

**DEEPHAVEN CITY COUNCIL MEETING
MONDAY, DECEMBER 21, 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 Keith Kask, Steve Erickson, Darel Gustafson and Tony Jewett

STAFF: 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. Approve December 7, 2015 City Council Minutes
- B. Appoint Wendy Duren to the Deephaven Park Committee
- C. Appoint David Gross & Brian Girard to Deephaven Boat Committee
- D. Approve November 2015 Treasurer's Report

Seconded by Councilmember Gustafson. Motion carried 5-0.

4. **MATTERS FROM THE FLOOR**

There were no Matters from the Floor this evening.

5. **UNFINISHED BUSINESS**

- A. **Discuss Police Contract Reopener on 2016 Group Health Insurance**

Administrator Young stated that the Deephaven City Council approved the 2014-2016 Police Union Agreement on November 4, 2013. At that time, with group health costs uncertain in both 2015 and 2016, the Agreement stated that the contract would be reopened for negotiation on the EMPLOYER'S contribution towards health insurance in 2015 and 2016.

Last year, in regards to the 2015 health insurance reopener, the City Council approved contract language retaining the long-standing formula that determines the City's contribution at 54% of the family group health premium rate per month per employee. This established the 2015 Employer contribution towards the monthly family group health premium at \$1,176.79.

He stated that entering into the final year of the three-year contract, he met with Kevin McGrath, the union's representative with Law Enforcement Labor Services, to discuss the City's potential contribution towards group health insurance in 2016. He stated that he suggested eliminating the 54% formula in favor of establishing a specific dollar increase towards the City's monthly contribution. The 2016 monthly family group health premium is \$2,430.00, which would establish the City's 2016 monthly contribution at \$1,312.20 using the 54% formula. This is an increase of \$135.41 per month. He stated that he suggested to Mr. McGrath that the \$135.41, which does somewhat equitably apportion group health insurance at 54-46% between the City and employees, is higher than the settlements reached by a number of other cities for 2016 at around \$50.00 - \$100.00 per month.

Administrator Young stated that he was informed by Kevin McGrath stated that while he felt it would be unlikely for the police union to deviate from the 54% formula for the final year of the three-year agreement, he offered to present my proposal to eliminate the 54% formula in favor of a straight \$50 per month increase to his union members. He stated that he was informed on December 3rd that my proposal to eliminate the 54% formula in exchange for a \$50 per month increase was rejected, although the union did offer to pay an additional \$5.00 per month of the premium as a means to settle the matter.

Administrator Young stated that the City has traditionally provided the same group health contribution to all employees once the contribution has been approved in the Police Union Contract. The difference between the two proposals (\$50.00 and \$135.41) only comes into play with five of our seventeen employees who are on family coverage. Assuming these five employees remain on family coverage, the cost impact to the City of approving the 54% formula would be \$427.05 per month or \$5,124.60 per year in 2016.

Mayor Skrede stated that we had paid using the 54% formula in 2014 – 2015 and doesn't have an issue with paying it again in 2016. He stated that the Council originally developed the 54% formula so both sides would have some skin in the game but, at the same time, it is notable that we also didn't offer a Health Savings Account Plan at that time. He realized that any deviation from this formula may be perceived as a loss of income. He stated it would be his preference to not offer 54% calculated using the highest family health plan that is not utilized by any of our employees. He stated that this is for future discussion as he doesn't want to muddy the water at this time.

Councilmember Erickson stated that he is fine staying at where we are at but would like to have a fuller discussion on this issue during a work session.

Councilmember Jewett asked when the 54% formula went into effect.

Mayor Skrede stated that it went into effect around 2003.

Councilmember Jewett stated that this information is important to consider but agreed with continuing with the 54% formula.

Councilmember Kask and Erickson both agreed with leaving the formula as is in the third year of the contract.

Motion by Councilmember Gustafson to approve the following language in the 2014 – 2016 Police Agreement:

17.1 Effective calendar year 2014 - 2016 the EMPLOYER will contribute fifty-four percent (54.0%) of the family group health premium rate per month per employee toward health, life, long-term disability insurance and the cost of the single coverage of the group dental insurance plan selected.

Seconded by Councilmember Kask. Motion carried 5-0.

B. Adopt Resolution No. 57-15, Approval of EFD Refunding Bonds (Series 2016C)

Administrator Young stated that Kennedy & Graven, Bond Counsel working on behalf of the City of Shorewood for the issuance of the refunded Fire & Police Facility Bonds, has requested that the City of Deephaven adopt Resolution No. 57-15, A Resolution Giving Final Approval to the Issuance of Refunding Bonds (Series 2016C) and related agreements. He stated that the Excelsior Fire District Board and the Southlake Police Coordinating Committee adopted similar resolutions on December 17th.

He stated that the Resolution states that the Deephaven City Council:

1. Grants final approval to the issuance of Refunding Bonds Series 2016C (Deephaven Station),
2. Approves the Financing Documents listed under Section 2 of the Resolution,
3. And, authorizes the Mayor and City Administrator to execute all Financing Documents.

He stated that both the Resolution and Financing Documents have been reviewed and approved by Dorsey & Whitney Bond Attorney Jennifer Hanson on behalf of the City of Deephaven.

Councilmember Erickson stated that the bond refinancing has met the criteria established by the Council and the EFD Board in that it did not increase the current debt or extend the term of the bond payments.

Motion by Councilmember Erickson to adopt Resolution No. 57-15, A Resolution Giving Final Approval to the Issuance of Refunding Bonds (Series 2016C) and Related Agreements. Seconded by Councilmember Gustafson. Motion carried 5-0.

C. Adopt Resolution No. 58-15, Approving the Sale of the Southshore Center

Mayor Skrede noted that the Council has already discussed this resolution earlier tonight in closed session.

Motion by Councilmember Erickson to adopt Resolution No. 58-15, Approving the Sale of the Southshore Center to Shorewood. Seconded by Councilmember Gustafson. Motion carried 5-0.

D. Other

There was no other Unfinished Business this evening.

6. NEW BUSINESS

A. Discuss 2016 Committee Assignments

Mayor Skrede stated that sometimes a Councilmember has had enough of serving on a particular committee or would like more experience serving on different committee. He stated that it is also invaluable to get as much cross-training as possible. He asked the Council to let him know if anyone would like a change in committee assignments for 2016. He also noted that we have not had a Council liaison to the Park or Boat Committee for quite some time and asked the Council to consider whether they would be interested in serving in a liaison position.

B. 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 December 1, 2015 on the following items:

- Discussed improving communication with Steve and Linda Olmsted regarding Linwood Beach
- Recommended the appointment of Wendy Duren to the Park Committee
- Discussed platform court scheduling and recommended waiting until this season is over to access the use of the courts by non-residents
- Discussed 2016 Park Improvement Projects
- Discussed the expiring terms of Scott Ferguson, Jim Elvestrom, and Cindy Webster.

Councilmember Gustafson initiated a discussion on the private scheduling on the use of the platform tennis courts.

B. Boat Committee

Administrator Young presented a review of the Park Committee meeting held on December 10, 2015 on the following items:

- Recommended the appointment of David Gross and Brian Girard to the Boat Committee
- Discussed the expiring terms of Tom Drummond, Jim van Bergen, and David Matteson

- Continued discussions on the Ten Year Rule / Waiting List.

8. ADJOURNMENT

Motion to adjourn by Councilmember Erickson, seconded by Councilmember Jewett. Motion carried 5-0. The meeting adjourned at 7:48 p.m.

Respectfully submitted,
Dana H. Young, City Administrator