

**CITY OF SHOREVIEW
MINUTES
CITY COUNCIL WORKSHOP MEETING
IMMEDIATELY FOLLOWING REGULAR MEETING
March 3, 2014**

CALL TO ORDER

Immediately following the regular meeting, Mayor Martin called a special workshop meeting of the Shoreview City Council to order at 7:55 p.m. on March 3, 2014.

ROLL CALL

The following attended the meeting:

City Council: Mayor Martin; Councilmembers Johnson, Quigley, Wickstrom and Withhart

Staff: Terry Schwerm, City Manager
Mark Maloney, Public Works Director

DISCUSSION REGARDING LAKE IMPROVEMENT DISTRICT BACKGROUND INFORMATION

Mayor Martin indicated that the City Council would be meeting with the Turtle Lake Homeowners' Association (TLHA) at its March 10, 2014 workshop meeting. It is anticipated that they will request that the City participate in the preparation of a feasibility study for augmenting the lake. Some Councilmembers had asked to receive background information on how the City established a Lake Improvement District and augmentation of Snail Lake prior to the meeting with the TLHA.

Mark Maloney reviewed the process that was used during the Snail Lake discussion that occurred in the early 1990's. He indicated that many lakes in this area were augmented, primarily by groundwater, for many years. In the late 1980's, the State discontinued issuing permits for the use of groundwater wells to augment lakes. After the augmentation was stopped, it became clear that if Snail Lake was going to be more than a large wetland area, it would need to be augmented. A process was started to explore the potential augmentation of Snail Lake. Some of the key steps in the process included:

- Preparation of a feasibility study and development of a cost share arrangement with the homeowners
- Reviewed results of study to determine if augmentation was feasible
- Gain agency approvals for augmentation
- Follow process for establishment of a Lake Improvement District (LID)
- Hold vote and create a LID
- Develop final plans and specifications and bid the project
- Award bid for the project

- Construct the project and assess property owners

He noted that the timeline for the Snail Lake process was about 2½-3 years.

Mayor Martin stated that TLHA will be requesting the City to initiate a feasibility study for augmentation of Turtle Lake. City Manager Schwerm stated that the estimated cost of a feasibility study could be as much as 10% of the project cost, which would place the cost in the \$100,000 range. If the feasibility study demonstrates that augmentation is feasible, there would be a vote by all homeowners on whether or not to form a Lake Improvement District (LID). The City Council will have to support creation of a LID in order for the City to build and maintain any infrastructure and assess both capital and future operating costs to homeowners.

Mayor Martin stated that the feasibility report is an important issue because it may show that approvals for a project are not possible. The question is how much the City is willing to invest in the feasibility report, when there are many homeowners on the lake not interested in this project.

Councilmember Johnson asked if the TLHA understands the investment cost of a feasibility report and that report could determine whether or not approvals would be given for an augmentation project to move forward. Mr. Maloney stated that based on his discussions with officers in the TLHA, he believes they understand that it may not be feasible to augment the lake at this time given the growing concern about water resources in the State.

City Manager Schwerm stated that at the time of the creation of SLID (Snail Lake Improvement District), the DNR appeared to recognize that the lake level in Snail Lake could not be maintained without augmentation and were supportive of the project. There is significantly more focus on water supply issues now than there was at that time. It also noted that the water quality of Snail Lake is better today than before augmentation.

Mr. Maloney stated that the Snail Lake process of creating a LID after the feasibility report took 18 months of consensus building. The City, regulating agencies and homeowners agreed on the cause of the problem. There does not appear to be as high a level of consensus among homeowners to create a LID for Turtle Lake at this time.

Councilmember Withhart asked if a legal opinion would support a project with only a majority voting for it. What was done at Snail Lake should not necessarily be the guideline for this situation. What was decided for Snail Lake was 25 years ago, and circumstances are very different with a more divided populace on Turtle Lake. Mr. Schwerm stated that the legal vote to create a LID is 50% plus one. He cautioned against requesting a certain percentage of overall support at this time because this situation is very different from Snail Lake. There will not likely be the same level of consensus that a project is necessary for Turtle Lake as was the case for Snail.

Mayor Martin stated that she is concerned about investing a lot of City monies into a feasibility report if there is not likely to be a project and it is something that a large percentage of homeowners do not support.

Mr. Maloney stated that the purpose of the meeting next Monday is to get to the starting point of the process of a feasibility study. Agencies have to be on board before any project can be approved. Then there is a petition process to create a LID. Forming a LID is most likely a year beyond results of the feasibility report.

Councilmember Withhart stated that if a project were to move forward, it would be as a result of the feasibility study. Then he would want to see a cost share formula developed. The feasibility study has to be done to determine whether there is a project and what kind of project with estimated costs. If a LID is created, it is created with a 51% vote of property owners.

Mayor Martin stated that such a project is not in the City's CIP and has not been budgeted. Budgeting and planning would also have to be done to take on a project this large.

OTHER ISSUES

Communication Franchise Renewal

Councilmember Wickstrom reported that the Council is invited to a public hearing regarding the franchise renewal to hear presentations from the Commission and the cable company. It is tentatively scheduled for Thursday, April 17, 2014. Detailed information about time and place will be forthcoming. Each city will have to determine whether or not to support the franchise renewal. She encouraged Councilmembers to attend or watch the televised meeting.

Councilmember Quigley asked the main issues that need to be decided by the City. City Manager Schwerm responded that there are two main issues. One is public education and government access TV. Currently approximately \$4.00 per subscriber per month is charged. This yields approximately \$1.4 million per year. What is proposed is approximately \$1.30 per subscriber per month, which would yield between \$300,000 and \$400,000. That amount of decrease would dramatically change the amount of public access that could be provided. He anticipates that the matter will end up in court. FCC regulations do not require the cable company to provide operating support for public access; Comcast believes that is how franchise fees should be used. The cable company can only be required to provide capital support for equipment for public access. The City is using franchise fees for salaries for staff working on communications. The City would not recommend that cut. The second issue is providing an institutional network across cities to transmit meetings and by some cities to provide data to other cities.

Councilmember Wickstrom stated that what is most disturbing is that it is the Commission that deals with the franchise fees (money from subscribers), and a big amount of that money is being spent on legal fees to resolve these issues.

The meeting adjourned at 9:35 p.m.