

**DEEPHAVEN CITY COUNCIL MEETING
MONDAY, AUGUST 19, 2019
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 5, 2019 Council Minutes
- B. Approve July 2019 Treasurer's Report

Seconded by Councilmember McNeill. Motion carried 5-0.

4. **MATTERS FROM THE FLOOR**

Jim & Lynn Blakeway, 20040 Minnetonka Blvd, were present to discuss the City's lack of regulations on short term rental property. He stated that he came to the City Council about 11 months ago to discuss his frustration on the short term rental property next to his home. He stated that Councilmember Carlson encouraged him at that time to talk to his neighbor about his AirBNB, which he stated is rented about 200 times per year. He stated that his neighbor runs a very successful AirBNB where new people are staying night after night. He stated that it has become a commercial property. He stated that he thought after his conversation with his neighbor that the problem would improve but it has not. He stated that he didn't purchase his property knowing that he was living next to a hotel. He stated that he is not the only neighbor annoyed over this situation. He stated that he has recently learned that another neighbor is considering using their property as an AirBNB. He stated that he doesn't feel threatened by these people but it is disconcerting to not know who is staying next door. He provided the Council with copies of ordinances adopted by other communities regulating the use of short term rental property.

Mayor Skrede asked what outcome would he like to see on short term rentals – the property zoned commercial, required to pay higher taxes, or limit rentals to a certain number of days.

Jim Blakeway stated that he would prefer to see short term rentals limited to a minimum of 30 days.

Lynn Blakeway stated that the homeowners are sometimes not there during the rentals, which has lead to some uncomfortable situations. She stated that it is an unsettling feeling not knowing who is next door. She stated that there can also be a lot of noise from the renters. She stated that a background check is conducted on the renters, but in her experience, this means nothing. She added that her neighbors are also renting their dock out, which generates even more activity.

Jim Blakeway stated that he hates to be reactive but this is a trend that is coming to Deephaven. He stated that it will be even harder to enforce the further we go down the road.

The Council agreed to have regulations on short term rentals reviewed by the Planning Commission.

5. UNFINISHED BUSINESS

A. Adopt Resolution No. 26-19, a Resolution Accepting Bid & Awarding Contract for the Shuck Park Tennis Court & Basketball Court Project

Administrator Young stated that three bids were received on the reconstruction of the two existing tennis courts at Shuck Park and the installation of a 40' x 32' basketball court. They are as follows:

<u>Bidder</u>	<u>Bid Price</u>
Urban Companies	\$169,002.50
Blackstone Contractors	\$186,330.00
Barber Construction	\$186,530.00

He stated that there were several factors that resulted in the bids coming in significantly higher than the \$85,000 that had been budgeted in the 2019 Capital Improvement Fund for this project. First, according to several contractors, it was too late in the season to receive really competitive bids. It is estimated that the bid prices came in \$20,000 to \$30,000 higher than would be expected with an early spring bid.

Second, in reviewing the low bid submitted by Urban Companies, the cost of installing a 40' x 32' basketball court came in at approximately \$43,000, which was approximately \$8,000 higher than the \$35,000 budgeted for a partial basketball court.

Third, and most significantly, the resurfacing of the two tennis courts had been budgeted at only \$25,000 per court for a total cost of \$50,000. This estimate was based on a quote that had been received from Tennis West. After deducting the cost of the basketball court (\$43,000) and the increase due to the lateness of the season (\$20,000), two reconstructed tennis courts would still

cost approximately \$106,000 or \$53,000 each. This is over twice as much as the \$25,000 estimate used for budgeting purposes.

He stated that in light of the significant street improvement costs already running through the Capital Improvement Fund this year, staff cannot recommend moving forward with this bid and recommends rejecting all bids. In addition, with 7 tennis courts needing some sort of upgrade over the next five years, staff also recommends obtaining professional advice on how best to proceed with the repair and upgrade of these courts in the future.

Mayor Skrede stated that it may be time to look at whether a new basketball court is necessary, as well as the entire scope of the project.

Councilmember Carlson agreed that we could use the fall to review the overall design of the project.

Councilmember Erickson asked if we have to have tennis courts at Shuck Park. He asked how many tennis courts do we need.

Councilmember Jewett stated that the Park Committee did discuss a change in the use of the courts but there was general acceptance that the courts were used. He stated that people would be upset if they were removed.

Mayor Skrede recommended having a discussion with a tennis court company to further vet this project. He stated that it would be helpful to find someone to use in an advisory capacity.

Motion by Councilmember Erickson to adopt Resolution No. 26-19, a Resolution rejecting all bids for the 2019 Shuck Park Tennis Court & Basketball Court Improvement Project due to exceeding the project budget. Seconded by Councilmember McNeill. Motion carried 5-0.

B. Other

There was no other Unfinished Business this evening.

6. NEW BUSINESS

A. Approve 2020 Lake Minnetonka Communications Commission Budget

Mayor Skrede stated that he likes the proposed budget and the plan to install a two-camera recording system for three member cities.

Councilmember Erickson stated that we will probably still need someone here to record our meetings.

Motion by Councilmember Carlson to approve the 2020 Lake Minnetonka Communications Commission Budget as presented. Seconded by Councilmember Erickson. Motion carried 5-0.

B. Other

Mayor Skrede stated that he received an email about kids using the warming house & restrooms late at night and the presence of wasps at Thorpe Park. He stated that the problem with the wasps have been addressed by the Public Works crew. He stated that he doesn't want to lock the restrooms at night and would prefer the police visit more frequently.

Councilmember Erickson agreed that there will be more activity at the park during the summertime.

Councilmember Erickson stated that the advantages of keeping the restrooms open far outweigh the negatives. He agreed that the police need to visit more frequently. He stated that the restrooms are a huge asset to the park.

Mayor Skrede asked staff to ask Chief Johnson if there is anything else needed at the Thorpe Park restrooms to monitor this activity.

Mayor Skrede provided an update on the Easton Road Project. He stated that several neighbors have requested an extension of drain tile. He stated that he would prefer to see how the original design would have worked and believes the drain tile may be overkill but it would be far cheaper to install it now rather than after the project is done. He stated that the drain tile extension is expected to cost between \$8,000 - \$10,000 and he would be willing to go along with it.

Councilmember Carlson stated that it would make sense to install it now.

Councilmember McNeill agreed that it was better to pay now than later.

Further discussion was held regarding the boring of the storm water line from Easton to Rutledge, which is an approximate distance of 330 feet. Mayor Skrede stated that he has talked with the property owners and contractor and hopes to open trench a large portion of the 330 feet. In addition, he stated that by open trenching, there may be enough drop to use the existing catch basin, thereby eliminating the need to tear into Rutledge Road. He stated that there may need to be some additional tree removal but the whole project should come in less.

Further discussion was held on the restoration work on Highland & Parkway where the City may have to do some additional joint work with property owners to eliminate some drainage issues. It was the general consensus of the Council to use reasonable judgment regarding the restoration work needed to restore property back to their original condition.

7. REPORTS FROM STANDING COMMITTEES

A. Public Works Committee

Administrator Young presented a review of the Public Safety & Public Works Committee meeting held on August 13, 2019 on the following items:

- Reviewed a proposed ordinance allowing Special Use Vehicles on city streets.
- Reviewed an update on the rollout of speed limit signs
- Discussed landscaping obstructions within the street right-of-way
- Discussed the Minnetonka Blvd Project and other 2019 street improvement projects

Mayor Skrede stated that in regards to a golf cart ordinance, the Public Safety Committee found that state law allows low speed vehicles to operate legally on city streets. He stated that he wanted to bring this issue to the City Council to see if there is enough interest in reviewing a golf cart ordinance.

Councilmember McNeill stated that, in her experience, golf carts cause more trouble than they're worth.

Councilmember Erickson stated that he would be concerned with minors driving a golf cart. He stated that he would want the rules for golf carts similar to the rules for low speed vehicles.

Councilmember Jewett stated that he would be open to looking at it in order to fully vet it out.

Councilmember Carlson stated that he would be concerned regarding licensing and whether it would be street legal. He stated that he would prefer the use of low speed vehicles.

Further discussion was held on where golf carts would operate particularly if they were prohibited to drive across Vine Hill Road or Minnetonka Blvd.

Councilmember Jewett wondered what this prohibition would do to the residents on the east side of town.

Mayor Skrede stated that he would prefer to see residents use low speed vehicles, which is already permitted by state law, and voiced concern about golf carts driving along streets that are already congested with lawn service vehicles parked along the streets.

The general consensus of the Council was to not move forward with a golf cart ordinance.

8. ADJOURNMENT

Motion by Councilmember Carlson to adjourn the Regular Council, seconded by Councilmember Erickson. Motion carried 5-0. The meeting adjourned at 8:36 p.m.

9. SPECIAL COUNCIL BUDGET WORKSESSION

Discussion was held on final revisions to the 2020 General Fund Budget, the 2020 Capital Improvement Fund Budget, and the 2020 Bonded Debt Fund.

10. 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 9:10 p.m.

Respectfully submitted,
Dana H. Young
City Administrator