

**DEEPHAVEN CITY COUNCIL MEETING  
MONDAY, JUNE 17, 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 Kent Carlson, Steve Erickson, Tony Jewett, and Melissa McNeill

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. June 3, 2019 City Council Minutes
- B. Approve May 2019 Treasurer's Report

Seconded by Councilmember Jewett. Motion carried 5-0.

4. **MATTERS FROM THE FLOOR**

There were no Matters from the Floor this evening.

5. **NEW BUSINESS**

- A. **Review Appeals from June 1<sup>st</sup> Deadline Requirement**

Administrator Young stated that Section 900.07, Subd. 2 (b) of the Watercraft Space Ordinance requires all watercraft to be moored at their assigned space prior to June 1<sup>st</sup>. If the permit holder is not at their assigned space, the City may revoke the permit and issue a permit to the next person on the waiting list for that particular space. The permit holder has the option to appeal the revocation of their 2019 Boating Permit to the City Council within 10 days after the City's notice of revocation is mailed.

He stated that after considering the appeal, the Council will affirm or reverse staff's decision to revoke the permit. If the Council decides to reinstate the permit, the condition of reinstatement shall be a penalty payable to the City of Deephaven in an amount equal to 50% of the normal permit fee.

He stated that two permit holders were not at their assigned space prior to June 1<sup>st</sup>. He stated that James & Kathleen Robertson submitted their appeal by the June 13<sup>th</sup> deadline but the other permit holder decided to not appeal.

Motion by Councilmember Jewett to authorize the reinstatement of James & Kathleen Robertson’s 2019 Boating Permit, subject to payment of an amount equal to 50% of their regular 2019 permit fee. Seconded by Councilmember Erickson. Motion carried 5-0.

**B. Adopt Resolution No. 19-19, Awarding Bid for 2019 Street Improvement Projects**

Mayor Skrede stated that the following bids were received for the 2019 W. Highland & Parkway Street Improvement Project:

<u>Bidder</u>	<u>Total Bid Amount</u>
Northwest Asphalt	\$237,388.00
Bituminous Roadways	\$250,512.50
GMH Asphalt	\$257,204.00

Motion by Councilmember Erickson to adopt Resolution No. 19-19, a Resolution Accepting Bids and Awarding a Contract to Northwest Asphalt in the amount of \$237,388.00 for the 2019 W. Highland & Parkway Street Improvement Project. Seconded by Councilmember McNeill. Motion carried 5-0.

**C. Approve Preliminary 2020 LMCD Budget**

Mayor Skrede stated that the Preliminary 2020 LMCD Budget proposed a 3.1% increase for the City of Deephaven. He asked to have LMCD Representative Jake Walesch at an upcoming Council meeting to provide an update on recent LMCD activities.

Motion by Councilmember Carlson to approve the 2020 LMCD Budget as presented. Seconded by Councilmember Erickson. Motion carried 5-0.

**D. Adopt Resolution No. 20-19, Approve 2020 Agreement with Woodland**

Administrator Young stated that the Woodland City Council approved the 2020 Contract for Services with the City of Deephaven on June 10, 2019. He provided the following summary and comparison of the 2020 contract with the 2017 - 2019 contracts:

<b>Service</b>	<b>2017 Contract</b>	<b>2018 Contract</b>	<b>2019 Contract</b>	<b>2019 Contract</b>
Clerical Services	\$46,875	\$49,038	\$48,042	\$39,189
Police Services	\$113,989	\$117,409	\$120,931	\$124,559
Zoning Coordinator Services	\$36.85	\$39.52	\$41.81	\$44.40
Building Inspection Services: 1 <sup>st</sup> \$10,000 in fees 60% of Balance	Deephaven Woodland	Deephaven Woodland	Deephaven Woodland	Deephaven Woodland

40% of Balance	Deephaven	Deephaven	Deephaven	Deephaven
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- The 2020 Clerical Service fee decreases 18.4% due to the significant reduction in salary and group health costs from former Woodland Clerk Kathryne McCullum to current Woodland Clerk Sara Skalle.
- The 2020 Police Service Fee increases 3.0% due to a proposed 3.0% employee salary increase in 2020, salary step increases for our newer officers, and a projected 5.0% increase in health & dental insurance for the members of the Deephaven Police Department.
- The 2020 Zoning Coordinator Fee increases 6.2% due to a proposed 3.0% salary increase, a salary step pay increase, and a projected 5.0% increase in health and dental insurance costs for Zoning Coordinator Dale Cooney in 2020.
- And finally, no change is proposed in the calculation of the Building Inspection Services formula.

Motion by Councilmember Erickson to adopt Resolution No. 20-19, a Resolution Approving the 2020 Contract for Services with Woodland. Seconded by Councilmember McNeill. Motion carried 5-0.

**E. Other**

There was no other New Business this evening.

**6. UNFINISHED BUSINESS**

**A. Adopt Resolution No. 21-19, Authorizing Issuance & Sale of Bond**

Jason Aarsvold, representing Ehlers, was present to discuss the sale of the 2019 Street Reconstruction Bonds. He stated that a competitive sale of the bond took place today and the issue was given an AAA rating, the highest possible rating, by Standard & Poor due to the strength of the City's management and wealth of the community. He stated that there were three bidders and Baird offered the best true interest rate at 1.9536%. He stated that Baird wanted to pay a higher amount in order to obtain a higher interest rate and offered an additional \$149,000, which results in an additional debt service of \$10,000 per year. He stated that he is looking for the City Council to adopt Resolution No. 21-19, authorizing the sale of the bonds to Baird.

Mayor Skrede asked who the other two bidders were for the bonds.

Jason Aarsvold stated that Northland Securities and BNY Mellon Capital Management also submitted bids.

Mayor Skrede stated that with the premium offered by Baird, the City would now be receiving net bond proceeds of \$1,585,000 instead of \$1,437,000 that was assumed earlier.

Jason Aarsvold stated that due to the fact that the bond costs were less than anticipated, the City will actually receive \$1,596,000 in net bond proceeds to use towards project costs.

Motion by Councilmember Carlson to adopt Resolution No. 21-19, a Resolution Authorizing the Issuance and Sale of the 2019 Street Reconstruction Bond. Seconded by Councilmember Jewett. Motion carried 5-0.

**B. Adopt Resolution No. 22-19, Authorizing Speed Limits in Deephaven**

Mayor Skrede stated that Council and Public Safety Committee have been discussing traffic and safety issues for a number of years. He stated that the Public Safety Committee asked Chief Johnson to provide his recommendations on speed limits throughout Deephaven. He stated that Chief Johnson recommended posting all streets in Deephaven at 25 mph with the following exceptions:

- Minnetonka Blvd & Vine Hill Road – 35 mph
- Northome Blvd & Excelsior Blvd – 30 mph
- Vine Street – 20 mph

He stated that he also supported Chief Johnson's decision to establish Deephaven Avenue at 25 mph due to the amount of vehicle and pedestrian traffic to and from Deephaven Beach.

Councilmember McNeill suggested posting the new speed limits on the City website. She suggested posting flags on the new speed limit signs.

Mayor Skrede also suggested that the Police could issue warning tickets on a transitional basis.

Councilmember Erickson stated that the City will need to post all the streets with the new speed limit signs.

Motion by Councilmember Erickson to adopt Resolution No. 22-19, Authorizing 25 mph Speed Limits in Deephaven. Seconded by Councilmember McNeill. Motion carried 5-0.

**C. Other**

Councilmember Erickson noted that there will be a Pinning Ceremony for new Fire Chief Curtis Mackey at 5:30 p.m. – 7:00 p.m. on Monday, June 24<sup>th</sup> at Station One.

**7. REPORTS FROM STANDING COMMITTEES**

**A. Park Committee**

Administrator Young provided a brief review of the Park Committee meeting held on June 4, 2019 regarding the following items:

- Welcomed New Member Kaisha Rafferty
- Discussed a request for a Farmer's Market & Community Garden
- Discussed the availability of members for the July & August committee meetings. The next Park Committee meeting will not be held until September.

**B. Public Works Committee**

Administrator Young provided a brief review of the Park Committee meeting held on June 11, 2019 regarding the following items:

- Reviewed Chief Johnson's speed limit recommendations
- Discussed a request to allow golf carts on city streets under a special permit. Further discussion will be held on this issue next month.
- Recommended no action on a request to allow sailboats on city dock slips
- Discussed the installation of stairs next to the Island Garden at Village Hall to allow for easier accessibility for Garden Club members.
- Committee recommended hydro-seeding both the ball field area and ditches at Thorpe Park at an estimated cost of \$7,500.
- Reviewed an offer for free rubber matting for the warming house, reviewed the completed Thorpe Parking Island landscaping project, discussed the installation of the new security cameras at Carson's Bay marina, and staff provided an update on the defective parking permit stickers.
- Reviewed comments from Jennifer McCoy, a senior traffic engineer with Bolton & Menk, on the striping of Heathcote Road.
- Discussed the proposed purchase or lease of a new street sweeper.

**8. ADJOURNMENT**

Motion to adjourn by Councilmember Erickson, seconded by Councilmember Jewett. Motion carried 5-0. The meeting adjourned at 7:30 p.m.

Respectfully submitted,  
Dana H. Young, City Administrator