

DEEPHAVEN CITY COUNCIL WORKSHOP MINUTES

9:00 p.m., Tuesday, September 2nd, 2025

1. **CALL MEETING TO ORDER:** Mayor *Pro Tem*, Emily Scherschligt, called the Workshop to order at approximately 6:00 p.m.

PRESENT: Councilmembers Tom Erdmann, Tony Jewett and John Studer. Mayor Kent Carlson was absent.

STAFF: City Administrator Dan Madsen

2. **2026 Draft Budget and Preliminary Property Tax Levy**

Administrator / Special Counsel Madsen reviewed the latest draft of the 2026 General Fund Budget, Capital Improvement Fund Budget, and Debt Service Budget. Staff focused on the projected revenues and expenses, highlighting that the difference between expenses and revenues was the amount that would need to be levied in property taxes to fund municipal operations next year.

As presented and discussed, the Preliminary Levy was listed at \$4,879,485.06l which represented an increase of \$622,599.41, or 14.63%, over the amount levied in 2024 of \$4,256,885.65. During discussion, the Council noted its desire to see a single-digit Preliminary Levy increase from what was levied in 2024, payable 2025. To get below a 10% levy increase, the Council will need to reduce the draft levy by approximately \$197,000 to get the total levy down to \$4,682,485 (9.997%). The Council asked Staff to provide options for increasing revenues or decreasing expenses, or a combination of both, to accomplish the desired target Preliminary Property Tax Levy.

Members of the Council and Staff generally discussed and reviewed other expenses and projects that could impact the 2026 Budget. No formal action was taken, as this matter was set on for discussion purposes only.

3. **Adjournment**

With no other items on the Agenda for discussion, Mayor *Pro Tem* Scherschligt adjourned the Workshop at approximately 9:50 p.m.

Typed and respectfully submitted, September 11, 2025.
Dan Madsen, City Administrator / Special Counsel

DEEPHAVEN CITY COUNCIL MEETING MINUTES

7:00 P.M. Tuesday September 2nd, 2025

1. CALL THE MEETING TO ORDER: Emily Scherschligt Pro Tem called the meeting to order at approximately 7:00 p.m.

PRESENT: Councilmembers, Emily Scherschligt Mayor Pro Tem, Tony Jewett and John Studer

ABSENT: Mayor Carlson and Councilmember Tom Erdmann

STAFF PRESENT: City Administrator Dan Madsen, Planning Director Pat Smith, City Engineer Steve Hegland with Stantec,

GUEST: None

2. PLEDGE OF ALLEGIANCE:

The Council recited the Pledge of Allegiance

3. APPROVE CONSENT AGENDA:

Motion made by Studer and seconded by Jewett, to approve the consent agenda consisting of the following;

- A. Approve August 18th, 2025 Workshop and Regular Council Meeting Minutes
- B. Approve August 25th, 2025 Special Meeting Minutes
- C. Approve Payment of Claims
- D. Accept Resignation of Mark Duffy, Post Public Works Position

Motion carried, Voting in favor was Mayor Pro Tem Scherschligt, Councilmembers Studer and Jewett. Vote 3/0 Carlson and Erdmann were absent

4. MATTERS FROM THE FLOOR:

None

5. PLANNING AND ZONING MATTERS:

A. Conditional Use Permit for a Shingle Sign at 18324 Minnetonka Blvd

Smith presented the staff report. Laurie Hunt, Kyle Hunt & Partners, is requesting a Conditional Use Permit to add a sign to the existing shingle sign. The current sign is 33 SF and the proposed sign is 2.3 SF. The ordinance limits monument signs to 100 SF.

Councilmember Studer said it seems reasonable and well below the allowed threshold. Motion by Councilmember Studer, seconded by Councilmember Jewett, to accept the recommendation and findings of staff and the Planning Commission and approve a conditional use permit for shingle sign at 18324 Minnetonka Boulevard, as presented. Motion carried 3/0.

B. Lake Yard setback variance for retaining wall at 17925 Lakeview Ave

Smith presented the staff report. The applicant is requesting a lake yard setback variance to build a new retaining wall. The existing wall is 46.7 feet from Lake Minnetonka and about 6.68 feet high at the tallest point. The proposed retaining wall would be about 6.5 feet closer to Lake Minnetonka and over 11 feet high at the tallest point.

The City's building official has reviewed the plans to construct the four-season porch and photos of the existing retaining wall, and believes the existing retaining wall could be replaced in its location without jeopardizing the footings for the house or the four-season porch.

Staff recommends denial of the variance request as the proposed new retaining wall will alter the essential character of the locality. The house to the north (19705 Lakeview) is setback 77 feet from the lake. The house to the south (19745 Lakeview) is setback 66.6 feet from the lake. The subject house is setback 56.7 feet from the lake so already closer to the lake than the two neighboring houses. The purpose of the 100-foot setback from Lake Minnetonka is to keep views from the lake as natural as possible. The new retaining wall based on it being three feet higher than the existing wall and five feet closer to the lake will negatively affect the natural views from Lake Minnetonka. The DNR has reviewed the proposed retaining wall and also recommends denial of the variance.

The Planning Commission recommended approval of the variance, on a 5-1 vote, at their meeting on August 19, 2025.

John Daly, applicant, addressed the City Council. He explained the differences between the 2021 survey and the 2025 survey. They promise a net zero hardcover change with the stone steps. Councilmember Scherschligt asked if the new retaining wall is going to have a deck on top. John Daly said no, most of the deck and the hot tub will be removed and replaced with sod.

Councilmember Studer asked if a variance is needed to increase the grade more than three feet. Smith said yes, a variance to increase the height of the grade by more than three feet should have been requested and published. John Daly said there is no way to rebuild the existing retaining wall in its current location. John Daly said the firepit was installed before 2016 when the current owner purchased the house.

Councilmember Jewett stated that there are a lot of questions from the soil report. The City's Building Official is saying the retaining wall can be rebuilt in its current location. Councilmember Jewett said that the homeowner should have addressed the retaining wall in 2016 when the house was enlarged with a second story. Now the retaining wall is going to increase in size. If the City approves a variance for the retaining wall, it sets a precedent for other variance requests for improvements along the lake shore. He does not think it's in the best interest of the City to allow the retaining wall to go another six feet toward Lake Minnetonka. Councilmember Jewett said the house grew first and now puts the City in the position to have to solve the issue of the retaining wall.

John Daly said there is no room to use to mitigate stormwater if the hardcover increases. The walls are designed based on how the engineers are recommending. Councilmember Studer said it is easier to build the retaining wall with back fill than replacing it where it is located now.

Councilmember Scherschligt said a new wall may improve the visual appearance from Lake Minnetonka. Councilmember Studer said the wall does not have to be any farther than right in front of the existing retaining wall.

John Daly said the property owner was hoping to replace the retaining wall in the fall when it is dry. Councilmember Studer said he would like to see the new wall moved closer to the existing retaining wall as much as possible. Councilmember Jewett said the new retaining wall should be as close to the existing retaining

wall as possible. Councilmember Jewett said going to 40.2 feet towards Lake Minnetonka is a significant change when the required setback is 100 feet.

Motion by Councilmember Jewett, seconded by Councilmember Studer, to continue the variance request to the October 6, 2025 City Council meeting. Motion carried 3/0.

6. UNFINISHED BUSINESS:

A. Hockey Rink Lighting

Staff presented options for upgrading the lighting system at Village Park Hockey Rink, with proposals ranging from \$76,580 to \$120,000. Alternatives considered different pole heights and layouts to balance cost, lighting quality, and neighborhood impacts.

Motion was made by Studer and seconded by Jewett, to approve Option 3 with two poles at 50' high at \$90,980.

Motion carried, Voting in favor was Mayor Pro Tem Scherschligt, Councilmembers Studer and Jewett. Vote 3/0 Carlson and Erdmann were absent.

7. NEW BUSINESS:

A. Approve Burton Park Buckthorn Grant Application:

Heather Holm, pollinator conservationist and author, met with the Park Board on May 5, 2025, to discuss Legacy Grant opportunities for environmental restoration. She shared examples of successful projects and grant impacts in Minnetonka parks.

Following her presentation, the Park Board reviewed potential benefits for Deeplaven and unanimously recommended pursuing a Legacy Grant application to address buckthorn removal in Burton Park, an area where three biomes converge. The Board believes this restoration would provide significant ecological and community benefits.

Motion was made by Studer and seconded by Jewett to approve staff to move forward with the Legacy Grant process.

Motion carried, Voting in favor was Mayor Pro Tem Scherschligt, Councilmembers Studer and Jewett. Vote 3/0 Carlson and Erdmann were absent.

B. 2026 Street Project Engineering Authorization:

Council reviewed Phase 1 of the pavement management plan, covering about three miles of roadway with two one-mile alternates. Most work will use full depth reclamation, with some drainage and curb/gutter improvements. Design will begin immediately, with bidding in February 2026.

Motion was made by Studer and seconded by Jewett, to approve and authorize Stantec Engineering to move forward with designs.

Motion carried, Voting in favor was Mayor Pro Tem Scherschligt, Councilmembers Studer and Jewett. Vote 3/0 Carlson and Erdmann were absent.

8. COUNCIL REPORTS:

- A. Mayor Carlson: Absent
- B. Scherschligt: Nothing, meeting later this week.
- C. Jewett: Briefed the council on the Hwy 7 project
- D. Studer: Nothing
- E. Erdmann: Absent

9. DEPARTMENT REPORTS:

- A. Police Department: Zach has been out training. Police will be present at St. Therese on Wednesday during their morning mass.
- B. Excelsior Fire: Nothing
- C. Public Works: Posted for new public works employee as Mark Duffy retires
- D. Administration: Staff is continuing to work on budget
- E. Engineering Update: Covered early within the meeting

10. ADJOURNMENT:

Motion made by Studer and seconded by Jewett to adjourn the Regular City Council Meeting at 9:04pm.

Motion carried, Voting in favor was Mayor Pro Tem Scherschligt, Councilmembers Studer and Jewett. Vote 3/0 Carlson and Erdmann were absent.

Typed Respectfully on September 9, 2025 by:
Kimberly Lenarz-Greenwaldt
Deephaven City Clerk