

**DEEPHAVEN CITY COUNCIL MEETING  
TUESDAY, JANUARY 6, 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, Steve Erickson, and Kent Carlson

ABSENT: Councilmember Melissa McNeill

STAFF: Zoning Coordinator Dale Cooney, Police Chief Cory Johnson, and 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 16, 2019 Council Minutes
- B. Approve Verifieds
- C. Adopt Resolution No. 01-20, Appointments & Assignments for 2020
- D. Adopt Resolution No. 02-20, Est. Schedule of Administrative Fees
- E. Approve April 20, 2020 as Date for Board of Appeals Meeting
- F. Adopt Resolution No. 03-20, Appointing Election Judges
- G. Adopt Resolution No. 04-20, Appointing Absentee Ballot Board
- H. Approve Sunset Yoga Classes at Robinson's Bay Beach

Seconded by Councilmember Carlson. Motion carried 4-0.

4. **MATTERS FROM THE FLOOR**

City Engineer David Martini thanked the City Council for reappointing Bolton & Menk as the City Engineer for 2020.

5. **PLANNING & ZONING REQUESTS**

- A. **Consider the variance requests of Kip and Heather Keller to exceed the maximum permitted impervious surface coverage, encroach into the minimum required front yard setback, and encroach into the minimum required lake yard setback in conjunction with the renovation of the house at 20100 Minnetonka Boulevard**

Cooney presented the staff report. He said that the property owners are doing a significant renovation of the existing house on the property and that the building footprint will stay the same, but massing will be increased in several areas. Cooney said that the property depth is 71 feet, creating a highly nonconforming lake and front yard setback situation. He said that, at 14,775 square feet the property is undersized for an R-3 property. Cooney noted the house was built in 1966 according to Hennepin County records.

Cooney said that Section 1302.05(3) of the city ordinance requires a minimum lake yard setback of 100 feet from the OHW. He said that the existing deck is as close as 12.2 feet and the house is as close as 23.7 feet from the OHW.

Cooney said that on the lakeside the applicants are proposing the conversion of a deck into a screened porch with a deck above. Cooney noted that additional balconies are proposed for the lake side as well. He said that the house height will not exceed the currently existing highest ridge, but the ridge will be expanded and dormers added on the lake side. Cooney pointed out that the building height remains zoning code compliant.

Cooney said that he is generally supportive of the fact that the applicant is attempting to renovate and, to some degree, maximize on an existing non-conforming footprint. However, he said that due to the close proximity to the lake, he is not supportive of additional lake yard massing increases for the proposed screened porch and balconies. Cooney stated that a previously approved variance for a screened porch from 1988 has already been transformed into a fully-enclosed portion of the house.

Cooney said that Section 1302.05(3) of the city ordinance requires a minimum front yard setback of 35 feet. He said that the existing house is as close as 15.7 feet from the front property line. Cooney said that, similar to the lake yard, the massing on the house is growing to encompass the full height of the highest ridge and includes the addition of dormers. He said that he is supportive of this aspect of the request.

Cooney said that Section 1302.05(2) of the zoning ordinance limits the maximum impervious coverage of the property to 25%. He said the applicant is proposing an impervious surface area of 34.1% and is seeking a variance to exceed the maximum impervious surface area by 9.1%. He said that this was a reduction from what the planning commission reviewed which was a proposed impervious of 36.7%. Cooney noted that the property is currently at 37% impervious area and that the proposed impervious surface is a slight reduction from existing conditions.

Cooney stated that, technically, the impervious surface area variance would require mitigation to 25% impervious. He said that, in this case, however, the applicant is simply reconfiguring existing at-grade impervious areas and staff is recommending that mitigation not be required for the property.

Cooney said that the applicant has presented two design options, including a preferred option (Option B). He said that he has no preference for either option and is supportive (with conditions) of the applicant's preferred option.

Cooney said that he recommends approval of the variance requests to encroach into the lake yard setback by 76.3 feet, encroach into the front yard setback by 19.3 feet, and exceed the maximum permitted impervious surface area by 9.1%, for the property at 20100 Minnetonka Boulevard, as proposed.

He said that the recommendation is conditioned that:

No further expansion of the lake yard deck (including the upward expansion of the proposed screened porch) or balcony areas is permitted.

Cooney said that his recommendation is based on the following findings:

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

Yes. The purpose and intent of the ordinance is to allow the orderly development and redevelopment of property within the city and when the ordinance standards cannot be met, it outlines the procedures to vary from these standards. The applicant is attempting to renovate and existing nonconforming house within the existing house footprint on a shallow (71 foot) lot which is in harmony with the purpose and intent of the ordinance.

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

The request is consistent with the Comprehensive Plan's Housing Elements Goals and Policies which encourages safe, healthy and quality housing that respects the natural environment of the community.

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

Yes. Aspects of the request put the property to use in a reasonable manner. The applicant is attempting to renovate and, to some degree, maximize on an existing non-conforming footprint on a shallow lot. However, due to the close proximity to the lake, the additional lake yard massing increases for the proposed screened port and balconies are not reasonable. The reconfiguration of nonconforming impervious areas is a reasonable reallocation of the nonconforming impervious surface for the property.

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

Yes. The property depth at its shallowest point is only 71 feet. The required setbacks overlap leaving no buildable area. The applicant is maintaining the existing building footprint and expanding the house upward.

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

No. The proposal would not alter the essential character of the locality. The proposal is similar in scope and scale to other properties within the community.

Cooney said that the Planning Commission held a public hearing on the request at their December 17 meeting and, on a 4-2 vote with Werneiwski and Daly voting against recommended approval of the setback variance requests as proposed based on the recommendations and findings of staff, and recommended denial of the impervious surface variance as proposed, based on the following findings:

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

No. The purpose and intent of the ordinance is to protect the shoreland from uncontrolled use and preserve and enhance the preserve the economic and natural environmental values of shorelands. The reconfiguration of the impervious areas to further intensify the lake yard uses is not in harmony with the purpose and intent of the ordinance.

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

The request is consistent with the Comprehensive Plan's Housing Elements Goals and Policies which encourages safe, healthy and quality housing that respects the natural environment of the community.

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

No. The further intensification of the lake yard is not reasonable without mitigation or some additional reductions in impervious surface areas for the property.

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

No. While the property is currently nonconforming for impervious areas, there are ample lake yard amenities (including a large deck) that exist and do not require the reconfiguration of the lake yard impervious areas.

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

Yes. The additional impervious areas in such close proximity to the lakeshore combined with the existing house and deck would be of an intensity that would alter the essential character of the locality.

Cooney concluded his staff report.

Councilmember Erickson asked about how the impervious area was reduced. Cooney said that a portion of the carriage driveway was removed.

Mayor Skrede asked about the thought process on the denial of the screened porch. Cooney said that he looks at decks and screen porches as amenities, and that the current house has a deck and a three-season porch. He said that he was concerned about the increased massing from a screened porch so close to the lake. Cooney said that screened porches also tend to get converted to permanent parts of a home over time.

Jeff Konen, builder for the applicant, said that the applicant is also removing impervious areas within the public right-of-way which they do not necessarily get credit for.

Councilmember Erickson asked about the optional shed roof on the lakeside. Cooney said that he was not supportive of the optional shed roof. He said that the Planning Commission was supportive of the building plans as presented but were not supportive of the impervious area.

Councilmember Erickson said that he is supportive of the proposal and thinks it will look better.

Councilmember Jewett asked how much of the existing house would be removed. Konen said 30%.

Councilmember Erickson said that many times when a second floor is added, the whole house comes down. Konen said that is a possibility based on what they see when they start work or if there is a need for additional insulation. Konen said that will be the homeowner's decision.

Mayor Skrede said that the city will agree to authorize the demolition of the house to the foundation as needed, but not any further out than the existing foundation footprint. He said that the council needs to be comfortable with the screened porch encroachment since these porches seem to grow permanent walls.

Councilmember Carlson noted that there is a significant amount of green space within the public right-of-way and that the property owner should get some credit for that.

Councilmember Jewett said that he is fine with the impervious area.

Konen said that the screened porch would be the most desirable space in the house in the summer. Councilmember Jewett said that he has mixed feelings about the screened porch, but that he is not necessarily opposed.

Councilmember Carlson said that he is supportive of the request since it is not expanding the existing footprint and reducing the impervious areas.

Councilmember Carlson made a motion to approve the request as proposed based on the findings for approval of the Planning Commission and also noting the unique conditions from the existing impervious areas and reasonable proposed reductions of the impervious areas from existing. Motion was seconded by Councilmember Erickson. Motion carried 4-0.

Mayor Skrede said he would like to see the Planning Commission focus more on the impacts of the structure rather than the impervious areas. He said that the structure is a more impactful and permanent component of the request.

**B. Consider the variance requests of Jacob and Allison Wert to exceed the maximum permitted impervious surface coverage and to encroach into the minimum required lake and side yard setbacks in conjunction with construction of a new house at 20560 Summerville Road**

Cooney presented the staff report. He said that the property owners are building a new house on the property and that the design of the house is such that there are proposed encroachments into the lake yard and side yard setbacks. He said that the applicant is also seeking a variance from impervious surface area and noted that the property is 14,944 square foot R-3 property.

Cooney said that Section 1302.05(3) of the city ordinance requires a minimum lake yard setback of 100 feet from the OHW. He said portions of the proposed house are as close as 89.5 feet from the OHW. Cooney noted that the existing house on the property has a closest encroachment of 82 feet and, the footprint area within the lake yard setback for the proposed house would be reduced from existing conditions.

Cooney said that Section 1302.05(3) of the city ordinance requires total combined side yard setbacks of 25 feet with a minimum side yard setback of 10 feet. He stated that the applicant is proposing a south side yard setback of 5.7 feet and north side yard setback of 5.2 feet. Cooney said that the existing setbacks are 5.5 feet (for the shed) on the north side and 10.4 on the south side, and the proposed combined setbacks are a slight improvement from existing conditions.

Cooney noted that retaining walls over 3.5 feet must meet structure setback requirements. He said portions of the proposed retaining walls on the south side exceed 3.5 feet and are 1 foot off of the property line. He stated that the applicant is seeking a variance of 9 feet from the south side yard setback for the proposed retaining walls.

Cooney pointed out that the property is pie shaped, and it widens from 50 feet at the front of the buildable area to as wide as 75 feet in the lake yard. He said that at the proposed lake yard setback, the property is 66 feet wide. He said that, due to the shape of the lot and the lot width at the front setback, some kind of variance seems reasonable to provide appropriate driveway access and garage area. He said the main body of the house is 45 feet wide, and is built parallel to the south lot line, while the

property widens out along the north property line. He said that the setback along the north property line becomes more favorable to the neighboring property to the north as it approaches the lake yard.

Cooney said that he is generally supportive of the side yard setback requests due to the pie shaped nature of the lot and the fact that the encroachments are respectful of the neighbor to the north. He said that the most problematic encroachments (including the retaining walls) face the city fire lane, further minimizing adjacent neighbor impacts.

Cooney said that Section 1302.05(2) of the zoning ordinance limits the maximum impervious coverage of the property to 25% and that the applicant is proposing an impervious surface area of 35.2%. Cooney noted that the property is currently at 36.9% impervious area.

He said that at 14,944 square feet, it is not necessarily a small lot. Cooney said that the proposed impervious area exceeds the 5,000 square feet which would be allowed on a zoning code compliant 20,000 square foot R-3 lot. Cooney said that the proposal reduces impervious area from existing conditions and provides significant stormwater mitigation for the property. He said that the benefits provided by the proposed mitigation more than account for any impacts that a marginal reduction in impervious area (1% or 2%) would provide.

Cooney stated that the runoff from the proposed house will be collected by a series of catch basins and directed to a mitigation area below the driveway. He said that the mitigation system would overflow into the city storm sewer. Cooney noted that the city engineer reviewed the proposal and determined that the mitigation exceeded city requirements. He stated that the city engineer thought that the drainage proposal was good overall, but that details would need to be coordinated with the city.

Cooney said that the applicant is proposing to install items within the public right-of-way including portions of a trench drain and a hard connection to the city storm sewer that leads to the lake. He said that an agreement waiving the city from any liability for damage from these improvements would be required. Cooney said that the city would need to review and approve the agreement prior to the start of construction.

Cooney said that he recommends approval of the variance requests to encroach into the lake yard setback by 10.5 feet, encroach into the north side yard setback by 4.8 feet, encroach into the south side yard setback by 5.1 feet for the proposed house and 9 feet for the proposed retaining walls, and exceed the maximum permitted impervious surface area by 10.2% for the property at 20560 Summerville Road, as proposed.

He said that the recommendation is conditioned that:

- The applicant provides an agreement, subject to the city's review and approval, waiving the city from any liability for damage to the applicant's right-of-way improvements
- The applicants complete the stormwater management improvements to 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.

He said that the recommendation is based on the following findings:

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

Yes. The purpose and intent of the ordinance is to allow the orderly development and redevelopment of property within the city and when the ordinance standards cannot be met, it outlines the procedures to vary from these standards. The request is in harmony with the purpose and intent of the ordinance since the applicant is proposing to remove a nonconforming house and build a house with a comparable nonconforming footprint on a substandard, pie-shaped lot.

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

The request is consistent with the Comprehensive Plan's Housing Elements Goals and Policies which encourages safe, healthy and quality housing that respects the natural environment of the community.

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

Yes. The setbacks are reasonable given the lot configuration and the existing nonconforming conditions on the property. The impervious surface area percentage is reasonable given the substandard lot size, and the existing nonconforming conditions on the property.

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

Yes. The property is pie shaped, and it widens from 50 feet at the front of the buildable area to as wide as 75 feet in the lake yard. At the proposed lake yard setback, the property is 66 feet wide. The lot width and shape create challenges to meet the setback standards for the house, particularly as it relates to the driveway access and garage. The lot sized is substandard which creates challenges for meeting impervious surface requirements. The property also has nonconforming conditions with the existing lake and north yard setbacks, and impervious surface area.

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

No. The proposal would not alter the essential character of the locality. The proposal is similar in scope and scale to other properties within the community.

Cooney said that the Planning Commission held a public hearing at their December 17 meeting.

Cooney said that there was a motion to approve the request as proposed but the motion failed on a 3-3 vote. He said that the dissenting votes were concerned with the narrow side yard setbacks, particularly the south side yard setback, and also that, given that the applicants are starting new on the lot, more could have been done to minimize the lake yard encroachment.

Cooney concluded his staff report.

Councilmember Jewett noted that the side setback requirement is wrong in the staff report and that one of the side setbacks needs to be 15 feet. Cooney thanked Jewett for catching the error.

Mayor Skrede said that he appreciates that the neighbors on both sides are supportive of the setback request. Mayor Skrede asked if the stormwater system would tie into the city's system.

Travis Van Liere, landscape architect for the property owners, said that the stormwater system would not tie in to the city's system. He that there would be storage below the driveways with an overflow to the street and the runoff would be directed into the city's system there.

Councilmember Carlson suggested that some excess soil from the adjacent properties could be used to smooth the grading to the lake for the fire lane. He said this would let the properties work together and

soften the look from the lake yard. Councilmember Carlson said that he likes the proposal and likes that this could resolve some issues with the street.

Mayor Skrede asked about sewer elevations. Cory Lepper, builder for the property, says he has those elevations.

Councilmember Erickson said that he likes the project overall and that this is a unique opportunity to address the end of the street.

Councilmember Jewett noted the brick pavers in the plans and that those should not be in the public right-of-way.

Mayor Skrede asked about the main concerns from the Planning Commission that led to the 3 to 3 vote. Cooney said primarily south side yard setbacks, but also a little concern that more could be done about the lake yard.

Motion by Councilmember Jewett to approve the plans as proposed based on the recommendation, findings, and conditions of staff. Councilmember Carlson made a friendly amendment to condition the approval that the applicant work with the city to modify and soften the grading as it transitions to city property. Motion was seconded by Councilmember Erickson. Motion carried 4-0.

Councilmember Jewett asked about possibly changing the “Does the proposal put property to use in a reasonable manner?” variance question in the city application. Cooney said that was a state law question in the practical difficulty standard.

### **C. Review Draft Ordinance Regarding Short Term Rentals**

Cooney presented the staff report. He said that at the October Planning Commission meeting, the Planning Commission recommended that staff draft an ordinance prohibiting short term rentals. He said the draft ordinance is attached for review which limits rentals to not less than 30 days and not more than two tenants per year.

Cooney said that while there are ongoing concerns about enforcement, the Planning Commission felt that it was better to have an ordinance in place, since without such an ordinance, the city would have much narrower enforcement options.

Cooney concluded his staff report.

Mayor Skrede said that he asked the police chief about any complaints received related to short-term rentals. Police Chief Johnson said that there have not been any complaints. Mayor Skrede said that people are usually vocal if they have an issue and that he was more concerned about the impacts of the renter rather than how long they stay there.

Johnson said that the police can address noise and other nuisance complaints. Mayor Skrede asked if there was enough on the books to enforce a situation regardless of whether the complaint is related to a property owner or a renter. Johnson said yes.

Councilmember Erickson said that he is opposed to the ordinance as written. He said he understands not wanting numerous quasi-hotels on Carson’s bay, but there are only 2 joint-use properties in town

and there are no police complaints related to those properties. He said he would oppose an outright ban of Airbnb properties. He said that he thinks this needs more thought and that there could be licensure or fines for repeat offenses.

Councilmember Carlson asked if Councilmember Erickson would send it down to the Planning Commission for additional consideration. Councilmember Erickson said yes. He that there is a short season in this area which is June 1st to August 30<sup>th</sup>. Councilmember Erickson said it is a 12-week season and that there could be a 1 week minimum stay, or licensure and penalties.

Councilmember Carlson asked if Councilmember Erickson thought a homeowner would need to be at the house rather than renting out the whole house. Erickson said that is open for discussion. He said he understands the risk of Airbnb properties, but he also recognizes that most Airbnb properties do not have any problems.

Mayor Skrede said that the 30-day minimum is an easy work around. He said that he would prefer that neighbors be proactive and contact the police department with issues.

Administrator Dana Young said that if there is not a nuisance, there is not enforcement. Mayor Skrede said that enforcement is difficult the way the ordinance is written unless there is licensing.

Young said that there are other things that can be done including contacting the property owners. Councilmember Jewett said that the owners could be contacted about any online rental listings too.

Young said this gets to the issue of the single-family nature of the neighborhood. He said that regardless of how nice the family renting the property might be, the constant resident turnover is disruptive and not within the single-family character of Deephaven. He said that it is not an issue in the city now, but could become more prominent in the future. Young said it might be an issue worth getting ahead of rather than addressing it after-the-fact.

Mayor Skrede said that he is open to considering the issue, but also recognizes that disruption can come from any kind of neighbor whether it is a renter or an owner. Mayor Skrede said that he wonders how to verify the items in the draft ordinance.

Young said verification could be asking neighbors and checking online listings.

Cooney said that the 30-days is a standard time frame adopted by other cities. He said that time limit coupled with the 2 rentals per year is intended to eliminate short-term rental offenders other than those who do it once for special events such as the Super Bowl.

Mayor Skrede asked what the penalty would be for a violation. Cooney said it would be a misdemeanor penalty that all zoning violations are subject to.

Councilmember Jewett asked if the city could require that a rental ad be taken down.

Councilmember Erickson said that he didn't think the city can require that they remove an online posting. But, he said it will let the city know which properties might be violating the ordinance. He said he wants to take a hard look at how restrictive the city wants to be in addressing a problem that does not currently exist.

Councilmember Carlson said that no one wants to live next to an Airbnb house. He said that there could be some kind of limit short of a ban for these types of rentals.

Councilmember Jewett asked how the city confirms what is going on with the property. Young said that it would be similar to a home occupation situation where we rely on neighbors. Young said once the issue is brought to the homeowners, it is usually addressed.

Cooney asked if licensing is a worthy direction. Johnson said that most people don't have a dog license until they get caught without one.

Councilmember Erickson said that Airbnb properties could be subject to a Conditional Use Permit.

Councilmember Jewett said that he is not necessarily opposed to restrictions, but there have been no complaints to the police. He asked if it was a problem at this point.

Young said that this has been a problem for other lake communities and that this is an ordinance trying to anticipate a potential problem, not correct an existing one. He said that the city can always wait until it becomes an issue. He said that future property owners might not be as considerate as the two Airbnb that are in town now.

Mayor Skrede asked if the current properties are grandfathered into the use. Johnson said that he did not think so since it is a revolving door situation with new leases every time.

Johnson asked why the city would allow short term rentals at all. Councilmember Erickson said that there are some property rights issues and that we would be shutting down the existing short-term rental properties.

Councilmember Erickson said that he would like to see this looked at further. Councilmember Carlson said that the Planning Commission would need some direction.

Mayor Skrede said that the draft ordinance needs to be enforced by resident complaints and does this give them enough to come to the city for enforcement.

Young said that he is supportive of the idea, and that this type of rental situation unfairly impacts neighboring property owners. He said it is a tool in the tool box.

Mayor Skrede said that if this is a ban on short-term rentals, he wants to be up front about it. Cooney said that it was his intention to write an ordinance banning short term rentals.

Councilmember Jewett asked if a long-term rental property that has a couple of bad tenants would be violating the ordinance. Mayor Skrede said that the city could look at the specific situation. Young said that staff could review the lease and that is all that is needed.

Mayor Skrede said that he would consider banning short-term rentals and that if neighbors want to allow short term rentals, they will have to ask the city and the city can have that ordinance discussion at that time.

Johnson said that the Airbnb that the resident came to the city about has had 122 reviews online. Councilmember Erickson said that he guesses it rents out 20 times a year. Mayor Skrede said that he

considers that a commercial operation.

Councilmember Carlson asked if the city was ready to hold a public hearing on the ordinance request. Councilmember Erickson said he was comfortable getting the public's input on this.

Motion by Councilmember Carlson to hold a public hearing on the ordinance, as written, at the next available Planning Commission meeting. Motion was seconded by Councilmember Jewett. Motion carried 4-0.

## **6. UNFINISHED BUSINESS**

### **A. Approve Shuck Park Playground Equipment Proposal**

Administrator Young stated that in response to a Request for Proposals on Playground Equipment, the Deephaven Park Committee reviewed the following bids for playground equipment & installation at Shuck Park on December 3, 2019:

<b><u>Bidder</u></b>		<b><u>Total Bid</u></b>
Minnesota Wisconsin Playground	Option A	\$31,959.08
Minnesota Wisconsin Playground	Option B	\$36,515.57
St. Croix Recreation Company		\$35,000.00

He stated that after reviewing all playground equipment & design options, the Park Committee selected Option B from Minnesota Wisconsin Playground, with the following alterations:

- Exchange one (1) toddler bucket swing for one (1) expression swing
- Exchange two (2) digger toys and one (1) Dragonfly seesaw for the Merry-Go-All as shown in Option A.

He stated that the cost of the revised Option B is now \$36,175.01. He stated that the only responsibility of our public works crew will be to remove the existing playground equipment (except for the swings) and remove the sand base. He noted that the revised cost slightly exceeds the \$35,000 budget for this project and the existing swings will be retained.

Mayor Skrede noted that residents certainly liked the old swings at Thorpe Park. He added that the swings at Deephaven Beach have never been that popular because they had to be turned at an odd angle to meet the required safety standards.

Councilmember Jewett asked about the wood fiber material that is proposed to be used for the surface of the playground.

Administrator Young stated that he would obtain more details on the wood fiber material from the contractor.

Mayor Skrede cautioned that the playground equipment must be properly anchored.

Councilmember Carlson noted that the contractor proposes to anchor the equipment in concrete.

Motion by Councilmember Carlson to approve the Shuck Park Playground Equipment & Installation Proposal from Minnesota Wisconsin Playground in the amount of \$36,175.01. Seconded by Councilmember Jewett. Motion carried 4-0.

Mayor Skrede asked Councilmember Jewett to oversee the construction of the playground equipment.

**B. Approve Bids on Shuck Park Tennis Court Resurfacing Project**

Administrator Young stated that on August 19, 2019, the Council reviewed three bids on the reconstruction of the two existing tennis courts at Shuck Park and on the installation of a 40' x 32' basketball court. The following bids were ultimately rejected by the City Council for exceeding the budget (\$85,000) for this project:

<b><u>Bidder</u></b>	<b><u>Bid Price</u></b>
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 receiving such significantly high bids:

- 1) 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.
- 2) The construction of a 40' x 32' basketball court added approximately \$43,000 to the bid.
- 3) The cost of reconstructing two tennis courts had been budgeted at only \$25,000 per court. A more accurate cost of resurfacing is approximately \$50,000 per court.

He stated that he and Councilmember Jewett met with City Engineer Jeff Weyandt to review the original specifications with the goal of establishing a more realistic bid for the reconstruction of the tennis courts. He stated that it is hoped that this will be accomplished by the elimination of the new basketball court, bidding the project in early spring, and establishing a more realistic budget (\$100,000) for the reconstruction of the two courts. He noted that the engineer's revised estimate for resurfacing the two Shuck tennis courts is \$94,090.00.

Motion by Councilmember Erickson to authorize Bids on the Shuck Park Tennis Court Reconstruction Project. Seconded by Councilmember Jewett. Motion carried 4-0.

**C. Other**

Mayor Skrede asked to review the plans & specifications on the 2020 Street Improvement Project at the January 14<sup>th</sup> Public Works Committee.

**7. NEW BUSINESS**

**A. Accept Resignation of Police Officer Casey Nus**

Police Chief Johnson stated that Officer Casey Nus is leaving the Deephaven Police Department for a position with the Airport Police. He stated that she will be done working for the City after this evening's shift. He stated that he posted the job opening on November 21 and extended the posting to December 30. He stated that the Department received 21 applications and is planning to conduct interviews on January 23. He stated that he wished Casey the best in her new position.

Motion by Councilmember Carlson to accept the resignation of Police Officer Casey Nus effective January 7, 2020. Seconded by Councilmember Erickson. Motion carried 4-0.

**B. Review City Fiscal Report**

Administrator Young presented the 2020 City Fiscal Report for Council Review.

**C. Other**

Administrator Young stated that the League of Minnesota Cities will be holding their annual 2020 Elected Leaders Advanced Program Seminar on Jan 24-25 in Plymouth for a fee of \$275.00 and asked for the Council to contact him if they have any interest in attending. He stated that Councilmember McNeill indicated that she would be interested in attending the seminar.

**8. DEPARTMENT REPORTS**

**A. Police Department**

Police Chief Johnson reviewed the December 2019 Police Incident Report.

**B. Excelsior Fire District**

Councilmember Erickson provided an update on overnight duty crew program. He stated that duty crews had been planning to expand to 7 days per week coverage beginning this month but have decided to move to 5 days per week for the present time.

**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 2017 Financial Statements
- The 2019 Ranking of Deephaven as the #1 Best Place to Raise your Family in Minnesota according to Niche.com.

**9. ADJOURNMENT**

Motion to adjourn by Councilmember Erickson, seconded by Councilmember Carlson. Motion carried 4-0. The meeting adjourned at 9:34 p.m.

Respectfully submitted,

Dana H. Young  
City Administrator