

**DEEPHAVEN CITY COUNCIL MEETING
MONDAY, MARCH 21, 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, Darel Gustafson, and Tony Jewett

ABSENT: Councilmembers Keith Kask

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

- A. March 7, 2016 City Council Minutes
- B. Approve the Use of Robinson's Bay Beach for Yoga Classes
- C. Approve February 2016 Treasurer's Report
- D. Reappoint Scott Ferguson, Jim Elvestrom and Cindy Webster to Park Committee
- E. Reappoint Kent Carlson and Gen McJilton to Planning Commission
- F. Approve 2016 Planning Commission Chair & Vice-Chair

Seconded by Councilmember Erickson. Motion carried 4-0.

4. MATTERS FROM THE FLOOR

New Police Officer Ethan Read was administered the Oath of Office.

5. UNFINISHED BUSINESS

A. Review Audit of 2015 Financial Statements

Jackie Knowles, representing BerganKDV, was present to provide an overview of the audit of 2015 Financial Statements for Council review.

Discussion was held on the cost impact of trying to provide for the appropriate segregation of duties.

B. Other

There was no other Unfinished Business this evening.

6. NEW BUSINESS

A. Adopt Resolution No. 14-16, Committing General Fund Balances

Administrator Young stated that the Fund Balance Policy adopted in 2011 requires the City Council to formalize the commitment of the General Fund balance following the annual audit in order to fund:

- (1) Outstanding compensated absences of city employees (accrued sick leave & vacation), and
- (2) Other Postemployment Benefits (OPEB) to city employees.

He stated that this is done annually after the city audit to determine the audited amount of these committed funds. At December 31, 2015, the audit report established compensated absences of employees at \$95,814 and the OPEB Liability at \$97,912. For Fiscal Year 2016, compensated absences of employees have been estimated at \$110,000 and the OPEB Liability at \$110,000.

Motion by Councilmember Erickson to adopt Resolution No. 14-16, a Resolution Committing General Fund Balances for Specific Purposes. Seconded by Councilmember Gustafson. Motion carried 4-0.

B. Adopt Resolution No. 15-16, Approving Master Agreement with MNDOT

Administrator Young stated that it appears that the primary reason for this contract with the Minnesota Department of Transportation is due to the upcoming repair work on the T.H. 7 & Vine Hill signal light project scheduled for 2017. However, he noted that the City may also find this contract useful during the construction of the Northome Bridge Project for materials testing.

He stated that the Master Contract proposes the use of a “Work Order” system to expedite work requests and to more easily facilitate payment to or from the State.

Further discussion was held on the practicality of adopting the Master Agreement to better facilitate the necessary work requests from MNDOT.

Motion by Councilmember Gustafson to adopt Resolution No. 15-16, a Resolution Approving a Master Agreement with MNDOT. Seconded by Councilmember Erickson. Motion carried 4-0.

C. Approve Lease Agreement with Minnetonka Yacht Club

Administrator Young stated that the City Council approved the original lease agreement with Minnetonka Yacht Club on March 21, 2011. The agreement was for a term of five years, expires on April 1, 2016, and outlines the terms and conditions under which the Yacht Club can lease shore space off of Park Avenue for a dock structure.

He stated that he and Councilmember Jewett used the original agreement as a template to establish a new agreement. The only changes were updated dates and the addition of an extension clause to give both the Yacht Club and the City more flexibility in renewing the agreement in future years.

Councilmember Jewett noted that the Yacht Club realizes that the extension clause is a major benefit. He stated that he wanted to give both the Yacht Club and the City renewal options.

Councilmember Gustafson stated that there was language under Section 4 Rent that was unnecessarily complicated and established a rental fee negotiation process that shouldn't really exist. He suggested that it be removed from the agreement.

Motion by Councilmember Jewett to approve the 2016 Lease Agreement with the Minnetonka Yacht Club with the revisions made to Section 4 of the agreement. Seconded by Councilmember Erickson. Motion carried 4-0.

D. Adopt Resolution No. 16-16, Authorizing MCE Grant for I/I Projects

Administrator Young stated that with our participation in the I&I mitigation program, the City of Deephaven is eligible to receive grant funds for all eligible I&I costs that were incurred between May 20, 2014 and October 30, 2016. This would include the following three projects:

• 2014 Manhole Repair Project	-	\$ 16,230.00
• 2015 Pipe Lining & Sealing Project	-	\$ 57,060.00
• 2015 Manhole Repair Project	-	<u>\$ 33,555.30</u>
Total		\$106,845.30

He stated that each submitting city will receive 1) the lesser of \$25,000 or 50% of the submitted eligible project costs; and 2) the remainder of the funds, if any, will be allocated based on an allocation to all eligible cities proportional to the cities' remaining maximum grant after part 1.

He stated that as part of the grant documents, a city resolution authorizing the grant application and execution of the grant agreement is required.

Motion by Councilmember Erickson to approve Resolution No. 16-16, a Resolution Authorizing Application and Grant Agreement with the Metropolitan Council Environmental Services. Seconded by Councilmember Jewett. 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 March 1, 2016 on the following items:

- 2016 ice rink maintenance
- Reviewed 2016 street sweeping bids
- Reviewed plans on the 2016 Pipe Lining & Manhole Repair Projects
- Reviewed plans on the 2016 Linden Road Storm Water Project
- Discussed the 2016 Street Improvement Project

Discussion was held on upgrading the hockey rinks by installing an asphalt surface and upgrading the overhead lights. Further discussion was held on applying for the Hennepin County Youth Sports Grant for assistance with the financing.

B. Park Committee

Administrator Young presented a review of the Park Committee meeting held on March 8, 2016 on the following items:

- Recommended the reappointment of Scott Ferguson, Jim Elvestrom & Cindy Webster
- Accepted the resignation of Leslie Gustafson
- Reviewed a request from Steve & Linda Olmsted to remove all reference to Linwood Beach on the City webpage
- Discussed ice rink maintenance issues
- Discussed the Park & Recreation Strategic Plan
- Recommended that the 2016 Arbor Day Celebration be held on May 15th.

8. ADJOURNMENT

Motion to adjourn by Councilmember Erickson, seconded by Councilmember Gustafson. Motion carried 4-0. The meeting adjourned at 8:00 p.m.

Respectfully submitted,

Dana H. Young
City Administrator