

**DEEPHAVEN CITY COUNCIL MEETING
MONDAY, APRIL 17, 2017
MINUTES**

1. **CALL MEETING TO ORDER:** Mayor Paul Skrede called the meeting to order at 6:00 p.m.

PRESENT: Mayor Paul Skrede, Councilmember's Tony Jewett, Steve Erickson, Kent Carlson, and Darel Gustafson

STAFF: Police Chief Cory Johnson, City Assessor Dan Distel, and City Administrator Dana Young

2. **PLEDGE OF ALLEGIANCE**

The Council recited the Pledge of Allegiance.

3. **LOCAL BOARD OF APPEAL & EQUALIZATION**

Mayor Skrede recessed the Regular Council meeting and convened the Board of Appeals and Equalization at 6:01 p.m. He introduced City Assessor Dan Distel and Hennepin County Assessor Nancy Wojcik.

Dan Distel stated that he has served as the City Assessor for the cities of Deephaven and Woodland for the past 28 years. He stated that commercial properties are scheduled to increase 6.6%, residential off-lake 2.0% and residential on-lake 3.9%.

He stated that 20% of the City is reappraised each year and this year he reappraised Deephaven Park between Minnetonka Blvd and Deephaven Avenue, a total of approximately 300 homes. He stated that this summer he will be reappraising Walden, Chimo, Cedarhurst, Highland, Hummingbird, Fairhomes, Shavers Lake, and Hill Lane.

He stated that 2017 values are now very close to 2007 values and noted that there was a loss of about 1/3 of the market value of the City from 2007 to 2012. He stated that his goal in assessing properties is to establish market values as close to what the property sells for.

Further discussion was held on the impact that market condition adjustments have on assessed values. Dan Distel concluded by stating that the market value in Deephaven went up less than the county average and significantly less than several neighboring cities.

Roberta Lauer, 20565 Linden Road

Roberta Lauer stated that she is refinancing her house and received an appraisal that was quite a bit lower than the 2017 and 2018 market value. She stated that the appraisal lists her property at

\$661,000 as opposed to the 2017 market value of \$808,000 and the 2018 proposed market value of \$851,000.

Councilmember Erickson stated that when he refinanced his home, he noted that the appraisal was based on a very conservative value. He stated that it is his opinion that appraisals are low in comparison to real value.

Roberta Lauer noted that the \$661,000 appraisal is 22% below the 2017 market value.

Mayor Skrede asked if she considers her home as a tear down.

Roberta Lauer stated that her house has good bone structure but it is hard to know if a buyer would want to tear it down.

City Assessor Distel stated that her building value increased \$10,000 due to computations determined through various building value studies. The land value adjustment was due to the overall land value increase in Cottagewood. He noted that she has an acre lot but almost all of the comparables in the appraisal have better homes than Roberta Lauer. He stated that he did find one comparable on Linden Road that was a 0.7 acre lot with a total market value of \$758,000. He stated that in this case, the building values were similar but Roberta Lauer's land value was \$95,000 higher.

Discussion was held on whether the one acre lot was sub dividable. City Assessor Distel stated that he doesn't consider whether a property could be subdivided in his values.

Councilmember Jewett stated that he concurs with the comments regarding appraisals. He stated that appraisers do not understand high valued properties. He stated that in regards to this property, he compares it with a property on Carson Road that sold for \$880,000, which has a better home. He noted that someone would pay \$550,000 just for the lot.

Councilmember Gustafson noted while that the house value has remained constant, the land value that has increased. He stated that the City Assessor's value seems to make sense.

City Assessor Distel stated that this is odd type property and he doesn't have a lot of sales of this type of home to go by. He stated that he is somewhat conflicted and doesn't have the best answer to the difference in value.

Mayor Skrede stated that, in many cases, we understand the value in our town better than appraisers.

Motion by Councilmember Erickson to approve no change in the land value of \$555,000 and building value of \$296,000 and approve the City Assessor's total market value of \$851,000 at 20565 Linden Road. Seconded by Councilmember Gustafson. Motion carried 5-0.

Assessor Distel stated that any changes that are made within ten days of the Board of Appeals meeting have to be approved by the Board. He stated that he recommends lowering the value of three properties that he has reviewed the past ten days.

Kevin & Kathryn Stanek, 20165 Cottagewood Avenue

Assessor Distel stated that he recommends lowering the value of the house by \$67,000 due to his review of comparable properties and after an interior inspection.

Motion by Councilmember Erickson to approve a \$67,000 reduction in the building value resulting in a land value of \$1,050,000 and building value of \$823,000 and approve the City Assessor's total market value of \$1,873,000 at 20165 Cottagewood Avenue. Seconded by Councilmember Jewett. Motion carried 5-0.

Nathan & Cassandra Hammer, 19670 Hillside Street

Assessor Distel stated that he recommends lowering the value of the house by \$15,000 due to an interior inspection and re-measurement of the house.

Motion by Councilmember Gustafson to approve a \$15,000 reduction in the building value resulting in a land value of \$172,000 and building value of \$277,000 and approve the City Assessor's total market value of \$449,000 at 19670 Hillside Street. Seconded by Councilmember Erickson. Motion carried 5-0.

Wayne Neal, 19250 Willow Haven

Assessor Distel stated that he recommends lowering the value of the house by \$45,000 due to the fact that his overall market value of \$701,000 is overvalued as determined by two recent sales on his street.

Motion by Councilmember Erickson to approve a \$45,000 reduction in the building value resulting in a land value of \$186,000 and building value of \$470,000 and approve the City Assessor's total market value of \$656,000 at 19250 Willow Haven. Seconded by Councilmember Jewett. Motion carried 5-0.

Mark & Patty Goodburn, 20050 Lakeview Avenue

Assessor Distel stated that he thought that the Goodburns or their attorney might be present tonight to object to the market value of their property. He stated that he doesn't recommend any change to their value.

Motion by Councilmember Erickson to approve no change in the land value of \$2,250,000 and building value of \$1,088,000 and approve the City Assessor's total market value of \$3,338,000 at 20050 Lakeview Avenue. Seconded by Councilmember Gustafson. Motion carried 5-0.

Motion by Councilmember Gustafson to adjourn the Board of Appeal & Equalization meeting. Seconded by Councilmember Carlson. Motion carried 5-0. The meeting adjourned at 7:00 p.m.

Mayor Skrede reconvened the Regular Council meeting at 7:00 p.m.

4. APPROVE CONSENT AGENDA

Motion by Councilmember Carlson to approve the Consent Agenda, consisting of the following items:

- A. Approve April 3, 2017 Council Minutes
- B. Approve 2017 SafeAssure Contract
- C. Approve 2017 Annual Contribution to Aquatic Weed Management
- D. Appoint Scott Hemink to Park Committee
- E. Approve March 2017 Treasurer's Report

Seconded by Councilmember Erickson. Motion carried 5-0.

5. MATTERS FROM THE FLOOR

There were no Matters from the Floor this evening.

6. UNFINISHED BUSINESS

A. Authorize Hiring Troy Stransky, New Police Officer

Chief Cory Johnson stated that he would like to ask permission to hire Troy Stransky to fill the vacant Police Officer position. He stated that interviews were held on March 21st and he interviewed the two top candidates and is recommending Troy Stransky for the position. He stated that Troy passed all of his pre-employment tests and believes that he will fit in well with the Department.

Mayor Skrede stated that he served on the hiring panel and interviewed all of the candidates, including Troy. He stated that he was pleased with the number of applicants and the Chief's recommendation to hire Troy Stransky.

Motion by Councilmember Gustafson to hire Troy Stransky as a Deephaven Police Officer, at a starting salary of \$3,919.30. Seconded by Councilmember Erickson. Motion carried 5-0.

Officer Troy Stransky was administered the Oath of Office.

B. Update the Thorpe Park Project

Administrator Young provided a summary of his memorandum outlining the progress to date on the Thorpe Park Project. He also noted that he would like Council authorization to advertize for bids on the Thorpe Park Hockey Rink Asphalt Project.

Motion by Councilmember Erickson to authorize the advertisement for bids on the Thorpe Park Hockey Rink Asphalt Project. Seconded by Councilmember Jewett. Motion carried 5-0.

Mayor Skrede stated that the hockey rink asphalt bids will be due one day after the street improvement bids, which will allow the contractors to sharpen their bids on the hockey rink project. He noted that he has heard from 5-6 residents who would be willing to volunteer to take down or install new hockey boards. He stated that we will see what the costs of new wooden boards are before we make any decisions on volunteer help. He added that the discussion on rink lighting is still in flux.

Councilmember Jewett stated that Musco has done quite a bit of sports lighting and they also submitted a bid on HID lights in the amount of \$44,500. He stated that he didn't think that Musco would be able to match Westy's lighting bid.

Mayor Skrede noted that we really haven't prepared specifications on some of these items. He stated that we are trying to come up with a checklist on all possible items. He stated that the sketch drawing of the warming house / restroom is just trying to show what is needed.

Councilmember Carlson noted that space in the warming house / restroom will be needed for a water softener, water heater mechanical system, and cleaning supplies. He stated that we may also need a civil engineer to figure out the grading of the restroom addition to determine proper drainage in the area.

Mayor Skrede stated that perhaps we could fix the left field drainage at the same time since the field is too low. He added that we also need to figure out a location for the outside spigot and the drinking fountain.

Councilmember Jewett stated that he would like to increase the seating capacity of the warming house.

Councilmember Carlson asked what kind of capacity would he like to have at the warming house.

Councilmember Jewett stated that he would like to see the capacity doubled, but admitted that this might not be possible. He suggested that benches could be added in the middle.

Councilmember Erickson suggested lengthening the restroom to allow another 4-5 feet for the mechanical equipment.

Councilmember Jewett noted that the dimensions of the restroom are larger than the warming house. He stated that he would like to see the warming house larger.

Mayor Skrede stated that the entrance to the warming house could be extended out rather than in as it is now to add more space.

Councilmember Carlson suggested having the architect add a middle row and determine the overall capacity of the warming house.

Councilmember Jewett asked about the grant proceeds. He stated that the County slashed the hockey rink budget and he didn't understand why the grant funding is proportional to the total amount spent on the project.

Mayor Skrede stated that we could certainly have a conversation with the County about this. Councilmember Gustafson cautioned about trying to move the warming house or restroom east due to the proximity of the walking trail.

Councilmember Carlson asked if the Council had a preference on the rink lights.

Councilmember Erickson stated that he likes Westy's proposal that provides a separate light pole for the open skate.

Councilmember Jewett stated that Musco proposes to provide lighting for the open rink off of one of their two hockey rink lights.

Councilmember Erickson thought that this might result in excessive lighting of the area.

Mayor Skrede suggested looking at the existing lights at the Park Committee.

Councilmember Carlson stated that we could come up with our own lighting plan.

Councilmember Erickson asked about the proposed height of the light poles.

Councilmember Jewett stated that Musco's poles are limited to no less than 40'.

Mayor Skrede stated that Westy's poles will be the same height as our current poles.

Councilmember Erickson noted that the City would be installing the new poles for Westy. He added that he would prefer to go with the LED lighting and would like to see the lighting spec sheet from Musco.

Councilmember Jewett stated that he has Musco's spec sheet.

Councilmember Erickson stated that Thorpe is our premier park and doesn't want dollars to be the sole driving factor. He noted that both lighting proposals would be a distinct improvement over our current lighting.

Councilmember Carlson recommended having Musco make their lighting presentation to the Park Committee.

C. Other

There was no other Unfinished Business this evening.

7. NEW BUSINESS

A. Discuss Cell Tower Lease Extension Request

Administrator Young stated that he has been contacted by American Tower with a request for the City to consider a 30-year lease extension amendment from 2039-2069 on the cell tower located in the Chowen's Corner parking lot. He noted that American Tower has entered into an agreement with Verizon Wireless to manage this cell tower site.

He stated that American Tower is proposing to add six more five-year lease terms to the back-end of the current lease that is scheduled to expire on January 31, 2019. The rent would remain in effect and would continue to escalate at 3.0% per year and American Tower would pay the City a one-time payment of \$2,500.00 to cover costs for the review and execution of this agreement.

He stated that according to their cover letter, American Tower is interested in extending the agreement in the attempt to make this site more marketable to another carrier.

He stated that if the Council is interested in considering a 30-year lease extension amendment, staff would recommend the following considerations:

1. In the past, the City has contracted with attorney David Baratti, of Leonard Street & Deinard, to review cell tower lease agreements and to advise whether it is in the City's interest to execute the agreement. Staff would recommend contracting with David Baratti to review the agreement and advise the Council with this proposed lease extension.
2. American Tower has offered \$2,500.00 to cover the costs for the review and execution of this agreement. This offer is too low. The last review of the Chowen's Corner site agreement cost \$3,700.00 back in 2012. A more realistic amount would be \$5,000.00 and it should be paid upfront to the City.
3. The original lease includes a 3.0% rent escalator each year. Staff would recommend increasing the escalator to 5.0% per year in any new agreement and make it retroactive to January 31, 2018.

Councilmember Carlson recommended obtaining an actual not to exceed cost estimate from Leonard Street & Deinard. He stated that this agreement is essentially an option to extend in five-year increments.

Councilmember Erickson agreed and recommended asking for a 5% annual rent escalator.

Mayor Skrede stated that he would also like to get our original lease with Verizon amended to include the 5% escalator.

Further discussion was held on determining a competitive rent fee and annual escalator.

Councilmember Carlson stated that it is important for our residents to have good cell service, so it is a balancing act between offering a fair price and obtaining the necessary cell service.

B. Other

There was no other New Business this evening.

8. REPORTS FROM STANDING COMMITTEES

A. Park Committee

Administrator Young presented a review of the Park Committee meeting held on April 4, 2017 on the following items:

- Recommended the appointment of Scott Hemink to the Park Committee
- Reviewed the Thorpe Park Project
- Discussed ways to verify use at the tennis courts, pickle ball court and the hockey rink
- Discussed potential ideas for an Eagle Scout Project

Councilmember Carlson added that discussion was also held on eradicating Duckweed in the Thorpe Park pond, the need to grade the northwest corner of Thorpe Park to improve drainage, and it was reported that there was trash at Burton Park that was coming from the Minnetonka Community Education dumpster. Administrator Young stated that he has contacted MCE about the trash situation and it has been cleaned up.

B. Public Works Committee

Administrator Young presented a review of the Public Works Committee meeting held on April 11, 2017 on the following items:

- Discussed No Parking Signs on Minnetonka Blvd & Vine Hill
- Discussed Utility Service Partners Proposal on private sewer lateral maintenance
- Recommended the installation of a Fence along West Side of Chowen's Corner Parking Lot
- Reviewed a request for a pedestrian crosswalk on Minnetonka Blvd near the back entrance to Deephaven Woods
- Discussed the Thorpe Park Project
- Discussed the 2017 Seal Coating Project

9. ADJOURNMENT

Motion to adjourn by Councilmember Erickson, seconded by Councilmember Gustafson. Motion carried 5-0. The meeting adjourned at 8:20 p.m.

Respectfully submitted,

Dana H. Young
City Administrator