

**DEEPHAVEN CITY COUNCIL MEETING
MONDAY, DECEMBER 1, 2014
MINUTES**

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

PRESENT: Mayor Paul Skrede, Council members Darel Gustafson, Steve Erickson, Keith Kask and Josh Hackney

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 Kask to approve the Consent Agenda, consisting of the following items:

- A. Approve November 17, 2014 Minutes
- B. Approve December Verifieds
- C. Adopt Resolution No. 36-14, Authorizing 2015 Group Health Plans
- D. Adopt Resolution No. 32-14, Approving 2014 Transfers
- E. Adopt 2015 Investment Policy
- F. Adopt 2015 Internal Control Policy
- G. Approve Tort Liability Limits
- H. Authorize Purchase of 2015 Equipment & Vehicles
- I. Authorize Plans & Specifications on 2015 Improvement Projects
- J. Approve October 2014 Treasurer's Report
- K. Approve 2015 Police Contract Reopener on 2015 Group Health Contribution

Seconded by Councilmember Erickson. Motion carried 5-0.

4. **MATTERS FROM THE FLOOR**

There were no Matters from the Floor this evening.

5. **PUBLIC HEARING**

- A. **Truth in Taxation**

City Administrator Young presented the proposed 2015 General Fund Budget revenues and expenditures. He said that the city is proposing a 2.4% levy increase in 2015 to support General Fund activities and the Capital Improvement Fund. A PowerPoint presentation detailed 2015 General Fund revenues, expenses, a review of each General Fund Department budget, the Capital Improvement Fund, the impact of the proposed sales tax exemption beginning in January 2015, the proposed tax levy of \$2,024,878 and the property tax impact of the 2015 Budget.

Mayor Skrede asked if there were any questions from the public. Hearing no questions, Mayor Skrede closed the public hearing at 7:40 p.m.

B. Adopt Resolution No. 33-14, Adopting the Final 2015 Tax Levy

Motion by Councilmember Hackney to adopt Resolution No. 33-14, A Resolution Adopting the Final 2014 Levy, Collectible in 2015 in the amount of \$2,024,878. Seconded by Councilmember Gustafson. Motion carried 5-0.

C. Adopt Resolution No. 34-14, Adopting the 2015 Budget

Motion by Councilmember Hackney to adopt Resolution No. 34-14, A Resolution Adopting the 2015 Budget in the amount of \$4,340,756. Seconded by Councilmember Erickson. Motion carried 5-0.

6. UNFINISHED BUSINESS

A. Authorize Pay Estimate No. 1 to Barber Construction for the Summerville Drainage Project

City Engineer David Martini stated that the Pay Estimate to Barber Construction in the amount of \$18,851.90 is for work completed to date on the Summerville Road Drainage Project. He stated that the work started just before the bad weather hit. He stated that the Pay Estimate accurately represents the work completed this fall.

Councilmember Erickson asked if this is the project that included the installation of the wrong curbing type.

David Martini stated that a section of the curb needs to be converted to a drive-over curb this spring at no cost to the City.

Motion by Councilmember Kask to authorize Pay Estimate No. 1 to Barber Construction in the amount of \$18,851.90 for the Summerville Road Drainage Project. Seconded by Councilmember Gustafson. Motion carried 5-0.

Mayor Skrede noted that we will get the opportunity to see how well this curb works this spring.

David Martini stated that we will be able to review how well the curb is functioning as well as address how the project fits in with the abutting residential property.

Mayor Skrede stated that the City would make the final decision on the curbing style selected this spring.

B. Authorize Final Payment to Schneider Excavating for the Manhole Repair Project

David Martini stated that this project was approved this spring with the intent to repair those manholes located in the wetland areas. He stated that these manholes could have been a good source of infiltration.

Further discussion was held on the City of Deephaven's inclusion in the Met Council's I/I Program and the fact that the cost of this project will be credited against the cost of I/I mitigation improvements that have been mandated by the Met Council over the next four years.

Motion by Councilmember Hackney to authorize Final Payment to Schneider Excavating in the amount of \$16,230.00 for the Summerville Road Drainage Project. Seconded by Councilmember Erickson. Motion carried 5-0.

C. Authorize Pay Estimate No. 7 to Lunda Construction for the Vine Hill Bridge Project

David Martini stated that he informed the Council at the time of the last payment request in September that there would be an outstanding balance of approximately \$3,500.00 due to the Contractor as well as the request to lower the 5% retainage. He stated that there are three Supplemental Agreements that are included in this pay request. He stated that SA No. 4 is for the costs associated with preparing color samples for the new railing colors in the amount of \$370.09, SA No. 5 is for the costs associated with removing the bituminous sidewalk in the amount of \$660.00, and SA No. 6 is for the costs associated with constructing a new storm sewer structure in the amount of \$1,785.67.

He stated that aside from these three Supplemental Agreement requests, he is also recommending a reduction in the retainage from 5% to 2%. He stated that there will be one final punch list this spring and a 2% retainage would provide adequate funds to pay for any additional repairs or improvements that are needed.

Councilmember Hackney asked if a 2% retainage would be adequate.

Councilmember Kask stated that it should be adequate since the project is substantially completed.

Councilmember Erickson stated that he is not uncomfortable with a 2% retainage.

Mayor Skrede questioned the charges of \$370.09 for the paint sample and \$660.00 for the removal of the bituminous sidewalk. He also noted that we may have to look at re-stripping in order to accommodate a wider walkway along Minnetonka Blvd.

David Martini stated that the bituminous sidewalk had to be removed by hand and did take quite a bit of time to remove.

Mayor Skrede stated that the City did not charge the Contractor a penalty for late days, which we could have done. He stated that the City would consider not charging for these late days in exchange for the Contractor dropping their charge of \$370.09 for the color samples, which he thought was a ridiculously high fee.

Motion by Councilmember Kask to authorize Pay Estimate No. 7 to Lunda Construction in the amount of \$46,333.92 for the Vine Hill Bridge Project, with SA No. 4 in the amount of \$370.09 deleted from the payment request to provide the opportunity for further discussion prior to the final payment request. Seconded by Councilmember Erickson. Motion carried 5-0.

D. Other

There was no other Unfinished Business this evening.

7. **NEW BUSINESS**

A. **Discuss Appeals from 90-Day Rule**

Administrator Young stated that Section 900.07, Subd. 2 of the Deephaven City Code require all permit holders to use their watercraft space for a minimum of 90 days. Failure to meet this requirement results in the non-renewal of their boating permit for the upcoming season unless they request an appeal in writing before the City Council on or before Friday, November 28th.

He stated that five permit holders failed to comply with Section 900.07, Subd. 2 but only one submitted a letter of appeal. The Council can affirm or reverse the decision to not renew their 2015 permit. He stated if the permit is reinstated, the condition of reinstatement is a penalty payable to the City of Deephaven in an amount equal to fifty percent of the normal permit fee.

Motion by Councilmember Kask to reinstate the 2015 Boating Permit to Jake & Nichelle Marshman, 4782 Vine Hill Road, for Slide Space #130 in Carson's Bay, subject to payment of a penalty in the amount of 50% of the permit fee and that no future violations occur of the 90 Day Rule or the June 1st Deadline requirements. Seconded by Councilmember Erickson. Motion carried 5-0.

B. **Discuss Alternate Dates for 2012 Council Meetings**

Administrator Young stated that there are three regularly scheduled Council meetings in 2015 that conflict with a major holiday and recommended rescheduling these four meetings as follows:

<u>Holiday</u>	<u>Original Meeting Date</u>	<u>New Meeting Date</u>
Martin Luther King Day	Monday, January 19 th	Cancel
President's Day	Monday, February 16 th	Cancel
Labor Day	Monday, September 7 th	Tuesday, September 8 th

Mayor Skrede noted that a joint work session will be held with the Deephaven Planning Commission on Tuesday, January 20th.

Motion by Councilmember Erickson to approve the alternate dates for the rescheduled Council meetings. Seconded by Councilmember Gustafson. Motion carried 5-0.

C. **Adopt Resolution No. 35-14, A Resolution of Appreciation to Josh Hackney**

Mayor Skrede presented a Resolution of Appreciation to Councilmember Josh Hackney, who is stepping down from the City Council after this year. The Council voiced their appreciation of Councilmember's Hackney's excellent work on the City Council and Councilmember Hackney expressed his appreciation of the Council and the residents of Deephaven.

Motion by Councilmember Kask to adopt Resolution No. 35-14, A Resolution of Appreciation to Josh Hackney. Seconded by Councilmember Erickson. Motion carried 4-0. Councilmember Hackney abstained.

D. Discuss Cancellation of December 15, 2014 Council Meeting

Administrator Young stated that there is no new or unfinished business to discuss at the December 15th Council meeting and recommended cancelling the meeting.

Motion by Councilmember Gustafson to approve the cancellation of the December 15, 2014 Regular Council meeting unless something comes up in the interim that warrants the Council reconvening. Seconded by Councilmember Erickson. Motion carried 5-0.

E. Other

There was no other New Business this evening.

8. DEPARTMENT REPORTS

A. Police Department

Chief Johnson provided a summary of the November Police Incident Report.

B. Excelsior Fire District

Councilmember Hackney provided a brief summary of the November 19th EFD Board meeting.

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:

- Required reports and publications
- January Newsletter
- Deer Management Update
- The annual Holiday party will be held on Thursday, December 11th.

Discussion was held on issues relating to the Deer Management Program, which will be discussed at greater length at the January 5th Council meeting.

9. ADJOURNMENT

Motion to adjourn by Councilmember Hackney, seconded by Councilmember Erickson. Motion carried 5-0. The meeting adjourned at 8:35 p.m.

Respectfully submitted,

Dana H. Young, City Administrator