

**DEEPHAVEN CITY COUNCIL MEETING
MONDAY, DECEMBER 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 Steve Erickson, Melissa McNeill and Tony Jewett

ABSENT: Councilmember Kent Carlson

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 December 2, 2019 City Council Minutes
- B. Approve Reappointment of Scott Hemink & Tracy Whitney to the Park Committee
- C. Approve Appointment of Cory Lepper to the Park Committee
- D. Approve November 2019 Treasurer's Report

Seconded by Councilmember McNeill. Motion carried 4-0.

4. **MATTERS FROM THE FLOOR**

There were no Matters from the Floor this evening.

5. **PUBLIC HEARING**

- A. **Public Hearing on a Proposed Project on Behalf of Eagle Ridge Affiliated Building Company and the Issuance of Revenue Bonds under the Minnesota Municipal Industrial Development Act, MN Statutes, Sections 469.152 through 469.1655, as amended. Adopt Resolution No. 41-19, Bond Resolution**

Jason Ulbrich, Executive Director of Eagle Ridge Academy, stated that Eagle Ridge Academy started with 700 students in 2014 and now has twice that number of students. He stated that the proposed bond issue will be used towards a new roof, new gymnasium, and additional green

space. He stated that the bond issue will be approximately \$5.5 million and while the bond issue will enable the school to expand programs, it will not result in any new students.

Mayor Skrede stated that he loves what Eagle Ridge Academy has to offer. He reminded the council that this request is for conduit financing, whereby the City of Deephaven lends its name but has no financial obligation in regards to the bond issuance. He asked how many of their students are from Deephaven.

Jason Ulbrich estimated that 17-21 students are from Deephaven.

Councilmember Jewett asked if Piper Jaffrey will do the underwriting for this bond issue.

Joe St. Clair, with Piper Jaffray, stated that Piper Jaffrey does all the underwriting for this bond issue. He stated that they want their disclosure to accurately reflect the school.

Councilmember Jewett asked if Eagle Ridge Academy has reached their maximum bonding capacity.

Joe St. Clair stated that if Eagle Ridge added more classrooms, since they do have a current waiting list of 700 students, they could increase their enrollment and their borrowing capacity.

City Attorney Grant Turpin, representing Dorsey & Whitney, stated that issuing these bonds are not a liability to the City. He noted that the City of Deephaven is indemnified in the bond documents.

At the request of Councilmember McNeill, Jason Ulbrich provided a brief summary of the three prior bonds issued by Eagle Ridge Academy.

Councilmember Jewett asked if a contractor has been selected for the project.

Jason Ulbrich stated that a contractor has not been selected yet.

Councilmember McNeill noted that the documents refer to a bond issue up to \$7 million and asked if the dollar amount for the bond issuance has been determined yet.

Joe St. Clair stated that the bond will be close to \$6 million, with a term of 35 years.

Motion by Councilmember Erickson to adopt Resolution No. 41-09, a Resolution Authorizing the Issuance and Sale by the City of its Charter School Lease Revenue Bonds, Series 2020A and Series 2020B (Eagle Ridge Academy Project). Seconded by Councilmember Jewett. Motion carried 4-0.

6. NEW BUSINESS

A. Discuss Appeal from the 90-Day Rule

Administrator Young stated that Section 900.07, Subd. 2 of the Deephaven City Code require all permit holders to use their watercraft space for a minimum of 90 days during the Boating Season. Failure to meet this requirement results in the non-renewal of their boating permit for the upcoming season unless they request an appeal in writing before the City Council.

He stated that only one permit holder failed to comply with Section 900.07, Subd. 2 for the 2019 Boating Season. He stated that the Council can affirm or reverse the decision to not renew her 2020 permit. If the permit is reinstated, the condition of reinstatement is a penalty payable to the City of Deephaven in an amount equal to fifty percent of the normal permit fee.

Name / Address	Watercraft Space	Number of Days
Doreen Crisci 20425 Linwood Road	Slide #119, Carson's Bay	75 days

Councilmember Erickson noted that Ms. Crisci had a problem with engine failure and wondered why she didn't simply call City Hall to explain her circumstance.

Mayor Skrede noted that he has been pleased to see a decline over the past few years in the number of permit holders who are not in compliance with the 90-Day Rule. He added that he doesn't see anything compelling enough in her letter of appeal to not charge a penalty.

Councilmember McNeill agreed that she is fine with imposing a penalty.

Motion by Councilmember Jewett to approve the reinstatement of the 2020 Boating Permit to Doreen Crisci, 20425 Linwood Road, subject to payment of a penalty in the amount of 50% of the permit fee and that no future violations occur of the 90 Day Rule or the June 1st Deadline requirements. Seconded by Councilmember McNeill. Motion carried 4-0.

B. Approve Three-Year Public Works Union Agreement

Administrator Young stated that negotiations with representatives of the Public Works Union have concluded. After consulting with Mayor Skrede, the following proposals were agreed upon and would be included in the 2020-2022 Public Works Union Contract subject to Council approval:

1. Article 35 - Duration: The Union is proposing a multiyear labor agreement from 2020-2022. Administrator Young stated that the City would be agreeable to a three-year contract as has been our past practice.
2. Appendix A - Wage Schedule: The Union is seeking a 3% wage increase for each year of the labor agreement. Administrator Young stated that the City would be agreeable to a 3% wage increase in 2020, 2021, and 2022. A 3% per year wage increase was approved for the Police Union last month.

3. Article 23 - Vacation: The Union is seeking to add/modify vacation language as follows: *“Said vacation to be taken as ~~designated by Department Head or City Council~~ approved by employee’s supervisor or City designee. Employee shall be given an answer to their vacation request in a timely manner. When a designated holiday falls within the vacation schedule, an additional day of vacation will be granted.”* Administrator Young stated that the City would be agreeable to the following language change – Article 23.2 shall read as follows: *“Said vacation to be taken as approved by employee’s supervisor or City designee. When a designated holiday falls within the vacation schedule, an additional day of vacation will be granted.”*
4. Article 26 – Funeral Leave: The Union is seeking to add/modify funeral leave language as follows: *The employee shall receive a maximum of five (5) scheduled work days per year of leave per instance with pay ~~to be deducted from accrued Sick Leave~~ because of a death in the immediate family of the employee. Immediate family is defined to include spouse, child, step-child, parent, step-parent, parent-in-law, brother, step-brother, sister, step-sister, brother/sister-in-law, partner, grandparent or grandchild.* Administrator Young state that the City would be agreeable with the following language that proposes to continue to deduct funeral leave from sick leave but adds step-child, step-parent, step-brother and step-sister to the definition of immediate family. Article 26 shall read as follows: *“The employee shall receive a maximum of five (5) scheduled work days per year of leave per instance with pay to be deducted from accrued Sick Leave because of a death in the immediate family of the employee. Immediate family is defined to include spouse, child, step-child, parent, step-parent, parent-in-law, brother, step-brother, sister, step-sister, brother/sister-in-law, partner, grandparent or grandchild.”*
5. Appendix A – Pager Pay: The Union is seeking an increase in pager pay from the current 8 hours per week to “1.75 times the employee’s regular rate of pay for each day on call effective January 1, 2020.” Administrator Young stated that pager pay is given to our employees to be on-call while away from the workplace for a seven day period in order to respond to emergency call backs. They are paid eight (8) hours at their regular rate of pay to compensate them for being on-call. The Union’s proposal would equate to an increase of \$8,767.20 in pager pay per year.

He stated that he recognizes that it can be burdensome for our employees to be on call one out of every three weeks and that our current pager pay compensation of eight (8) hours pay at your regular rate of pay per seven days on-call is well below what other cities are providing (i.e. Shorewood & Eden Prairie pay 12 hours per week). For those reasons, he recommended following pager pay compensation:

- Nine (9) hours per week at the employee’s regular rate of pay in 2020.
- Ten (10) hours per week at the employee’s regular rate of pay in 2021.
- Eleven (11) hours per week at the employee’s regular rate of pay in 2022.

He noted that each additional hour of pager pay would cost the City an additional \$1,500 per year.

Mayor Skrede noted that the part that bothers our public works crew the most regarding on-call is the fact that we have a small crew and they end up on-call a lot.

Motion by Councilmember Erickson to approve the 2020-2022 Public Works Union Agreement with the inclusion of the above amendments to the existing agreement. Seconded by Councilmember McNeill. Motion carried 4-0.

C. Accept Resignation of Mike Schmakel, Public Works Employee

Administrator Young stated that Mike Schmakel began work as a Public Works employee on November 18th and resigned two weeks later on December 2nd. He stated that it was apparent early on that Mike didn't particularly like the job so it wasn't much of a surprise that he resigned. Mike was a decent guy but this job was just not a good fit. We don't require a written letter of resignation after only two weeks of employment.

Motion by Councilmember Erickson to accept the resignation of Mike Schmakel effective December 2, 2019. Seconded by Councilmember Jewett. Motion carried 4-0.

D. Authorization to Hire Chris Bennis, New Public Works Employee

Administrator Young stated that with the resignation of Mike Schmakel, staff is requesting authorization to hire Chris Bennis as our new public works employee to replace Mike. Chris interviewed very well at our public works interview, lives in Deephaven, has some snow plowing experience, and is very excited for this opportunity. He stated that Chris would be able to start work for the City on Monday, January 6th at a starting hourly wage of \$23.69 per hour.

Motion by Councilmember Erickson to authorize hiring Chris Bennis as a new Public Works employee to replace Michael Schmakel. Seconded by Councilmember Jewett. Motion carried 4-0.

E. Other

There was no other New Business this evening.

7. UNFINISHED BUSINESS

A. Authorize Final Payment to Northwest Asphalt for Highland & Parkway Project

Administrator Young stated that the City Engineer has approved final payment in the amount of \$17,514.21 to Northwest Asphalt for the 2019 Highland & Parkway Project. He stated that the original bid for this project was \$237,388.00 and the total cost of this project came in at \$249,774.11. He stated that project came in \$12,386.11 over budget due to the additional \$22,500.00 in storm water improvements that were authorized.

Motion by Councilmember Erickson to authorize Final Payment to Northwest Asphalt in the amount of \$17,514.21 for the 2019 Highland & Parkway Project. Seconded by Councilmember McNeill. Motion carried 4-0.

B. Authorize Pay Request No. 3 to Northwest Asphalt for Easton & Northern Project

Administrator Young stated that the City Engineer has approved Pay Request No. 3 in the amount of \$13,960.21 to Northwest Asphalt for the 2019 Easton & Northern Project. He stated that the original bid for this project was \$397,018.05 and the total cost of this project to date, including this pay request, is at \$280,605.20. He stated that it appears that this project will come in substantially under budget once the final pay estimate is submitted.

Motion by Councilmember Erickson to authorize Pay Request No. 3 to Northwest Asphalt in the amount of \$13,960.21 for the 2019 Easton & Northern Project. Seconded by Councilmember Jewett. Motion carried 4-0.

C. Authorize Pay Request No. 3 to Bituminous Roadways for Minnetonka Blvd Project

Administrator Young stated that the City Engineer has approved Pay Request No. 3 in the amount of \$34,310.67 to Bituminous Roadways for the 2019 Minnetonka Blvd Project. He stated that the original bid for this project was \$1,160,932.00 and the total cost of this project to date, including this pay request, is at \$1,091,672.05. He stated that it also appears that this project will come in under budget once the final pay estimate is submitted.

Motion by Councilmember Erickson to authorize Pay Request No. 3 to Bituminous Roadways in the amount of \$34,310.67 for the 2019 Minnetonka Blvd Project. Seconded by Councilmember McNeill. Motion carried 4-0.

D. Authorize Pay Request No. 1 to Visu-Sewer for 2019 Sewer Project

Administrator Young stated that the City Engineer has approved Pay Request No. 1 in the amount of \$53,494.88 to Visu-Sewer for the 2019 Sewer Main Project. He stated that the original bid for this project was \$59,438.75 and a portion of the project cost will be offset by a grant from Metropolitan Environmental Services.

Motion by Councilmember Erickson to authorize Pay Request No. 1 to Visu-Sewer in the amount of \$53,494.88 for the 2019 Minnetonka Blvd Project. Seconded by Councilmember Jewett. Motion carried 4-0.

Discussion was held on the opportunity to allocate some of the sewer-related costs within the 2019 Minnetonka Blvd Project to the Sewer Fund.

E. Other

Discussion was held on the Metropolitan Council's force main project that has been proposed for construction next year that would require the installation of a new force main potentially from their lift station on Cottagewood Road to Vine Hill Road and finally to Ridgewood Road. Further discussion was held on the opportunity to widen a portion of Vine Hill Road at that time to accommodate a middle turn lane into the Elementary School to alleviate traffic congestion.

Mayor Skrede stated that he has asked our City Engineer to prepare the plans & specifications on the 2019 Street Resurfacing Project early in 2020.

Councilmember Erickson noted that the City webpage design has been approved and it is scheduled to be coded in January.

Mayor Skrede provided a brief summary of his meeting and bus tour with State Legislators to promote the Northome Bridge Project.

7. REPORTS FROM STANDING COMMITTEES

A. Park Committee

Administrator Young presented a review of the Park Committee meeting held on December 3, 2019 on the following items:

- Recommended the purchase of playground equipment from Minnesota Wisconsin Playground Equipment for Shuck Park
- Recommended that the City Council retain both Pump Park & Hill Park as city parks
- Recommended the reappointment of Scott Hemink and Tracy Whitney to the Park Committee and the appointment of Cory Lepper to the Park Committee
- Discussed the presentation of the Bikeway Feasibility Study, which will be presented to the Park Committee on January 7th and to the general public on February 4th
- Discussed security issues at the Thorpe Park warming house and restrooms
- And finally, the Park Committee would like Council direction as whether the Council would like the Park Committee to consider the installation restrooms at Deephaven Beach in more detail.

Mayor Skrede stated that he didn't think we needed help with the location of a proposed restroom since the sports courts seems like the only logical site. He stated that buy-in from the Park Committee on this project is important. He stated that he had wanted the Park Committee to know that any proceeds from the sale of Pump Park or Hill Park would be used towards our share of the cost for the restroom project. He stated that he would hope to have input from the Park Committee on the Deephaven Beach restroom project.

B. Public Works Committee

Administrator Young presented a review of the Public Works Committee meeting held on December 10, 2019 on the following items:

- Discussed coordinating with the School District and the Metropolitan Council on the possibility of installing a middle left turn lane on Vine Hill Road near the school entrance to improve the flow of traffic in this area around the school.
- A total of nine deer were removed as part of the Deer Management Program.
- Discussed a request to remove the stone arch entrance into Northome. Further communication will be held with Northome & Cedarhurst residents on this issue.
- Recommended that a Woodland resident who is requesting connection to the Deephaven sewer system meet with the Woodland City Council on this issue.
- Discussed a request for some sort of buffer cushion around the top of the buoys to prevent scrapping on their boats. It was recommended that duct tape be used around the metal connection.
- Discussed potential solutions to stormwater issues at 20664 Linwood Road with Michelle & Justin Barbeau.

8. ADJOURNMENT

Motion to adjourn by Councilmember Erickson, seconded by Councilmember Jewett. Motion carried 4-0. The meeting adjourned at 8:25 p.m.

Respectfully submitted,
Dana H. Young, City Administrator