

**CITY OF SHOREVIEW  
MINUTES  
CITY COUNCIL WORKSHOP MEETING  
March 10, 2014**

**CALL TO ORDER**

Mayor Martin called the workshop meeting of the Shoreview City Council to order at 7:00 p.m. on March 10, 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

Turtle Lake Joe Morris  
Homeowners Linda Dieters  
Association Rob Mueller  
Board (TLHA) John Kronstad  
Deb Schultheis  
Marsha Soucheray  
Karl Schroeder  
Tim Krinkie  
John Matheson  
Trace Benson

Ramsey Tobacco  
Coalition: Katie Engman

Association of  
Non-Smokers of  
Minnesota: Betsy Brock

**DISCUSSION WITH TURTLE LAKE HOMEOWNERS' ASSOCIATION**

Tim Krinkie, TLHA Board Chair, stated that the TLHA Board is requesting the first step toward an augmentation program for Turtle Lake, which is a feasibility study. The Council is being asked to direct staff to help the Board develop a Request for Proposal for a feasibility study and for staff to select a provider. The Board is also asking the amount the City would be willing to contribute toward the cost of a feasibility study. There is an Annual Homeowners' Association meeting on May 1, 2014. It is hoped that by that meeting the Board would have concrete information to give homeowners. Last May, homeowners requested a motion from the floor for

a survey to be conducted among homeowners regarding a lake augmentation system. The survey had 88% response; out of 201 homeowners, 177 responded. Of those 111 responded yes to augmentation; 66 responded no.

It is important to note that the City would not be spending money just for Turtle Lake residents. With a County park on the lake, anyone who used the park would benefit. The beach is not well used, even though the County has recently made many improvements. He believes the reason is because of the low lake level. Boat use has declined significantly. TLHA was spending approximately \$6,000 a year for the Sheriff to monitor boat traffic at the public access for trailer parking. Last year, the Association spent \$1,100 for this service.

Funding for a feasibility study is requested at the same level that was paid for the Snail Lake feasibility study, which is 50%. SEH has estimated the cost of the feasibility study between \$50,000 and \$100,000. The Board is asking the City to contribute half of that cost.

The homeowners' contribution would come from existing funds in the TLHA combined with individual donations. Another possibility would be to establish a Lake Improvement District (LID) that would pay the cost. At this time, no other sources of funding have been considered. The State of Minnesota may be an option for funding similar to the legislation being proposed for White Bear Lake. It may be possible for other funding to come from legislation or the Metropolitan Council. He noted that the DNR has established a ground water management area. Commissioner Landwehr, DNR, has stated that work will not address the Turtle Lake water level.

Mayor Martin asked if there is consensus on the TLHA Board. Mr. Krinkie responded that there is not 100% consensus on the Board, which reflects the homeowners. Even though half the Board members do not agree with augmentation, there is commitment to moving forward with the feasibility study because of the strong homeowner response.

Mayor Martin clarified that contrary to what she previously thought, a LID cannot be used to fund a feasibility study since the costs for study could not be assessed back to the homeowners. Further, many things have changed since the City addressed Snail Lake, such as the environmental climate, economic climate, and issues related to Snail Lake that are not related to Turtle Lake. Mr. Maloney added that to form a LID is a long process. If the TLHA were to wait for that to happen before doing a feasibility study, it would take approximately two years. All LIDs are created by authority of the DNR and must have a stated purpose.

Ms. Marsha Soucheray stated that her letter was written from herself as an individual. The Board is evenly divided. She stated that the lake was lowest in the 1980s. It was not the first time that it was low. Its level depends on rainfall, and it has a small watershed. Within three years from the lows in the 1980s the lake was back up. Her concern is about water quality. Turtle Lake is very clean and she sees a threat bringing in water from the Mississippi River. It is not known what is in the river, and there is potential for invasive species.

Mr. Matheson stated that this is a complex issue--ground water runoff, precipitation and the ground water model has changed. No one believes the lake will correct itself. The most recent

survey asks for creation of a LID. None of the three surveys have yielded a super majority. If this work does move forward, he would like to know what percentage of homeowners the City would be comfortable with.

Ms. Soucheray added that not only must consideration be given to cost for a feasibility study, but there are also policy issues for the City to consider relating to the Watershed District, County, and DNR. Water issues are huge. Other communities are looking to the Mississippi River as a resource for drinking water while Shoreview is considering it for lake level augmentation. These are policy issues.

Mayor Martin stated that there was over 80% support of homeowners for the Snail Lake project. The level of support is important because the City does not want to take action that might be contested and cost the City even more money. She does not want to enter into something that would result in court challenges. A more solid majority is needed for a feasibility study. She added that based on the costs paid by the Snail Lake homeowners, total assessments could be in the \$8,000-\$10,000 range per household.

Mr. Krinkie stated that the feasibility study will provide answers and help solidify support or opposition to an augmentation project. SEH did a good job on the scoping study, but it was limited. Homeowners need good information to make a decision. The feasibility study will determine whether or not there is a project. Once costs are understood, homeowners can decide. He felt that there would be a stronger consensus from the lake homeowners once more information is available.

Mr. Schwerm stated that the DNR does not readily support augmentation because that is not the natural cycle of lakes. However, if the feasibility study shows that augmentation will not decrease water quality, the DNR may support it. Mr. Maloney added with the regional focus on water supply by area agencies, augmentation is not going to be a high priority. In meeting with Commissioner Landwehr, he did say the DNR would follow the law if requested to give a permit for a LID and an augmentation project.

Ms. Soucheray asked if the Council would direct staff to help move forward with a feasibility study. Mayor Martin stated that to do a feasibility study that gives the answers needed will likely cost \$80,000 to \$100,000. That might be a study on a project that might be doomed because residents don't want it. Mr. Matheson stated that homeowners cannot unite and support the project without the feasibility study. He is troubled that 63% is not enough for City support.

Mayor Martin stated that if a LID is formed, stronger support from homeowners would still be necessary for a project to be approved. She suggested that if the TLHA would fund 80% or 90% of the feasibility study so only limited City money is involved, that still does not guarantee future homeowner support. Mr. Krinkie stated that if the City does not want to help with the feasibility study, he would ask for Mr. Maloney's time to do a proper RFP. He also stated that if the state is supporting White Bear Lake, he would ask the City to support Turtle Lake's request as part of the bonding bill.

Ms. Soucheray stated that it is important to not confuse Turtle Lake with White Bear Lake or Snail Lake. It has been proven that wells in White Bear Lake are taking on water from White Bear Lake. Isotope studies show that is not happening at Turtle Lake. She expressed concern that there will be a few homeowners who will come forward with the \$100,000 needed for the feasibility study, and no one else is interested. The idea that money talks happens too often in the system and is scary.

Ms. Dieter stated that when the survey questions were asked, the amount of \$8,000 to \$10,000 cost for each had been discussed. During the time the survey was taken, the lake level rose. The fact that 63% voted for augmentation anyway is a strong response.

Councilmember Wickstrom stated that if public money is going to be spent on a feasibility study, she would like to see stronger support from homeowners. If homeowners show strong support for the cost of the feasibility study, she would be more inclined to have it done. She is not comfortable spending public money on a study that would not initiate a project.

Mr. Schwerm stated that it is important for the City to have some cost share in the feasibility study, if it is done. The study needs to be run by the City, if it will be used as part of the assessment process. Mr. Maloney stated that to use the assessment process, the feasibility study must be ordered by the City.

Councilmember Withhart noted that physically Snail Lake and Turtle Lake are not the same. Snail Lake was going to be 20 feet of open water and the rest cattails. Snail Lake homeowners were 100% supportive of augmentation. His understanding is that the problem at White Bear Lake is not the same as at Turtle Lake. He would have a hard time putting as much money into a feasibility study for Turtle Lake as was done for Snail Lake. Because of the heavy use on Turtle Lake, he could support augmentation. The \$100,000 for a feasibility study is just one of three costs. A bigger cost is the construction project. Continued maintenance on the system is the third cost.

Councilmember Johnson stated that she has not heard a consistent question and response from the surveys. She would like to know what turnover there has been on the lake and who did not take the survey last year? She expressed concern that there is not consensus on the Board or among homeowners for this work and what that would mean for the City as a supporter. Mr. Krinkie stated that the Board will work toward consensus. Without the feasibility study, it is difficult for homeowners to have enough information to make a decision. Mr. Krinkie stated all the surveys related to augmentation and he would prefer not to continue to do surveys to see if responses change.

Mayor Martin stated that there are two options. One would be to develop another survey and try to get more support. Another option would be to say the City will contribute a certain amount to get a feasibility study done, but the homeowners would carry the majority of the cost. She noted that the city has not budgeted for this item.

Ms. Schultheis stated that three surveys have been done over a short period of time. An open meeting is needed with staff to educate homeowners. It is not fair to just do another survey.

Councilmember Withhart stated that if another survey is done, he would recommend use of Decision Resources, the firm that develops the City's community surveys and is skilled at crafting neutral questions to get a good response. If the feasibility study moves forward, he would want to see the money escrowed up front to cover costs whether or not the project moves forward.

Mr. Matheson stated that at a minimum the cost needs to be defined for homeowners in order to come back with the support the Council is seeking. Mr. Schwerm stated that the Council needs to decide what level or whether to use tax dollars toward this project. If a feasibility study is done, it needs to be completed by the City if a project is going to be considered in the future.

Councilmember Quigley agreed that a clear strong signal of what homeowners want is needed. Whether a feasibility study or survey is done, it needs to be framed as any other project that becomes a major asset in the City. He questioned whether homeowners defined as being in the watershed district but not on the lake will not want to participate in the cost. Mr. Schwerm explained that the Snail Lake homeowners who ultimately paid for the augmentation project and creation of a LID are the 70 riparian property owners.

Councilmember Wickstrom stated that she believes the homeowners or the TLHA should cover 90% of the cost of the feasibility study. She would not want to put a lot of public money into the study because she believes the cost of a project will be at a very high cost that will be more than homeowners are willing to pay.

Mr. Krinkie requested that City officials spend some time toward lobbying to include Turtle Lake in current legislation that could help get the feasibility study done. Mayor Martin agreed that the City will certainly encourage legislators to include Shoreview in that legislation.

Mayor Martin stated that if a LID is created, a lot more support will be needed. The risk to the Homeowners' Association will be to pay for a feasibility study. At this time, there is not enough support for a project. Mr. Maloney noted that in 1991, when the feasibility study was done for Snail Lake, it took 18 months to build consensus to create a LID, although there was more consensus than for Turtle Lake now.

Mayor Martin thanked the Board for attending and the open discussion.

### **DISCUSSION REGARDING PROPOSED CHANGES TO TOBACCO REGULATIONS**

City Manager Schwerm stated that the City Council previously expressed its support of tightening regulations regarding e-cigarettes and strengthening the definitions to cover nicotine delivery devices. At the meeting where e-cigarettes were discussed, issues related to flavored cigars and cigarillos were discussed. It was noted that these products are either sold as singles or small packages at a very low cost. It was noted that some cities are starting to regulate package sizes and establishing minimum costs for the product. Staff met with the City Attorney who stated that court decisions have ruled in support of these types of regulations regarding packaging and pricing. His concerns are that most cities have not yet adopted these types of

regulations and might result in a challenge. A second concern is the effectiveness. If Shoreview is the only City with these regulations, it is easy to go to another City to purchase the products. Also, the City does not have the staff to provide good enforcement. Before regulations are adopted, the City would plan an education process for convenience stores where the products are sold. He would recommend adopting the drafted e-cigarette regulations. Options would be Shoreview adopting the tougher regulations on its own or trying to work with area cities for a more comprehensive approach.

Councilmember Wickstrom clarified that the definition includes e-cigarettes and nicotine delivery devices.

Ms. Engman stated that kids were saying they smoke e-cigarettes, but there is no nicotine and shop owners felt no obligation to comply with the regulations because no nicotine was involved with the e-cigarettes. They can be sold to minors. Mounds View High School has adopted a model school policy prohibiting these products. The proposed language includes e-cigarettes with or without nicotine.

There was consensus of the Council to adopt the proposed regulations regarding e-cigarettes that would also apply to vaping lounges.

The second part of the proposed regulations is in regard to flavored cigars and cigarillos. Ms. Engman stated that the proposed ordinance allows the products to be sold, but they must be at a certain price point. Ms. Brock stated that after much research, the price settled upon is \$2.10 each. Falcon Heights updated their ordinance, stipulating the age of the seller; White Bear, Vadnais Heights, Arden Hills, and Bloomington are considering the proposed language being discussed here.

Ms. Brock stated that tobacco control does not have a big momentum anymore. This ordinance is a smaller step, but she believes it would have an impact on kids.

Mayor Martin asked the possibility of such ordinances being contested. Mr. Schwerm stated that he believes it is low risk. Ms. Brock stated that the biggest company is Swisher Sweet. Single cigarettes cannot be sold. A pack must contain 20. Ms. Engman added that they could provide the resources to help implement the ordinance.

The consensus of the Council was to have both the Economic Development Commission and the Public Safety Committee review the proposed regulations and then bring it back to the Council for further discussion.

## **OTHER ISSUES**

### **Communication Commission**

Councilmember Wickstrom stated that at the North Suburban Communications Commission meeting, it was decided to hold a public hearing on the franchise renewal on April 17, 2014. It will also be broadcast on CTV. After that, the Council will need to decide whether to remain in

the Commission. As soon as she knows details, she will send the information to Councilmembers. She strongly urged Councilmembers to attend.

### **TIF**

Mr. Schwerm stated that it is unlikely that the TIF District 1 extension that was requested will be granted. Special legislation may be possible specific to Shoreview to create a Business and Retention District for a 12-15 year time period. It allows the City to assist a Shoreview business, but also captures some tax increment that could be placed in a Business Retention and Expansion fund. Staff believes this is worth pursuing. Shoreview would be a pilot project to determine if this framework would work for other cities.

Councilmember Johnson left the meeting at this time.

Mayor Martin stated that she is scheduled to testify on the original bill to see if enough support can be gained to pass it.

The meeting adjourned.