

DEEPHAVEN CITY COUNCIL MEETING MINUTES

7:00 P.M. Monday December 1st, 2025

1. **CALL THE MEETING TO ORDER:** Mayor Carlson called the meeting to order at approximately 7:00 p.m.

PRESENT: Mayor Kent Carlson, Councilmembers Emily Scherschligt, Tony Jewett, John Studer and Tom Erdmann

STAFF PRESENT: City Administrator Dan Madsen, Pat Smith City Planner, Andrew Keller Finance Director and City Engineer Steve Hegland with Stantec,

GUEST: None

2. PLEDGE OF ALLEGIANCE:

The Council recited the Pledge of Allegiance

3. APPROVE THE CONSENT AGENDA:

Motion Made by Jewett and seconded by Scherschligt, to approve the Consent Agenda and to approve the following item;

- A. Approve November 17th, 2025 Workshop and Regular City Council Meeting Minutes
- B. Approve Payment of Claims
- C. Approve cancelation of second Council meetings for December, January and February and closing City Hall on December 24, 2025
- D. Approve Resolution Establishing Woodland Administrative & Police service fee
- E. Approve Resolution Establishing Greenwood Public Works service Fee

Motion carried, Voting in favor was Mayor Carlson and Councilmembers Scherschligt, Jewett, Studer and Erdmann. 5/0 Vote

4. MATTERS FROM THE FLOOR:

NONE

5. TRUTH IN TAXIATION:

- A. TNT Presentation

City Administrator Dan Madsen presented an overview of the proposed 2026 Budget and Property Tax Levy. The presentation provided a clear breakdown of revenues, expenditures, and levy impacts, with an emphasis on explaining the budget in a straightforward and understandable manner for both the City Council and the public. Mr.

Madsen reviewed key budget assumptions, major cost drivers, and the overall levy implications, and responded to council questions to ensure clarity and transparency.

Mayor Carlson opened the Public Hearing at 6:14pm and asked if anyone in audience if they had any comments, hearing none. Mayor Carlson asked for acceptance to close the public hearing. Motion was made by Erdmann and seconded by Studer to close the Public hearing.

Motion carried, Voting in favor was Mayor Carlson and Councilmembers Scherschligt, Jewett, Studer and Erdmann. 5/0 Vote

B. Resolution Approving Final 2026 Budget and Property Tax Levy

City Administrator Madsen reviewed Resolution No. 34-25, which approves the 2026 General Fund, Capital Improvement Fund, and Enterprise Fund budgets and sets the final 2025 Property Tax Levy payable in 2026. Madsen summarized changes from the prior year, noting that the proposed 2026 General Fund budget totals \$5,493,397, with an operating levy of \$3,489,666, representing a 7.2% increase primarily due to higher employee compensation and insurance costs.

The proposed Capital Improvement Fund levy is \$1,000,000, an increase of \$100,000 from 2025, to support the 2026 Street Improvement Project, construction of a warming house at Village Hall Park, and purchase of a front-end loader for the Public Works Department. The City's 2019A Series Bond payment for 2026 was reviewed, totaling \$190,785, a slight decrease from 2025. Based on these figures, the total recommended 2026 Property Tax Levy is \$4,680,451, an increase of 9.95% from 2025.

Motion was made by Erdmann and seconded by Studer to approve Resolution #34-25 Approving the 2025 General Fund, Capital Improvement Fund, and Enterprise Fund Bugets and setting the Final 2025 Property Tax Levy payable in 2026.

Motion carried, Voting in favor was Mayor Carlson and Councilmembers Scherschligt, Jewett, Studer and Erdmann. 5/0Vote.

6. PLANNING & ZONING MATTERS:

A. Lake Yard Setback Variance for a Gate at 19680 Lakeview Avenue

Smith presented the staff report. Smith presented the staff report. The subject property is located at the northern end of Lakeview Avenue, with Lake Minnetonka shoreline on the east and west sides of the property and Grandview Point to the north. Grandview Point is a private open space that is accessible to 12 property owners that make up the Grandview Point Neighborhood Association. An access easement exists on the east side of the subject property giving Grandview Point Neighborhood Association members access to Grandview Point and the mooring slips located at the point.

The property is only 125 feet wide. The 100-foot lake yard setback on both sides of the property means a variance is required for any addition or accessory structure over 120 square feet in area.

The applicant is requesting a lake-yard setback variance to install a 5'-9" high x 9'-6" long gate at the end of the existing fence that would prevent traffic from using the private driveway for a turnaround. The driveway is 13.5 feet wide, leaving over five feet of open space to allow pedestrian access to Grandview Point.

Lakeview Avenue is a private road. Unlike other properties located on Lakeview Avenue the only way for an automobile to turn around at the end of Lakeview Avenue is to completely drive into 19680 Lakeview Avenue (the subject property) and use the entire driveway to turn around. The gate will be automated and never locked. Pressing one button will open the gate.

Councilmember Scherschligt stated any possible objection would be against having a privacy gate in general, but privacy gates are allowed use in Deephaven. Councilmember Erdmann mentioned that there is no difference between a privacy gate and a security gate. He stated that the homeowners association did not object to the security gate. Greg Martin, representing the homeowner, said the gate will not have a code so emergency vehicles can easily access the property.

Motion by Councilmember Studer, seconded by Councilmember Scherschligt, to accept the recommendation and findings of staff and the Planning Commission and approve a variance to encroach into the 100-foot for a privacy gate at 19680 Lakeview Avenue. Motion carried 5/0.

B. Variance for a Retaining Wall to Encroach into the Rear Setback at 3725 Westview Avenue

Smith presented the staff report. Ethan Kindseth, Alma Homes, is requesting a variance for a retaining wall over four-feet in height to encroach into the rear yard setback. The applicant constructed the house located at 3725 Westview and submitted an as-built survey showing the five-foot retaining wall within the rear setback.

Councilmember Erdmann said there were very few concerns at the Planning Commission. Councilmember Jewett asked about drainage. City Engineer Hegland stated that the retaining wall will not have a negative effect on stormwater drainage.

Motion by Councilmember Studer, seconded by Councilmember Erdmann, to accept the recommendation and findings of staff and the Planning Commission and approve a variance to encroach 6 feet into the rear yard setback for a 5.09-foot high retaining wall at 3725 Westview Drive as proposed. Motion carried 5/0.

C. Variance to Encroach into the Side Yard Setback for a Second Story Addition at 4295 Northern Road

Smith presented the staff report. According to Hennepin County Property Information, the existing house was constructed in 1920. The house was constructed with a 4.5-foot side yard setback to the south. On March 7, 1988, the City Council approved a variance to encroach 12 feet into the required 15-foot side yard setback to construct an attached garage.

The existing house has three bedrooms on the second floor. The property owners would like to add living space above the attached garage, which would create a master bedroom for the house. The existing garage is 21 feet in height. The proposed second-story addition would raise the roof of the garage 7.5 feet. At 28.5 feet, the second story addition would be the same height as the main portion of the house.

Councilmember Erdmann stated that the Planning Commission had no issues with the requested variance. Councilmember Scherschligt asked if there were any comments from neighbors. Smith stated no comments have been received either in support or opposition to the variance request.

Motion by Councilmember Erdmann, seconded by Councilmember Jewett, to accept the recommendation and findings of staff and the Planning Commission and approve a variance to encroach 6.3 feet into the minimum required side yard setback in conjunction with the construction of a second-story addition to the house at 4295 Northern Road, as proposed. Motion carried 5/0.

D. Variance to Encroach into Front Yard, Side Yard and Lake Yard Setbacks for a Second Story Addition at 19820 Lakeview Avenue

Smith presented the staff report. According to Hennepin County Property Information, the existing house was constructed in 1956. The house is a non-conforming structure with a 27-foot front yard setback, a 64.1-foot lake yard setback, a 11.5-foot south side yard setback and an 8.7 north side yard setback.

On November 7, 2011, the City Council approved a variance to encroach 11 feet, ten inches into the required 35-foot front yard setback, a variance to encroach five feet, eleven inches into the required 15-foot north side yard setback; a variance to encroach three feet, five inches into the required 15-foot south side yard setback; a variance to encroach 35 feet, 11 inches into the required 100-foot lake yard setback and a variance to exceed the maximum permitted hardcover by 9% for a second-story addition for the subject property.

The existing house has two bedrooms in the basement and the master bedroom in the main floor. The new property owners would like to add living space above the attached garage. The proposed addition would add two bedrooms and a bathroom on the second floor. The applicant has submitted a site plan and floor plans that highlights which areas of the second-story addition encroach into the setbacks. The areas in green comply with the required

setbacks. The areas in red encroach into either the lake yard, side yard or front yard setbacks.

Councilmember Erdmann stated the property owner to the west supported the variance request at the Planning Commission meeting. He believes the project will be an improvement for the neighborhood. Councilmember Jewett asked if the Planning Commission discussed the increased hardcover that has occurred since 2011. Councilmember Erdmann stated no.

Motion by Councilmember Scherschligt, seconded by Councilmember Studer, to accept the recommendation and findings of staff and the Planning Commission and approve a variance to encroach 12 feet into the minimum required lake yard setback, a variance to encroach 3.5 feet into the minimum required side yard setback, and a variance to encroach 11.2 feet into the minimum required front yard setback in conjunction with the construction of a second-story addition to the house at 19820 Lakeview Avenue, as proposed. Motion carried 5/0.

A. Conditional Use Permit to Exceed Hardcover Limit for a New House at 18540 Azure Road

Smith presented the staff report. According to Hennepin County Property Information, the existing house was constructed in 1958. The existing hardcover is 25.39%. The applicant is proposing to raze the existing house and construct a new house that would increase the hardcover to 30.5%. The proposed new house would eliminate the non-conforming detached garage that is setback 8.2 feet from the east property line (10 feet is required).

Councilmember Erdmann stated that the Planning Commission was pleased that the proposed house will remove two non-conforming setbacks and will improve the drainage to the property to the east. Councilmember Jewett asked about the size of the proposed raingarden. City Engineer Hegland stated the proposed size is appropriate for the amount of hardcover that is over the limit.

Motion by Councilmember Studer, seconded by Councilmember Scherschligt, to accept the recommendation and findings of staff and the Planning Commission and approve a Conditional Use Permit to exceed the hardcover limit by 5.5% in conjunction with building a new house at 18540 Azure Road as proposed. Motion carried 5/0.

B. Master Trail Plan

Smith presented the staff report. The goal was to create a pedestrian trail plan that identifies missing links in the City's trail and sidewalk system and how those missing links may be completed. When roadway projects are designed, the Council and staff could refer to the Master Trail Plan and determine if the roadway project should include pedestrian trail improvements as recommended by the Master Trail Plan. Having an approved Master Trail Plan also helps the City be more competitive when applying for

grants, specifically Safe Routes to School grants from Minnesota Department of Transportation (MnDOT).

Once the Master Trail Plan is adopted, the next step is to amend the Comprehensive Plan to include the proposed improvements. Next spring the Planning Commission will discuss (on an annual basis) which grants to apply for to help implement the Master Trail Plan.

Councilmember Studer asked if the recommendations in the Master Trail Plan would be required with future road projects. Smith stated that a implementation timeline was purposely omitted from the Master Trail Plan to give future Councils the flexibility to implement parts of the plan as they deem necessary. Mayor Carlson said that the Master Trail Plan will be important when the City is applying for grants for pedestrian improvements.

Councilmember Jewett asked if roadway projects would be delayed if the Planning Commission is reviewing the Capital Improvement Plan (CIP). Smith stated no. The Planning Commission is legally obligated to review the CIP before the City Council adopts the CIP. So the Planning Commission would just review the CIP and make sure it is consistent with the Comprehensive Plan the month before the City Council is supposed to adopt the CIP.

Councilmember Studer asked if the Master Trail Plan has to be part of the Comprehensive Plan. Smith stated it is common for communities to include a trail plan in the Comprehensive Plan because the Comprehensive Plan is the document that outlines the vision for the community, and would be more competitive with grants if the Trail Plan is adopted as part of the Comprehensive Plan. Smith stated that the Comprehensive Plan is more condensed than the Master Trail Plan. Mayor Carlson said that when the city contemplates future road projects, it would be the future Councils' discretion to look at options for pedestrian improvements. Smith stated that the recommendations in the Master Trail Plan are not set in stone and future Councils may deviate from the recommendations as they see fit.

Councilmember Erdmann, moved to adopt the Master Trail Plan without amendments, seconded by Councilmember Scherschligt. Motion carried 5/0.

7. UNFINISHED BUSINESS:

NONE

8. NEW BUSINESS:

NONE

9. COUNCIL REPORTS:

A. Mayor Carlson: Nothing new to report in Public Works/Safety since their last meeting that was updated in November. Finance was discussed in the earlier in the Budget approval.

B. Scherschligt: Looking ahead to 2026 projects, council would like to review the plans for the warming house for City Hall park. Erdmann confirmed that the vision for this warming house will be more than a warming house for the Ice Rink. Making it more of a year round place for multi use for the public.

C. Jewett: November 19th meeting moved to closed session for performance review that last quite a while and the closed session they publicly approved an independent investigation on some matters that were brought to the boards attention. After that there was an update on the chiller system, and a presentation from the relief association which the numbers all looked good.

D. Studer: Nothing new report

E. Erdmann: Meeting in December. Sale of the LMMC building buyer has asked for an extension but both Jewett and Erdmann had to leave that meeting to come to the Council Meeting. Hopefully they can make things work with the existing buyer.

10. DEPARTMENT REPORT:

A. Police Department: November was very busy compared to what the report says due to sending the report before the Holiday.

B. Excelsior Fire:

C. Public Works: Have been busy plowing snow and working on the Ice Rink. Hegland will give a more in depth report in his report.

D. Administration: Nothing

E. Engineering: Boards are up and lights will be going up on Thursday. Street project is full design mode and moving to get bids which we should have in January.

11. ADJOURNMENT:

Motion made by Studer and seconded by Jewett to adjourn the regular City Council Meeting at 8:22pm.

Motion carried, Voting in favor was Mayor Carlson and Councilmembers Scherschligt, Jewett, Studer and Erdmann. 5/0 Vote