

**DEEPHAVEN CITY COUNCIL SPECIAL COUNCIL MEETING
MONDAY, MARCH 21, 2016
MINUTES**

1. CALL MEETING TO ORDER: Mayor Paul Skrede called the meeting to order at 5:00 p.m.

PRESENT: Mayor Paul Skrede, Councilmembers Darel Gustafson, Tony Jewett and Steve Erickson

ABSENT: Councilmember Keith Kask

STAFF: City Administrator Dana Young

2. UNFINISHED BUSINESS

A. Discuss Formation of Lake Improvement District

Kent Norby and Greenwood Councilmember Rob Roy were also present to participate in the discussion.

Mayor Skrede noted that voluntary fundraising isn't easy and the formation of a Lake Improvement District (LID) would provide a little more teeth to the process due to the enabling legislation.

Rob Roy stated that he met with County Commissioner Jan Callison and her aide found out that you didn't have to go through Hennepin County to form a LID; you can go through the City. He stated that his first meeting with the Greenwood and Excelsior City Councils on the formation of the St. Alban's Bay Lake Improvement District was just to obtain conceptual approval.

Mayor Skrede noted that the authority given to the LID Board seems very extensive.

Rob Roy stated that LID's can address lake water levels, clean water and aquatic invasive species. The LID Board is first appointed by the City Council, who determines the action plan and decides what to charge the residents within the LID. He added that the overall size of the LID also has to be determined.

Councilmember Jewett asked where the City of Deephaven is in this process.

Mayor Skrede stated that we have just started looking at this issue this evening. He stated that Kent Norby has been trying to raise funds for aquatic management since 2013 and the City has been one of the largest contributors.

Kent Norby stated that Rob Roy helped establish the St. Alban's Bay Lake Improvement District a couple of years ago to address whether the LID is the most effective way to address aquatic milfoil. He added that the St. Alban's Bay Lake Improvement District is the first LID on Lake Minnetonka.

Councilmember Erickson stated that it is very expensive to finance aquatic management.

Discussion was held on the number of lakeshore property owners that would be included in the Carson's Bay and St. Louis Bay LID and who would qualify as a voting member.

Mayor Skrede stated that he wouldn't want the City to only have one vote if the City is paying 30% of the aquatic management bill. He stated that it could get awfully expensive depending on what the LID wanted to manage.

Kent Norby stated that they have typically had a \$35,000 annual budget for both Curly Leaf Pondweed and milfoil management.

Mayor Skrede stated that he would be concerned that the City Council could lose control of this process if the LID Board takes over.

Rob Roy stated that there is an annual vote for the Boardmembers and that the Board holds an annual meeting to establish the budget. He added that there are a lot of ways to abolish the LID. He stated that the St. Alban's Bay LID is looking to raise \$30,000 annually and may drop near year's contribution since they are carrying a reserve.

Mayor Skrede stated that he is not 100% opposed to an LID but just wants to know all the potential ramifications.

Kent Norby stated that it might help to keep this discussion at the conceptual stage. He stated that there are 105 potential lakeshore owners in the Back Bay, Carson's Bay and St. Louis Bay. He stated that the Yacht Club on the island is not part of St. Louis Bay. He stated that it is pretty well defined who has lakeshore in these bays. He stated that there are also associations in Chimo, Maple Hills and Walden. He stated that the constituents are the lakeshore owners.

Mayor Skrede stated that a petition of 51% of the lakeshore owners within a proposed LID can put an LID in place and 50% of the lakeshore owners currently participate in the annual aquatic management fundraising.

Rob Roy stated that another benefit of an LID as opposed to fundraising is that it is very hard to keep up with new lakeshore owners. He added that many new owners don't have any idea on how bad the lake was prior to initiating the treatments.

Kent Norby stated that 52 acres were treated in Carson's Bay and St. Louis Bay in 2013, 0 acres in 2014 due to high water conditions, 41 acres in 2015, and 32 acres are estimated to be treated in 2016. He stated that it is also hard to get some lakeshore owners to contribute to aquatic treatments if the contractor is not intending to treat in front of their lakeshore.

Rob Roy noted that the more you treat the less you have to do as you go along. He added that less milfoil usually means more native plants. He stated that some people would like all aquatic plants removed.

Kent Norby stated that milfoil in Carson's Bay & St. Louis Bay is down to around 5% but native plants are flourishing.

Discussion was held regarding the timing of receiving the assessments from the County versus the required payments to the contractors.

Rob Roy stated that applicators are usually very good about waiting until the LID receives their tax money.

Mayor Skrede asked if the City of Greenwood's contribution has gone up or down under the LID.

Rob Roy stated that the City contributes \$5,000 during treatment years and \$2,500 in non-treatment years.

Councilmember Erickson stated that he is not concerned with the money at this point; he is concerned that once we create this Board there is no way to get rid of the LID except by a petition of 51% of the lakeshore owners. He stated that he is more concerned with how you control the Board.

Further discussion was held on the possibility that the City Council could serve as a majority of the LID Board.

Rob Roy stated that the Council would have to check with the City Attorney to see if this would be allowed.

Councilmember Erickson stated that it would be helpful to see how Greenwood set up their LID.

Rob Roy stated that a Council can limit a Board's authority and noted that Greenwood's resolution is available for the Council to review.

Councilmember Erickson stated that if we can limit a Board's authority by resolution, he would be more comfortable with how a Board operates.

Mayor Skrede agreed that it would help to look at what Greenwood has in place so that we can establish sufficient controls. He stated that the real question is do we want to set up a process that would allow lakeshore owners to be specially assessed.

Rob Roy stated that you would just be creating a section of Deephaven with taxing authority, which has to be done by resolution.

Councilmember Gustafson stated that the main risk to the lake is through the Carson's Bay public launch. He stated that these are the boats that are bringing in milfoil.

Kent Norby noted that milfoil is already in the lake. He stated that he is tired of fundraising and the other bay captains are as well. He stated that it is difficult to get all 105 lakeshore owners behind this effort.

Councilmember Erickson stated that looking at the math, assuming approximately 120 lakeshore owners and the City contributing \$10,000 each year, the cost of the annual \$35,000 aquatic management treatments would only cost each lakeshore owner \$166 apiece.

Mayor Skrede stated that the City Council would like to continue to use Kent and Roy as a resource as the Council continues to discuss whether to create an LID and, if yes, then figure out how to control it.

B. Discuss Purchase of 18707 Heathcote Drive

Mayor Skrede provided a summary of the request from Jim & Debra Crooks for the City to consider the purchase their property at 18707 Heathcote Drive due to the denial of their Wetland Permit Application.

Discussion was held on the potential use or need of this lot for the City.

Motion by Councilmember Jewett to offer that the Crooks consider providing this property to the City as a gift and the Crooks could obtain a tax write-off at the current 2016 estimated market value of \$41,000 or the City would offer \$5,000 for the title to the property. Seconded by Councilmember Erickson. Motion carried 4-0.

C. Discuss Gift of Park Land at 19805 Lakeview Avenue

The Council reviewed information on the potential gift of park land at 19805 Lakeview Avenue and a \$50,000 cash contribution to assist with maintenance and potential upgrades to the park.

The Council noted that the size of the park land was only 811 S.F., which would make any sort of park development extremely difficult.

The Council stated their appreciation for the offer but declined the offer as the Council was uncertain as to how the City could ever appropriately use such a small piece of property as a city park.

D. Other

There was no other business this evening.

3. ADJOURNMENT

Motion to adjourn by Councilmember Jewett, seconded by Councilmember Gustafson. Motion carried 4-0. The meeting adjourned at 6:50 p.m.

Respectfully submitted,

Dana H. Young
City Administrator