain. None. MOTION DECLARED CARRIED. 4-0

9. Open/Misc.

September 5th City Council Meeting

Kaltsas – Waiting to see what workload was but we do not have anything on the agenda.

We could hold a special the next morning for AP at the workshop meeting on September 6th.

Motion by McCoy, seconded by Betts to cancel the September 5th meeting and hold a special meeting September 6th for AP Invoices. Ayes: Johnson, Betts, McCoy, Grotting. Nays: None. Absent: Spencer. Abstain. None. MOTION DECLARED CARRIED. 4-0

10. Adjourn.

Motion by Grotting, seconded by McCoy to adjourn the City Council Meeting at 7:20pm. Ayes: Johnson, Betts, McCoy, Grotting. Nays: None. Absent: Spencer. Abstain. None. MOTION DECLARED CARRIED. 4-0

