

**DEEPHAVEN CITY COUNCIL MEETING  
MONDAY, MAY 16, 2016  
MINUTES**

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

PRESENT: Mayor Paul Skrede, Councilmembers Steve Erickson, Tony Jewett, Keith Kask and Darel Gustafson

STAFF: City Administrator Dana Young

2. **PLEDGE OF ALLEGIANCE**

The Council recited the Pledge of Allegiance.

3. **APPROVE CONSENT AGENDA**

Mayor Skrede requested that Item 3B. Adopt Resolution No. 26-16, Approving Extension of Variance be removed from the Consent Agenda and placed under Unfinished Business for further discussion.

Motion by Councilmember Kask to approve the May 2, 2016 City Council minutes. Seconded by Councilmember Erickson. Motion carried 5-0.

4. **MATTERS FROM THE FLOOR**

Kent Carlson (20505 Lakeview Avenue) was present to request permission to construct a rain garden in the unimproved portion of Lakeview Avenue in order to better control stormwater runoff that discharges down the street. He provided pictures showing the current condition of the stormwater runoff and examples of rain gardens that he has constructed at the Greenwood Marina. He stated that he would like the City to approve a license agreement to design, build and maintain a rain garden on the public right-of-way.

Councilmember Kask asked if this portion of Lakeview Avenue was used for boat storage. Administrator Young stated that it was not.

Councilmember Kask stated that he would like to see a pathway installed as part of the rain garden so that the public could walk down the pathway to the lake. He stated that he would like the public to use it as a city resource.

Kent Carlson agreed to install the walkway. He stated that he will work with staff and the City Engineer to develop the design plan for the rain garden.

Councilmember Jewett asked if he intended to improve that portion of Lakeview Avenue from the end of the bituminous street to the lake.

Kent Carlson stated that he intended to improve the entire unimproved street except for a 10-15 foot area just off the paved street that would be used for snow storage.

Mayor Skrede stated that this area was looked at several years ago due to ongoing stormwater issues and the City might want to consider the use of street ends for this same purpose elsewhere in town. He stated he appreciated Ken's willingness to pay for and maintain this improvement. He noted that the City had received a similar offer from the Minnehaha Creek Watershed District to remove the hard armor at Rocky Beach several years ago as a demonstration project.

Councilmember Gustafson asked if the property would remain with the City. Administrator Young stated that it would.

Councilmember Jewett asked if a gravel driveway would be considered hardcover.

Mayor Skrede stated that he knows where Councilmember Jewett is going with his question and asked if we would be adding hardcover with this project.

Councilmember Kask stated that the rain garden will absorb runoff and surface water.

Mayor Skrede added that rain gardens are often recommended as a solution to address runoff.

Kent Carlson provided an overview of the rain gardens that he has installed at Greenwood Marina. He stated that his rain gardens have a holding capacity of 210% of what was required. He stated that water will filter down in a rain garden, which a driveway will not allow due to the fact that it is rolled and compacted.

Mayor Skrede thanked Kent Carlson and noted that the Council will officially address his request when they see a design plan, a maintenance agreement and a license agreement.

Tim Lawless (19795 Cottagewood Road) stated that he has lived here 30 years and has a grandfathered dock slip. He stated that he is concerned about the Boat Committee recommendations that propose to limit the term of grandfathered dock leaseholders. He stated that there have been no limits since the City began offering dock slips back in 1945 until 2008, when ten year limits were adopted. He stated that residents over that time period agreed to wait in line to get a permanent dock slip. He stated that the recommendations states that everyone who has a dock slip for 20 years or more would only get their space for three more years. He stated that he has always heard from the City that his dock slip is permanent and showed a letter from the City confirming the fact that his space is permanent. He stated that he is trying to make the point to keep the old system for everyone, including those under the ten year lease. He stated that he hopes the City doesn't force the grandfathered residents off the docks.

Mayor Skrede thanked Tim Lawless for coming in and stated that he has no interest in discussing docks. He stated that he has no idea why the Boat Committee decided to look into this issue

when they were directed to look into the redesign of the St. Louis Bay shorespace. He stated that if the Council decides to discuss this issue at an open forum, we don't need to discuss this now. He stated that he is more than willing to discuss whatever the Council wants to discuss.

Councilmember Erickson stated that Council agendas are posted on the City webpage, and residents can see if there is any proposed discussion on boats or docks on our agenda.

Mayor Skrede agreed that if discussion on this issue were to be held, we would schedule a meeting in an orderly fashion.

Councilmember Gustafson stated that residents have the opportunity to present a subject of interest under Matters from the Floor but the Council does not need to address the issue.

Mayor Skrede stated that he is more than willing to discuss any issue brought forth by the residents.

David Gross (20245 Lakeview Avenue) stated that this recommendation was made by the 2015 Boat Committee and the current members may not even agree with this recommendation. He stated that as 2016 Boat Committee Chairman, the Committee will not fixate on this issue.

Kate Ladner (18179 Shavers Lake Drive) asked what the Boat Committee is looking at in regards to the St. Louis Bay Shorespace.

Mayor Skrede stated that there has been some discussion on removing the existing shore space docks for a new City dock to make the area more uniform and visually appealing.

Kate Ladner stated that she likes the look of the shorespace docks and think they look quaint.

## **5. UNFINISHED BUSINESS**

### **A. Adopt Resolution No. 27-16, Approving 2016 Street Improvement Project Bid**

City Engineer David Martini presented the following bids on the 2016 Street Improvement Project for Council review:

| <b><u>Bidder</u></b> | <b><u>Total Bid Amount</u></b> |
|----------------------|--------------------------------|
| Valley Paving        | \$278,290.00                   |
| Midwest Asphalt      | \$298,590.00                   |
| GMH Asphalt          | \$299,689.60                   |
| Northwest Asphalt    | \$323,922.70                   |
| Bituminous Roadways  | \$326,000.00                   |
| Minnesota Roadways   | \$338,046.50                   |
| Park Construction    | \$338,766.00                   |
| Hardrives            | \$344,773.99                   |

David Martini stated that the project specifications were looking for a balance that would be sensitive to the budget. He stated that a portion of Vine Hill from the bridge to Manor Road would be reclaimed and the remaining southern portion of Vine Hill would have a mill & overlay. He stated that bid also includes both the Vine Street cul-de-sac and Harper Road. He stated that the bid proposes a 3" mill & overlay and a 4" reclamation.

Administrator Young stated that this project has been budgeted at \$353,000 with another \$52,950 for engineering costs from the 2016 Capital Improvement Fund Budget.

Councilmember Kask noted that Minnetonka Blvd is in rough shape as well.

Mayor Skrede noted that we may be revising our seal coating specifications to obtain a more desired product. He stated that after Deephaven Avenue and Excelsior Blvd are done next year, we could potentially do Minnetonka Blvd the following year.

Councilmember Gustafson stated that he understands the attempts to do main roads first to address traffic flow, but noted that the intersection of Deephaven Avenue and Park Avenue is in terrible shape.

Mayor Skrede stated that if we come into these types of savings like with this project, which is \$70,000 under budget, maybe we can move forward with our street projects a little faster. He added that maybe we can skip seal coating if it isn't working well.

Councilmember Kask stated that the City of Shorewood chose not to seal coat their portion of Manor Road after it was overlaid and it is in terrible shape.

Motion by Councilmember Kask to adopt Resolution No. 27-16, Approving the Bid and Awarding a Contract to Valley Paving in the amount of \$278,290.00 for the 2016 Street Improvement Project. Seconded by Councilmember Erickson. Motion carried 5-0.

Mayor Skrede asked if this project would be completed by the Tour de Tonka.

David Martini stated that it will be substantially completed by the end of July, perhaps with some restoration work still remaining, which wouldn't affect the Tour de Tonka.

**B. Adopt Resolution No. 26-16, Approving the Extension of a Variance**

Mayor Skrede stated that we don't normally rubber stamp these extension requests and noted that the brevity of the explanation for the extension request bothered him. He stated that the applicant stated that they didn't have a builder in hand, just an architect, and the project just got away from them.

Councilmember Kask stated that it is extremely difficult to find a builder if you don't already have one. He noted that they may have a real problem finishing by October. He stated that he would like to ensure that the homeowner provide proof of starting the project and under the inspection process by August 1<sup>st</sup>.

Councilmember Erickson asked what action would be taken in the event he's not done. He stated that he doesn't like legislating for one individual.

Mayor Skrede noted that these one-time events are occurring more frequently.

Councilmember Erickson stated that if we don't approve this variance extension, the variance would end and the applicant would have to come back to the City.

Mayor Skrede stated that he would like the Planning Commission to review this issue to add more fluidity to the process.

Motion by Councilmember Kask to adopt Resolution No. 26-16, Approving the Extension of a Variance at 18374 Heathcote Lane. Seconded by Councilmember Erickson. Motion carried 5-0.

## **6. NEW BUSINESS**

### **A. Approve 2017 LMCD Budget**

Administrator Young provided the following details regarding the 2017 proposed LMCD Budget.

- Overall Levy Increase – A 6.3% levy increase is proposed in 2017. Deephaven will increase \$2,480 in 2017 from \$21,239 in 2016 to \$23,719 in 2017.
- Total Expenditures – 5.4% decrease proposed in 2017.
- Personnel Services – 26.6% decrease as Admin Technician position will not be filled at this time, and contract services will be used to augment staffing requirements.
- Harvesting Program – 29.8% decrease to reflect loss of \$30,000 MN DNR grant.
- AIS Prevention & Management – \$37,562 for watercraft inspections through various partnerships in 2017.

He stated that the 2016 levy was set too low and was not sustainable due to the use of fund reserves. He stated that even with the significant reduction in personnel costs, the levy had to be increased in 2017.

Motion by Councilmember Kask to approve the 2017 LMCD Budget as presented. Seconded by Councilmember Erickson. Motion carried 5-0.

LMCD Representative Chris Jewett was present to answer any questions from the City Council.

Mayor Skrede asked him to access the LMCD Boards thoughts on permitting the City of Deephaven to have power boats on buoys.

Further discussion was held on whether Chris Jewett was aware of any other cities forming a Lake Improvement District. Chris Jewett stated that the LMCD does not deal that directly with cities forming a Lake Improvement District and the decision is usually made by the lakeshore owners.

The general consensus of the City Council was they were not generally favorable to establishing another taxing district in the City.

**B. Review 2017 EFD Budget**

Councilmember Erickson provided a review of the preliminary 2017 Excelsior Fire District Budget for Council review:

- Pending legislative approval, the Fire District will become sales tax exempt in 2017.
- The refinancing of the bonds saved \$21,848 in 2017.
- The 2017 Budget maintains the existing full-time and part-time staff.
- Duty crew hours have been budgeted at 10 hours per week.
- The Fire Chief has reached his final pay step last year and the Fire Inspector and Administrative Specialist will be at their final pay step in 2017.
- The 2017 Budget proposed the possible replacement of the aerial truck in 2018, although a decision on the aerial truck will be needed this year.

Mayor Skrede questioned the summary of computer costs. Councilmember Erickson stated that he will get a further breakdown of the costs.

Mayor Skrede stated that while he understood why tax capacity was used to determine the repayment of the bonds, he thought that operational costs should be based on a usage formula.

Councilmember Erickson stated that he could pull these numbers together to see what the impact would be on the use of a usage formula for operational costs.

Mayor Skrede noted that the Fire District budget has increased \$70,000 since 2015, of which Deephaven has paid \$50,000 and Excelsior has paid \$20,000.

Councilmember Erickson stated that a number of policies were already in place prior to his arrival on the Fire District Board, including the step pay increases and the Fire Relief Pension allocation. He noted that it would be hard to open these issues back up for discussion.

Councilmember Erickson provided a detailed update on the Fire District's review of new aerial trucks. He noted that the Fire District will soon need to start pricing out these different truck options.

**C. Other**

There was no other New Business this evening.

**7. REPORTS FROM STANDING COMMITTEES**

**A. Park Committee**

Administrator Young presented a review of the Park Committee meeting held on May 3, 2016 on the following items:

- Reviewed the gift of park land from the Corson's.
- Reviewed the Deephaven Beach swimming dock plans provided in the Strategic Park Plan.
- Reviewed the Thorpe Park plans provided in the Strategic Park Plan.
- Discussed tennis court improvements.

**B. Public Works Committee**

Administrator Young presented a review of the Public Works Committee meeting held on May 3, 2016 on the following items:

- Reviewed the Northome Bridge project.
- Discussed future improvements to the seal coating bid specifications.

**C. Boat Committee**

Administrator Young presented a review of the Boat Committee meeting held on May 12, 2016 on the following items:

- Welcomed New Member Brian Chou & David Gross to the Boat Committee
- Appointed the 2016 Chair (David Gross) & Vice Chair (John Jaffray)
- Discussed 2016 Meeting Dates
- Discussed Boat Lifts
- Discussed 2016 Committee Goals
- Met with a number of residents to discuss the Boat Committee's recommendations regarding the ten year waiting list

**8. ADJOURNMENT**

Motion to adjourn by Councilmember Kask, seconded by Councilmember Gustafson. Motion carried 5-0. The meeting adjourned at 9:13 p.m.

Respectfully submitted,  
Dana H. Young  
City Administrator