

**DEEPHAVEN CITY COUNCIL MEETING
TUESDAY, JANUARY 3, 2017
MINUTES**

1. OATH OF OFFICE

Mayor Paul Skrede, Councilmember Steve Erickson and Councilmember Kent Carlson were administered the Oath of Office.

2. CALL MEETING TO ORDER: Mayor Paul Skrede called the meeting to order at 7:04 p.m.

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

STAFF: Police Chief Cory Johnson, Zoning Coordinator Dale Cooney and City Administrator Dana Young

3. PLEDGE OF ALLEGIANCE

The Council recited the Pledge of Allegiance.

4. APPROVE CONSENT AGENDA

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

- A. Approve December 5, 2016 & December 15, 2016 Council Minutes
- B. Approve Verifieds
- C. Adopt Resolution No. 01-17, Appointments & Assignments for 2017
- D. Adopt Resolution No. 02-17, Authorizing an Extension of the EPDB License Agreement
- E. Adopt Resolution No. 03-17, Est. Schedule of Administrative Fees
- F. Adopt Resolution No. 04-17, Resolution of Appreciation to Keith Kask
- G. Approve April 17, 2017 as Date for Board of Review
- H. Approve November 2016 Treasurer's Report
- I. 2017 Planning Commission Chair & Vice-Chair
- J. Appoint Walter Linder to Planning Commission

Seconded by Councilmember Erickson. Motion carried 5-0.

5. MATTERS FROM THE FLOOR

The City Council presented former Councilmember Keith Kask with a Resolution of Appreciation and a plaque thanking him for 33 years of outstanding service to the City of Deephaven.

City Engineer David Martini of Bolton & Menk thanked the City Council for the appointment of his firm as 2017 City Engineer.

6. PLANNING & ZONING REQUESTS

A. Consider the variance requests of Scott and Sue Augustine from the minimum lake yard setback, maximum permitted impervious area, and a reduction from the minimum required principal structure separation for an accessory structure at 4530 Linwood Lane

Zoning Coordinator Cooney summarized the staff report. He stated that Scott and Sue Augustine have constructed a small, 84 square foot accessory structure in their side yard at 4530 Linwood Lane. He said that the property is zoned R-3 and the structure is being used as a garden shed. Cooney said that he received a complaint about the structure from a neighbor and after looking into the matter he determined that, even though the structure is in the side yard, it also encroaches into the lake yard setback. Cooney said that the principal structure is set back 71.1 feet from the lake. He said that he informed the property owners that, since the city is aware of the issue, they would need to either apply for a variance or remove the structure.

Cooney said that Section 1302.05(3) of the zoning ordinance requires a lake yard setback of 100 feet and that the applicant proposes a lake yard setback of 86 feet. He said the applicants are seeking a variance of 14 feet from the minimum required lake yard setback.

Cooney said that Section 1310.10 (1) (b) states that no accessory structure may be closer to any principal structure than a distance equal to the height of the accessory structure. Cooney noted that the structure is 10 feet tall, and as constructed, a portion of the accessory structure is 7 feet, 3 inches from the house. Cooney said that the applicants are seeking a variance of 2 feet 9 inches from the minimum required principal structure separation.

Cooney said that, prior to the addition of the accessory structure, the property was at 28.06% impervious area and that the addition of the accessory structure brings the property to 28.6% impervious area. He said that Section 1302.05(2) of the zoning ordinance limits the maximum impervious coverage of the property to 25%. Cooney said that, with the exception of the new accessory structure, staff considers existing impervious area as a legal non-conformity. He said that the applicants are proposing an impervious surface area of 28.6% and are seeking a variance to exceed the maximum allowable impervious surface area by 0.54%.

Cooney noted that city code requires mitigation for the expanded hardcover. He said that he did not request a stormwater mitigation proposal from the applicants at the time of application. However, he confirmed with the City Engineer that city code would require the equivalent of 9.3 cubic feet of stormwater mitigation. Cooney said that in this particular case - because the impervious expansion is small and the property drains directly to the lake - the City Council may also wish to consider waiving the mitigation requirements.

Cooney said that, as mentioned above, this issue was brought to the attention of staff by a neighbor complaint. He said that this is the type of zoning code issue that might regularly go unnoticed, and is likely a common violation throughout the city. He said that once staff becomes aware of the issue, the city is required to enforce the violation. In this case, Cooney said, he became aware of the issue in the early summer and met with the residents on site. He said that, at the time, he informed the owners that a variance would be required. Cooney said that after not hearing back from them for several weeks, he sent letters to the homeowners. Cooney said that he did not hear back by the deadlines noted in the letters and was left with no choice but to pass the issue along to the City Prosecutor, Steve Tallen. Cooney said that after receiving notice from the City Prosecutor and requiring a hearing in District

Court, the property owners responded to city staff. Cooney said that the City of Deephaven agreed to drop the charges if a variance application was submitted.

Cooney said that he recommends approval of the variance requests to encroach 14 feet into the minimum required lake yard setback, for a reduction of 2 feet 9 inches from the minimum required principal structure separation, and to exceed the maximum allowable impervious surface area by 0.54% for the accessory structure at 4530 Linwood Lane, as presented, based on the following findings:

(a) Is the variance in harmony with the purpose and intent of the ordinance?

Yes. The applicant is seeking to vary from the stated setback standards of the ordinance in order to have a small accessory structure in the side yard. The house is situated such that much of the side yard is also within the lake yard setback. The structure is well behind the non-conforming rear face of the house.

(b) Is the variance consistent with the comprehensive plan?

The request is consistent with the Comprehensive Plan's Housing Elements Goals and Policies which promotes the redevelopment of residential property within the city.

(c) Does the proposal put property to use in a reasonable manner?

The small accessory structure is reasonable, and the property has no other accessory structures.

(d) Are there unique circumstances to the property not created by the landowner?

There are very few locations available for the structure. The location in the side yard is the most practical location; however, the side yard locations either require variances or the removal of trees. Placing the structure in the front yard would be an overly conspicuous location.

(e) Will the variance, if granted, alter the essential character of the locality?

The proposal would not alter the essential character of the locality. The structure is a small detached accessory structure.

The approval is conditioned that:

- The applicants provide stormwater mitigation plans that meet the requirements and specifications of the city engineer.
- The applicants enter into a maintenance agreement with the city to ensure the long-term operation and maintenance of the stormwater management improvements. The maintenance agreement shall be executed and recorded against the parcel.

Cooney concluded his staff report.

Motion to approve by Councilmember Gustafson based on the findings and conditions of staff. Motion was seconded by Councilmember Erickson.

Councilmember Gustafson said that the applicant claims that the flagstone walk was not installed and that the impervious expansion may be net neutral.

Councilmember Jewett said that he would like to see a survey for this request. Councilmember Carlson said that an updated survey could be required to verify the calculations, but that the Planning Commission heard the matter and decided that, in this case, a survey was not warranted.

Councilmember Erickson said that he would not want to see a survey requirement in this case since the cost of a survey exceeds the cost of the building itself. He said that he thinks the city should be getting as-built surveys for these properties which will help verify information moving forward.

Councilmember Erickson proposed a friendly amendment to the motion in order to waive the stormwater management and maintenance agreement requirements for the property. He said that requiring mitigation for an 84 square foot accessory structure seemed excessive.

Councilmember Gustafson accepted the friendly amendment to the motion and Councilmember Erickson seconded the amended motion. Motion carried 5-0.

Scott Augustine, applicant, said that Cooney had told them that the variance was only needed if they intended to sell the house and that they had not planned to move so they did not apply for the variance. Mayor Skrede thanked him for his explanation.

B. Consider the variance request of Sharratt Design to exceed the maximum permitted grade alteration in conjunction with the construction of a new house at 20400 Lakeview Avenue

Zoning Coordinator Cooney summarized the staff report. He stated that Sharratt Design, architect for property owners Matt and Clancy Carle, is requesting a variance to exceed the maximum permitted grade alteration in conjunction with the construction a new house at 20400 Lakeview Avenue. He noted that Section 1312.04 of the zoning ordinance requires a variance for any land alteration greater than three feet at any point. Cooney said that he applicant is proposing land alteration of up to 6 feet, and is seeking a variance of 3 feet from the maximum permitted land alteration.

Cooney said that there are several areas on the property that will alter the grade by more than three feet including near the front of the house by the proposed driveway and entry, in the sunken pool area of the existing home, and in the rear of the property where a new partial walkout area will be created.

Cooney said that the applicant states that the proposed grading, while significant, will restore portions of the grading to what appears to be closer to the original topography of the lot. Cooney said that the lot does offer some topographic challenges with the steep grades in the south and west areas of the property, and the bluff area on the lake side. He said that he existing pool area also provides challenges to the buildable area on the lot. Cooney said that the City Engineer did not raise any concerns about the proposed grading and his formal comments are attached to this staff report. Cooney said that in phone conversations with the City Engineer he stated that, in his opinion, he felt that the proposed grading was well designed and fit the land well.

Cooney said that the principal justifications for land alteration restrictions are to limit properties from circumventing the house height limitations by building up the grade around a property, or altering overall drainage patterns in a significant or detrimental way. He said that neither of these concerns are the case in this proposal.

Cooney said that existing conditions on the property slightly exceed the 25% impervious surface area limitation and that, as proposed, the property would be brought from 25.3% impervious down to 17.8% impervious.

Cooney said that the Minnehaha Creek Watershed District has stated that there is a potential wetland area in the southern corner of the property that *may* be part of the lagoon. Cooney said that the MCWD stated that the grading and proposed construction improvements would not impact the area and had no concerns about the proposal.

Cooney said that Section 1310.03 of the zoning ordinance requires that a single family residential dwelling must be a minimum of 25 feet wide at its narrowest dimension. He noted that portions of the house will be as narrow as 18 feet wide. Cooney said that the City Council has not required firm adherence to this rule where the main body of the house has exceeded this width requirement. Cooney said that the proposed house is otherwise zoning code compliant.

Cooney said that he recommends approval of the variance request to exceed the maximum permitted grade alteration by 3 feet, and a reduction of 7 feet from the minimum house width for the property at 20400 Lakeview Avenue, as presented, based on the following findings:

(a) Is the variance in harmony with the purpose and intent of the ordinance?

The purpose and intent of the ordinance is to limit properties from circumventing the house height limitations by building up the grade around a property or altering overall drainage patterns in a significant or detrimental way, neither of which is the case in this proposal.

(b) Is the variance consistent with the comprehensive plan?

The request is consistent with the Comprehensive Plan's Housing Elements Goals and Policies which promotes the redevelopment of residential property within the city.

(c) Does the proposal put property to use in a reasonable manner?

The proposed house and grading are reasonable for the property, and are comparable in scope and scale to what exists today.

(d) Are there unique circumstances to the property not created by the landowner?

The property has unique topographic challenges, including steep grades on the south and west side of the property. The existing pool area also creates some unique, pre-existing circumstances for the buildable area on the eastern portion of the lot.

(e) Will the variance, if granted, alter the essential character of the locality?

The proposed grading alterations would not alter the essential character of the locality. The overall proposal is of a scope and scale similar to what exists today.

Cooney concluded his staff report.

Mayor Skrede asked about the house width, since he assumed the variance was originally only a request for grading. Cooney said that the application was only for a grading variance and that he noticed the house width issue when conducting his standard plan review of the property. He added that any application for a building permit would be examined to determine if any additional variances would be necessary.

Councilmember Jewett asked where the narrow areas of the house were. Councilmember Carlson said that the narrow area was in the sunroom on the west side. He said that the Planning Commission has typically been accepting of these narrow areas if the main body of the house exceeded the 25 foot width.

Mayor Skrede said that the house width requirement was to limit certain narrow styles of houses. Councilmember Erickson said that is was to prevent manufactured homes from being placed on properties.

Motion by Councilmember Erickson to approve the variance request based on the recommendation and findings of the Planning Commission. Motion was seconded by Councilmember Carlson.

Mayor Skrede asked Mike Sharratt of Sharratt Design, applicant, why builders often bring these requests to the City Council instead of the property owners being the applicants? Sharratt said that in this case, the homeowner was travelling playing professional hockey and was not sure if they would be able to attend the meetings. He said that it was easier this way.

Councilmember Jewett asked Sharratt about the notion that the property was being returned to its previous grading. Sharratt said that there is a large divot near the house is where a pool area was once located. He said that the natural grade of the property would have a slope from the northeast to the southwest towards the lagoon, with a high point in the pool area of the property. Sharratt said that this area was being regraded to reflect that original grade. He said that he did not have any special knowledge of the previous grade, but that the property grades around this area imply that this was the case. He said that the house will actually have a lower first floor and garage than the current house.

Mayor Skrede noted that a motion has been made that has been seconded and requested a vote. Motion carried 5-0.

C. Consider the Showcase Event Permit request of Aspect Design/Build to include the single family home located at 19615 Manor Road on the Luxury Home Tour which would be held on Friday-Sunday, June 2-4, June 9-11, June 16-18. The hours of the event would be noon to 6 p.m. each day.

Zoning Coordinator Cooney summarized the staff report. He said that the property located at 19615 Manor Road is a new construction single-family home which the developer would like to include it in the Luxury Home Tour which is being held Friday through Sunday on the following weekends: June 2-4, June 9-11 and June 16-18.

Cooney said that Section 1355.03 of the zoning ordinance permits the public showing of residential structures with the issuance of a Showcase Event Permit. He said that City Code does not require Planning Commission action on Showcase Event requests.

Cooney said that Section 1355.04 limits Showcase Events to three consecutive weekends and that the Luxury Home Tour is a three weekend event which will be held Friday through Sunday beginning the weekend of June 2-4. He said that the applicant has indicated that the hours of operation would be noon to 6 p.m. on each day.

Cooney said that Section 1355.06(a) requires the submittal of a detailed site plan and that the applicant has submitted a detailed site plan.

He said that Section 1355.06(b) requires the submittal of maps showing the pick-up points and shuttle routes to the showcase property. Cooney said the applicant shows a shuttle route to and from the site using the city hall parking lot and paddle ball lot as the pick-up location.

He said that Section 1355.06(c) requires a letter of approval from the Police Department stating that all of their conditions have been met and that the applicant has spoken with the Deephaven Police Department regarding their parking plan to provide shuttle service with limited employee parking along Dyer Lane. He said that the Police Department has approved the proposal.

Cooney said that Section 1355.06(d) requires the applicant to provide general liability insurance to cover injury and property damage. Cooney noted that the applicant has submitted proof of insurance coverage that exceeds the city's required coverage amounts; however, the policy expires in May and will need to be renewed. He said that the applicant has stated that they will submit an updated proof of insurance coverage form at that time which will also name the City of Deephaven, its agents and employees as additional insured entities.

Cooney said that the applicant has submitted a letter of acknowledgement signed by adjacent neighbors.

Cooney said that he recommends approval of the Showcase Event Permit for Aspect Design/Build for the property located at 19615 Manor Road to participate in the Luxury home tour to be held Friday through Sunday, June 2-4, June 9-11 and June 16-18, as presented. He said that the approval is conditioned that the applicant provide the required proof of insurance coverage which will also name the City of Deephaven, its agents and employees as additional insured entities.

Cooney said that his recommendation was based on the following findings from the review and approval process in section 1355.07 of the Showcase Events ordinance:

Section 1355.07(a) – the Showcase Event will not endanger the public health, safety or general welfare of its (City of Deephaven) residents: The applicant has worked with city staff to create a safe environment for including the home in the showcase event.

Section 1355.07(b) – the Showcase Event will not cause undue traffic hazards, congestion or parking shortages: The applicant has submitted the proposed parking information and has worked with the police to address potential safety issues.

Section 1355.07(c) – the Showcase Event will not impose an excessive burden on the City or its residents or cause damage to private property, parks, streets, right-of-ways or other public property: The City is within its rights to impose conditions on any approval that the applicant is responsible for the cost of any of the above-mentioned damage.

Cooney concluded his staff report.

Councilmember Carlson asked if the city had heard from any neighbors. Cooney said that he has not.

Jewett asked if the house was complete. Tom Preissing of Aspect Design/Build and the applicant, stated that it was not complete and that they were currently framing the house.

Mayor Skrede said that the Luxury Home Tour was one of the events that the city wanted to keep available instead of events like the Parade of Homes.

Motion by Councilmember Gustafson to approve the Showcase Event request based on the recommendation, findings, and conditions of staff. Motion was seconded by Councilmember Erickson. Motion carried 5-0.

D. Other

Zoning Coordinator Cooney said that the City Council approved variance requests for the property at 4210 Water Street in June. He said that the property has been sold and that the builder is redesigning the home. Cooney distributed new renderings of the house and said that the footprint of the house is not changing, and none of the changes impact the variance request. He noted that the overall massing of the house is being reduced, which was a concern at the time the variance was approved. Cooney said that he was presenting this information to the City Council to ensure that they were aware of the changes.

Councilmember Carlson said that the Planning Commission reviewed these drawings and found the reduction in massing to be a positive change.

Councilmember Erickson said that he was thankful that these changes were brought to the City Council even though no additional approvals were required. He said that this is helpful information to know if he is asked about the project by a resident. He thanked the builder for bringing the changes to the city's attention.

7. UNFINISHED BUSINESS

A. Discuss Thorpe Park Renovation Grant Award

Administrator Young stated that he and the City Council were notified on December 20th that the grant application submitted by Councilmember Jewett's to the Hennepin County Youth Sports Grant Program for the renovation of Thorpe Park has been partially funded. He stated that the City of Deephaven requested a matching grant in the amount of \$250,000 and the City was awarded with a \$143,000 matching grant.

Further discussion was held on the proposed project scope in light of the reduced grant award, timelines, project coordination, and potential funding of the City's portion of this project.

Councilmember Jewett stated that discussion is needed to determine whether the overall project scope has to be reduced due to the reduced grant award, selecting a special committee to work on the project, consider the hiring of a contractor and architect, consider whether to move forward with a \$500,000 project or consider continuing to contribute \$250,000 as our portion of the project. He noted that he has met a lot of people who have opinions on what needs to be done at Thorpe Park.

Mayor Skrede stated that we have been awarded a \$143,000 grant and, if we scale it down from a \$500,000 project, do we lose the \$143,000 grant? Administrator Young stated that we do not lose the grant by scaling back the project to meet the revised grant amount.

Mayor Skrede stated that we need to find out from Hennepin County what the deadlines are for the project. He stated that he doesn't think that we intend to expand this project.

Councilmember Jewett noted that some residents want the project to be scaled back.

Mayor Skrede stated that he discussed this project with Public Works Foreman John Menzel earlier today. He stated that discussions were held on the possibility of installing one unisex bathroom instead of two bathrooms and that John didn't think that the warming house had to be expanded to accommodate a restroom, although he still liked the thought of providing additional room at the end of the warming house. He stated that public works also requested installing a sprinkler system in both gardens at Thorpe Park.

Councilmember Jewett stated that public works needs to be represented on the special committee.

Mayor Skrede suggested that this special committee should consist of Councilmember Jewett, Councilmember Carlson, Park Committee members, Public Works and himself.

Councilmember Gustafson stated that he doesn't want to spend money on something that we are not proud of and sure will last. He stated that there is a lot of private investment going on around the park and wants the City to do something equally classy at Thorpe Park.

Mayor Skrede agreed that we don't want to skimp on this project.

Councilmember Jewett stated that improvements to the hockey rink and lights are self-explanatory and could be done first, which will give us time to focus on the restroom design.

Councilmember Carlson asked what is the Park Committee's priority with this project. Administrator Young stated that their priority has been with the installation of restrooms.

Councilmember Jewett stated that he used the strategic park plan when developing the grant application. He stated that restrooms are also a very important feature for the Hennepin County Youth Sports Program. He added that restrooms also ranked very high in the strategic park plan survey.

Mayor Skrede suggested that the City could act as the general on this project and recommended a meeting of the special committee with the Park Committee.

Councilmember Carlson stated that fundraising could be an important component of this project as it was with the Cottagewood Children's Park project. He recommended that the City hire an architect and possibly a construction manager to help us through the process. He stated that the City has already gotten very good input from the public during the strategic planning process.

B. Other

There was no other Unfinished Business this evening.

8. NEW BUSINESS

A. Discuss Attendance of Kent Carlson at Newly Elected Official's Conference

Administrator Young stated that the City of Deephaven has traditionally paid for newly elected Council members to attend the Leadership Conference for Newly Elected Officials sponsored by the League of Minnesota Cities. He stated that the cost of the conference is \$325.00, which has been included in the 2017 Budget.

Councilmember Carlson stated that he would be able to attend the Leadership Conference in Mankato on January 20-21.

Motion by Councilmember Jewett to authorize the attendance of Councilmember Kent Carlson at the Leadership Conference for Newly Elected Officials on January 20-21 in Mankato at a cost of \$325.00. Seconded by Councilmember Carlson. Motion carried 5-0.

B. Adopt Ordinance No. 05-48, Adopting Section 560 on Predatory Offenders

Administrator Young stated that several weeks ago, SLMPD Police Chief Meehan recommended that each of the four South Lake Minnetonka Police Department cities of Excelsior Greenwood, Shorewood, and Tonka Bay consider the adoption of an ordinance regulating predatory offenders.

He stated that the City of Greenwood took the lead by having their version of the attached ordinance reviewed by their City Attorney and by attorney Ken Potts, the Prosecuting Attorney for the SLMPD cities. Their suggested revisions have been incorporated into the proposed ordinance.

Councilmember Jewett asked who gets notified if a sexual predator were to move into the city.

Police Chief Johnson stated that he would be notified by the Bureau of Criminal Apprehension. He stated that he views this as a preventative ordinance and supports its adoption. He stated that his department has had very little experience with sexual predators in town. He stated that current law does not restrict offenders from residing within 1,000 feet of parks, schools and churches and felt that the ordinance was a good idea since we have so many rental properties.

Councilmember Carlson asked if the Chief were notified if any of the three levels of sexual predators moved into town.

Chief Johnson stated that he is notified.

Councilmember Jewett asked if you could make the ordinance more restrictive.

Administrator Young stated that you don't want to make it so restrictive that you can't justify why you have established 1,000 foot setbacks and a city cannot simply prohibit sexual predators from locating in the city.

Councilmember Carlson stated that item no. 5 under Section 5 of the ordinance would enable sexual predators to be exempt from this ordinance if they lived with their spouse, parents, grandparents or other relatives. He stated that he thought this exemption was too broad and was counter to the overall goal of the ordinance.

Councilmember Gustafson recommending taking this sentence out of the ordinance and leave it to the State of Minnesota to make us put it back in.

It was the consensus of the Council to remove item no. 5 under Section 5 from the ordinance.

Councilmember Jewett asked if we could include all sexual offenders under this ordinance.

Administrator Young stated that there are a number of Level I & Level II crimes that do not present the same kind of concerns as a Level III offender.

Motion by Councilmember Gustafson to adopt Ordinance No. 05-48, An Ordinance Adopting Section 560 on Predatory Offenders, as amended, and waiving the second reading. Seconded by Councilmember Erickson. Motion carried 5-0.

C. Adopt Ordinance No. 04-58, Adopting a Storm Water Impact Surcharge

Administrator Young stated that during the City Council's review of the General Fund Budget, discussion was held on the significant fees paid to the City Engineer for his review of the potential storm water impact from additions, remodeling projects and new homes on neighboring properties and the City's storm water system. He stated that it is not uncommon for the City to be charged approximately \$1,200 per month for this review.

He stated that staff proposes to address this new storm water expense that is not presently included or factored into the building permit fee formula by proposing a \$100.00 Storm Water Impact Review Surcharge Fee of all new homes, remodels and additions. In essence, any new project that adds to the existing hardcover footprint on a property would be charged a separate \$100.00 Storm Water Impact Review Surcharge Fee since these are the permit applications that are being reviewed by the City Engineer to determine their storm water impact.

He stated that it is currently estimated that there are approximately 140 permits that would qualify for this storm water surcharge fee each year, resulting in approximately \$14,000 per year in fees to offset the annual cost of the engineer's storm water review. This surcharge fee would be reevaluated each year to make sure it keeps pace with both engineering costs and the number of building permit applications that qualify to be charged this surcharge fee.

Councilmember Gustafson noted the ongoing liability of storm water runoff issues and stated that a \$100 fee may not be nearly enough to support the construction of a new storm water system that may be needed to address storm water runoff in a particular neighborhood.

Administrator Young stated that the intent of this fee is not to generate enough revenue to support the construction of storm water infrastructure. The fee is intended solely to offset the engineering review on the impact of additional hardcover to neighboring properties. The construction of major storm

water infrastructure can only be funded by our monthly storm water fee or through special assessments and not through a fee structure.

Motion by Councilmember Erickson to adopt Ordinance No. 04-58, An Ordinance Adopting a Storm Water Impact Surcharge and waiving the second reading. Seconded by Councilmember Gustafson. Motion carried 5-0.

D. Adopt Resolution No. 05-17, Approving the 2017-2020 Residential Recycling Agreement

Administrator Young stated that our current recycling grant agreement with Hennepin County has expired on December 31, 2016. He stated that Hennepin County is proposing a new agreement from 2017-2020, a copy of which has been included in the packet for Council review.

Administrator Young stated that the new agreement attempts to emphasize organics recycling as providing the greatest opportunity to reduce trash and the Hennepin County Board has adopted changes to the Hennepin County Residential Recycling Funding Policy to allocate more grant funds to cities for organics recycling programs. He stated that the new funding policy will continue to fund city recycling programs, but will gradually shift more funds to support organics recycling. In 2017, 20% of the funding will be allocated to organics recycling programs and by 2020; half of the funding will be dedicated to organics recycling programs.

Motion by Councilmember Gustafson to adopt Resolution No. 05-17, a Resolution Approving the 2017-2020 Residential Recycling Grant Agreement with Hennepin County. Seconded by Councilmember Erickson. Motion carried 5-0.

E. Review City Fiscal Policy

Administrator Young presented the 2015 City Fiscal Report for Council review.

E. Other

There was no other New Business this evening.

9. DEPARTMENT REPORTS

A. Police Department

Police Chief Johnson presented the December 2016 Incident Report for Council review and provided an update on the recent purchase of three police vehicles.

B. Excelsior Fire District

Councilmember Erickson stated that there was nothing new to report regarding the EFD Board.

C. Public Works

Administrator Young provided an update on recent and upcoming public work activities.

D. Administration

Administrator Young provided a brief summary on the following items:

- Certificate of Achievement for Excellence in Financial Reporting
- The upcoming audit schedule for the 2016 Financial Statements
- The 2016 Ranking of Deephaven as the #8 Best Suburb in Minnesota in which to live
- The upcoming schedule for the review of the revised Comprehensive Plan

10. ADJOURNMENT

Motion to adjourn by Councilmember Erickson, seconded by Councilmember Jewett. Motion carried 5-0. The meeting adjourned at 9:40 p.m.

Respectfully submitted,

Dana H. Young
City Administrator