

**CITY OF EXCELSIOR
Hennepin County, Minnesota**

MINUTES

**City Council Work Session
Monday, July 26, 2010**

6:30 p.m.

1. Call to Order/Roll Call

Mayor Ruehl called the meeting to order at 6:37 p.m. Council members present: Caron, Fulkerson, Miller (arrived at 6:35 p.m.), and Mayor Ruehl. Also present: City Manager Luger and City Clerk Johnson. City Attorney Staunton and Finance Director Carlson were in attendance for the Executive Session.

2. Agenda Approval

Fulkerson moved, Caron seconded, to approve the meeting agenda as presented. Motion carried 3/0.

3. Lake Minnetonka Conservation District - Gen Olson, State Senator

Gen Olson, State Senator, said that the day before adjournment Environment and Natural Resources Committee Chair Senator Satveer Chaudhary introduced a bill to abolish the Lake Minnetonka Conservation District (LMCD) and the White Bear Lake Conservation District. No action was possible this session because the bill was introduced so late.

She said that Senator Chaudhary had an intern working for him this past year from the Minnesota Bass Federation. She had heard that the Minnesota Bass Federation has had some issues with the LMCD in securing permits for their fishing tournaments and the bill may have been introduced as a result of this.

Senator Olson said she requested an opportunity to meet with the Council to discuss some of the broader issues surrounding the governance of the lake, which are being brought up to her with great frequency and a fair degree of discontent. They all need to spend some time looking at this in case this comes back around again next year.

She noted that the LMCD has invited the various fishing groups in to talk, and the LMCD also held two meetings with the Mayors and City Councilmembers around the lake. About half of the LMCD Board members attended each meeting.

She plans to meet with each of the cities. She would like the Council to give her their assessment of the importance of the LMCD, the City's expectations from their Senator, feedback on experiences with the LMCD, the cost versus the benefits of having the LMCD, and whether the Council believes there is any overlap with other government entities.

Mayor Ruehl asked if there had been backing or discussion on the bill that was introduced. Senator Olson said no.

3. Lake Minnetonka Conservation District - Gen Olson, State Senator - (Continued)

Senator Olson said if there is a need for changes then let's take care of them. She was in office when there was new legislation to change the terms of the LMCD Boardmembers and also give the cities the ability to remove a Senator if they were not serving the interest of the City it was representing. She was also involved in the law change pertaining to property and riparian rights with regard to 6 Mile Creek.

Miller said that he had attended one of the meeting that the LMCD had held. The LMCD handles a number of items that would not otherwise get addressed if the LMCD was abolished. The LMCD provides consistency on how certain items get handled and they provide education. He's heard from a couple of people that they wished the LMCD would focus less on docks and more on evasive species. These are things that would be difficult for a small city like Excelsior to take on if the LMCD was abolished.

Senator Olson said that if there was not an LMCD a city would be responsible for any water bodies that are in their city, the county would be responsible if a water body crossed city lines, and the state would be responsible if a water body crossed county lines.

Senator Olson said that there are some things that do need attention. One item is the insurance requirements. The requirement for the amount needed for the certificate of increased from \$1 million to \$1.5 million after the 35W bridge collapse. The fishing tournaments are required to provide a certificate of insurance to get their permit and are having difficulties securing certificates of insurance more than \$1 million.

Mayor Ruehl asked what the arguments have been for abolishing the LMCD. Senator Olson said that she hasn't picked up on any arguments in the meetings she's had. She asked the Council if they thought the LMCD was an effective organization and board.

Mayor Ruehl said he has had a couple of concerns brought to his attention. The first item had to do with the LMCD starting to enforce the dock regulations on docks that have been in place for many years. The second issue was that the LMCD was not doing enough to manage invasive species. He said that if there wasn't an LMCD, regulations would be taken further away from the cities which would concern him. He said there is also some general concern with the 50-foot buffer that the Minnesota Department of Natural Resources (DNR) and the Minnehaha Creek Watershed District (MCWD) will be presenting.

Senator Olson said that the Legislature had directed the DNR to put the shoreline and buffering regulations into rules. The DNR was also directed to update their dock rules. The DNR presented the updated rules to the Governor and they've been sitting on the Governor's desk since last October. She noted that the rules will need to come back before the Legislature before they are enacted.

3. Lake Minnetonka Conservation District - Gen Olson, State Senator - (Continued)

Mayor Ruehl said he would be concerned if rules were being enacted that applied to all areas even to areas that had no issues. The rules should apply just to areas where there are issues.

Senator Olson said that the MCWD is also working on their rules. She knows that those rules have been controversial. She hasn't seen the draft, but it is her understanding that they would only pertain to changes or new development. She said that the MCWD does have some jurisdiction with regard to invasive species. She said that she knows the DNR has not been very proactive with managing invasive species.

Caron said she is not in favor of dissolving the LMCD. The Council hasn't paid a lot of attention to the LMCD because it hasn't been a priority. The Council would have heard something if there was a big issue; she has not heard anything from the residents.

The Council stated that they needed to have the City's LMCD representative come in quarterly to give a report.

Senator Olson said that there is another issue she wanted to bring to the City Council's attention. The League of Minnesota Cities recently funded a study through the Humphrey Institute. The study basically states that if current revenue and spending trends continue and no policy changes are made, Minnesota cities of all sizes in all regions of the State will be broke by the year 2015. There are 43 cities and one township in Hennepin County and she represents 20 of the cities. She expects to see some very drastic proposals at the Legislature next year. She would like to be a part of the recommendation for changes. She cares about the area, the historic character, and the cities she serves. She asked the Council if they had any suggestions on how to address this issue.

Miller said that it would benefit the City if it could impose a local sales tax. Senator Olson said that she believes it should be a county tax versus a city tax, then whatever the county receives can be distributed among the cities.

Mayor Ruehl said that the City has things that are more regional so it would be best to have a local sales tax.

Miller said that the City also loses a lot through fiscal disparities.

4. Closed Executive Session to Discuss Land Acquisition

It was announced that the City Council will adjourn into closed session to develop or consider offers or counteroffers for the purchase of real property with regard to the purchase of the Lyman Lumber property east of Water Street. No further business will be conducted other than adjournment.

4. Closed Executive Session to Discuss Land Acquisition - (Continued)

Miller moved, Caron seconded, to move into Executive Session at 7:45 p.m. Motion carried 4/0.

Miller moved, Caron seconded, to adjourn the Executive Session. Motion carried 4/0.

5. Adjournment

Miller moved, Caron seconded, to adjourn the meeting at 9:00 p.m. Motion carried 4/0.

Respectfully submitted,

Cheri Johnson
City Clerk