

**DEEPHAVEN CITY COUNCIL MEETING  
MONDAY, SEPTEMBER 17, 2018  
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, Kent Carlson, Steve Erickson, and Darel Gustafson

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. Approve September 4, 2018 Council Minutes
- B. Approve August 2018 Treasurer's Report

Seconded by Councilmember Erickson. Motion carried 5-0.

4. **MATTERS FROM THE FLOOR**

Jim Blakeway, 20040 Minnetonka Blvd, was present to discuss two issues with the City Council. He stated that short term rentals have become a big issue in the country, particularly when you find yourself living next to an AirBNB. He stated that his neighbor, Terry Kerber at 20060 Minnetonka Blvd, operates an AirBNB. He stated that he views his neighbor's property as being used as a resort with lots of traffic. He stated that he hasn't discussed this yet with Mr. Kerber but has talked about it with his other neighbors, who feel the same way that he does. He stated that he believes his neighbor is operating his property as a commercial use and should have to pay property taxes based on a commercial use. He stated that other cities have addressed this issue by requiring an extended lease period. He stated that it is very annoying living next to an AirBNB. He stated that he would like to have the City address this issue.

Councilmember Jewett noted that the property is classified as homestead and stated that there is little difference in the property tax rate between a homestead vs. a non-homestead property.

Mayor Skrede stated that he will discuss this matter with City Assessor Dan Distel and recommended forwarding this issue to the Planning Commission for further discussion.

Jim Blakeway stated that his second issue concerns the variance that was granted to a property owner on Carson's Bay to permit a boathouse. He stated that he was surprised to see that they were granted a boathouse and felt like the rules should be for everyone. He noted that they have a variety of items stored in their boathouse including bunk beds.

Mayor Skrede stated that the variance was granted for an existing structure on Carson's Bay.

Councilmember Jewett asked how he knows they have bunk beds. Mr. Blakeway stated that he heard this from a reliable source.

Mayor Skrede stated that it was not the intention of the City Council to allow this type of use. He stated that existing structures are allowed to build within their existing setbacks.

Councilmember Erickson added that the structure is not permanent as it has wood floors built on blocks. He stated that the structure was intended to store paddleboards and skis'.

## **5. UNFINISHED BUSINESS**

### **A. Adopt Resolution No 36-18, Approving 2018 Levy, Collectible in 2019**

Mayor Skrede stated that the Council is considering whether to adopt a preliminary levy of \$2,226,000 or to add an additional \$50,000 to the Capital Improvement Fund levy to assist with street construction projects and adopt a preliminary levy of \$2,276,000. He stated that there is an advantage in going with the higher levy now as the Council can always drop it down when the final levy is adopted in December. He stated that he realizes that this is an election year but doesn't have a problem with a 4.3% levy increase.

Mayor Skrede stated that the City has averaged \$325,000 per year on resurfacing city streets from 2015-2018. He stated that the year before that, in 2014, the City spent \$662,000 on the Vine Hill Bridge. He stated that another \$442,000 in street improvements have been scheduled for next year.

He stated that the cost to repair Minnetonka Blvd is estimated at \$1,100,000 to \$1,200,000 million dollars. He stated that a 50% increase in the levy could potentially cover the cost to resurface Minnetonka Blvd. He stated that if the Council decides to resurface Minnetonka Blvd, it would have to be in addition to maintaining our regular schedule of street projects.

Councilmember Carlson stated that he would be agreeable to using a portion of General Fund reserves and bond for the balance.

Councilmember Erickson asked whether we should bond for the entire \$1.1 million. He stated that General Fund reserves would come in handy in case we want to use it for extra projects.

Councilmember Gustafson stated that he has never been a fan of resurfacing Minnetonka Blvd, as he doesn't consider it the worst road in Deephaven. He stated that the resurfacing will only last 15 years and the City would be paying more for the street resurfacing due to the interest

costs of the bond issue. He stated that he doesn't want to borrow any more that we would absolutely have to.

Mayor Skrede stated that we received \$1 million in state grant funding for the Vine Hill Bridge project but the engineering cost to the City was approximately \$300,000. He stated that he is hesitant to use reserves when we still have the Northome Bridge to complete. He noted, however, the City may be able to replenish those reserves in the next five years.

Councilmember Carlson stated that we should interview other engineering firms as we take on these other projects.

Councilmember Gustafson stated that the engineering contract should have a not-to-exceed clause.

Mayor Skrede stated that he has never had to apologize when we have had to raise taxes but would not have any interest in increasing franchise fees, which he believes is a hidden tax.

Motion by Mayor Skrede to adopt Resolution No. 36-18, a Resolution Approving the 2018 Levy, Collectible in 2019 in the amount of \$2,276,000. Seconded by Councilmember Carlson. Motion carried 5-0.

**B. Approve Pay Estimate No. 3 to B. Streeter & Co. for the Warming House Project**

Administrator Young stated that the Deephaven City Council approved the bid submitted by B. Streeter & Company on November 6, 2017 in the amount of \$299,190.00 for the construction of the Thorpe Park Warming House Project. He stated that the estimated contract cost was later increased to \$324,160.00 due to the soil contamination cost.

He stated that the Contractor has submitted Pay Request No. 3 in the amount of \$61,205.44 for Council approval.

Mayor Skrede provided a brief summary of the meeting held at the warming house this afternoon on the progress of the project and on color selections.

Councilmember Carlson stated that a ribbon cutting ceremony is scheduled to be held at 2:00 p.m. on Saturday, October 13<sup>th</sup>. He stated that Commissioner Callison will be attending.

Motion by Councilmember Erickson to authorize Pay Request No. 3 To B. Streeter & Company in the amount of \$61,205.44 for the 2018 Thorpe Park Warming House Project. Seconded by Councilmember Jewett. Motion carried 5-0.

**C. Approve Public Works Committee Recommendations**

Administrator Young stated that at their last meeting on September 11<sup>th</sup>, the Public Works Committee issued four recommendations for Council review concerning three proposed storm

water projects and the proposed removal of sidewalk at Chowen's Corner. He provided a brief summary on each of the four proposed projects:

- Storm water repair project at 3405 Deephaven Avenue (\$11,075.00)
- Storm water repair project at 19130 Rutledge Road (\$14,100.00)
- Thorpe Park Storm Water Project (\$50,100.00)
- Sidewalk repair & removal at Chowen's Corner

Councilmember Gustafson noted that nature provides natural water retention at 19130 Rutledge Road and the proposed storm water pipe would pump the water directly into the lake. He didn't know why we were trying to eradicate this natural retention area.

Administrator Young agreed that this is a natural retention area. He noted that a number of the neighbors have asked to have this ponding water eliminated.

Councilmember Carlson asked if we have ever seen this lot flood.

Councilmember Erickson noted that this pond holds a lot of water. He stated that the water level in the pond would have to rise 2½ feet to reach Easton Avenue.

Discussion was held on the design of the Monaltrie Avenue drainage area. Councilmember Erickson stated that, similar to the Monaltrie drainage area, we would want to keep the outlet pipe one foot above grade.

Councilmember Carlson noted that this pond area is not a perfectly shaped bowl.

Mayor Skrede asked if we would allow the property owner to split this lot off.

Councilmember Erickson said he would not with all the water ponding on this lot.

Councilmember Carlson stated that the property is not large enough to subdivide. We would create a non-conforming lot.

Mayor Skrede stated that there seems to be consensus to leave the 19130 Rutledge Road project alone for now.

Discussion was held regarding the Thorpe Park Storm Water project.

Administrator Young stated that City staff obtained a quote from Schneider Excavating to eliminate approximately 400 feet of the existing drainage ditch at Thorpe Park by extending a 24" pipe from the warming house to the pond. This will enable the park to be more effectively utilized and enhance the overall drainage of the park. He stated that along with the proposed 400' of 24" concrete pipe, four catch basins will be installed at various locations along the pipe to capture water runoff. The cost of the project has been quoted at \$50,500.00 and the Public Works Committee is recommending that this project be undertaken this year. With the current construction of the warming house, this will enable all of the construction at Thorpe Park to

occur in one calendar year and allow the contractor to use much of the existing excess fill located in the Thorpe Park parking island.

Mayor Skrede stated that there are currently two ponding areas at Thorpe Park – one by Rutledge Road and the other by the rink. He stated that they intend to add enough pitch to ensure drainage from one pond to the other. He stated that he would like to eventually cover the ditch by Rutledge Road. He stated that it seems like a good time to do this proposed work in concert with the warming house project.

Councilmember Gustafson stated that once the project was done, the park would have a flat finish.

Mayor Skrede added that it would also have a level ball field.

Councilmember Carlson stated that this project would make the park much more useable. He noted that Thorpe Park is our premier park.

Discussion was held on sidewalk repair and removal at Chowen's Corner. Administrator Young stated that the condition of the sidewalk abutting 18315 & 18305 Minnetonka Blvd is in very poor condition. He stated that the business owners at these two properties have done some significant landscaping improvements, which have only made the sidewalk look worse.

He stated that the Public Works Committee is proposing to remove the sidewalk along these two properties and to reinstall that segment of sidewalk located along 18305 Minnetonka Blvd next year along with the Minnetonka Blvd resurfacing project. This will result in removing a segment of sidewalk that doesn't extend anywhere and install new sidewalk from the Deephaven Court businesses to the Chowen's Corner intersection

Motion by Councilmember Gustafson to approve the Storm Water Repair Project at 3405 Deephaven Avenue in the amount of \$11,075.00, the Thorpe Park Storm Water Improvement Project in the amount of \$50,100.00, and the removal and repair of sidewalk at Chowen's Corner. Seconded by Councilmember Carlson. Motion carried 5-0.

#### **D. Approve Park Committee Recommendations**

Administrator Young stated that at their last meeting on September 11<sup>th</sup>, the Park Committee issued two recommendations for Council review concerning public fishing locations and the repair of the water line that services the Cottagewood Children's Park water fountain from the Cottagewood General Store.

Administrator Young stated that at the request of the City Council, the Park Committee has been reviewing potential public fishing locations that were not included in Ordinance 08-07 that was adopted on August 7, 2017, which allows public fishing at the Burton Park nature dock, the Deephaven Beach fishing pier, and the St. Louis Bay canoe launch.

He stated that the Park Committee reviewed a number of potential locations throughout the Cottagewood area and recommended that the City Council permit public fishing at Burton Park, with an expanded dock that ends in a "T" design, and at the Bay Street Water slide area. The Park Committee believes that the slide spaces and a small level platform for fishing can co-exist at the Bay Street Water slide area. He stated that a permit for an expanded fishing pier at Burton Park will likely be required from the Lake Minnetonka Conservation District.

Councilmember Carlson noted that an extension of the existing dock at Burton Park by 10-15 feet will get you to a very nice fishing spot.

Mayor Skrede asked if anyone had an issue with the use of Burton Park or Bay Street as public fishing locations.

Councilmember Carlson stated that if there was ever an issue with having fishing and the street end slides co-exist on Bay Street, we would have to end the fishing.

Councilmember Erickson asked if there were any problems with fishing from the docks and whether any lures were getting stuck on boats.

Mayor Skrede stated that he witnessed a lure getting stuck into a child down at Deephaven Beach. He stated that he is always in favor of providing more opportunities but noted that we could always shut it down if it doesn't work out.

Councilmember Gustafson noted that he doesn't have problems with lures on his shore space dock.

Councilmember Jewett stated that his only concern is with the neighbors adjoining the Bay Street Slide Space area, particularly with adding fishing to this location.

Mayor Skrede stated that we should ask the Park Committee to contact the neighbors with their proposal before beginning the project.

Administrator Young stated that the Park Committee's second recommendation concerns the water fountain at the Cottagewood Children's Park. He stated that the fountain has not been working for a number of years, ever since the start of the lawsuit involving the Cottagewood Store and City regarding the individual who was injured falling into the basement of the store. Water to the fountain in Children's Park is served by a poorly installed and fragile water line from the basement of the Cottagewood Store. The Park Committee believes that the water fountain should be activated and the water line repaired. The Committee recommends that the City Council enter into a maintenance agreement with the Cottagewood Store over the repair and on-going maintenance of the water line.

Mayor Skrede stated that he wouldn't object to repairing the water line as long as it could be shut off outside the building so the public works crew would not have to enter the building.

Councilmember Carlson stated that the Cottagewood Store would have to be responsible for blowing out the lines in the fall.

Mayor Skrede reiterated that he doesn't have a problem with fixing the pipe but he remembers all the cleanup work the public works crew had to do for the fountain.

Councilmember Jewett stated that the fountain could be moved.

Councilmember Erickson stated that the City could replace the water line but doesn't want our crew going into the store. He stated that he also doesn't want our crew to have to clean out the fountain three times per week.

Mayor Skrede suggested looking at a redesign of the pump to ensure that there is less maintenance for the crew.

Administrator Young stated that he will have a contractor provide a quote on the repair of the water line and a maintenance-free pump.

**E. Other**

There was no other Unfinished Business the evening.

**6. NEW BUSINESS**

**A. Other**

There was no other New Business this evening.

**7. REPORTS FROM STANDING COMMITTEES**

**A. Public Works Committee**

Administrator Young presented a review of the Public Works Committee meeting held on September 11, 2018 on the following items:

- Discussed whether to permit ATV's on city streets and recommended that ATV's and golf carts not be permitted on city streets.
- Discussed stolen boat motors at the city marina and the possibility of installing security cameras.
- Discussed substantial delays in building inspections due to the lack of staff at the City of Minnetonka. Recommended having discussions with Metro West and other local cities.
- Reviewed three storm water project quotes at 3405 Deephaven Avenue, 19130 Rutledge Road, and at Thorpe Park.
- Recommended sidewalk improvements at Chowen's Corner.
- Recommended that the small portion of Linwood Road that was resurfaced this year not be restriped until next year.

Mayor Skrede reported that curbing will be installed along a property on the curved portion of Linwood Road at the home owner's request and expense.

**B. Park Committee**

Administrator Young presented a review of the Park Committee meeting held on September 11, 2018 on the following items:

- Discussed a request for a new garbage can at Children's Park.
- Recommended that the City enter into an agreement with the Cottagewood Store for the repair of the fountain at Children's Park.
- Recommended two alternate public fishing locations.
- Discussed the Bikeway Grant Request for Proposals
- Reviewed Park & Beach Committee assignments

**8. ADJOURNMENT**

Motion to adjourn by Councilmember Erickson, seconded by Councilmember Gustafson.  
Motion carried 5-0. The meeting adjourned at 8:45 p.m.

Respectfully submitted,  
Dana H. Young  
City Administrator