

**DEEPHAVEN CITY COUNCIL MEETING
MONDAY, MARCH 16, 2015
MINUTES**

1. **CALL MEETING TO ORDER:** Mayor Paul Skrede called the meeting to order at 7:00 p.m.

PRESENT: Mayor Paul Skrede, Councilmembers Darel Gustafson, and Tony Jewett

ABSENT: Councilmembers Keith Kask and Steve Erickson

STAFF: 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. March 2, 2015 City Council Minutes
- B. Reappoint Chris Jewett to LMCD Board through May 1, 2015
- C. Approve the Use of Robinson's Bay Beach for Yoga Classes
- D. Approve February 2015 Treasurer's Report

Seconded by Councilmember Jewett. Motion carried 3-0.

Motion by Councilmember Jewett to amend the March 2, 2015 City Council minutes. Seconded by Councilmember Gustafson. Motion carried 3-0.

4. **MATTERS FROM THE FLOOR**

There were no Matters from the Floor this evening.

5. **UNFINISHED BUSINESS**

A. **Review Audit of 2014 Financial Statements**

Steve Wischmann, with Kern DeWenter Viere, was present to present the audit of 2014 Financial Statements for Council review.

B. **Adopt Resolution No. 19-15, Approving 2015 Seal Coating Bids**

Administrator Young stated that the following bids were received on the 2015 Seal Coating Project:

<u>Contractor</u>	<u>Bid</u>
Allied Blacktop Company	\$25,239.44

Pearson Bros., Inc.	\$25,353.50
ASTECH Corp.	\$52,653.34

He stated that the 2015 Capital Improvement Fund includes \$30,000 for seal coating the following streets:

- Lake Avenue - Talton Place to Hamilton Avenue
- Monaltrie Avenue - Park Avenue to Lake Avenue
- Ridgewood Road - City Limits to Vine Hill Road
- Talton Place - Park Avenue to Lake Avenue
- Virginia Avenue - Minnetonka Blvd to Rutledge Road

Motion by Councilmember Gustafson to adopt Resolution No. 19-15, A Resolution Approving the Bid submitted by Allied Blacktop in the amount of \$25,239.44. Seconded by Councilmember Jewett. Motion carried 3-0.

C. Approve 2015-2016 Lifeguard Service Fees

Administrator Young stated that the Council reviewed the proposed 2015 & 2016 Lifeguard Contract Fees at the last Council meeting and took the following action:

- Requested that the 2015 contract fee equal the City's 2015 budgeted fee for lifeguard services in the amount of \$33,978.00.
- Requested that the 2016 contract fee include the 2016 Option B fee of \$35,766.25 plus the \$780.75 difference in the 2015 fee to equal a total 2016 lifeguard service fee of \$36,547.00.
- Adopted Ordinance No. 4-55, Amending Section 405.05 increasing non-residential beach parking from \$50.00 to \$60.00 and non-residential all purpose parking from \$100.00 to \$120.00.
- Requested a quote from Minnetonka Aquatics on providing service at Deephaven Main Beach for an additional six days in August.

He stated that Minnetonka Aquatics agreed with the suggested contract fee of \$33,978.00 for 2015 and the contract fee of \$36,547.00 for 2016. He stated that they also submitted a quote in the amount of \$2,225.25 for providing six additional days of lifeguard service at Deephaven Main Beach in 2015 and \$2,289.75 for 2016.

Mayor Skrede stated that he doesn't know what the increase in non-resident parking fees will do at this point but noted that we need to make a decision for 2015.

Councilmember Gustafson stated that he is still in favor of extending lifeguard services at Deephaven Beach for one week. He stated that we still need to resolve the antics that go on at the beach once the lifeguards are gone for the season. He stated that \$2,000 is a relatively minor amount and that parking fees should cover the increased cost. He added that we could move forward on this proposal tonight despite the absence of two council members.

Mayor Skrede noted that the other council members seemed to be supportive of extending lifeguard services at Deephaven Beach at the last meeting.

Councilmember Jewett noted that the additional cost is not an unrealistic amount of money and wondered if the increase in parking permit fees would cover the cost.

Administrator Young stated that based on the prior number of non-resident permit issued in the past, the increase in permit fees should cover the increase in lifeguard service costs.

Councilmember Gustafson noted that there hadn't been an increase in parking permit fees for over ten years.

Motion by Councilmember Gustafson to approve the 2015/2016 Lifeguard Service Contract with Minnetonka Aquatics in the amount of \$33,978.00 in 2015 and \$36,547.00 in 2016 and approve an additional six days of lifeguard services at Deephaven Main Beach in the amount of \$2,225.25 in 2015 and \$2,289.75 in 2016. Seconded by Councilmember Jewett. Motion carried 3-0.

D. Other

There was no other Unfinished Business this evening.

6. NEW BUSINESS

A. Adopt Resolution No. 20-15, Committing General Fund Balances

Administrator Young stated that the Fund Balance Policy adopted in 2011 requires the City Council to formalize the commitment of the General Fund balance following the annual audit in order to fund:

- (1) Outstanding compensated absences of city employees (accrued sick leave & vacation), and
- (2) Other Postemployment Benefits (OPEB) to city employees.

He stated that this is done annually after the city audit to determine the audited amount of these committed funds. At December 31, 2014, the audit report established compensated absences of employees at \$114,614 and the OPEB Liability at \$85,000. For Fiscal Year 2015, compensated absences of employees have been estimated at \$125,000 and the OPEB Liability at \$100,000.

Further discussion was held on the actual monetary impact of compensated absences, PERA Pension Liability and OPEB Liability.

Motion by Councilmember Jewett to adopt Resolution No. 20-15, A Resolution Committing General Fund Balances for Specific Purposes. Seconded by Councilmember Gustafson. Motion carried 3-0.

B. Authorize Purchase of Tire Changer & Balancer (\$4,000.00)

Administrator Young stated that discussion was held at the March 4, 2015 Public Works Committee about the potential benefits of purchasing a new tire changer at an approximate cost of \$2,400 and a new tire balancer at an approximate cost of \$1,500. Neither of these two items was included in the 2015 General Fund Budget or the Capital Equipment Fund.

He stated that our current fleet of police, public works, and park vehicles requires a significant amount of tire repair and replacement. While most of the tire mounting or repair work is done in-house, both the Police & Public Works Department occasionally use Koehnen's Amoco and Samaritan Tire

Company to mount and balance our new or used tires at a cost of approximately \$650 per year. He stated that with the Public Works Department changing the majority of the tires for our entire fleet, there is a concern with safety and efficiency as our public works crew repairs damaged tires and install new tires entirely by hand. He stated that this new equipment will make tire mounting and balancing a more efficient and safer operation for our public works employees.

Mayor Skrede stated that these items weren't included in the 2015 Budget and the cost to outsource the balancing of the tires is incurred on an annual basis. He stated that this is a combined request from both the Public Works and Police Departments. He stated that he would also prefer if these requests came to us in August for inclusion in the following year's budget.

Councilmember Gustafson stated that he was all right with the purchase but would like to see some reductions in expenditures to offset the additional cost.

Administrator Young noted that, as was discussed earlier tonight, the seal coating bids came in about \$5,000 under budget.

Mayor Skrede added that we could also defer the proposed re-carpeting of City Hall.

Motion by Councilmember Jewett to authorize the purchase of a tire changer & balancer at a cost not to exceed \$4,500.00 from the 2015 Capital Equipment Fund. Seconded by Councilmember Gustafson. Motion carried 3-0.

C. Other

Discussion was held on a request from American Tower Corporation to obtain the City's consent to the Ground Lease Sublease and Leaseback between American Tower and Verizon Communications. If approved, the Ground Lease Sublease and Leaseback (GLS&L) would effectively result in American Tower Corporation, rather than Verizon, being the party responsible for the day-to-day operations of the Chowen's Corner tower site.

The Council requested that this item be included on the April 6th Council agenda for further discussion.

7. REPORTS FROM STANDING COMMITTEES

A. Public Works Committee

Administrator Young presented a review of the Public Works Committee meeting held on March 4, 2015 on the following items:

- Recommended the purchase of a tire changer & balancer
- Discussed issues and concerns relating to wild turkeys
- Reviewed plans on the 2015 Pipe Lining & Sealing Project
- Reviewed plans on the 2015 Manhole Rehabilitation Project

8. ADJOURNMENT

Motion to adjourn by Councilmember Gustafson, seconded by Councilmember Jewett. Motion carried 3-0. The meeting adjourned at 9:47 p.m.

Respectfully submitted,

Dana H. Young
City Administrator