

**DEEPHAVEN CITY COUNCIL MEETING  
MONDAY, AUGUST 17, 2020  
MINUTES**

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

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

STAFF: City Administrator Dana Young

2. **PLEDGE OF ALLEGIANCE**

The Council recited the Pledge of Allegiance.

3. **APPROVE CONSENT AGENDA**

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

- A. Approve August 3, 2020 Council Minutes
- B. Authorize Pay Request No. 1, 2020 Street Improvement Project
- C. Authorize Pay Request No. 1, St. Louis Bay Ramp Project
- D. Authorize Pay Request No. 2, Shuck Park Tennis Court Project

Seconded by Councilmember McNeill. Motion carried 5-0.

Mayor Skrede asked that the change order for the Chowens Corner Parking Lot resurfacing be included in future pay requests for the 2020 Street Improvement Project.

4. **MATTERS FROM THE FLOOR**

There were no Matters from the Floor this evening.

5. **NEW BUSINESS**

- A. **Adopt Resolution No. 27-20, Issuing Senior Living Revenue Bonds & hold Public Hearing**

Nate Canova, representing Dorsey Whitney, was present to provide an overview of the request for conduit bond financing. He stated that the project includes the construction of senior living facilities in the cities of Inver Grove Heights, Little Canada, North St. Paul, Roseville, and

Vadnais Heights. He stated that the borrower is obligated to pay the outstanding debt and indemnifies the City of Deephaven of any liability for the repayment of the debt.

Mayor Skrede asked if there was a detailed project report.

Nate Canova stated that they could provide a breakdown at the September 21<sup>st</sup> public hearing. He stated that the project provides significant renovations to establish facilities to provide assisted living and memory care units in five separate facilities. He stated that almost all of the renovations take place in existing facilities. He stated that the bond issue would be a combination of taxable and tax exempt.

Councilmember Carlson asked about the borrower.

Nate Canova stated that they plan on having a representative from the California corporation at the September 21<sup>st</sup> meeting.

Mayor Skrede reiterated that the City has no risk with this issue as we are simply the conduit.

Councilmember Carlson stated that he would like to know if they are a qualified borrower.

Nate Canova stated that there is no risk for the City and the borrowers will offer a mortgage to bond holders as security.

Motion by Councilmember Erickson to adopt Resolution No. 27-20, a Resolution Relating to the Issuance of Senior Living Revenue Bonds and Calling for a Public Hearing on September 21, 2020. Seconded by Councilmember McNeill. Motion carried 5-0.

**B. Discuss Storm Water Issue on Montgomerie & Hamilton Avenue**

Mayor Skrede stated that he and Councilmember Erickson have spent a lot of time discussing this drainage issue. He stated that he has wrestled with portions of this for quite some time. He stated that it was decided that the Public Works Committee need more help and guidance on this issue. He stated that he views this upcoming discussion as a brain-storming session.

Kunal Mehta (3520 Montgomerie Avenue) provided a PowerPoint presentation outlining the drainage problems on Montgomerie Avenue, Hamilton Avenue and throughout the drainageway that connects the two streets. He stated that the objective is to find out how to resolve the drainage problems. He noted that the runoff starts at the Church parking lot and goes through his lot and overflows onto Matt Tobin's property.

Matt Tobin (3485 Hamilton Avenue) stated that the force of the water that flows into his catch basin is so strong that he often finds broken glass pieces in his yard. He stated that the flow can be so great that there is a very strong suction of water entering the catch basin.

Dan Andersen (3540 Montgomerie Avenue) stated that he has had a discussion with Grace Lutheran Church and they indicated that they would like to re-pave their parking lot. He stated

that this might be the opportunity to install a rain garden to hold more water from entering into the drainageway.

Councilmember Carlson recommended having the City Engineer work with them on the design of the parking lot. He stated that the City also owns quite a bit of right-of-way along Montgomerie Avenue and could possibly create its own storage area.

Councilmember McNeill stated that she would like more than anecdotal evidence on where the water is ponding and would like the engineer to review the overall drainage patterns.

Dan Andersen stated that starting at the parking lot will address a lot of the runoff problems.

Mayor Skrede stated that the culvert across from 3520 Montgomerie Avenue is almost worthless at this point. He agreed that we need more than anecdotal evidence and also need a backup plan to address a significant rainfall.

Dan Andersen stated that addressing the parking lot would reduce runoff by 65%.

Mayor Skrede noted that we would need buy-in from the neighbors on this project.

Kunal Mehta stated that the City could still create a raingarden along the right-of-way.

Councilmember Carlson stated that we need a comprehensive approach at the church and control the runoff as it moves down Montgomerie Avenue. He stated that he wanted to minimize it from the source. He recommended bringing in an engineering team.

Mayor Skrede suggested that Dan Andersen set up a meeting with Church representatives and he would participate in the discussion. He stated that the Church never firmly opposed earlier discussions on a retention pond, they just perceived it as a practical nuisance. He stated that this is a good start to this discussion and will meet again to keep discussions moving forward.

### **C. Other**

Mayor Skrede stated that he would like to install locks on both the bathroom doors at the Thorpe Park Warming House.

## **6. NEW BUSINESS**

### **A. Review Excelsior-Lake Minnetonka Chamber Funding Request**

Administrator Young stated that the City Council met with Christian Tietz, President of the Excelsior-Lake Minnetonka Chamber of Commerce, on August 3<sup>rd</sup> to discuss the Chamber's request for a donation in the amount of \$8,297.98 to provide transitional assistance to the Chamber caused by revenue shortfalls from cancelled events. Mr. Tietz suggested that the City could use a portion of the City's CARES funding for this donation. He also stated that they are

requesting \$8,297.98, which represents one month's operating costs for the Chamber, from other South Lake Minnetonka cities.

He stated that in regards to the other South Lake cities, the City of Excelsior approved two months funding towards Chamber operations and will fund an additional two months (for a total of four months) if the other member cities collectively contribute four months of operations.

He stated that the City of Greenwood has committed \$4,000 pending participation from Deephaven, Shorewood & Tonka Bay. Greenwood's total was determined by their percentage of population compared with Deephaven, Shorewood & Tonka Bay. The City of Shorewood has expressed an interest in donating \$8,000.

He stated that two outstanding questions were raised at the August 3<sup>rd</sup> meeting. The first concerned whether the City of Deephaven has been reimbursed for our earlier contribution of \$2,000 towards the 2020 fireworks display, which was subsequently cancelled due to COVID-19. According to Executive Director Jen Weiss, all donations for the fireworks display were returned. Our records show that we never received the reimbursement check but the check remains outstanding as it has never been cashed. Staff voided the \$2,000 check through Alerus Bank on August 5, 2020.

The other question concerned how many Deephaven businesses were members of the Chamber. According to Executive Director Jen Weiss, there are 7 Deephaven businesses that are members of the Excelsior-Lake Minnetonka Chamber out of a total of 308 members.

Jen Weiss, Executive Director of the Excelsior-Lake Minnetonka Chamber, was present to reiterate that Excelsior has agreed to provide two months funding, with the possibility of funding another two months depending on the response from other South Lake Cities. She stated that the Chamber has lost over 77% of its revenues due to COVID-19 and the loss of event revenue. She stated that the Chamber has cut \$225,000 in expenses and are hoping to raise \$130,000 to keep minimal operations going through 2021.

Councilmember McNeill noted that Greenwood's contribution is predicated on participation from Deephaven, Shorewood and Tonka Bay.

Jen Weiss stated that Greenwood based their proposed contribution of \$4,000 on population, since CARES Funding was also based on population.

Councilmember Jewett stated that the Chamber is asking all five cities to take some ownership in the budget shortfall. He asked if there was any talk of changing their logo to include all five cities.

Jen Weiss noted that the Chamber does recognize all five cities with their fireworks donations and with their branding efforts.

Mayor Skrede noted that only 7 out of 308 Chamber members are businesses from Deephaven.

Jen Weiss stated that the Chamber sponsors events that all residents enjoy as well as provides other intangibles. She stated that the Chamber has raised private funding, which will see them through the end of this year. She stated that funding from the five Lake Area cities would enable the Chamber to get through much of 2021.

Councilmember McNeill noted that a lot of businesses have been very generous with donations to the Chamber.

Councilmember Jewett asked if the Chamber will be reinstating events for next year.

Jen Weiss stated that they really have no idea. At the present time, events are capped at 250 attendees. She stated that the Chamber is also very concerned with potential liability issues pertaining to sponsoring events.

Councilmember Carlson stated that the Chamber provides regional services that we all benefit from. He stated that he favors supporting the Chamber, which is what our residents would like us to do.

Councilmember McNeill agreed that we should support the Chamber.

Councilmember Erickson stated that he doesn't always know what the Chamber does but appreciates the events that are held. He stated that he is comforted knowing that they are doing future planning.

Mayor Skrede stated that he agreed with Councilmember Erickson's comments. He stated that he thought the original request would be supported owing to how the request was presented. He stated that he would support funding the Chamber because it is a good idea and not because it is based on Deephaven's population.

Motion by Councilmember Carlson to authorize a donation in the amount of \$8,500 to the Excelsior-Lake Minnetonka Chamber of Commerce to support on-going operations. Seconded by Councilmember Erickson. Motion carried 5-0.

**B. Adopt Ordinance No. 04-71, Amending Watercraft Rates**

Administrator Young stated that Ordinance No. 04-71, Amending Watercraft Rates, was presented to the City Council on August 3<sup>rd</sup>. During their review, the Council requested a more comprehensive 5-Year Plan on watercraft rates and on the potential use of these surplus revenues.

He stated that the rate analysis was determined by increasing rates from 2021 – 2025 such that dock slip fees were designed to reach the future dock slip fees that will be charged by the City of Greenwood in 2025. Greenwood currently charges \$1,550 for a dock slip in 2020 and increases its fees by \$50.00 per year. He stated that Deephaven's dock slip fees would equal Greenwood's fees by 2025. However, it is important to note that Deephaven's docks and facilities are far superior to the floating municipal dock provided by Greenwood. He noted that an entirely

different rate schedule could be established if the Council prefers our rates to more closely mirror those charged by the City of Excelsior.

He stated that it is staff's opinion that the proposed rate schedule is sufficiently aggressive (a 206% dock slip rate increase from 2020 to 2025) but one which can be justified by the fact that Deephaven is simply increasing rates to equal the second lowest municipal boat rates on the lake.

Mayor Skrede stated that he appreciates reviewing a 5-year rate trend rather a one-year fluke.

Councilmember McNeill stated that she was interested in knowing what Excelsior was doing in regards to their rates.

Administrator Young stated that there is a rate schedule from Excelsior in the Council packet.

Councilmember McNeill stated that the Park Committee would like additional funding for various park and beach projects.

Councilmember Jewett asked about the rates for Shore Space.

Administrator Young stated they are based on a cost per lineal foot of leased shore area.

Councilmember McNeill stated that she thinks we are still wildly below where we want to be in terms of rates.

Councilmember Erickson stated that he would not be in favor of increasing rates higher than proposed. He stated that we still only allow residents to lease slips for ten years and would not be in favor of a dramatic increase in rates.

Motion by Councilmember Carlson to adopt Ordinance No. 04-71, An Ordinance Amending Watercraft Rates. Seconded by Councilmember Jewett. Motion carried 5-0.

**C. Adopt Ordinance No. 13-80, Amending Construction Management Ordinance**

Councilmembers Carlson and McNeill proposed some minor revisions to Subdivision 2 (d) of the proposed ordinance.

Motion by Councilmember Carlson to adopt Ordinance No. 13-80, An Ordinance Amending the Construction Management Ordinance. Seconded by Councilmember Erickson. Motion carried 5-0.

**D. Authorize Public Hearing on the Abatement of a Public Nuisance**

Administrator Young stated that as part of the final abatement order that will be sent to Wayne Viger at 18880 Minnetonka Blvd concerning the removal of the two storage containers, Mr. Viger has the opportunity to meet with the City Council on September 8<sup>th</sup> at a public hearing to address the reasons why he has not complied with removal of the storage containers. The final

abatement order will be sent to Mr. Vigor tomorrow with the invitation to attend the September 8<sup>th</sup> Council meeting.

Motion by Councilmember Carlson to issue a final abatement order to Wayne Vigor at 18880 Minnetonka Blvd hold a public meeting on Tuesday, September 8, 2020 to allow Mr. Viger to testify if he wishes. Seconded by Councilmember McNeill. Motion carried 5-0.

**E. Other**

Councilmember Jewett stated that it would be his preference to include funding for partial basketball court at Shuck Park in the 2021 Capital Improvement Fund Budget.

**7. ADJOURNMENT**

Motion by Councilmember Erickson to adjourn the Regular Council meeting. Seconded by Councilmember Carlson. Motion carried 5-0. The meeting adjourned at 9:25 p.m.

**8. SPECIAL COUNCIL BUDGET WORKSESSION**

Discussion was held on final revisions to the 2021 General Fund Budget and 2021 Capital Improvement Fund Budget.

**9. ADJOURNMENT**

Motion by Councilmember Carlson to adjourn the Special Council Budget Work Session, seconded by Councilmember Erickson. Motion carried 5-0. The meeting adjourned at 10:00 p.m.

Respectfully submitted,  
Dana H. Young  
City Administrator