

**DEEPHAVEN CITY COUNCIL MEETING  
MONDAY, MARCH 20, 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, Kent Carlson, Darel Gustafson, and Tony Jewett

STAFF: 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 Gustafson to approve the Consent Agenda, consisting of the following items:

- A. March 6, 2017 City Council Minutes
- B. Approve February 2017 Treasurer's Report
- C. Approve Request from Excelsior – Lake Minnetonka Chamber of Commerce for July 4<sup>th</sup> Contribution (\$2,000.00)

Seconded by Councilmember Erickson. Motion carried 5-0.

**4. MATTERS FROM THE FLOOR**

There were no Matters from the Floor this evening.

**5. UNFINISHED BUSINESS**

**A. Review Audit of 2016 Financial Statements**

Steven Wischmann, representing BerganKDV, was present to provide an overview of the audit of 2016 Financial Statements for Council review.

Mayor Skrede asked if there is anything that the City will need to prepare for in the foreseeable future.

Steven Wischmann stated that there really isn't anything. He noted that the City is in a very good position with having no debt, particularly because he believes that interest rates are going to rise.

Mayor Skrede stated that the City has quite a bit of road repair coming up in the next few years and asked if Steve is seeing a lot of cities issuing debt for street improvements.

Steven Wischmann stated that he prefers Deephaven's approach by paying for street improvements on an annual basis rather than issuing debt. He noted that there is a real benefit in not having to pay interest costs. He noted that he has been seeing a lot of cities refinance their existing debt because of the low rates.

Councilmember Jewett asked if the City's credit rating is affected by not having any debt.

Steven Wischmann stated that bond rating companies consider a lack of debt and a stable tax base as very positive attributes.

The Council thanked Steve and his team for their work on the 2016 audit.

**B. Adopt Resolution No. 16-17, Committing General Fund Balance**

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, 2016, the audit report established compensated absences of employees at \$116,143 and the OPEB Liability at \$110,610. For Fiscal Year 2017, compensated absences of employees have been estimated at \$120,000 and the OPEB Liability at \$115,000.

Motion by Councilmember Gustafson to adopt Resolution No. 16-17, a Resolution Committing General Fund Balances for Specific Purposes. Seconded by Councilmember Jewett. Motion carried 5-0.

**C. Approve Traffic Control Signal Agreement No. 1027395**

Administrator Young stated that the Traffic Control Signal Light Project at Vine Hill & Hwy 7 has been in the works for at least four years. He stated that the cost was initially estimated at \$75,000, increased to approximately \$90,000 last year, and it is now estimated at just over \$105,000. He stated that this final cost estimate could also be adjusted, up or down, depending on the bids received and on any change orders. He stated that any work requested outside of the intersection would require a separate agreement with the Minnesota Department of Transportation.

Mayor Skrede noted that it would have been nice to have the accurate costs given to us earlier. He noted that we changed some of the traffic pads during the Vine Hill & Hwy 7 intersection improvements and hoped that we don't get billed again for this item as part of the this project.

Councilmember Jewett asked why this project has taken so long to get underway.

Mayor Skrede stated that there were initial plans to do some broader intersection improvements with the cities of Minnetonka and Shorewood that never came together. He stated that this may have delayed the project for a couple of years.

Motion by Councilmember Erickson to adopt Resolution 18-17, A Resolution Approving MnDOT Agreement No. 1027395 with the State of Minnesota and authorizing the Mayor and City Administrator to execute the agreement on behalf of the City. Seconded by Councilmember Gustafson. Motion carried 5-0.

**D. Other**

There was no other Unfinished Business this evening.

**6. NEW BUSINESS**

**A. Adopt Ordinance No. 04-59, Amending Plumbing, Water Softener, & Water Heater Fees**

Administrator Young stated that during Staff's review of Building Permit Fees, it became apparent that the current minimum fees for plumbing, water softeners & water heaters were too low in comparison to the fees charged in neighboring communities. He stated that in the case of water softener and water heater fees, the current minimum fees are substantially too low considering the fact that the inspection fee charged by the City of Minnetonka is \$38.50.

He stated that the adoption of Ordinance No. 04-59 would propose the following minimum fee increases:

<u>Item</u>	<u>Current Minimum Fee</u>	<u>Proposed Minimum Fee</u>
Plumbing	\$40.00	\$50.00
Water Softener	\$15.00	\$50.00
Water Heater	\$15.00	\$50.00

Motion by Councilmember Carlson to adopt Ordinance No. 04-59, an Ordinance Amending Plumbing, Water Softener & Water Heater Permit Fees. Seconded by Councilmember Jewett. Motion carried 5-0.

**B. Adopt Resolution No. 17-17, Approving Tennis Court Repair Bids**

Administrator Young stated that the following bids were received in response to the Request for Quotes for the 2017 Thorpe Park & Village Hall Tennis Court Repair Project:

<u>Contractor</u>	<u>Bid</u>
Upper Midwest Athletic Construction	\$24,870.00
Tennis West	\$32,970.00

He stated that Tennis West's bid was only for the repair of the two courts at Thorpe Park. Tennis West also submitted a bid for the Village Hall courts, but the bid was based on the total reconstruction of these three courts at a cost of \$74,434.00. He stated that Ray Finley, the owner of Tennis West and a well-respected tennis court contractor throughout the Metro Area, submitted this bid on the reconstruction of the courts because he did not believe that the scope of work would be sufficient to address the condition of these courts.

Administrator Young noted that the City Engineer and Upper Midwest do not necessarily agree with that assessment. Dave Martini believes that the overall court surface on the Village Hall Courts is in generally good shape and the contractor from Upper Midwest also agreed with that assessment and noted that there are less cracks at the Village Hall courts than there are at the Thorpe Park courts.

Administrator Young stated that the low bid on this project was provided by Upper Midwest Athletic Construction. He stated that while it is likely that cracks will reappear gradually over the next three years, he believes that this project will improve the condition of these courts for at least the next three or four years until we can get closer to a total reconstruction of these courts in 2021 and 2022.

Councilmember Carlson added that the Park Committee recommended that the westernmost court at Village Hall be striped as two pickle ball courts instead of a tennis court due to the growth in the popularity of the sport. He stated that with the courts scheduled for a complete reconstruction in four years, this would essentially be a four year pilot project to determine the popularity of pickle ball. He noted that the Wayzata Country Club recently converted some of their tennis courts to pickle ball.

Administrator Young stated that temporary nets would be used for the pickle ball courts so no further work would be needed. He stated that the contractor estimated an additional cost of \$800.00 for striping the two pickle ball courts.

Mayor Skrede stated that we could monitor the usage of the courts through the use of a sign-in sheet. He asked the Park Committee to take a look at how best to monitor the use.

Administrator Young stated that staff could monitor pickle ball use by having the pickle ball nets stored in a lockbox, requiring participants to come into City Hall to check out a key to the lockbox.

Councilmember Gustafson didn't think this would work very well since much of the use would be in the evenings and on weekends when City Hall is closed. Administrator Young agreed.

Further discussion was held on potential uses for the sports court down at Deephaven Beach.

Councilmember Gustafson expressed concern that converting one court at Village Hall to pickle ball would decrease the number of available tennis courts at Village Hall by 33%.

Councilmember Erickson noted that there are two tennis courts available at Shuck Park, two blocks away from the Village Hall courts.

Motion by Councilmember Erickson to adopt Resolution No. 17-17, a Resolution Approving Tennis Court Repair Bids and Awarding a Contract to Upper Midwest in the amount of \$24,870.00 and authorizing the restriping of one tennis court into two pickle ball courts for an additional cost of \$1,000.00. Seconded by Councilmember Gustafson. Motion carried 5-0.

**C. Approve the Installation of Two New Canoe Racks at St. Louis & Carson's Bay**

Administrator Young stated that with the transition of powerboats on buoys, requests have come from residents for additional canoe racks at both Carson's Bay and St. Louis Bay to enable these new leaseholders to access their boat on the buoys.

He stated that due to this demand for buoy moorings, City Staff is recommending the installation of two new canoe racks in both St. Louis Bay and in Carson's Bay, which could potentially accommodate 24 residents who now have a boat on buoy. He stated that public works is also planning to replace several of the older canoe racks with a much more attractive canoe rack and staff will be finalizing appropriate locations for the canoe racks at St. Louis Bay and Carson's Bay this week. He stated that there are some real challenges in trying to find suitable space for canoe racks at both Bays.

**D. Discuss Rescheduling the May 1, 2017 & July 3, 2017 Council Meetings**

Mayor Skrede stated that there are a couple of scheduled Council meeting dates that could potentially be problematic. He stated that he and Councilmember Carlson plan on being out of town for the May 1<sup>st</sup>. Council meeting and there may be a problem with a quorum if one other Councilmember would be unable to attend this meeting. He stated that staff recommends rescheduling the date of the May 1<sup>st</sup> Council meeting to Thursday, May 4<sup>th</sup>.

He stated that the second potential scheduling problem concerns the regularly scheduled Council meeting on Monday, July 3, 2017. He noted that many people will be taking Monday off to make it a long Holiday weekend. He stated that staff also recommends rescheduling the date of this Council meeting from July 3<sup>rd</sup> to Thursday, July 6<sup>th</sup>.

Councilmember Jewett noted that he would not be able to attend the July 6<sup>th</sup> Council meeting.

Motion by Councilmember Carlson to approve the rescheduling of the Monday, May 1, 2017 Council meeting to Thursday, May 4, 2017 and the Monday, July 3, 2017 Council meeting to Thursday, July 6, 2017. Seconded by Councilmember Gustafson. Motion carried 5-0.

**E. Accept Resignation of Police Officer Joshua Heasley**

Police Chief Johnson stated that Josh is resigning to take a position with the Robbinsdale Police Department and his last day with the Deephaven Police Department will be on March 27<sup>th</sup>.

Motion by Councilmember Gustafson to accept the resignation of Police Officer Joshua Heasley effective March 27, 2017. Seconded by Councilmember Erickson. Motion carried 5-0.

**F. Authorize Hiring a New Police Officer**

Police Chief Johnson stated that with Officer Josh Heasley submitting his letter of resignation, he would like to continue with the hiring process by interviewing seven candidates from the recent job posting. These seven qualified candidates have scheduled interviews for March 21, 2017 and the interview panel will consist of Lt. Whiteside, Officer Matt Case, Mayor Skrede, Woodland Mayor Jim Doak and possibly one other Deephaven Officer.

He stated that he will take the panel's recommendations and interview the top two or three candidates. He stated that the top candidate will be given a "conditional offer" of employment, pending satisfactory completion of a background check, physical testing and a psychological exam. He stated that if the candidate passes all of the criteria, he would ask the City Council for approval to hire the new officer and swear in the new officer on April 17, 2017.

Motion by Councilmember Gustafson to allow the Police Department authorization to interview candidates, select a final candidate, and offer a conditional offer of employment to a candidate subject to conducting a background Investigation, physical exam and psychological exam. Seconded by Councilmember Erickson. Motion carried 5-0.

**G. Discuss Ice Damage to New Swimming Docks**

Administrator Young stated that he was informed by Public Works Foreman John Menzel on February 27<sup>th</sup> that our new swimming dock at Deephaven Beach has been significantly damaged by ice. He stated that both he and John were extremely surprised by this development as the new swimming dock has 10" wide piers that are driven over ten feet into the ground and we have never experienced a significant problem with ice damage to any of our marina docks or to the fishing pier next to Deephaven Beach. He stated that the City's insurance company carrier has been notified of this damage to the swimming dock and are waiting to hear how we plan on fixing the problem.

He stated that Concept Landscaping, the contractor who built the swimming dock, provided us with two quotes. One of the quotes would be for the complete reconstruction of the swimming dock for a cost of \$57,000. The reason the cost is higher than the original quote to install the dock (\$42,000) is due to the costs associated with removing the new dock.

He stated that the second quote would be to repair the existing dock for a cost of \$20,500. This would include removing all decking, re-setting 13 sections of cross members and stringers, replacing 11 sections of cross members and stringers, remove and replace 18 pilings, and reinstall the decking. He stated that staff recommends repairing the deck for a cost of \$20,500. He stated that staff believes this work will result in a very sound dock.

He stated that there is a possibility that this year's ice damage was a fluke due to the unusual weather conditions and, perhaps, the bad fortune of a very large ice floe pushing into the swimming dock. However, it is more likely to assume that this ice problem could occur every winter unless the City obtains a permit from the Lake Minnetonka Conservation District to deice for the entire winter season.

He stated that a deicing license would require specific fencing, lighting, signage, insurance, and continual management of the site. A deicing license is initially considered and approved/denied at the Board level. He noted that while the public works crew would be more than capable of making certain that the site is as safe as possible, including only deicing immediately around the pilings, St. Louis Bay is used very heavily by snowmobilers and ice fisherman who use St. Louis Bay as an access point. There is some risk and potential liability in operating a deicing operation with such considerable winter traffic, even with our intention to limit the deicing to around the pilings.

Councilmember Jewett asked if there was any responsibility on the part of Concept Landscaping for building docks that weren't able to survive the winter.

Councilmember Gustafson stated that he doesn't see any damage to the fishing pier or the boat docks. He stated that he doesn't believe that there was some sort of fluke weather or ice conditions that damaged the swimming dock.

Mayor Skrede stated that he had a conversation about the swimming dock with Councilmember Carlson, who has much experience with docks due to his ownership of Bayside Marina. He stated that

Councilmember Carlson asked for the specifications for the swimming docks and he found out that we wrote our own specifications.

Councilmember Carlson stated that we created the specifications that included 8-foot spans. He stated that you typically go past these spans in order to solidify the dock.

Mayor Skrede stated that perhaps the pilings were not driven down as far as they should have.

Councilmember Carlson stated that he and Mayor Skrede will be meeting with staff tomorrow to see what we can do to make improvements to the dock.

Councilmember Erickson asked if the pilings were driven down sufficiently.

Councilmember Carlson noted that if they were put in deep enough, the pilings should have snapped off and not bent. He added that he has a boat at his marina that the City could use to help break up the ice. He provided an overview of what his staff does in regards to deicing procedures at his marina. He stated that managing the deicing process is somewhat of an art form. He stated that the area surrounding the deicing is signed and they install a silt fence. He stated that he has a very capable staff that manages the deicing process in order to minimize liability.

Councilmember Erickson suggested locating the bubbler as close to the docks as possible.

Councilmember Carlson stated that he doesn't start bubbling until the first half of January with his staff typically repairing the dock on the ice during the first half of the winter season.

Mayor Skrede stated that the goal will be to come up with modifications that will fix the dock as best we can.

Councilmember Jewett stated that deicing should be the last resort and the dock should be built to withstand ice damage.

Councilmember Gustafson agreed that the dock needs to be done right. He stated that Concept Landscaping and our insurance company may need to kick in to repair the dock properly.

Councilmember Erickson noted that perhaps all the pilings should be removed and driven down to a depth of twenty-five feet.

Mayor Skrede stated that this is an informational discussion only and not action needs to be taken regarding the swimming dock at this time.

## **H. Other**

There was no other New Business this evening.

## **7. REPORTS FROM STANDING COMMITTEES**

### **A. Park Committee**

Administrator Young and Mayor Skrede presented a review of the Park Committee meeting held on March 7, 2017 on the following items:

- Kevin Wells resignation
- Discussed Thorpe Park Project
- Reviewed tennis court bids
- Discussed the Cub Scouts tree planting request
- Discussed the bikeway feasibility study grant for Minnetonka Blvd

Mayor Skrede provided an update on the Thorpe Park Project and the discussion that was held at the Park Committee concerning the bikeway feasibility study.

**B. Public Works Committee**

Administrator Young presented a review of the Public Works Committee meeting held on March 14, 2017 on the following items:

- Discussed the Traffic Signal Light Project
- Discussed a request concerning the Deephaven Elementary School Pedestrian Crossing
- Reviewed the plans & specifications to the 2017 Street Improvement Project
- Discussed the Thorpe Park Project, including the hockey rink asphalt, sewer extension & well upgrade
- Discussed the sewer televising project
- Discussed a request for plantings on the Monaltrie Avenue drainage lots
- Discussed the Northome Bridge Project
- Discussed damage to the new swimming dock

**8. ADJOURNMENT**

Motion to adjourn by Councilmember Gustafson, seconded by Councilmember Erickson. Motion carried 5-0. The meeting adjourned at 8:59 p.m.

Respectfully submitted,

Dana H. Young  
City Administrator