

**DEEPHAVEN CITY COUNCIL MEETING
MONDAY, OCTOBER 5, 2015
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, Darel Gustafson, and Keith Kask

STAFF: Police Chief Cory Johnson, Zoning Coordinator Dale Cooney, 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 September 21, 2015 Council Minutes
- B. Approve Verifieds
- C. Adopt Resolution No. 47-15, Appointing Chris Jewett to the LMCD Board

Seconded by Councilmember Erickson. Motion carried 5-0.

4. **MATTERS FROM THE FLOOR**

Hennepin County Commissioner Jan Callison was present to provide an update on recent county activities and to answer any questions from the City Council. Discussion was held on the recent growth in social service costs throughout the county, a proposed 4.5% increase in the 2016 Hennepin County levy, and on the Hennepin County Youth Sports Grant applications.

5. **PUBLIC HEARINGS**

- A. **Public Hearing on the assessment of delinquent sewer/storm sewer, water and garbage/recycling utility charges – Adopt Resolution No. 26-15**

Mayor Skrede called the public hearing to order at 8:28 p.m. Hearing no comments, the public hearing was closed at 8:35 p.m.

Administrator Young presented the assessment roll on the delinquent sewer/storm sewer, water, and garbage/recycling charges for Council review. He stated that the total assessments have been pretty consistent over the past few years:

2016 Assessment Roll	-	\$40,238.62
2015 Assessment Roll	-	\$41,015.18
2014 Assessment Roll	-	\$39,584.06
2013 Assessment Roll	-	\$42,288.87

Motion by Councilmember Kask to adopt Resolution No.46-15, A Resolution Adopting Delinquent Utility Assessments. Seconded by Councilmember Gustafson. Motion carried 5-0.

6. PLANNING & ZONING REQUESTS

A. Consider Variance Requests, Mitch Landis, 19055 Lake Avenue – Request for variances from the required R-3 side yard setbacks in conjunction with an addition to a non-conforming garage.

Zoning Coordinator Cooney summarized the request, noting that Mitch Landis (purchaser) and Nancy Palesch (current owner) have applied for variances to construct a screened porch on the existing non-conforming house, and to expand an existing non-conforming garage. Cooney said that the porch addition would require a variance to the east yard setback, while the garage expansion would require a variance to the west yard setback. Cooney said that the project proposes a 12'x16' screened porch addition as well as the expansion of the garage 6'-6" towards the front yard and another 6'-6" towards the rear yard.

Cooney said that the existing home sits on the east property line. He said that he proposed porch addition would align with an existing house wall that sits 2'-7" off of the property line, and would not encroach any further than the existing non-conforming house wall. He said that the zoning ordinance requires side yard setbacks totaling twenty-five feet, with one of the side yards being a minimum of ten feet. Cooney said that the applicant proposes an east side yard setback of 2 feet, 7 inches for the proposed screened porch and that the applicant is seeking a variance of 7 feet, 5 inches from the minimum required side yard setback.

Cooney said that the existing garage is proposed to be expanded to accommodate two cars, a side entry and additional storage. He said that the non-conforming garage currently encroaches into the side yard setbacks and that the expansion will be built in alignment with the garage's existing side walls. Cooney noted that the zoning ordinance requires minimum side yard setbacks of twenty-five feet, with one of the side yards being a minimum of ten feet. He said that the applicant proposes a west side yard setback of 2 feet, 2 inches for the proposed garage expansion. The applicant is seeking a variance of 12 feet, 10 inches from the minimum required side yard setback.

Cooney said that the proposal complies with the remaining setback requirements, building coverage limitations, and height limitations outlined in Section 1302.05, and the maximum

permitted grade alteration permitted in Section 1312.04, and that the parcel is not within the Shoreland Management District and therefore hardcover restrictions would not apply.

Zoning Coordinator Cooney said that staff recommends approval of the variance requests at 19055 Lake Avenue, as presented.

Zoning Coordinator Cooney concluded his report by stating that the Planning Commission accepted the recommendation of staff to approve the variance requests, as presented, based on the findings of staff.

Councilmember Jewett asked about the garage entry. Cooney said that the service door of the garage would need to be moved to the side of the garage to allow for two cars to fit into the existing garage width.

Mayor Skrede asked if there were any more questions. Hearing none, Mayor Skrede asked for a motion.

Councilmember Kask made a motion to approve the application, as presented, based on the findings of staff and the Planning Commission.

The motion is based on the following findings: a) The variance is in harmony with the purpose and intent of the ordinance since the purpose and intent of the ordinance is to allow the orderly development and redevelopment of property within the city and when the ordinance standards cannot be met it outlines the procedures to vary from these standards. The applicant is seeking to vary from the stated setback standards of the ordinance to improve an existing non-conforming single family home constructed in 1920, per Hennepin County tax records; b) The variance is consistent with the Comprehensive Plan's Housing Elements Goals and Policies which promotes the redevelopment of residential property within the city; c) The proposal puts the property to use in a reasonable manner since the expansion of a non-conforming single family home on the property is reasonable and continues the single family use of the property and the proposed encroachments are due to the non-conformities of the existing structures; d) There are unique circumstances to the property not created by the landowner since the existing home and garage were constructed in 1920, prior to the setback standards that are in place today. The current encroachments are legal non-conformities, and it is difficult to improve the property without expanding these setback encroachments; and e) the variance would not alter the essential character of the locality since the property is in an area where these types of non-conformities are common and the proposed project is a modest expansion of existing conditions.

Councilmember Gustafson seconded the motion. Motion carried 5-0.

B. Consider Variance Requests, Patrick Melvin, 3620 Northome Avenue – Variance requests from required R-3 front yard setbacks, side yard setbacks, and impervious surface area for the construction of a new house at 3620 Northome Avenue.

Zoning Coordinator Cooney summarized the request, noting that Patrick Melvin has applied for variances to construct a new house on his property. As proposed, the house would encroach into

three setbacks and would also exceed the twenty-five percent maximum permitted impervious surface area.

Cooney said that the overall property size is 5,594 square feet, which is well below the 20,000 square foot minimum R-3 property size. He noted that the existing home encroaches into the front yard setback. Cooney said that the existing property currently exceeds allowable hardcover for the Shoreland Management District.

Cooney stated that the applicant is proposing a front setback of 23 feet 9 inches and that the zoning ordinance requires minimum front yard setback of 35 feet. He said that the applicant is seeking a variance of 11 feet 3 inches from the required setback. Cooney added that while the setback is slightly reduced from existing conditions, the proposed front setback is consistent with the adjacent properties front yard setbacks.

Cooney stated that the existing property is fifty feet wide and that the applicant is proposing reduced setbacks to accommodate a thirty-foot wide house, which would include a north side yard setback of 11 feet and a south side yard setback of 9 feet. Cooney noted that the zoning ordinance requires minimum side yard setbacks totaling twenty-five feet, with one of the side yards being a minimum of ten feet. The applicant is seeking a variance of 4 feet from the minimum required north side yard setback and a variance of 1 foot from the minimum required south side yard setback. Cooney added that the setbacks, while reduced from existing conditions, would be greater than each of the neighboring houses' setbacks from the property line.

Cooney said that the property is located within the Shoreland Management District and must adhere to impervious surface requirements. He said that the applicant is proposing hardcover of 37% for the property and that the zoning ordinance permits a maximum impervious surface area of 25%. Cooney said that the applicant is seeking a variance to exceed the maximum permitted impervious surface area by 12%. Cooney noted that the existing impervious surface area on the property is 33% and that the applicant is proposing an increase of 4% impervious surface area over existing conditions. He said that the applicant is proposing to mitigate the stormwater increase to back to existing conditions of 33% via the use of a French Drain system. Cooney said that he has not received any design specifications for the French Drain system. He recommends that any variance approval be contingent on the review and approval of the French Drain capacity, design, and installation by the City Engineer.

Cooney said that the proposal complies with the remaining setback requirements, building coverage limitations, and height limitations outlined in Section 1302.05, and the maximum permitted grade alteration permitted in Section 1312.04.

Cooney said that he recommends approval with conditions of the variance requests. He recommended conditions that the property is mitigates stormwater to an equivalent of 33% lot coverage or less, and that the stormwater mitigation system plans, calculations, and installation be reviewed and approved by the City Engineer.

Zoning Coordinator Cooney concluded his report by stating that the Planning Commission accepted the recommendation of staff to approve with conditions the variance requests and that

the motion is conditioned that the property is mitigates stormwater to an equivalent of 33% lot coverage or less, and that the stormwater mitigation system plans, calculations, and installation be reviewed and approved by the City Engineer.

Councilmember Gustafson said that he when he went through the findings criteria, he felt that a 25 foot wide house could have been proposed and met all of the setback requirements and the proposal would have only required a hardcover variance. He said that the structure should be built to fit the size of the lot and that the lot cannot really support a larger house.

Mayor Skrede said that the north side setback of 11 feet was compliant which would mean that the applicant would only need a variance of 6 feet for the south side setback. Skrede noted that the top of the foundation wall was above the road area and wanted to ensure that it would not affect the drainage of the property.

Patrick Melvin, the applicant, said that he would use a French Drain to reduce impervious surface area as much as the back yard area would allow.

Councilmember Erickson said that some water will come off of Easton Road onto the property. He suggested that the city build up the curb on Easton Road to help the water move away from the property. Erickson said that he would prefer that 100% of the roof area be contained by the French Drain. He said that having water come directly from the roof into the underground drain would be the preferred design. Erickson said that whatever decisions the City Council makes, the neighboring properties will likely want the same thing for their properties.

Councilmember Kask asked why the applicant chose to move the house forward.

Melvin said that he moved the house up a few feet to reduce the impervious surface area of the property.

Kask said that he would prefer that the house be moved back to align with the neighboring houses. He said that he was worried that future homes would leapfrog and move closer to the street. He said that the side setbacks are still greater than the neighboring houses.

Councilmember Gustafson said that pushing the house back reduces the back yard, and that the applicant has three children who would use the larger back yard.

Councilmember Jewett said that 37% impervious area could create a lot of problems for runoff. He said he wanted to see more of that runoff mitigated, and perhaps down to 25%.

Melvin said that he is not opposed to mitigating to 25% and that he would be happy to mitigate as much as the area would allow. He said that he has owned the house for a while as a rental and that his family wants to move back to the area by Deephaven beach.

Mayor Skrede asked if Zoning Coordinator Cooney had received any comments from the neighbors regarding possible runoff concerns. Cooney said that he had not received any comments about runoff.

Councilmember Erickson said that if the stormwater from the roof is mitigated, the property would be mitigated to below existing conditions.

Mayor Skrede asked the applicant what his timeframe was. Melvin said he would like to begin construction this fall.

Councilmember Kask reiterated that he preferred that the building be moved back.

Councilmember Erickson said that the city is debating about less than two feet. Erickson said that he did not want to push the house back to match the neighboring properties since that would be 5 feet and it would reduce the back yard. He also said that the neighbor to the north would have difficulty building a modern home while also maintaining a similar setback.

Mayor Skrede said that he is okay with the 30 foot wide house. He said that, while 25 feet would work, it is also the minimum width the city code requires from a livability standpoint.

Councilmember Gustafson said that with a 25 foot wide house the applicant can put a nice home on the lot that also meets most of the zoning code requirements. Councilmember Erickson said that if we require the applicant, and future neighbors who apply, to build 25 foot wide homes, the front of the street will be just a row of garages.

Councilmember Jewett asked Zoning Coordinator Cooney if, based upon the survey, shouldn't the front setback be 20 feet? Cooney said that, yes, Jewett was correct. Cooney said that the measurement from the southeast corner of the garage was 20 feet and that would actually be the closest encroachment, which was different than what he listed in the staff report.

Councilmember Jewett said that he would prefer to see the three houses lined up along the existing setback. Councilmember Kask said that the issue is better to address now since the neighbors would want the same thing.

Mayor Skrede suggested that the house, as measured from the northeast corner of the garage be 25 feet back from the street. He also said that the house should be 30 feet wide, with a variance on the south side yard of 6 feet, and hardcover mitigation for 100% of the roof area via an underground French Drain.

Councilmember Kask made a motion to approve with conditions the variance requests of Patrick Melvin to encroach 10 feet from the front yard setback as measured from the northwest corner of the proposed garage, 6 feet for minimum required south side yard setback; and to exceed the maximum allowable impervious surface area by 12.3% for the proposed construction of a new house at 3620 Northome Avenue, as presented.

The motion is conditioned that: a) the property mitigates stormwater from the entire roof area; b) mitigation will be in the form of an underground French Drain that would be connected directly to the roof downspouts; c) that the stormwater mitigation system plans, calculations, and

installation be reviewed and approved by the City Engineer; and d) the applicant enter into maintenance agreement with the city for the stormwater mitigation system.

The motion is based on the following findings: a) The variance is in harmony with the purpose and intent of the ordinance. The purpose and intent of the ordinance is to allow the orderly development and redevelopment of property within the city and when the ordinance standards cannot be met, it outlines the procedures to vary from these standards. The small size of the lot creates a number of challenges for the property, but the proposed single family house remains in harmony with the purpose and intent of the ordinance; b) The request is consistent with the Comprehensive Plan's Housing Elements Goals and Policies which promotes the redevelopment of residential property within the city; c) The proposal puts the property to a reasonable use by replacing the previous single family home, constructed in 1920, with a new single family structure; d) There are unique circumstances to the property not created by the landowner. The square footage of the property, at 5,594 square feet, makes this one of the smallest properties within the city. The property is approximately 28% of the minimum required lot size for an R-3 property which limits the ability to construct within the required setbacks and meet the impervious surface restrictions; e) The proposal would not alter the essential character of the locality since it would be consistent with the single-family character of the neighborhood.

Motion seconded by Councilmember Erickson. Motion carried 4-1.

7. UNFINISHED BUSINESS

A. Discuss Memo on Impervious Surface Standards

Zoning Coordinator Cooney summarized the memo that was included in the City Council packet. Cooney said that the City Council reviewed the draft ordinance at their September 8th meeting and that the City Council was not comfortable with two of the policies in the ordinance: 1) that impervious surface regulations would be expanded to include the entire city; 2) impervious surface regulations would incorporate a tiered system. Cooney said that the primary reasons the City Council rejected the policy recommendations were: 1) the direction given by the City Council was only to provide consistent standards for stormwater mitigation systems proposed in conjunction with variances from the impervious surface restrictions of the Shoreland Management District; 2) was there demonstrated need for this type of regulation throughout the entire city; 3) was the proposed ordinance minimally what can be done to address the stormwater issue.

City Zoning Coordinator said that he had suggested at the time that instead of a hard cap, perhaps the council would be more comfortable with the concept of a stormwater management plan that would be subject to city review, but generally outside of the City Council process. Cooney said that Planning Commission discussed the concept of a stormwater management plan at their September 15 meeting and provided staff with a broad policy outline. Cooney said that since that meeting, he and City Engineers have developed a more specific implementation proposal. Cooney emphasized that this was strictly a staff-driven proposal at this time, and that due to the quick turnaround, the Planning Commission had not reviewed the proposal.

Cooney said that in his conversations with the City Engineers, they discussed the plan review procedure that is currently required for new construction proposals or major expansions. Cooney said that the City Engineers review the proposal to ensure that a) existing drainage patterns are maintained; and that b) any runoff that may impact neighbors is directed towards swales, impervious areas, or the street. Cooney said that in staff conversations with the City Engineer, Dave Martini, and the City Water Resources Engineer, Bob Bean, staff asked if roof height, installation of gutters, attempts to manage flow rates with berms or natural features would have additional value in the review process. Both engineers stated that beyond what is already being reviewed, there is little, if any, additional value in placing review criteria or requirements on these types of features.

Cooney said that the City Engineers have stated that unless there is willingness to regulate impervious surface areas within the currently unregulated areas of the city, the city's current plan review requirements are the most that can be reasonably accomplished with minimal city intervention. He said that the next level of oversight would be regulating impervious surfaces by requiring stormwater mitigation via volume control measures. Cooney acknowledged the reluctance to require a hard cap on impervious surfaces, and said that a different policy approach would be to allow unlimited hardcover expansion that is offset by corresponding stormwater mitigation systems.

Cooney said that the primary questions surrounding this policy direction include: thresholds that trigger stormwater mitigation, exemptions from mitigation, should maintenance agreements be required, stormwater mitigation requirements (capacity, design), additional staff and consultant time.

Cooney said that if the City of Deephaven desires to address stormwater issues in the currently unregulated areas of the city to a greater degree than current regulations require, the next step up on the regulatory framework is stormwater mitigation via volume control measures. He said that stormwater mitigation could be required, without any kind of variance process or strict hardcover limits, should certain hardcover thresholds be reached. Thresholds for triggering these requirements could be as restrictive or lenient as the city feels comfortable with. Cooney concluded his staff report.

Mayor Skrede asked if staff wanted direction based on the two questions at the bottom of the staff report: 1) Is there a desire to require some level of stormwater mitigation via volume control for areas currently outside of the Shoreland Management District. and 2) If so, could the City Council provide direction on the regulatory thresholds?

Cooney said, yes, that was the direction he was looking for.

Councilmember Gustafson asked about volume control and if rain gardens were considered volume control. Cooney said that any kind of water storage would be considered volume control and that rain gardens are considered volume control.

Councilmember Erickson said that he would like the city to have some oversight for certain projects, but he didn't know what the thresholds would be that might trigger city oversight.

Mayor Skrede said that this would give the city the opportunity to look at any project in the city. He asked if the city wanted to be in the business of this kind of oversight.

Councilmember Kask said that, no, he did not think the city should require stormwater mitigation in the currently unregulated areas of the city.

Councilmember Erickson said that he was more concerned about the issue on smaller lots.

Councilmember Kask said that the thresholds could be lots less than 15,000 square feet and 40% hardcover.

Erickson said that he was not as concerned about larger R-3 lots, just the smaller ones.

Chair of the Planning Commission, Kent Carlson, said that the purpose of the changes would be to address significant changes, primarily new construction and significant remodels.

Councilmember Jewett said that, based upon the survey of hardcover within the city provided by the City Engineers, the highest coverage he saw was 45%. He asked if the city wants to go through that process every time.

Councilmember Gustafson said that it would be a straightforward process. He said that he hopes the city will monitor the impacts and said he believes the city has a responsibility to do so.

Councilmember Erickson said that he felt that the city has a responsibility to do something. He asked what the triggering thresholds would be. Erickson said he is concerned with big houses going up on small lots. He said that these can double the impacts without coming before the city. Erickson said that there are no flat lots in the city and asked at what point the city should intervene to control the volume and velocity of water.

Mayor Skrede said that the neighbors on Rutledge Road have been impacted by excess stormwater. He said that the city currently missed any opportunity to prevent these types of impacts, such as the new construction on Azure Road, without an Ordinance.

Councilmember Jewett asked about the city's maintenance agreement for the stormwater mitigation systems. City Administrator Young said that the agreement came from Orono. Young said that, currently, maintenance agreements aren't required.

Councilmember Erickson said that because the city does not have a lot of infrastructure, there is a lot of water that moves across the city.

Councilmember Gustafson said that the Planning Commission should consider three things: 1) at what point would mitigation be triggered; 2) determine the percentage of credit for the different types of mitigation systems; 3) determine the maintenance agreement.

Planning Commission Chair Carlson asked Gustafson if he wanted those elements to be considered city wide.

Gustafson said that, yes, they should be city wide but based upon the trigger points.

Mayor Skrede closed the discussion.

B. Authorize Final Pay Request to GMC Asphalt for 2015 Street Improvement Project

Administrator Young presented the Final Payment Request from GMC Asphalt in the amount of \$22,709.95 for the 2015 Street Improvement Project. He stated that the total construction cost came in at \$202,446.94 or \$3,939.76 below the bid price. He stated that the feedback on the project and on the contractor has been very positive.

Motion by Councilmember Kask to authorize Final Payment to GMC Asphalt in the amount of \$22,709.95 for the 2015 Street Improvement Project. Seconded by Councilmember Erickson. Motion carried 5-0.

C. Approve 2015 – 2016 Deer Management Program

Administrator Young stated that he will be requesting a permit from the Minnesota Department of Natural Resources for participation in their annual Deer Management Program this week. Based on prior permit approvals and on the advice of the U.S. Department of Agriculture (USDA), he stated that he will be requesting a permit to remove up to forty (40) deer for the 2015-2016 season. He stated that the City has contracted with the USDA through December 31, 2015 at an estimated cost of \$11,107.32.

Motion by Councilmember Kask to direct staff to implement the 2015-2016 Deer Management Program. Seconded by Councilmember Gustafson. Motion carried 5-0.

D. Other

There was no other Unfinished Business this evening.

8. NEW BUSINESS

A. Adopt Resolution No. 48-15, Approving Revisions to Emergency Management Plan

Police Chief Cory Johnson stated that the Lake Minnetonka Emergency Management Group has been working on updating our Emergency Operations Plan. He stated that the final revisions have been completed and distributed to all jurisdictions involved in our emergency management group. The changes to the plan include three new annexes – Domestic and Exotic Animal Directory, Terrorism, and Volunteer/Donations – along with other updates such as name changes and several minor grammatical changes.

Motion by Councilmember Gustafson to adopt Resolution No. 48-15, a Resolution Approving Revisions to the Emergency Management Plan. Seconded by Councilmember Erickson. Motion carried 5-0.

B. Review Proposed Ordinance Requiring Special Event Permits

Administrator Young stated that the City of Deephaven generally does not hold a lot of special events. However, Police Chief Johnson has expressed concern regarding several recent requests that his Department has received from individuals or organizations wanting to hold such special events as a road race in Deephaven. Without a special event permit process in place, it is not uncommon for the Chief to be called a week before the event with the expectation that police officers will be available to assist with a road race or some other similar event.

He stated that the proposed ordinance under review this evening outlines the process for the approval of a special event. He stated that the ordinance requires approval by the City Council, the application must be filed not less than 30 days prior to the event, and the permit process only includes those events held on publicly owned property or the public right-of-way. The special event fee would be established by Council resolution and would include a \$50.00 permit fee plus an \$85.00 per hour per officer fee for any event that requires a police officer in attendance.

He stated that this ordinance is presented for Council review this evening to determine whether there is a compelling need for this ordinance, and, if so, any proposed changes, additions or revisions to the draft ordinance.

Councilmember Gustafson asked if a platform court fundraiser would trigger the need for a special event permit.

Administrator Young stated that a permit would be required only if an event impacted our public safety departments.

Chief Johnson stated that Deephaven currently hosts the Legends Run, the Tour de Tonka, and almost hosted the Tour de Cure. He stated that other organizations are interested in spilling over into Deephaven because we don't have any restrictions on special events. He noted that the Elementary School wanted to hold a Color Run last week in Deephaven that would have required several officers to ensure the safety of the school kids along the city streets.

Mayor Skrede stated that this ordinance would be good to have in place. He stated that we don't want to be the beneficiary of excess activity.

Councilmember Kask asked if the Yacht Club regattas would require a special event permit.

Mayor Skrede stated that they would not since the Police only coordinate the parking for these events.

Councilmember Kask asked about the silent auction at the school. He stated that a permit would be required on any activity that would impose on staff recourses.

Councilmember Erickson stated that events that cause parking issues at the Elementary School occur quarterly. He stated that the Color Run would be considered a special event.

Mayor Skrede recommended sending a copy of the special event ordinance to the school.

Motion by Councilmember Kask to adopt Ordinance No. 05-45 on Special Event Permits and to dispense with the second reading. Seconded by Councilmember Gustafson. Motion carried 5-0.

C. Approve Resolution No. 49-15, Approving Fire Facilities Bond Refinancing

Councilmember Erickson stated that the EFD Board and the South Lake Minnetonka Police Board met earlier this evening to act on the proposed refinancing of their existing facility bonds. He stated that the EFD Board approved the refinancing of the Series 2007A & 2007C Bonds and the South Lake Minnetonka Police Board approved the refinancing of the Series 2007B Bonds. He stated that the EFD Board approved the refinancing of the bonds with the following conditions:

- The maturity of the new bonds will not exceed the maturity of the current bonds.
- The refinancing must be dollar positive.
- There are no conditions on the proposed savings.
- The refinancing is contingent on the approval of the City of Deephaven.

Councilmember Jewett asked if the bond refinancing would result in saving of \$400,000.

Mayor Skrede stated that the \$400,000 in project savings is based on issuing GO Bonds and the City of Shorewood will be issuing Refunding Bonds, which will have a higher interest rate. He stated that with this higher rate, the projected saving could be around \$300,000, with one half of the savings for the South Lake Minnetonka Police Department and one half for the Excelsior Fire District. He stated that the City of Deephaven pays around 28% of the Fire District's expenses, resulting in potential savings to the City of Deephaven of around \$6,000 per year through the life of the bonds. He stated that it was not our intention to say no to this refinancing, we simply wanted to make sure that a process of obtaining the necessary approvals was followed.

Councilmember Erickson stated that the Shorewood staff presented this bond refinancing at the September 23rd EFD Board meeting as informational only. He stated that, at Mayor Skrede's

direction, we informed them that the City of Deephaven needed to approve the bond refinancing. He stated that it turned out that we were right and our City did need to approve the refinancing of the Series 2007C bonds.

Motion by Councilmember Erickson to adopt Resolution No 49-15, Approving the Fire Facilities Bond Refinancing through the Shorewood EDA, subject to the additional requirements of Section 2.02 c that states that the maturity of the new bonds must remain the same as the current bonds. Seconded by Councilmember Gustafson. Motion carried 5-0.

D. Other

There was no other New Business this evening.

9. DEPARTMENT REPORTS

A. Police Department

Police Chief Johnson provided a summary of the September 2015 Incident Report for Council review.

B. Excelsior Fire District

Councilmember Erickson provided a review of the EFD Board meeting held on September 23, 2015.

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:

- LOGIS Group Health Insurance meeting
- Tax Capacity Ranking
- State of the Bay meeting

10. ADJOURNMENT

Motion to adjourn by Councilmember Kask, seconded by Councilmember Erickson. Motion carried 5-0. The meeting adjourned at 10:27 p.m.

Respectfully submitted,
Dana H. Young

City Administrator