

**DEEPHAVEN CITY COUNCIL MEETING  
MONDAY, APRIL 20, 2009  
MINUTES**

**1. CALL MEETING TO ORDER:** Mayor Paul Skrede called the meeting to order at 7:00 p.m.

PRESENT: Mayor Paul Skrede, Councilmembers John Wheaton. Keith Kask, Kim Crockett and Steve Adams

STAFF: Police Chief Cory Johnson and City Administrator Dana Young

**2. PLEDGE OF ALLEGIANCE**

The Council recited the Pledge of Allegiance.

**3. APPROVE CONSENT AGENDA**

Motion by Councilmember Adams to approve the Consent Agenda, consisting of the following items:

- A. April 6, 2009 Minutes
- B. Approve \$1,200.00 Fireworks Donation to South Lake Excelsior Chamber of Commerce
- C. Rescind the Appointment of Keith Kask and Reappoint David Gross to LMCD Board

Seconded by Councilmember Wheaton. Motion carried 4-0.

Councilmember Kask enters at 7:02 p.m.

**4. MATTERS FROM THE FLOOR**

Dick Kruegger, 18310 Rutledge Road, was present to state his appreciation to the Council for the appearance of the new St. Louis Bay docks and to thank Mayor Skrede for how well he has handled the financial resources of the City. He added that he no longer has the opportunity to check out the City as he use to in the past and recommended that the Council will need to find another resident to replace him.

The Council thanked Dick Kruegger for his comments.

Bonne St. James, 18390 Minnetonka Blvd, was present to discuss the threat imposed by Japanese Beetles. She stated that these beetles are causing damage to lawns, trees, flowers and gardens and have now migrated from the East Coast to Minnesota. She stated that it is critical to use an insecticide that includes Permethrin at least twice a year and it has to be a community-wide effort in order to be effective. She encouraged the Council to use an insecticide in the City Parks in order to control the spread of these beetles.

Mayor Skrede stated that the Council cannot take action on any item that is brought up under Matters from the Floor but asked staff to obtain bids on the cost of using chemical applications to control Japanese Beetles at City Parks. In addition, he also asked staff to find out how often the chemical

needs to be applied and its potential impact on the public's use of the park during and after the applications.

Councilmember Wheaton stated that he is familiar with Japanese Beetles and noted that they have to be universally treated in a coordinated citywide effort for the treatment to be effective. He added that he doesn't know if the treatment would be effective in the city if other surrounding cities don't treat for Japanese Beetles as well.

Bonne St. James encouraged the Council to submit information to the Sun Sailor or the Lakeshore Weekly News on this issue and also encouraged the Garden Club to help disseminate information on the treatment for Japanese Beetles.

## **5. UNFINISHED BUSINESS**

### **A. Review Audit of 2008 Financial Statements**

Steve Wischmann, with Kern DeWenter Viere, was present to present the audit of 2008 Financial Statements for Council review.

Councilmember Adams expressed concern that we will need to carefully review both the Sewer Fund and Recycling Fund during the review of the 2010 Budget since both funds have experienced a negative cash flow last year.

### **B. Approve Agreements pertaining to the Southshore Center**

Mayor Skrede stated that there have been a group of city representatives called the Senior Funding Committee that have been meeting trying to develop a financial solution to resolve the future funding of the Southshore Center. He stated that he applauds the Shorewood City Council for agreeing to act as fiscal agent during this interim period. He stated that Shorewood is asking each city to contribute 20% of the net operating cost of the Center until June 30, 2009 through a Memorandum of Understanding and to approve an agreement with SSSP to manage the Center and pay \$600.00 per month until June 30, 2009.

Mayor Skrede stated that there is a dual track being pursued during this interim period. The Senior Funding Committee is currently reviewing Requests for Proposals from several vendors on providing management services for the Center while the city of Shorewood is reviewing the necessary title work should they decide to exercise the Shorewood Option to acquire the building.

He stated that the Shorewood City Council has also been asked to look at entering into a purchase agreement with the Lake Minnetonka Communications Commission. He stated that the original purchase offer had a deadline of April 15<sup>th</sup>, which has already passed, and that Shorewood has further requested that the LMCC obtain approval from 12 out of its 17 member cities for the purchase of the Center by April 30<sup>th</sup> in order to establish themselves as a bona fide buyer. He stated that unless this approval is in place by this date, there would appear to be no bona fide offer.

Mayor Skrede stated that there were a number of residents who were in attendance this evening to discuss the Southshore Center and invited them to speak to the Council.

Peggy Schwartz, 18850 Maple Lane, presented the Council with a petition with 1,000 signatures asking the member cities to save the Center. She stated that she has lived in Deephaven for 49 years due to the amenities offered in the community. She stated that it has been stated that our taxes will increase if Deephaven keeps the Center. She stated that if taxes were raised 1% to fund the Center, her taxes would only increase \$0.77 per week. She stated that taxes on a one million-dollar home would only amount to the cost of purchasing a latte each week.

She stated that she had been told by Administrator Young that one of the Council's concerns is that not many residents in Deephaven use the Center. She questioned if the City has to know how many people are using the trails, ballfields and tennis courts? She stated that all of these amenities add to the quality of life in Deephaven. She stated that although she doesn't use these other amenities, she does use the Center. She stated that we need to get rid of the "me" attitude and start having a "we" attitude.

Mikki Flaton, 19125 Ramsey Road, stated that the Center is already paid for and that she uses the Center to go to lunch and to play bridge. She stated that there are a lot of former Deephaven residents who also use the Center and that both the Excelsior Historical Society and a Church rent the Center regularly. She stated that the seniors recently held a craft sale and a bake sale at the Center that raised \$1,600.00. She added that we need to think about the seniors.

Helen Beggs, 19555 Manor Road, stated that she doesn't have the time to go to the Center very much with the exception of several special events. She stated that she likes the fact that Deephaven has joint ownership of the Center and urged the Council not to let Shorewood take it over.

Keith Stuesse, a city of Greenwood resident, stated that there is an ad hoc group of about 15 members who would like to work with the cities to develop a workable plan for the Center that includes staffing and programming. He stated that he has worked on behalf of the senior center for 12-13 years and when the Center was properly funded up until 2006, there were over 1,500 participants who used the Center each year. He stated that he estimates the cost to operate the Center at around \$120,000 per year and that 1% of the aggregate property tax levy of all five cities could fund the Center along with the \$30,000.00 per year in rental income. He added that 1% - 2% of the city's population are in peril of moving into a nursing home and the senior center provides programming that assists seniors to stay in their homes. He stated that he hopes that the Council will support the Center.

Mayor Skrede stated that the two agreements the Council is reviewing this evening concern the interim operations of the Southshore Center. He stated that Requests for Proposals were solicited, one of which was from SSSP, which offer management services, direction and leadership capabilities to make the Center a thriving facility. He stated that one offer is contingent on Shorewood owning the building presumably because they would prefer dealing with one city versus five cities. He stated that the Shorewood Council is considering ownership of the Center not due to any bon fide offer to purchase the Center but to make the decision-making process easier. He stated that if the Shorewood Council felt comfortable with one of the two management proposals, they could decide to move forward and make the Center a viable community center, not just a senior center. He stated that our Council's reading of the Cooperative Agreement is that the city of Shorewood has the right to exercise the Shorewood Option and acquire the Center from the other four cities. He stated that according to former Mayor Howard Bennis, the Shorewood Option was specifically included in the Cooperative Agreement to protect Shorewood from the actions of the other four cities.

Councilmember Wheaton exits at 8:20 p.m.

Councilmember Crockett stated that our Council would be absolutely delighted if the recent interest in the Center results in continuing the use of the Center. She stated that there have been a number of unfair comments about Mayor Skrede and knows him to be someone who has always taken care of seniors in his neighborhood and in the City. She added that no one is more considerate of seniors.

Councilmember Crockett stated that the City is under intense financial pressure from a mandatory contribution to the Fire Relief Association and is currently under state mandated levy limits. She stated that she is constantly hearing from seniors who are asking her to keep property taxes down. She stated that it is also a very important factor for the City Council to consider the number of Deephaven residents who are using the Center in order to fairly evaluate the extent of any future commitment to the Center. She stated that during these economic times, people she knows aren't buying lattes every week, foreclosures are up dramatically and she knows a number of people in Deephaven who have lost their jobs. She reiterated that if recent events lead to a better clarification on the use of the Center, nobody would be happier with this development than this Council.

Councilmember Kask stated that the Cooperative Agreement made it very clear that cities were not to be involved in the operational and programming costs at the Center. He stated that while we need to explore every opportunity to keep the Center open, he is somewhat aggravated that the Friend's have terminated the current lease with the cities and attempted to dictate the terms of a new lease. He stated that the City is under levy limits and has a number of other constraints, and that we are a conservative Council that finds it hard to accept further mission creep that would require us to fund the operations of the Center.

Peggy Schwartz asked if this aggravation was the reason why the Senior Funding Committee turned down the management proposal from SSSP?

Councilmember Kask stated that he is not on the Senior Funding Committee and was not aware of any of the management proposals.

Mayor Skrede stated that he believes that the Friend's engaged in disingenuous negotiations which was a disservice to the seniors. He stated that SSSP's proposal didn't conform to the Request for Proposals and was simply a reiteration of an earlier proposal they had submitted that offered no new management ideas.

Councilmember Adams stated that he agrees with the comments made by the Council on this issue and added that the Mayor and City Administrator have spent significant hours on this issue and the final conclusion of what is going to happen to the Center has not yet been determined.

Motion by Councilmember Crockett to approve the Agreement for the Operation of the Southshore Center and the Memorandum of Understanding regarding the Interim Operation of the Southshore Community Center. Seconded by Councilmember Kask. Motion carried 4-0.

## **6. NEW BUSINESS**

### **A. Review 2009 Lifeguard Contract**

Tim Litfin, Director of Minnetonka Community Education, was present to present the 2009 Lifeguard Contract for lifeguard services at Deephaven Beach, Sandy Beach and Robinson's Bay Beach. The proposal was for 68 days of lifeguard services from June 10<sup>th</sup> to August 16<sup>th</sup> for a cost of \$34,520.00.

Councilmember Kask stated that there was a proposed increase in the cost of lifeguard services from 2008 to 2009 with a proposed reduction in service days from 88 to 68 and noted that the City might have to consider consolidating lifeguard services in the future.

Councilmember Adams agreed that we need to consider a possible reduction in the number of days of service.

Tim Litfin stated that the length of service from June 10<sup>th</sup> to August 16<sup>th</sup> was determined from a conversation with Administrator Young and from other similar contract requests from other cities.

Councilmember Adams asked why would the 2009 fee for lifeguard services increase when the number of service days declined from 88 to 68 days?

Tim Litfin stated that the last three-year contract was based on a breakeven proposition and MCE can no longer to continue to provide the service at a subsidized cost.

Councilmember Crockett stated that she does not want to reduce lifeguard services at Deephaven Beach because the heavy use of the beach seems to carry a greater risk of drowning or other emergencies but wondered if we should look to cut back on lifeguard services at Sandy Beach and Robinson's Bay Beach. Crockett also objected to being "jammed" by a late April request that left too little time for consideration or negotiations by the Council. She asked that the proposal get in front of the Council at an earlier date next year. She also asked Administrator Young to look for competing proposals from other vendors.

Councilmember Kask stated that he would prefer to accept the offer that is before us this evening and hold off a discussion on future scope of lifeguard services for a later date. He added that larger cities with a parks and recreation department have the option to hire their own lifeguards and Deephaven doesn't have that same opportunity.

Motion by Councilmember Kask to approve the 2009 Lifeguard Service proposal submitted by Minnetonka Community Education in the amount of \$34,520.00. Seconded by Councilmember Adams. Motion carried 4-0.

Tim Litfin thanked the Council and noted that the comprehensive parking plan will be presented for Council review next month, the new addition at the Deephaven Education Center is progressing very well and noted that the Tour de Tonka will be held on August 1<sup>st</sup>.

#### **B. Approve Yoga Class at Robinson's Bay Beach**

Tim Litfin, Minnetonka Community Education Director, was present to state that the Deephaven City Council has approved the use of Robinson's Bay Beach by Minnetonka Community Education for Yoga Classes the last three years. Minnetonka Community Education is again requesting the use of Robinson's Bay Beach in 2009 for the following dates and times:

Day: Wednesdays  
Dates: June 17, 24 & July 1, 8, 15, 22  
Class Time: 8:00 p.m. – 9:00 p.m.

Administrator Young noted that in prior years, students have been allowed to either park at Robinson's Bay Beach if they obtain a parking permit or they can park along Northome Blvd at no charge.

Motion by Councilmember Adams to approve a Yoga Class at Robinson's Bay Beach during the specified dates and times submitted with the request. Seconded by Councilmember Crockett. Motion carried 4-0.

### **C. St. Louis Bay Rip Rap Project**

Administrator Young stated that riprap was installed along the shoreline at St. Louis Bay in 2000 in order to prevent the erosion of the shoreline from the northern edge of the Shore Spaces to the southern edge of Deephaven Beach. At the time of installation, the rock used for the riprap was undersized, which has led to continual problems of the rock falling or being thrown into the lake. As a result, it has become increasingly difficult to install the Shore Space docks due to the number of rocks within 8 feet of the shoreline.

He stated that there has been quite a bit of discussion about this problem by the Boat Committee. Potential longer-term solutions include:

1. Removal of the existing riprap and install steel pilings, similar to the breakwater structure, along the shore with a boardwalk along the top. The shore space docks could then be accessed off of the boardwalk.
2. Removal of the existing rip rap and install newer, larger riprap.

As a short term solution, staff is proposing to hire a backhoe to retrieve the riprap that has fallen or been thrown into the lake from within 8 feet of the shoreline. The project would occur specifically within the 220-foot area containing the Shore Space docks in the attempt to clear most of the riprap from the dock areas. A permit would still be required from the Watershed District, but it would only require a less extensive Fast Track Permit. The cost to remove the riprap is estimated at \$3,000.

Motion by Councilmember Kask to authorize the removal of riprap that has fallen or been thrown within 8 feet of the shoreline along the Shore Space Area at a cost not to exceed \$3,000.00 from the Marina Fund. Seconded by Councilmember Adams. Motion carried 4-0.

## **7. REPORTS FROM STANDING COMMITTEES**

### **A. Public Works Committee**

Administrator Young presented a review of the Public Works Committee meeting held on April 2, 2009 on the following items:

- Reviewed the Vine Hill Electric Utility Project with Xcel Energy
- Reviewed but no action taken on a complaint regarding the feeding of wildlife
- Discussed the installation of a storm water pipe with the Virginia Avenue Overlay Project

**B. Park Committee**

Administrator Young presented a review of the Park Committee meeting held on April 1, 2009 on the following items:

- Bench Inventory discussion at Thorpe Park
- Thorpe Park Playground Improvements
- Deephaven Days – Saturday, August 8<sup>th</sup>
- 2009 Committee Goals
- Japanese Beetles
- Thorpe Pond Pump

**8. ADJOURNMENT**

Motion to adjourn by Councilmember Crockett, seconded by Councilmember Kask. Motion carried 4-0. The meeting adjourned at 9:33 p.m.

Respectfully submitted,

Dana H. Young  
City Administrator