

City of Excelsior
Hennepin County, Minnesota

MINUTES
EXCELSIOR CITY COUNCIL WORK SESSION

SEPTEMBER 15, 2014

1. CALL TO ORDER/ROLL CALL

Mayor Gaylord called the meeting to order at 6:07 p.m.

Present: Councilmembers Beattie, Fulkerson, Miller, and Mayor Gaylord

Absent: Councilmember Caron

Also Present: Finance Director Tumberg, City Engineer Dawley, Public Works Superintendent Wisdorf, City Attorney Staunton (arrived at 6:55 p.m.) and City Clerk Johnson

2. AGENDA APPROVAL

Fulkerson moved, Beattie seconded, that Item #4, Council Meeting Process, be moved before Item #3, Assessment Policy. Motion carried 4/0.

Beattie moved, Miller seconded, to approve the agenda, as amended. Motion carried 4/0.

4. COUNCIL MEETING PROCESS

The Council discussed formalizing the Council meeting process. Fulkerson stated that she doesn't think Excelsior is looking to be formal in their Council meeting process. Beattie, however, stated that he thinks it is good to have formality, based on good manners, consideration, and civility. Beattie said people should be given the chance to speak but, once heard, the item should be moved on. Fulkerson thinks there should be a time limit for anyone speaking.

Mayor Gaylord said there are two aspects to the Council meeting process. One is the public meeting side, but more importantly, is how the Council manages the meeting. Mayor Gaylord said, from his perspective, having recognition of the floor is important. He said there are often competing interests for the floor at the same time, which can become difficult to manage. Mayor Gaylord believes that a simple action of recognizing the Chair and asking for the floor is more appropriate. He said by managing meeting time, asking the Chair for the floor, asking questions, then returning the floor to the Chair, would provide more order to the meetings.

Miller said that this is part of Robert's Rules but stated that this Council doesn't necessarily always follow those rules.

4. COUNCIL MEETING PROCESS – *Continued*

Mayor Gaylord said that the City of Shorewood has this formality in their bylaws and that he can send this to the Council for review. Mayor Gaylord thinks formality will add more structure to Council meetings and, once the public sees this control, the public will follow suit. He thinks this is a change that is needed for Excelsior.

Miller stated that the Council meetings have been flexible in the past. He agrees with Mayor Gaylord that the Council should be more consistent.

Fulkerson said she had provided some articles to Mayor Gaylord with ideas on how to keep control of meetings.

Mayor Gaylord said he didn't think the last Council meeting was out of control. However, Fulkerson said she that it was hard to get Miller's attention at the last Council meeting. Miller said he waited to talk and then wanted to get all of his points heard. He said that this is how he has done it over the past ten years. Miller said if others disagree on an item, they may want to take more time on the subject and get their points out.

Beattie said he thinks that if the Council manages the meetings more closely, the Council will get more done efficiently and in less time. Beattie said that everyone should have the opportunity to speak and, once spoken, the Council should move on. Beattie thinks the Chair needs to recognize other aspects of Robert's Rules, which is the ability of the Councilmembers to make motions. Mayor Gaylord said an important point is that the Chair does not have the ability to make a motion nor a second motion and he doesn't believe this is fair. Miller said a historical point was the intention to have the Mayor would be the neutral, objective party who would ask the Councilmembers to make a motion. Miller said the Mayor may step out and make a motion. Mayor Gaylord said, however, that if he steps out to make a motion, he loses control of the meeting for the duration of that discussion. Mayor Gaylord said that Shorewood Mayor Zerby has the ability to make motions. Beattie said a compromise may be for the Mayor to make second motions; however, Beattie doesn't have any issues with the Mayor being able to make motions or second motions.

Beattie stated that the Council could adopt a resolution to allow the Mayor seat to run for a four-year term. Miller agreed. Fulkerson said it requires a change to the Charter. Tumberg said she will look into it.

Mayor Gaylord said if the Council believes every member should have an equal vote, then every member should be treated equally.

Mayor Gaylord said the course of action is to modify the City's bylaws. He said he will send the City of Shorewood's bylaws to staff and request that staff draft some changes to it on: 1) how the Council handles Public Hearings; and 2) how City Council meetings are managed. Mayor Gaylord said he would like to see a red-lined version.

4. COUNCIL MEETING PROCESS – *Continued*

Miller said each member should be allowed to state their opinion, followed by a round of rebuttal.

The Council discussed how to address each of the members during City Council meetings. Mayor Gaylord suggested addressing the Chair as "Mayor" and addressing the members of the Council as "Councilmember (last name)." Miller said there should be some protocol. Beattie said Councilmembers could be addressed by their surname. Miller said using surnames would send the right message to the public to be more formal. Mayor Gaylord said the title of Councilmember should be addressed that way to the public. Fulkerson said first names have been used in the past, but Beattie said the Council should stay away from using first names. Fulkerson thinks not using first names will distance the Council from residents. She believes a first name basis is better. The Council also discussed raising their hand before speaking and addressing the Mayor as, "Mr. Mayor" or "Mayor."

3. ASSESSMENT POLICY

Dawley said that this item is a continuation of the August 18 and September 2, 2014 Work Sessions. Dawley said that the adopted 2010 Assessment Policy has different methodologies and is silent on specific areas that affect properties, especially the rate, and thus is the subject for this discussion.

Dawley said there are two summary handouts in the Council packet that include some potential future scenarios for modifying the assessment policy, with impacts from both a financial and a procedural standpoint. Dawley said the first summary looks at four different land uses with current and proposed methodology. Dawley stated that one of the things the City Attorney wanted to impart was the need to involve additional legwork to notify the public of changes that may impact them financially. He said there may be a need to hold additional Public Hearings. Dawley said this will need to be discussed with Attorney Staunton.

Dawley said the second handout has some of the hard numbers. He said he took the existing calculations from within the MCES feasibility assessments, along with some of the changes that the Council had discussed, to delineate higher value impacted properties, compared to a typical residential home. For example, Dawley said that Maynard's has a higher property value and a larger parcel size, so it could be assumed that street improvements would have a higher value, as compared to a residential property. Dawley said some of the additional costs mostly seen on collector roadways would show a slight decrease to the residential properties. He said the biggest substantial swing is the condo units that are considered multi-family but have multiple ownership. Dawley said each ownership would pay a similar amount. Under the old scenario, Dawley said the average condo assessment would have been \$173. Under the new scenario, he said the average condo assessment is just over \$1,500. Dawley said this is less than an average residential assessment and explains the change to condos in the summary.

3. ASSESSMENT POLICY – *Continued*

Dawley said that, at the previous meeting, it was pointed out that the residential category included duplex or two-unit buildings and that these properties would be assessed as two residential units. Dawley said triplex properties would be in a situation that would change the triplex, causing the duplex to pay more than a triplex property. Miller asked if a triplex is generally more expensive than duplex. Dawley said yes, depending on lot size, because a triplex lot would more than likely be larger than a duplex lot. Beattie asked if a four-plex or triplex would be calculated the same as an apartment building. Dawley said this could be factored in. He said over and above a specific number would need to be listed as multi-family. Miller said it would still need to follow the City's definitions of multi-family. Dawley said if the Council is looking at modifying the policy, this would be something to consider.

Fulkerson asked if this policy is based on the value of the property. She said these increases are drastic. Dawley said this is only for illustrative purposes from Mayor Gaylord's request at the September 2nd Council meeting. He said it is a starting point to look at, with ways to differentiate different types of properties. Dawley said it is based on the improvements, not the property value.

Dawley said Luger conducted a survey of surrounding communities and found their assessment rates for commercial properties ranged from 100 percent to 60 percent. Dawley said that 30 percent may be a big jump but, in almost every case, that this was still on the low end in regards to other communities in the metro area.

Miller said that this is the first time the City Council has looked at assessments in a comparative way, which would explain why the numbers are so drastic, as Fulkerson stated.

Beattie said that even 30 percent seems too low but that the issue is, once the City starts significant street improvements, it would have a huge impact on businesses. Beattie asked if the City should be looking at something more realistic, compared to communities of Excelsior's size and area, so the City can ultimately give the residents a much lower tax base, in regards to residential properties. Beattie said he sees up to a four-plex considered a residential property, as compared to an apartment building. Miller said the multi-family rate is reasonable. Miller said the other issue is to regulate it so the City has a user fee for the improvement but an acknowledgment that it is used by all.

Mayor Gaylord asked Dawley about the totals in the summary, specifically comparing the old column to the new column. He said they don't add up the same and that the commercial total assessment and the original total are substantially different. Dawley said the first bold line is the average commercial assessment, the next line is whatever the high number is, and the next is the lowest out of all the commercial properties, the next is the rate, and the last is an idea of how many assessment dollars are being

3. ASSESSMENT POLICY – *Continued*

generated by this change, somewhere around \$200,000 additional dollars would be generated from this project. Mayor Gaylord asked if the City is overall paying less; Dawley said yes.

Dawley said the one thing not included in this scenario that is worth considering is the discussion about assessing based on an area, or larger area, and how to prorate the entire area so it is not assessed multiple times. Dawley said this would be, for example, for someone living on a corner or other similar property. He said it could be prorated based on the frontage and that, when the other roads are improved, they would pay as they go to improve all three sides.

Beattie asked if the City can make adjustments in the current assessment policy to make it effective in the current MCES project. Dawley said he believes the answer would be yes but that he would need to refer to Attorney Staunton for advice. Dawley said there have been multiple neighborhood meetings and Public Hearings, so his understanding is that it is possible. Dawley said it should be noted that there may need to be some high level engagement with the community before the Council considers adopting a change and/or moving forward. Dawley said the other item, besides the policy, is whether or not the City would need to hold another Public Hearing. He said the only Public Hearing held was to order the public improvements. Dawley said he would need to defer to Attorney Staunton on this.

Beattie asked if anyone has discussed the legal benefit standard as to whether certain percentages may be troublesome. Dawley said there have been staff discussions. He also said a benefit appraisal would be required. Dawley said some cities do this all the time, others only on an as-needed basis, because it can be expensive. Dawley said that, during the Council's analysis of what rate to use, an appraisal could be done; however, those per parcel can be anywhere from \$3,000-4,000 and may include two to five properties of each land use. Dawley said it could cost \$20,000-30,000 to get at that exact information.

Miller said Luger's survey of other communities was trying to get at a reasonable percentage. Miller said 30 percent was chosen as the low end of that survey. He said this survey was engaged to try and get this information without doing an expensive appraisal process.

Dawley said he is hearing from the Council that there are some additional things we can do – a better picture of the funding breakdown, and bring that back to another Work Session with the City Attorney.

Mayor Gaylord asked about the multi-family definition. Dawley said some redline edits could be done to the policy to fit this. Mayor Gaylord said it could be indicated as two to four units. Dawley asked if there was a consensus on this number. Miller said residential properties were defined in the past as two units and that the definition of multi-family that was used in the past should be used now. Beattie asked about having a triplex on a

3. ASSESSMENT POLICY – *Continued*

residential lot and thinks the calculation would favor the triplex, as opposed to a residential assessment. Mayor Gaylord suggested finding out the number of three and four-unit properties in the City, along with the size of those properties.

Miller said some of the City's previous phases were based on number of units. Beattie asked about commercial properties. Tumberg said all of the properties on previous projects were residential and institutional.

Dawley said there are currently accommodations to reconstruct the BayView entrance to align it further to the east to line up with the Minnetonka Boulevard intersection. He said he is looking for comments as to whether or not this is appropriate and that he can take direction back to MCES. If it is not funded by the City, Dawley said he can talk to the property owner. Miller doesn't think there is any significant safety improvement and that this reconstruction only benefits the property owner, so it should be paid for by the property owner.

Dawley asked the Council about prorating based on area and whether they would like an illustration. Mayor Gaylord said an illustration would be helpful. Miller suggested looking at past projects, also. Dawley said he will bring this back for the Council at the next available Work Session.

5. ADJOURNMENT

Beattie moved, Miller seconded, to adjourn at 6:56 p.m. Motion carried 4/0.

Respectfully submitted,

Shirley Johnson
City Clerk