

**DEEPHAVEN CITY COUNCIL MEETING
MONDAY, JULY 6, 2017
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, Darel Gustafson, and Kent Carlson

ABSENT: Councilmember Tony Jewett

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

2. **PLEDGE OF ALLEGIANCE**

The Council recited the Pledge of Allegiance.

3. **APPROVE CONSENT AGENDA**

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

- A. Approve June 19, 2017 Special & Regular Council Minutes
- B. Approve Verifieds
- C. Approve Request to use Robinson's Bay Beach for Yoga Class

Seconded by Councilmember Carlson. Motion carried 4-0.

4. **MATTERS FROM THE FLOOR**

Discussion related to proposed new house at 3542 Leroy Street

Mayor Skrede said that he was aware that members in the audience were here to discuss the situation related to the proposed new house at 3542 Leroy Street. He said that the city council does not typically act on issues raised in matters from the floor.

Lindsey Carr of 3610 Lowell Street said that she is a member of the Deephaven Park Board and that she wanted to discuss the new construction project in the Pines neighborhood at 3542 Leroy Street. She said that the 2 story house will be three times as big as the home it is replacing, and that it is just another cookie-cutter house. She said that the house is out of scale with the surrounding neighborhood and that new construction should fit the scale of the community.

Carr said that the City of Deephaven Comprehensive Plan states on page 17 that it is a goal of the city to “Encourage safe, healthy and quality housing that respects the natural environment of the community” and to “Encourage residents to maintain and/or improve older homes which will promote diversity of housing in Deephaven.”

Carr said the comprehensive plan states on page 30 that “In a number of instances, smaller homes were acquired and demolished to allow the construction of larger homes. This activity impacts both the neighborhood and the community’s housing stock. Large, contemporary housing may be totally out of character with the surrounding neighborhood. Additionally, the demolition of existing homes and the combination of lots to form larger building parcels reduces the quantity of more affordable homes in the community.”

Carr said that she would like the city to consider an investigation into possible options for their neighborhood such as a new zoning district. She said that the neighbors started a petition and reached out to 87 residences. She said that of the 55 people that they were able to get in touch with, 51 signed the petition to investigate the issue, 4 people did not have an opinion, and 0 people opposed the idea. Carr handed a copy of the petition to City Administrator Dana Young. Carr said that the comments stated that the proposed house was too tall, and encroaches too much. She said that the community wants to maintain its existing character.

Carr asked what the comprehensive plan means to the city. Skrede said that the comprehensive plan is a general guide that speaks to the vision and goals of the city to allow for the creation of ordinances that address those goals. He said that some of the sections are also for compliance purposes.

Councilmember Carlson asked about the 55 residents reached with the petition and if some of the residents were in Minnetonka, or if they were all Deephaven residents. Carr said that the residents were from both cities. Councilmember Carlson asked if they plan on going to Minnetonka to raise the same concerns. Carr said that, yes, they were planning to do that.

Councilmember Carlson said that the rules between the two cities are different, and that there is the danger of creating winners and losers based on the zoning.

Jacqueline Colson of 3440 Leroy Street, Minnetonka, said that the zoning between the two cities for the neighborhood is not that different. Zoning Coordinator Cooney agreed that the rules are similar.

Councilmember Carlson said that there are 465 substandard lots in Deephaven that run across much of the city and that it is hard to create a special set of rules for just one neighborhood. Skrede said that this is an opportunity to do some examination of some of our rules.

Mike Fleming of 3555 Leroy Street, Deephaven, said that he has lived in the neighborhood for over 30 years and that he would like to fend off overzealous development. He said that rezoning could reduce future development potential, but that perhaps a conservation easement related to historical/architectural character could be a viable option. He said that there is also an opportunity for tax benefits for those who participate.

Dan Shanesy of 3608 Lowell Street, Deephaven, said that he is a 52 year resident of the neighborhood in both Deephaven and Minnetonka. He said that he bought his 1957 rambler and put an addition onto it. He said that he loves the privacy of the back yard. He said that he loves his neighbors but that there are times when he wants his own space. He said that the houses that surround him are also ramblers. He said that he is less concerned about pricing and mostly concerned about height. Shanesy said that he does not want to look up and see someone and does not want someone looking down on him. He said that McMansions give him a chill and that the proposed house does not fit. He said that those next to the house will not have any privacy. Shanesy said that, with this house, something is being taken away from him.

Shanesy said that with the petition, he wanted to make sure that people could say that they oppose the petition and wanted the neighbors to feel like it was okay to oppose it. He said that the overwhelming majority of people supported the petition and did not want this kind of development. He said that he has just had 60 yard signs delivered. Shanesy said that he wants the city to protect the neighborhood. He said that he understands the developer can do what he wants, but the developer does not understand the neighborhood. Shanesy said that they don't want McMansions. He asked the city for help. He said that these residents built these schools and that they do not want to be pushed aside.

Councilmember Carlson asked about the possibility of a homeowners association (HOA). He said that there are several in the city, and that with the near-unanimous support of the neighborhood, it could be a viable option. He said that an HOA could be as restrictive as the neighborhood wants. Councilmember Carlson said that the residents are asking for the help of the city, but that the residents also have the power to help themselves.

Councilmember Erickson said that the Chimo and Cedarhurst neighborhoods have HOAs. He said that requests to alter buildings have to go through an association.

Mike Zegarac of 3608 Therese Street, Deephaven, said that the comprehensive plan language that "large, contemporary housing may be totally out of character with the surrounding neighborhood" applies to this neighborhood. He said that the council should imagine what this house will look like in the neighborhood. He said that neighbors recently turned down two offers from developers to sell their house so that they could sell it to a family. Administrator Young said that the comprehensive plan is general and drives the ordinances, and that the ordinances are specific and enforceable.

Nathan Chaika of 3634 Leroy Street asked if any of the HOAs had been instituted after the fact.

Mayor Skrede said that he did not know for sure, but that he believes that Cedarhurst was created after the fact. He said that he would prefer an HOA not cross city lines, but that he did not see any reason the city would oppose an HOA, and said he didn't know if the city even could oppose one.

Councilmember Carlson said that an HOA could be as simple and flexible or as restrictive as the neighborhood would like.

Cooney said that if there is an HOA, it could not be changed by the city, whereas a zoning ordinance could be. Councilmember Erickson agreed and said there was a danger that somewhere down the road a new council could modify or rescind the zoning district.

Mayor Skrede asked why there could not be an R-4 district east of the church, and that he was willing to look at options.

Councilmember Erickson said that any zoning change would take the city at least a year, and that the neighborhood could act faster with an HOA than the city. Councilmember Carlson said that it took the city 18 months to revise its height and setback requirements.

Councilmember Gustafson said that the comprehensive plan is a vision for the city. He said that he has been through the Pines neighborhood and it is like Mayberry. He said that the common theme in the comprehensive plan is “don’t change stuff” and that people love Deephaven the way it is. He said that he thinks the council should be willing to preserve the neighborhood. He said that this is happening throughout Deephaven and that he would be willing to take the lead in examining the ordinances.

Jacqueline Colson asked if an HOA requires a meeting and a board.

Mayor Skrede said that the HOA could determine that. He said that dues could be 1 dollar and that they could meet only once a year.

Colson said that this is an opportunity to do the right thing. She said the house will be a scar on the neighborhood. She asked if the city would talk to the developer to rethink the design.

Mayor Skrede said that he does not want to participate in Chicago-style politics, but that if the developer called him, he would share his thoughts. But he emphasized that the developer would need to call him.

5. UNFINISHED BUSINESS

A. Other

There was no other Unfinished Business this evening.

6. NEW BUSINESS

A. Adopt Resolution No. 32-17, Approving CDBG Agreement with Hennepin County

Administrator Young stated that the City of Deephaven has approved Joint Cooperation Agreements with Hennepin County to allow participation in the Community Development Block Grant (CDBG) Program since 2003. He stated that since the City of Deephaven is in the “consolidated pool”, participation in the county CDBG program through this cooperative

agreement does not require any financial obligations or administrative requirements. He stated that participation in the county CDBG program provides the following benefits:

- Allows residents to apply for assistance for home repairs through the county-operated single family housing rehab loan program.
- Allows residents to receive assistance through various public service activities, including homeownership counseling, reverse mortgage counseling, home maintenance help for seniors, senior center programming, among other programs.
- Provides the opportunity of applying for CDBG funds for eligible housing or public facility projects.

Councilmember Gustafson asked if there would be any financial obligations on behalf of the City towards Hennepin County's housing goals with the signing of this agreement.

Administrator Young stated that the City does not have any financial obligations with this agreement. He stated that it simply allows Deephaven residents to access several of the housing assistance programs.

Motion by Councilmember Carlson to adopt Resolution No. 32-17, a Resolution Authorizing the Execution of the Joint Cooperation Agreement between the City of Deephaven and Hennepin County. Seconded by Councilmember Erickson. Motion carried 4-0.

B. Approve Revision to City Assessor Contractor

Administrator Young stated that the Hennepin County Assessor's Office has incorporated a new software system and has outfitted every assessor – both public and private - within Hennepin County with the necessary hardware and software to do field and office work. The cost of the new hardware and software will be billed on a monthly basis to Dan Distel beginning August 1, 2017. The first year's cost will be \$5,156.30 per year or \$429.69 per month before dropping down to \$4,326.16 per year or \$360.51 per month following the initial purchase of the hardware and software.

He stated that this additional expense was not included in Dan's new 2017-2019 contract with the City of Deephaven that was approved back in May. Dan has agreed to keep his salary at the 2016 contract amount of \$51,290 (\$4,274.16 per month) for 2017 as a way to offset some of the additional hardware and software expense. Dan was scheduled to receive contract increases of 2% in 2017 and 2.5% in 2018. Since the new technology upgrade would benefit both Deephaven and Woodland, the Deephaven portion of this new expense would be 87.5% of the cost based on the total number of parcels in Deephaven (1,617 parcels) vs. the number of parcels in Woodland (230 parcels).

Mayor Skrede summarized the discussion by stating that the new contract would include both Dan's salary at \$51,290.00 for the two-year period and the cost of the City's portion of Hennepin

County's hardware and software costs. He stated that he didn't have a problem with the revised contract.

Motion by Councilmember Carlson to approve a two-year contract extension with Dan Distel for the assessment of residential properties at a contracted amount of \$4,650.17 per month from August 1, 2017 to May 31, 2018 and \$4,589.58 per month from June 1, 2018 to May 31, 2019. Seconded by Councilmember Gustafson. Motion carried 4-0.

C. First Reading, Ordinance No. 08-07, Permitted Fishing Locations

Mayor Skrede noted that this is the first reading of this ordinance due to the new legislation that requires a ten-day posting of all new ordinances. He stated that the Council had a discussion on this issue at the last meeting and the intent of the ordinance is to establish acceptable locations for fishing on public property. He stated that the Park Committee could then give the Council recommendations as to any additional acceptable locations. He stated that there were currently no ordinances regarding fishing on public property and this ordinance spells out three locations, hours of fishing, garbage disposal and conduct.

Councilmember Gustafson stated his concern with the language in Subdivision 4 of the ordinance on conduct and recommended more specific wording on fishing or casting within a swimming area.

Administrator Young stated that the revised ordinance would be presented for adoption on August 7th.

D. Other

Councilmember Gustafson recommended that the City consider the use of an aquicide, which is an organic and natural product used to eliminate the weeds within swimming areas such as Deephaven Beach. He stated that he is not sure of the cost but one bag covers a 50' x 80' area.

Administrator Young stated that he will check with Lake Management and the Department of Natural Resources on the use, cost and safety of such a product and whether a permit would be needed from the DNR.

7. DEPARTMENT REPORTS

A. Police Department

Police Chief Johnson provided a review of the June Incident Report and provided an update on mail thefts, the use of the speed trailer on Linwood Road, and on July 4th activities.

B. Excelsior Fire District

Councilmember Erickson stated that he had nothing new to report on the Excelsior Fire District.

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:

- Update on Damaged Playground Equipment at Children's Park
- Tobacco 21 Legislation
- Waste Management Contract
- Right of Way Ordinance and Small Cell Legislation
- Xcel LED Rollout

8. ADJOURNMENT

Motion by Councilmember Gustafson to adjourn the Regular Council meeting. Seconded by Councilmember Erickson. Motion carried 4-0. The meeting adjourned at 8:40 p.m.

9. SPECIAL BUDGET WORK SESSION

Administrator Young presented the 2018 General Fund Budget and 2018 Capital Improvement Fund for Council review.

10. ADJOURNMENT

Motion to adjourn the Special Council Work Session by Councilmember Carlson, seconded by Councilmember Gustafson. Motion carried 4-0. The meeting adjourned at 9:05 p.m.

Respectfully submitted,
Dana H. Young
City Administrator