

**DEEPHAVEN CITY COUNCIL MEETING  
MONDAY, APRIL 5, 2010  
MINUTES**

**1. CALL MEETING TO ORDER:** Mayor Paul Skrede called the meeting to order at 6:00 p.m.

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

STAFF: Police Chief Cory Johnson, City Assessor Dan Distel and City Administrator Dana Young

**2. PLEDGE OF ALLEGIANCE**

The Council recited the Pledge of Allegiance.

**3. BOARD OF APPEAL & EQUALIZATION**

Mayor Skrede opened the Board of Appeals and Equalization at 6:00 p.m. and stated that the purpose of tonight's meeting is to review property valuations and hear from those property owners who would like to appeal their 2010 estimated market value as set by City Assessor Dan Distel. He welcomed Bill Effertz, from the Hennepin County Assessor's Office, who was also in attendance and introduced City Assessor Dan Distel.

City Assessor Dan Distel stated that he has been the assessor in Deephaven, Woodland and Wayzata since 1988. He stated that his goal is to assign property values as close to their actual selling price as possible. He stated that his intent is to set market values to within 95% of their actual sale price. He stated that market values have decreased an average of 7.2% for off-lake properties and decreased 8.0% for lakeshore properties due to the continued decline in the housing market. He stated that this is the third year in the row that market values have decreased and he has conducted a review of all residential properties within the last five years, as required by state law.

Jon Monson, 20260 Lakeview Avenue

Jon Monson stated that he is currently remodeling his property at 20260 Lakeview Avenue and will be living there shortly. He stated that he paid \$2,000,000 for this property in December 2009 and was requesting that the proposed 2010 value of \$2,077,000 be lowered to the actual sale price. He stated that he is not questioning the assessor's methodology but questions why the market value would be higher than the actual sale price. He stated that he had a similar situation occur with one of his properties in south Minneapolis and the market value was simply readjusted to the sale price after consulting with their assessor.

Dan Distel stated that he doesn't support a reduction in this instance because the sale fell outside the sales review period from October 2008 through October 2009 and noted that the value had been significantly decreased from 2009 to 2010. He stated that December 2009 sale will be part of next year's review and would be taken into account next year.

Jon Monson stated that if values continue to drop, would he have the opportunity to retroactively appeal his value to the tax court?

Dan Distel stated that Mr. Monson has three options. First, he could appeal to the Local Board of Equalization, which is what he is doing this evening. Second, he could appeal the Local Board's decision to the Hennepin County Board. And third, he could appeal to the tax court.

Mayor Skrede stated that he generally supported the City Assessor's value due to the fact that the property was sold after the sales evaluation period, there were so few comparables to evaluate the market value, and property values continue to trend downward.

Councilmember Adams asked the City Assessor if he believed that Monson's purchase of this property was an arm's length transaction.

Dan Distel stated that he felt it was an arm's length transaction.

Councilmember Adams stated that this should be the best indicator of the fair market value of the property.

Councilmember Wheaton agreed that an arm's length transaction would be an accurate reflection of its value.

Motion by Councilmember Adams to approve a 2010 value of \$1,775,000 on the property and \$225,000 on the building for a total 2010 value of \$2,000,000 at 20260 Lakeview Avenue. Seconded by Councilmember Crockett. Mayor Skrede voted against the motion. Motion carried 4-1.

Mayor Skrede noted that he voted against the motion simply because he preferred to keep the review period intact since the purchase occurred after the review period.

The Board recessed the meeting at 6:45 p.m. to see if any other residents showed up to meet with the Board of Appeals.

The Board reconvened the meeting at 8:47 p.m. Hearing no further requests, the Board of Appeals was adjourned on a motion by Councilmember Kask. Seconded by Councilmember Adams. Motion carried 5-0.

#### **4. APPROVE CONSENT AGENDA**

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

- A. March 15, 2010 Minutes
- B. Approve April Verifieds
- C. Rescind the Appointment of Keith Kask and Reappoint David Gross to LMCD Board
- D. Approve 2010 Contract with Lake Management for Aquatic Weed Control

Seconded by Councilmember Kask. Motion carried 5-0.

**5. OLD BUSINESS**

**A. Adopt Resolution No. 11-10, Approving Seal Coating Bid**

The Council reviewed the following 2010 Seal Coating Bids:

<u>Bidder</u>	<u>Total Bid Amount</u>
Allied Blacktop Company	\$ 118,349.38
Pearson Bros., Inc.	\$ 123,073.74
Astech Corp.	\$ 159,649.60
Caldwell Asphalt Co., Inc.	\$ 203,128.24

Administrator Young stated that \$140,000 has been budgeted within the 2010 Capital Improvement Fund for seal coating.

Motion by Councilmember Kask to adopt Resolution No. 11-10, A Resolution Approving the Bid and Awarding a Contract to Allied Blacktop Company in the amount of \$118,349.38. Seconded by Councilmember Adams. Motion carried 5-0.

**B. Other**

There was no other Old Business this evening.

**6. NEW BUSINESS**

**A. Update MCWD Rule D & F**

Administrator Young stated that the Council first became aware of the Minnehaha Creek Watershed District's efforts to revise Rule D Wetland Protection Rule and Rule F Shoreline & Streambank Stabilization Rule at their February 1<sup>st</sup> Council meeting. He stated that the revisions to the rules proposed significant changes that many municipalities felt would have an adverse impact on their communities. In particular, a number of communities expressed concern that Rule D would establish prohibitively wide wetland buffers that would make housing redevelopment much more difficult, if not prohibitive in certain circumstances. Concerns were also expressed regarding Rule F, which would have a substantial impact on the ability of lakeshore homeowners to repair their existing riprap.

He stated that following the initial comment period on January 12, 2010, the MCWD made substantial changes to their proposed rules that modify many of the more egregious sections of the proposed rules. He stated that the most recent version of the rules, dated March 15, 2010, has been attached for Council review.

Mayor Skrede stated that he and Zoning Coordinator Gus Karpas attended the Joint Cities Task Force meeting in Mound to find common issues of concern with the revised rules. He stated that the purpose of tonight's discussion is to give the Council the opportunity to review the proposed letter drafted by staff that presents the City of Deephaven's objections to Rule D and F in order to submit a timely response to the MCWD by their April 12<sup>th</sup> deadline. He stated that in addition to each city submitting their own specific comments and/or concerns regarding the revised draft of Rule D & F by the April 12<sup>th</sup>, the Joint Cities Task Force will continue to meet with the attempt to submit a joint letter to the MCWD.

Motion by Councilmember Wheaton to approve the letter to the MCWD as written. Seconded by Councilmember Crockett. Motion carried 5-0.

Further discussion was held on the levy authority of the MCWD and other taxing districts.

**B. Other**

There was no other New Business.

**7. DEPARTMENT REPORTS**

**A. Police Department**

Chief Cory Johnson presented the 2009 Police Report for Council review.

**B. Excelsior Fire District**

Councilmember Adams reported that the Fire District Board will be holding a budget work session on April 7<sup>th</sup>. He provided a brief update on the March 24<sup>th</sup> Fire Board meeting:

- The 2009 Audit was presented and it was a clean audit with no exceptions.
- An update was provided on the Fire Relief Fund. The fund was 91.5% funded at the end of 2009 and future mandatory contributions could drop even further with another positive investment year.
- The 2009 Annual Report was presented and he noted that calls have gone down each of the last five years. He stated that this was a very interesting trend that should be carefully evaluated.

**C. Public Works**

Administrator Young provided an update on recent and upcoming public work activities.

**D. Administration**

Administrator Young provided a brief summary on the following items:

- April Mailings
- Property Management Plan
- Recent meetings regarding MCWD Rule D and F

**8. ADJOURNMENT**

Motion to adjourn by Councilmember Wheaton, seconded by Councilmember Crockett. Motion carried 5-0. The meeting adjourned at 7:50 p.m.

Respectfully submitted,  
Dana H. Young  
City Administrator