

**CITY OF SHOREVIEW  
AGENDA  
REGULAR CITY COUNCIL MEETING  
NOVEMBER 4, 2013  
7:00 P.M.**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**APPROVAL OF AGENDA**

**PROCLAMATIONS AND RECOGNITIONS**

**CITIZENS COMMENTS** - *Individuals may address the City Council about any item not included on the regular agenda. Specific procedures that are used for Citizens Comments are available on notecards located in the rack near the entrance to the Council Chambers. Speakers are requested to come to the podium, state their name and address for the clerk's record, and limit their remarks to three minutes. Generally, the City Council will not take official action on items discussed at this time, but may typically refer the matter to staff for a future report or direct that the matter be scheduled on an upcoming agenda.*

**COUNCIL COMMENTS**

**CONSENT AGENDA** - *These items are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests, in which event the item will be removed from the Consent Agenda and placed elsewhere on the agenda.*

1. October 14, 2013 City Council Workshop Meeting Minutes
2. October 21, 2013 City Council Meeting Minutes
3. Receipt of Committee/Commission Minutes—
  - Planning Commission, September 24, 2013
  - Economic Development Authority, October 14, 2013
  - Human Rights Commission, October 23, 2013
  - Environmental Quality Committee, October 28, 2013
4. Verified Claims
5. Purchases

6. Approval of Application for Exempt Permit—Shoreview Einhausen Sister City Association
7. Award of Health Insurance
8. Approval of Final Payment—2013 Street Light Project, CP 13-05
9. Change Order #4 and Payment #6 (Final)—Floral/Demar/Hanska Reconstruction, CP 12-01
10. Approval of Renewal for City Attorney Services
11. Conditional Use Permit—Thomas and Susan Walgren, 212 Bridge Street
12. Comprehensive Sign Plan Review—Dr. Robert Thatcher/John Traeger, 1050 County Road E

#### **PUBLIC HEARING**

#### **GENERAL BUSINESS**

13. Award Sale of \$2,270,00 General Obligation Bonds, Series 2013C
14. Conditional Use Permit—Matthew and Rachel Karel, 863 Tanglewood Drive

#### **STAFF AND CONSULTANT REPORTS AND RECOMMENDATIONS**

#### **SPECIAL ORDER OF BUSINESS**

#### **ADJOURNMENT**

**CITY OF SHOREVIEW  
MINUTES  
CITY COUNCIL WORKSHOP MEETING  
October 14, 2013**

**CALL TO ORDER**

Mayor Martin called a workshop meeting of the Shoreview City Council to order at 6:00 p.m. on October 14, 2013.

**ROLL CALL**

The following attended the meeting:

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

Staff:	Terry Schwerm	City Manager
	Jeanne Haapala	Finance Director
	Fred Espe	Assistant Finance Director
	Kathleen Castle	City Planner
	Mark Maloney	Public Works Director

BWBR

Architects: Steve Erickson  
Greg Fenton  
Jennifer Stukenberg

**DISCUSSION REGARDING THE COMMUNITY CENTER EXPANSION PROJECT  
WITH BWBR ARCHITECTS**

Representatives from BWBR Architects (BWBR) are in the process of meeting with key recreation staff, the City Council and Park and Recreation Commission to solicit feedback on a future Community Center expansion that is scheduled for 2015. This information will be used to develop concept design plans that incorporate the City's priorities for increased revenue and facility enhancements. BWBR plans to bring a concept plan to the City by December 2013 or January 2014.

Mayor Martin suggested the possibility of meeting with members of the Community Center to find out their wish list.

Councilmember Withhart stated that he would like to hear priorities of members, but that input cannot drive the project.

Councilmember Wickstrom suggested, and it was the consensus of the Council, that meeting with members would be an important step but not until there is a concept plan.

Councilmember Quigley stated that originally the Community Center was part of the Commons Concept Plan. This project should be framed in terms of strengthening the Commons area. The Community Center needs to be profitable. He expressed concern that many services are provided that are not profitable. The Community Center is not like a park. Cash flow must be kept strong.

Councilmember Johnson stated that as the City's demographics shift, it is important to be relevant to all ages.

One of the first goals for the expansion is to increase the revenue stream. While membership is steady, it is not increasing. It is important for the Community Center to stay competitive. Another goal would be to attract more corporate memberships. The areas identified for enhancement and expansion are:

- Fitness Center
- Multi-Purpose Activity Rooms
- Indoor Playground
- Family Locker Rooms
- Renovation of Outdoor Wading Pool Area
- Banquet Room Expansion/Improvements

Councilmember Withhart stated that the pool is not designed for lap swimming and is mostly used by youth for splashing and fun using the various amenities in the pool. He believes an outdoor wading splash area would be more of the same. With an aging community, people need a facility to accommodate water therapy as part of rehab for seniors. Mr. Schwerm responded that the only way lap swimming/water walkers could be offered would be to build another pool.

Mayor Martin stated that there is a real attraction to have an outdoor water play area, and it would bring in revenue. The space is wasted now. While it would only be used in the summer, she noted that money is invested in hockey rinks and an indoor playground. Accounting for seasonal use is part of the analysis. Pre-school is a growing program, and an outdoor water play area would serve a community need and get more people to the Community Center. Seniors use the pool in the morning hours, and she sees the pool as already multi-generational in its use patterns on a regular basis.

Councilmember Johnson stated that revenue drivers need to bring people in to use the Community Center during times that are slow.

Councilmember Quigley suggested a review of *The Wave Café*. Mr. Schwerm stated that when groups come in on weekends, *The Wave Café* does provide the need for a place for snacks. It is used in the mornings by young families using the indoor playground. *The Wave Café* brings in about \$200,000 per year with a profit of about \$75,000. The primary sources of revenue are from the Fitness Center, daily admissions and room rentals. The Fitness Center has brought the biggest growth in family memberships. Recreation programs such as swimming lessons, fitness, and Summer Discovery bring in enough to help pay the administrative costs of running the entire program division.

Councilmember Johnson asked how busy rental space is Monday through Friday from 8:00 a.m. to 5:00 p.m. Mr. Schwerm stated that community meetings use the space Monday through Thursday nights. Revenue groups use the space Friday, Saturday and Sunday. During the day, there are increasing rentals to a variety of corporate groups, although there is room for growth.

Mayor Martin asked if it would be worth increasing rental space to accommodate the number of birthday parties that are turned down on weekends. She would favor improvements to the Shoreview Room as that room is rented every Saturday year round.

Councilmember Withhart suggested a new rental room that would use the same kitchen as the Shoreview Room.

Councilmember Quigley suggested enhancements to the pavilion to make it more attractive for a rental space. Rental needs to include storage space. He asked if it would be profitable to offer a rehab program as part of the Fitness Center. Mr. Erickson stated that the Fitness Center needs more space for more equipment. The current space is tight. However, he is not sure how the two could be blended to provide a physical therapy clinic.

Mr. Schwerm stated that Shoreview's niche with the Fitness Center is providing high quality that is affordable. Typically, one of the biggest complaints about fitness centers is cleanliness. Shoreview, however, is rated very high for cleanliness. The fitness center was designed to be a quality space with openness and a lot of natural light, although there is now a lack of space for stretching and equipment. Another goal of staff is to expand the indoor playground. This would mean replacing the gym activity rooms with added multi-purpose rooms. Expansion of the playground area would create a more open feeling and include seating for parents. Currently, the playground does not include a designated area for toddlers, which has been requested.

Councilmember Withhart stated that if there were additional meeting spaces, numerous activities could be offered to seniors that are not offered now.

BWBR representatives thanked the Council for the discussion. These ideas will be incorporated into the concept plan.

## **DISCUSSION REGARDING RAILROAD QUIET ZONES**

### **Presentation by City Planner Kathleen Castle**

CP Rail was invited to a meeting with five mayors and County Commissioner Huffman this week. The city's congressional delegation was also invited, but those offices are closed. The purpose of the meeting was to discuss designating a segment of the railroad corridor as a Quiet Zone, a process that will take 12 to 24 months. The areas of concern to Shoreview are crossings at Lexington Avenue, Victoria Street, North Owasso Boulevard, and Jerrold Street. The crossings need to be rated and needed improvements identified to designate them as a Quiet Zone. The issue of CP Rail using the Cardigan Junction area as a rail yard and switching station is independent of the quiet zone issue.

Staff has talked to Mr. Dave McKenzie at SEH who has done work to establish rail Quiet Zones in many communities. The Lexington crossing has the required improvements to be designated as a Quiet Zone with additional signage. It would be difficult to establish a Quiet Zone at Victoria because of the configuration of County Road E. Road medians would be required, which are not possible with that intersection. Mr. McKenzie has suggested that crossings be grouped on the same corridor to create a Quiet Zone. Crossings grouped together would score higher to obtain a Quiet Zone than if rated individually. North Owasso Boulevard and Jerrold Street would both need upgrades that would be difficult and cost in the range of \$250,000 each. The State Department of Transportation has a program that could help finance up to 90% of the cost, but it is a competitive process to receive the funding. If funding was obtained, it may be a number of years before it would be available.

A comprehensive study is needed. SEH would do the study at a cost of about \$12,000. The study would look at the qualifications needed for each crossing to be designated a Quiet Zone. The study would be completed within three months.

Public Works Director Maloney stated that in his 20 years with the City there has been no occasion to deal with railroad issues. It would be in the City's best interest to have an inventory of existing infrastructure. The City will need to know how to respond to replacement of the bridge over I-694 and how that fits with corridor improvements. There will be value in having an expert analysis beyond responding to the issue of train noise.

Mayor Martin expressed concern with the proximity of Cardigan Junction to the St. Paul Water Utility and how any accidents with polluted material could impact water and how they would be addressed.

Councilmember Quigley requested that the City Attorney look into the blockage issue. He would support a study. It is worth the investment to have a response for the community.

Councilmember Wickstrom stated that frac sand coming from Wisconsin and going to North Dakota is causing a great increase in train traffic through Minnesota. She, too, would support a study. She believes this is just the tip of the iceberg in terms of the number of trains through the City.

Councilmember Withhart stated that he would support a study, even though it will not impact Cardigan Junction. It is important to find answers about what is required to establish Quiet Zones.

Mayor Martin called a three minute break at 7:55 p.m. and reconvened the meeting at 7:58 p.m.

## **REVIEW OF THE PROPOSED 2014-2019 CAPITAL IMPROVEMENT PROGRAM**

### **Review of Capital Improvement Plan 2014 through 2019**

#### **Street Rehabilitation:**

Projects being done in 2013 include reconstruction of Cottage Place, reconstruction of Red Fox Road, the Owasso Street realignment, County Road D reconstruction and rehabilitation of various street segments.

The Rice Street/I-694 Interchange is a placeholder item, as no state funding has been dedicated at this time. Mayor Martin stated that in meetings she has attended with County officials, funding for this interchange project is a No. 1 priority.

Lexington Avenue is scheduled to be reconstructed from County Road F to Red Fox Road next year in 2014. The City's cost participation is for utilities. Trail replacement costs are not included. The City will be working with Ramsey County and businesses in the area on this project.

Hanson Road is scheduled for a complete reconstruction and upgrades in 2014. This project includes Oakridge and the north half of Nottingham. Assessments will be for installation of curb and gutter, replacement of the water main and storm sewer improvements.

In 2015, complete reconstruction of Johns Road, Turtle Lane (east and west) and Schifsky Road is scheduled. The project includes storm water improvements.

In 2016, Gramsie and Victoria will be resurfaced with full depth reclamation.

Complete street reconstruction is scheduled in the Windward Heights Neighborhood over a period of two years in 2016 and 2017. This includes Dawn Avenue, Rustic Place, Colleen Avenue on the east side of Highway 49, Dennison Avenue, Lilac Lane and Virginia Avenue.

Highway 49/Hodgson Road from Gramsie to Highway 96 was planned by Ramsey County five years ago. The City requested a delay, as the road was in good condition. Widening of the road and adding a trail will impact many neighbors. The project is currently planned for 2017.

Street reconstruction is scheduled for the Bridge, Lion Neighborhood in 2018 with installation of water main and storm water collection system. The streets included are Arner Avenue (Dale to Mackubin), Dale Street (Highway 96 to Arner Avenue), Dale Court North and South, Bridge Street (Hodgson Road to Galtier Street), and Lion Lane (Bridge Street to Galtier Street).

Owasso Boulevard North and Arbogast Street are scheduled for a complete reconstruction in 2019. This will include curb and gutter, replacement of water main, addition of a storm water collection system and sanitary sewer repairs.

Streets on the east side of Lake Wabasso are scheduled to be totally reconstructed in 2019. The streets included are Cottage Place, Janice Street, Wabasso Avenue, Centre Street, Grand Avenue and the alley south of Grand. The streets are substandard. The project will include curb and gutter, water main repair, sanitary sewer repair, installation of a storm sewer system, and installation of street lights.

Councilmember Wickstrom asked if a trail to the lake is included. Mr. Schwerm stated that the project is not planned in detail at this time. A trail can be discussed as we move closer to planning this project. There will be an opportunity for a trail if the neighborhood will cover it.

Sealcoating city streets is done by zone. The entire City is comprised of seven zones of streets. Zones are scheduled as follows:

- 2013 Zone 6 streets
- 2014 Zone 7 streets
- 2015 Zone 1 streets
- 2016 Zone 2 streets
- 2017 Zone 3 streets
- 2018 Zone 4 streets
- 2019 Zone 5 streets.

### **Park Facility Replacements**

McCullough and Shamrock Parks are scheduled for major renovations in 2017 and 2019, respectively. McCullough and Shamrock will get new features and playground equipment replaced. These are the big ticket items in the next five years. Pavement replacement, new parking lots and sealcoating in parks will be coordinated with other renovations scheduled. Each park is scheduled for various replacements and updates over the next five years. In 2014, the new sign design which is being implemented at Bucher Park, will be used for park signs throughout the system.

There is a schedule for sealcoating and color coating tennis and basketball courts. Some communities have dedicated pickleball courts.

The trail rehabilitation schedule includes the boardwalk at County Road I. Councilmember Wickstrom suggested using fake wood, as the wood warps and boards have to be replaced. Mr. Maloney stated that it is actually easier and cheaper to replace the boards.

Sleeping quarters will be added to each of the three fire stations to accommodate a 24-hour duty crew. Fire station additions and renovations are planned over the next four years one station at a time.

The needed roof replacement over the gym at the Community Center will likely be coordinated with the upcoming Community Center expansion planned in 2015. A number of other updates, maintenance items and renovations are planned at the Community Center over the next five

years. One change will be to use carpet tiles for carpet replacement to make it easier to replace carpet in the future.

Mayor Martin asked the rationale for \$2 million estimate for the Community Center. Mr. Schwerm stated that amount is estimated to cover a 4,000-5,000 square foot expansion at \$300 per square foot plus design and architect work and family locker rooms.

### **Public Works**

A major infrastructure item planned over a period of three years from 2014 through 2016 is to build a water treatment plant. There is no mandate as to when the water treatment plant needs to be built. It is an issue of levels of manganese and iron in the water. These levels are not a human health issue, but they are a nuisance. The City has six wells that pump water to the booster station located near the underground reservoir that was built in anticipation of an eventual water treatment system.

Staff anticipates hiring an engineer/architect firm within the next four to six weeks.

### **Surface Water**

With the redevelopment of the multi-unit dwellings east of Shoreview Lake in 2015, the City is planning installation of a storm water treatment structure to eliminate direct discharge into the lake in 2015.

### **Presentation by Finance Director Jeanne Haapala**

MSA fund allocations and projected costs have been identified. Cash flows for the next five years do not work unless the City can advance encumber funds from the State. There will be more discussions on this issue.

**Street Renewal Fund:** The Street Renewal Fund will cover project costs over the next six years with the current planned levies, and the minimum \$2 million fund balance will be maintained.

**Community Investment Fund:** This fund was recently created and the fund balance from the Capital Improvement Fund will be transferred at the end of 2013. It was set up for community wide benefit projects. Projections show that it covers costs for planned park and trail projects.

Mayor Martin reported that the Community Investment Fund has also been identified for energy conservation. Mr. Schwerm stated that there are energy projects that could be funded, such as geothermal heat or a solar roof at the Community Center.

Councilmember Quigley indicated that he is not sure that the Community Investment Fund was set up for such infrastructure.

**Capital Acquisition Fund:** This is the fund used to buy computer equipment. Previously there was no source of funding other than support from other funds. When the Park Improvement Fund was closed, a portion of that balance was put into this fund.

It was the consensus of the Council to change the name of this fund to Technology Fund, or something similar to indicate its use for technology improvements.

**General Fixed Asset Fund:** At this time, fund balances are not too low and will climb next year. Mr. Schwerm stated that a transfer from the Capital Improvement Fund and General Fund surpluses have helped to maintain this fund balance.

### **DISCUSSION REGARDING PROPOSED CLEANUP DAY**

Public Works Director Maloney reported that staff is looking for ways to speed up the lines on Cleanup Day. Only approximately 10% of residents participate in Cleanup Day. Costs for Cleanup Day range from \$50,000 to \$55,000 and brings in \$18,000 to \$20,000 in revenue. The City underwrites a portion of the cost from the recycling budget. More staff are needed on Cleanup Day to inspect what is being brought in to determine costs and then process payments. Inspection and pricing is what is holding up the line, especially for electronics. Best Buy takes all electronics for free. He is proposing that electronics be eliminated on Cleanup Day.

Mr. Schwerm noted an article in the newspaper today stating that the City of Bloomington provides free curbside pickup of everything. This service costs the City \$500,000 a year. This would be too costly to provide. He would support eliminating e-waste for a year and see how it works but not to increase staff on Cleanup Day. Getting rid of general debris costs approximately \$8,000 to \$10,000. A separate mailing will be sent to all residents. Signs and a newsletter article will also be used to inform residents and enforce no electronics on Cleanup Day.

Mayor Martin suggested contacting haulers to offer picking up bulky items at homes at a reduced rate. It was the consensus of the Council to try this new idea for cleanup day.

### **OTHER ISSUES**

Councilmember Withhart reported contact by a resident who lives on Turtle Lake Road near Poplar Lake. The configuration of the road and speed of cars has, on three occasions, almost taken out his garage and has taken out an ash tree. He is requesting that the City post a deflector to protect his property and a post on the nearby trail where teenagers have driven. Staff will look into the situation.

The meeting adjourned at 9:50 p.m.

**CITY OF SHOREVIEW  
MINUTES  
REGULAR CITY COUNCIL MEETING  
October 21, 2013**

**CALL TO ORDER**

Mayor Martin called the regular meeting of the Shoreview City Council to order at 7:00 p.m. on October 21, 2013.

**PLEDGE OF ALLEGIANCE**

The meeting opened with the Pledge of Allegiance.

**ROLL CALL**

The following members were present: Mayor Martin; Councilmembers Johnson, Quigley, and Wickstrom.

Councilmember Withhart was absent.

**APPROVAL OF AGENDA**

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to approve the October 21, 2013 agenda as submitted.

VOTE:                   Ayes - 4                   Nays - 0

**PROCLAMATIONS AND RECOGNITIONS**

Mayor Martin recognized Ramsey County Sheriff Matt Bostrom who attended the meeting to give the Council an update on police activities. The Sheriff's Department provides all detention services in Ramsey County with 350 to 400 in detention on any given day at the County jail. The average stay is five days. Another service provided is court security. Sheriff deputies serve 12,000 to 15,000 orders from the judges of the court. The Ramsey County Sheriff's Department provides police service to seven cities from Arden Hills to Gem Lake. There is a SWAT team task force to support and assist in large scale investigations. Another mandate is to cover 23 recreational lakes plus 92 bodies of water and 18 miles of the Mississippi River with the Lakes and Trails (Water Patrol) Unit. At any time there are some 9000 outstanding warrants. The Department is launching an online warrant service. Many people are not aware they are under a warrant. That information is now public through the Ramsey County website. The Department is also working on a Safe Surrender program when there is a lingering warrant and have a place where people can schedule a court date.

With St. Paul lab and the Bureau of Criminal Apprehension (BCA) crime labs, it was determined that Ramsey County would work closely with the BCA rather than trying to build a new crime lab for Ramsey County. Approximately a dozen deputies have been trained by the BCA to handle a crime scene exactly as the BCA would.

Code Red is a way for the Department to give public notices and communicate with residents. Anyone with a land line is automatically subscribed. Anyone wanting to subscribe can opt in without a land line. Notices are sent out on any public safety issue when the Department is looking for public help or to give notice on an eminent danger. Facebook and Twitter are also used.

The Sheriff's Department has a Prescription Take Back Drug program to collect unused and unwanted prescription drugs to prevent pollution and to prevent these items from being on the street. Prescription medications can be turned in at the Sheriff's station. All old and unused drugs should be turned in. More people are turning to heroin from addiction to pain killers. Heroin is now being found at 90% purity. Contrary to popular thinking, it cannot be used recreationally.

The Ramsey County Sheriff Foundation is sponsoring the annual Halloween Fright Farm at the corner of Frost Ave. and White Bear Avenue. It is open Friday and Saturday nights until Halloween. Donations are used for youth programs in the county. All are welcome.

Patrol cars are being changed to be black and white, the two colors most people recognize as a police car. This will help people to know immediately when a police car is present.

The Department continues to work with Beyond the Yellow Ribbon and help raise money for veterans and their families. Officers attend the monthly burger meal at the White Bear Lake VFW. He expressed his appreciation for all who support this program.

Councilmember Wickstrom stated that she attended a training for the Public Leaders Citizens Academy. It was well worth while and she encouraged public officials and anyone to attend. She noted that the community survey rated the Sheriff's services very high. City Manager Schwerm stated that 98% of residents rated the Sheriff's Department as excellent or good. The biggest safety concerns are traffic speed on residential streets and auto theft.

Sheriff Bostrom appealed to all who experience a theft from their car to contact the Department and report it. The information that can be provided is very useful and helpful to find the thieves. The people breaking into cars often deal in drugs. This is one way to interrupt the drug trade.

Councilmember Johnson commended Sheriff Bostrom and his Department for their professionalism and diligence in keeping the community safe.

Mayor Martin noted that Shoreview has never had its own police department. The city has always contracted with Ramsey County along with seven other cities. It is money well spent, as the City would be unable to provide such an experienced police department with the resources that are available to the City through the Ramsey County Sheriff's Department.

Mayor Martin recognized the Boy Scout troop from St. Odilia School who were present to work on a government badge.

### **CITIZEN COMMENTS**

**Ms. Jackie Diehl**, 4724 Kent Street, stated that she would like to promote November as Pancreatic Cancer Awareness Month. Pancreatic cancer ranks fourth in cause of cancer deaths. It is on the rise and no one knows why this type of cancer is increasing. One of the problems is that there is no pre-screening available. By the time it is detected, it is usually in a late stage. The survivor rate in five years is 6%. Within a year of diagnosis, 73% die. The Pancreatic Action Network is a national non-profit organization that lobbies for dollars for research and promotes and provides information to cancer patients. Research focuses on a screening tool and a cure. This organization has a local, active chapter and can be contacted at [www.pancan.org](http://www.pancan.org). The Recalcitrant Cancer Research Act is legislation that was passed in the last year to provide federal funding for cancers with low survivor rates. An event is being sponsored Sunday, *The Purple Light*, that will take place at 80 different locations throughout the nation. In the Twin Cities it will be in front of the State Capitol on Sunday, October 27, 2013. More information is available on the website.

### **COUNCIL COMMENTS**

#### **Mayor Martin:**

There are vacancies on many City commissions and committees. She encouraged residents who may be interested to submit an application that is available online at the City's website. The deadline is Friday, October 25, 2013.

On Tuesday, October 15th, Mayor Martin attended the grand opening of Trader Joe's. Of the new hires, 80% live in Shoreview. Murals were created on the walls with Shoreview scenes. Trader Joe's will be a great community partner.

#### **Councilmember Quigley:**

The Business Retention and Expansion meeting last week was significant. The Allied Generator Organization has consolidated with its corporate headquarters in Shoreview with the acquisition of Weber Electric. There will likely be an expansion in the future.

#### **Councilmember Johnson:**

Commended the Historical Society for a wonderful event that brought together residents aged 80 and older who shared their stories and long history in the City.

Tuesday, October 22nd is the last Farmers' Market. It will be the Pumpkin Patch Farewell. Free pumpkins are available with cookies and warm cider. All are encouraged to participate.

Wednesday, November 13th, 10:00 to 1:00, the City will host the 9th Annual Life Fair for active aging adults and caretakers. The event is free.

**Councilmember Wickstrom:**

The Monday night Build A Burger Night event for Beyond the Yellow Ribbon will be on Monday, November 11, 2013, Veterans' Day. Free burgers will be given to veterans and their immediate families.

In response to a question raised at the last Council meeting about extra money the school district is receiving from the State. Councilmember Wickstrom emphasized that the amount from the State is not even close to the amount that would be raised through the renewal of the levy. There was also a comment about how much the school district spends on Special Education, residents need to understand that the school is mandated to spend money on Special Education as required by the needs of the students. It is not budgeted but paid according to what is needed by the required plan for each student.

**CONSENT AGENDA**

**MOTION:** by Councilmember Johnson, seconded by Councilmember Wickstrom to adopt the Consent Agenda for October 21, 2013, and all relevant resolutions for item Nos. 1 through 8:

1. October 7, 2013 City Council Meeting Minutes
2. Receipt of Committee/Commission Minutes:
  - Economic Development Commission, August 20, 2013
  - Economic Development Authority, September 9, 2013
  - Human Rights Commission, September 25, 2013
3. Monthly Reports:
  - Administration
  - Community Development
  - Finance
  - Public Works
  - Park and Recreation
4. Verified Claims in the Amount of \$916,317.27
5. Purchases
6. Approval of Application for Exempt Permit - St. Odilia Men's Club
7. Approval of Joint Powers Agreement with Ramsey County - Voting System Acquisition and Operation
8. Developer Escrow Reduction

**VOTE:**                      Ayes - 4                      Nays - 0

Mayor Martin noted that normally the City budgets in the range of \$35,000 for election costs. City Manager Schwerm stated that the voting machines are a capital cost and will range from \$50,000 to \$60,000.

**RESOLUTION IN SUPPORT OF MOUNDS VIEW SCHOOL DISTRICT LEVY REFERENDUM**

Responding to the request made during the presentation from the Mounds View School District Board at the last meeting, it was the consensus of the Council to adopt a resolution of support for the levy renewal to be voted on November 5, 2013.

City Manager Schwerm stated that the Community Survey indicates that approximately 86% of residents believe the school district is a major factor in the quality of life in Shoreview. The Council has historically supported school district levy requests.

Councilmember Quigley added that the quality of the school district also improves property values in the City.

MOTION: by Councilmember Johnson, seconded by Councilmember Wickstrom to adopt Resolution No. 13-92 supporting the renewal of the operating levy for the Mounds View School District that is scheduled on the November 5, 2013 ballot.

ROLL CALL: Ayes: Johnson, Quigley, Wickstrom, Martin  
Nays: None

**CONTRACT WITH HKGI - HIGHWAY CORRIDOR TRANSITION STUDY**

**Presentation by City Planner Kathleen Castle**

The City's Economic Development Authority (EDA) has included in its 2013/2014 Work Plan this year a Highway Corridor Transition Study. The purpose of the study is to develop long-term strategies and actions for residential areas adjacent to highway corridors.

The scope of work to be done includes:

- Assembling background data on land use, economic development and housing market data
- Host a one-half day charrette with key staff and agencies in Ramsey County to explore land use questions
- Presentation to the EDA, City Council and Planning Commission
- Prepare a draft land use plan from the feedback to the presentations
- Develop a Strategic Action Plan to implement strategies, including public investment and tools

The areas to be included are Highway 49/Hodgson Road and Highway 96. Other areas may be added. The cost of the study was bid at \$46,500, which is within budget. It will be funded through TIF District No. 1. Completion is anticipated by May 31, 2014.

The EDA reviewed the proposal at its October meeting and supports the proposal. Staff is recommending a contract with Hoisington Koegler Group, Inc. (HKGI).

**MOTION:** by Councilmember Quigley, seconded by Councilmember Johnson to authorize the City Manager to execute a professional services agreement with Hoisington Koegler Group, Inc. for the Highway Corridor Transition Study.

**ROLL CALL:** Ayes: Quigley, Wickstrom, Johnson, Martin  
Nays: None

**CONTRACT WITH SEH, INC. - RAILROAD OPERATIONS AND QUIET ZONE STUDY**

**Presentation by City Planner Kathleen Castle**

As a result of increased rail operations on rail corridors in the City particularly at the Cardigan junction and at-grade crossings, staff is proposing an execution of a professional services agreement with SEH to conduct a Rail Quiet Zone and Operation Study. There are two major rail corridors in the City. One runs east/west along County Road E with crossings at Lexington Avenue and Victoria Street. The north/south corridor runs east of Snail Lake, Lake Wabasso and Lake Owasso with crossings at Jerrold Street and North Owasso Boulevard. Both lines converge at Cardigan Junction.

Quiet zones, as defined by the Federal Rail Administration, is a specified section of railroad corridor where train crews do not routinely sound the horn at railroad crossings. A quiet zone is typically one-half mile in length. The proposed study is the first step in the process to establish quiet zones. The study will provide the following information:

- Assessment of crossings to determine what improvements are needed to implement quiet zones
- Provide a cost estimate of improvements
- Phasing options

The second part of the study will provide the City with information on railroad operations that includes:

- Current/planned rail operations
- Rail line conditions and improvements
- Rail contents
- Applicable Federal and State regulations

The cost of the study is \$12,000 and is scheduled to be completed within 90 days. Staff is recommending execution of the proposed agreement.

Mayor Martin stated that this study is in response to the complaints and expressions of concern by many residents in the community who are being impacted negatively with the increase in rail traffic, particularly at Cardigan Junction. Cities do not have regulatory authority with railroads, and it was felt this study would provide solid ground for steps to move forward in trying to find some solutions to this problem.

Mayor Martin acknowledged the petition that has been submitted to the City from residents and invited public comment.

**Ms. Marcia Figus**, 3538 Rustic Place and **Ms. Jan Bundy**, 3681 Rustic Place appeared before the Council. **Ms. Figus** stated that Cardigan Junction is a very small area and is now being heavily used 24 hours a day. One night horns were blowing at 11:00 p.m., 1:00 a.m., 2:00 or 3:00 a.m. and 4:00 a.m., when she finally emailed Mayor Martin, Commissioner Huffman and City Manager Schwerm. They learned that it was not only residents in Shoreview being impacted but in Little Canada, Vadnais Heights, Arden Hills and Roseville. Cars are being switched at Cardigan Junction. As many as 137 cars have been counted in one train. When cars are switched, it is constant banging with windows rattling. The undersigned to the petition express their concern about the change and usage of the Cardigan Junction site. It used to be that residents hardly noticed there was a rail line in the neighborhood, but now the noise of horns and switching cars happens on a daily basis.

Areas of concern include pollution with drainage into Grass Lake and Vadnais Lake. Possible spills and leakage. Multiple engines idling for extended periods of time. The smell stings eyes. There are now trains sitting on the I-694 bridge. The cars are labeled flammable. This is a residential area in which the railroad is now using as an industrial site. When the train is 100 cars or more, it is over a mile long. Residents are asking for a safer environment and a safer neighborhood.

Mayor Martin stated that the City is trying to work through the City's federal legislative delegation on this issue since they regulate rail carriers. A meeting has been held between local officials and CP Rail. A letter is being prepared to update residents from that meeting. There is agreement that CP Rail will review their operations at Cardigan Junction.

**Ms. Figus** stated that residents have also contacted legislators and CP Rail. At this time, they have been unsuccessful in scheduling a meeting with CP Rail and residents. It is impacting children who are not getting enough sleep. She stated that there are 139 names on the petition and contact is being made in other cities for the petition to move forward. Petitions that are still circulating will also be submitted.

Mr. Schwerm stated that the City will continue to work with the neighborhood and try to mitigate impacts of the rail operation in this area. The process of establishing a quiet zone may take as long as a year or more. It will not happen at the end of the study. The City is looking at improvements that may be as much as \$250,000 per crossing and obtaining State grant funds to help defray these costs can take time.

Councilmember Wickstrom stated that she would like to know how much noise is coming from each area. The City is looking at improvements to three crossings which could cost upwards of \$750,000. If that kind of money is spent, she would want to be sure it would solve the problem.

**MOTION:** by Councilmember Wickstrom, seconded Councilmember Johnson to authorize the City Manager to execute a professional services agreement with SEH, Inc., for the completion of a Railroad Quiet Zone and Operations Study.

ROLL CALL:           Ayes: Wickstrom, Johnson, Quigley, Martin  
                  Nays: None

**ADJOURNMENT**

MOTION:    by Councilmember Johnson, seconded by Councilmember Wickstrom to adjourn  
                  the meeting at 8:17 p.m.

VOTE:                Ayes - 4                   Nays - 0

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE \_\_\_ DAY OF \_\_\_\_\_ 2013.

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Terry Schwerm  
City Manager

**SHOREVIEW PLANNING COMMISSION  
MEETING MINUTES  
September 24, 2013**

**CALL TO ORDER**

Chair Solomonson called the September 24, 2013 Shoreview Planning Commission meeting to order at 7:00 p.m.

**ROLL CALL**

The following Commissioners were present: Chair Solomonson, Commissioners Proud, Schumer, Thompson and Wenner.

Commissioners Ferrington and McCool were absent.

**APPROVAL OF AGENDA**

MOTION: by Commissioner Wenner, seconded by Commissioner Schumer to approve the September 24, 2013 Planning Commission meeting agenda as submitted.

VOTE:                   Ayes - 5                   Nays - 0

**APPROVAL OF MINUTES**

MOTION: by Commissioner Schumer, seconded by Commissioner Thompson to approve the August 27, 2013 Planning Commission meeting minutes, as submitted.

VOTE:                   Ayes - 4           Nays - 0           Abstain - 1 (Proud)

**REPORT ON CITY COUNCIL ACTIONS:**

**Presentation by City Planner Kathleen Castle**

The City Council did approve the Midland Terrace site and building plan. A condition included in the Development Agreement encourages the developer to apply for a PUD and create a Master Plan for the site at the time another land use application is submitted.

**NEW BUSINESS**

**MINOR SUBDIVISION/VARIANCE**

**FILE NO.:**               **2495-13-22**  
**APPLICANT:**       **LOUISE OSTERGREN/KEVIN & SARA OUSDIGIAN**  
**LOCATION:**           **5107 ALAMEDA STREET**

## **Presentation by City Planner Kathleen Castle**

The applicants propose to subdivide the property into two parcels. The single family home on one parcel would be kept; the second vacant parcel would be developed as single-family residential. Two variances are requested with this application--one to reduce the minimum lot width of both parcels. The second is to reduce the required structure setback from the front property line for the vacant parcel, Parcel B.

Currently, the site is developed with a single-family home and detached garage. The property is surrounded by single-family homes on the north, west and south. To the east is Turtle Lake. The lot width of the two parcels combined is 172 feet. The minimum requirement for lot width in the Shoreland District is 100 feet, hence the request for a variance. Drainage and utility easements would be required along the property lines. City sewer and water is available to both parcels. The lots comply with the minimum lot area and depth required but not width. Tree impacts would be determined with a future building permit application.

The application shows a lot width of 93.49 feet for Parcel A and 78.69 feet for Parcel B. The lot size is 1.5 acres, and staff believes the lot is large enough to support a minor subdivision. Neighboring lots range from 50 feet to 100 feet with an average of 66.3 feet. Both parcels exceed the average and will not alter the character of the neighborhood.

The proposal includes a variance request to reduce the front property line setback from the required 145.79 feet to 120 feet in order to create a building pad that fits the topography. The depth of the building pad when the code standards are applied varies from 45 feet to 90 feet because of an inlet on the adjoining parcel to the south which impacts the ordinary high setback. The houses to the north are aligned with the lake. Houses to the south are on smaller lots and aligned with the street.

Property owners within 350 feet were notified of the application. Responses were received both in support and opposition to the subdivision. Staff finds that the proposed parcels are consistent with the neighborhood development pattern with sufficient area and width. Practical difficulty is present with the lot area, width and neighborhood character. The subdivision supports City policies to provide additional new housing opportunities. Staff is recommending approval of the variance and minor subdivision subject to the conditions listed in the staff report. Staff further recommends that the front lot setback variance for Parcel B be tabled, as it is premature absent a building application.

Commissioner Proud asked if there would be any jeopardy to the neighborhood or City if the Commission takes action on the lot width variance but not the Parcel B front setback variance. Ms. Castle stated she believes there is sufficient space for the development proposed. She noted adjustments that need to be made to an existing porch in order to comply.

**Mr. Kevin Ousdigian**, Applicant, showed a graph of lot widths north and south of the subject property. Eight lots are 60 feet or less in width. The two parcels he proposes would fit better in the neighborhood than the one large lot now there. He thanked staff for all their work. He concurs with the staff findings including tabling the setback variance request for Parcel B. He

does not believe there would be jeopardy in approving what is before the Commission without the setback variance for Parcel B.

Commissioner Schumer noted the letter from the Fire Marshall and asked how the driveways would be handled. **Mr. Ousdigian** responded that the driveway could be shared, but he does not believe it is necessary. He would be open to the Commission's feedback. Parcel A is rather flat, but Parcel B is hilly. He showed a logical placement for the garage with the shared driveway that would reduce impervious surface. The Fire Marshall would approve it as long as the driveway is clearly marked.

Chair Solomonson opened the discussion to public comment.

**Ms. Diane Napier**, 5901 Alameda Street, stated that she lives next door to the proposed Parcel B. She read a letter submitted to the City indicating her opposition to the proposal and requesting her letter be placed in the public record. The letter is here summarized. The lot at 5107 has existed as it is for 60 years. That configuration should be honored. She has lived in Shoreview 57 years. The City should honor preferences of long-standing residents, not the requests of those wanting to come in and upset the neighborhood. The zoning regulations should be adhered to and not broken. Variances are granted for hardship of which there is none on this property. It will change sunlight and shade on her property. The change will adversely impact her property value.

**Mr. Jerry Weiskoff**, 5100 Alameda Street, read a letter he submitted to the City in opposition to the proposal. In summary, Alameda is 20 feet wide with too many cars and delivery trucks. There is no sidewalk but many pedestrians and bikers. This subdivision would add more cars. Turtle Lake is already too populated. The boat launch only accommodates 22 spaces for boat trailers because the County did not want to allow any more boats on the lake. He purchased his property across the street from the subject property having been satisfied through the Building Inspector that 5107 would not be subdivided because it would create two substandard lots. The existing substandard lots were platted many years ago. The subdivision is only to financially benefit the purchaser of the property.

**Ms. Tury Brosi**, 5088 Alameda Street, read a letter summarized as follows: the development of lakeshore property should not create crowded lots that do not meet minimum requirements. The variance for lot width is not negligible. Increased traffic and construction will detract from the now attractive street. She would like to understand the reasoning for consideration of the variances.

Commissioner Proud stated that he believes the two parcels could work, but he is hesitant to approve a variance based on a condition created by the applicant.

Chair Solomonson stated that Parcel B looks to be a difficult lot to build on and asked what a building pad would look like. Ms. Castle referred the Commission to a survey that shows the proposed setbacks. The red lines show the setbacks as required by code, and the resulting building pad which ranges from 45 feet to the south to 90 feet on the north.

MOTION: by Commissioner Schumer, seconded by Commissioner Wenner to approve the minor subdivision application as it has been reviewed in accordance with the standards of the Development Regulations and found to be in compliance with these standards, except for the proposed lot widths. The Commission believes that variance request for lot widths are reasonable, in keeping with the spirit and intent of the Development Code, and that practical difficulty exists due to the existing 173-foot width of the parcel. The motion adopts Resolution 13-85 approving the variance to the lot widths, and recommends approval of the minor subdivision to the City Council.

And to table the variance request for the Parcel B structure setback, and extend review period to 120-days to provide the applicant opportunity to develop a building plan.

The approvals are subject to the following conditions:

### **Minor Subdivision**

1. The minor subdivision shall be in accordance with the plans submitted.
2. For Parcel B, a Public Recreation Use Dedication fee as required by Section 204.020 of the Development Regulations before the City endorses the deed to create Parcel B. The fee will be 4% of the fair market value of the property.
3. Public drainage and utility easements shall be dedicated to the City as required by the Public Works Director, including a conveyance expanding to the existing sanitary easement to fully encompass the City's sewer interest. The applicant shall be responsible for providing legal descriptions for all required easements. Easements shall be conveyed before the City will endorse deeds for recording.
4. The applicants shall enter into a Subdivision Agreement with the City. This agreement shall be executed prior to the City's release of the deeds for recording. A Development Agreement will also be required for the construction of a new home on Parcel B.
5. Municipal water and sanitary sewer service shall be provided to Parcel B. Payment in lieu of assessments for City water availability to the new lot in the amount of \$4,325 for the Water Unit and \$1,209 for the street unit. The cost of connection and SAC fees, together with permit charges, will be due with the building permit.
6. An escrow for the work to connect to the existing city sewer will be required in the amount of \$3,000.
7. Driveways and all other work within the Alameda Street right-of-way are subject to the permitting authority of the City of Shoreview.
8. The existing screened porch shall be modified to meet setback requirements prior to the City endorsing the Deed for Parcel B.
9. The garage shall be removed prior to the City endorsing the Deed for Parcel B or a financial surety submitted to the City to ensure removal.
10. A tree protection plan shall be submitted prior to issuance of a building permit (including the demolition permit). The approved plan shall be implemented prior to the commencement of work on the property and maintained during the period of construction. The protection plan shall include wood chips and protective fencing at the drip line of the retained trees.
11. An erosion control plan shall be submitted with the building permit application for each parcel and implemented during the construction of the new residence.

12. A final site-grading and drainage plan shall be submitted and approved by the City Engineer prior to issuance of a building permit.
13. A Mitigation Affidavit is required for both parcels. For Parcel A, this Affidavit shall be executed prior to the City's release of the deed for recording. For Parcel B, this Affidavit shall be required with the Residential Design Review process.
14. This approval shall expire after one year if the subdivision has not been recorded with Ramsey County.

•  
**Variances**

1. The approval is subject to approval of the Minor Subdivision application by the City Council.
2. This approval will expire after one year if the subdivision has not been recorded with Ramsey County.
3. The approval is subject to a 5-day appeal period.

This approval is based on the following findings:

**Variance**

1. *The property in question cannot be put to a reasonable use under the conditions allowed by the Development Ordinance.* The subdivision is a reasonable use of the property as both of the proposed lots comply with and exceed the minimum standards of the Shoreland District, except for the widths of the parcels. With lot areas over the minimum 15,000 square feet, Parcel A is able to maintain the current single family residence and Parcel B has adequate area for a single family residence.
2. *The hardship is created by circumstances unique to the property and was not created by the landowner.* The unique circumstance is that no subdivision of the large 1.5 acre property is possible unless a variance is approved because of the lot width requirements. Staff believes the proposed subdivision allows the applicant to develop the property with a higher intensity use that recognizes and retains the existing development pattern, relationship to the adjacent properties, and character of the neighborhood.
3. *The variance will not alter the essential character of the neighborhood.* In this neighborhood, other riparian parcels have a similar development pattern, with lot sizes ranging from 50 to 100 feet, with an average of 66.3 feet. The two parcels created by this subdivision will result in lot widths greater than the average for the neighborhood and should not alter the character of the neighborhood.

**Minor Subdivision**

1. The subdivision is consistent with the policies of the Comprehensive Plan and in compliance with the regulations of the Development Code.
2. The proposed lots conform to the adopted City standards for the Shoreland District.

Discussion:

Commissioner Schumer stated that while he would like to honor long-time residents, this lot is bigger than any other in this lake neighborhood. He believes the proposal has done a good job of subdivision and won't hurt the neighborhood. The City also wants to welcome people in.

Chair Solomonson stated that it is difficult with lake lots that were often started with small cabins and become substandard under current regulations. The lots north and south are substandard and the two lots being created are bigger. The building pad for the proposed Parcel B provides a suitable area for a house.

VOTE:                      Ayes - 4                      Nays - 1 (Proud)

**RESIDENTIAL DESIGN REVIEW**

**FILE NO.:**                      **2498-13-25**  
**APPLICANT:**                **SUMMIT DESIGN BUILD, LLC/DAREN AND JESSICA WICKUM**  
**LOCATION:**                    **3200 WEST OWASSO BOULEVARD**

**Presentation by City Planner Kathleen Castle**

This application is a request to expand and remodel the existing home by removing the garage and building a new garage with basement and second story. The basement footprint is larger than the existing garage. The proposal is also to enclose the lower level deck/porch on the lake side of the home. Such enclosure would not change the setback of the home. An existing rain garden on the west side of the home would be replaced. The property is zoned R1 Detached Residential within the Shoreland Overlay District of Lake Owasso. The property is substandard with a width of 75 feet. It is developed with a new single-family home built in 2006 that consists of two stories with walkout lower level and three-car attached garage. In 2006, a mitigation affidavit was required which identified a requirement to reduce impervious surface lot coverage to 22.3%.

The proposal complies with all Development Code requirements. Impervious surface will be less than 22.3%. Pervious material will be used for a portion of the driveway and sidewalks. Storm water drains west to east, and this pattern will not change.

Property owners within 150 feet of the subject property were notified of the proposal. No comments were received. The DNR was also notified, and there were no comments. Staff is recommending approval with the conditions listed in the staff report.

**Mr. Todd Hines**, 3189 West Owasso Boulevard, President of Summit Design Build, LLC, stated that he represents the property applicants and would be happy to answer any questions.

Commissioner Wenner noted the size of the addition as large as a gymnasium and asked what assurance the City has that it will not be used as such or for business use. Ms. Castle responded that the addition can be used for any type of single-family residential use.

MOTION: by Commissioner Proud, seconded by Commissioner Schumer to approve residential design review application submitted by Summit Design Build, LLC Inc. on behalf of Daren and Jessica Wickum 3200 West Owasso Boulevard, to expand the existing home, subject to the following conditions:

1. The project must be completed in accordance with the plans submitted as part of the Residential Design Review application. Any significant changes to these plans, as determined by the City Planner, will require review and approval by the Planning Commission.
2. This approval will expire after one year if a building permit has not been issued and work has not begun on the project.
3. The mitigation affidavit executed on December 6, 2006 shall remain in effect.
4. The erosion control plan that is submitted with the building permit application shall address the erosion control methods, scheduling, staging and removal of stockpiled material associated with the excavation of the basement and other foundation work.
5. The Grading Certificate (as-built survey) required for the project shall confirm that the impervious surface coverage and foundation area were constructed in compliance with this approval.
6. This approval is subject to a 5-day appeal period. Once the appeal period expires, a building permit may be issued for the proposed project. A building permit must be obtained before any construction activity begins.

The approval is based on the following findings:

1. The proposal is consistent with the Land Use Chapter of the Comprehensive Plan and the Development Code.
2. The proposal complies with the adopted standards for construction on a substandard riparian lot.

**VOTE:**                      Ayes - 5                      Nays - 0

**SITE AND BUILDING PLAN REVIEW**

**FILE NO.:                      2497-13-24**  
**APPLICANT:                      KASS WILSON ARCHITECTS/STEVEN SCOTT**  
**MANAGEMEN/LAKESHORE OAKS APARTMENTS LLP**  
**LOCATION:                      505, 525, 555, 585 AND 605 HARRIET AVENUE**

**Presentation by Senior Planner Rob Warwick**

Site improvements and renovations are proposed for Lakeshore Apartments that include:

- Rain gardens and landscaping
- Removal of tennis courts
- Put in fire pit, grille and outdoor seating

- New trash enclosure
- New monument sign
- New sidewalks and patio
- Replace concrete pool deck and pool fencing
- New entrance canopies for each building
- Remodel corridors, security system, laundries and stairs in each building
- New kitchen cabinets, kitchen appliances, bath fixtures and floor coverings in each of the 240 apartments.

The complex consists of five 3-story buildings with 48 apartments in each building and underground parking provided. The buildings were built in 1970/71. There is also a Community building with office and group space.

The proposal is in compliance with standards of the Development Code. The property is zoned R-3, Multi-Dwelling Residential District, where 8 to 20 units per acre is permitted. The complex also complies with the 65% maximum impervious surface with 43.1%; the 30-foot front, side and rear setbacks; and 35 feet in height for the buildings. Drainage is to the street or north to a drainage swale that flows east. Rain gardens will provide bio-filtration. Proposed landscaping includes more than 30 trees and 175 shrubs and several hundred perennials.

Adjacent Planned Land Uses are Light Industrial to the north and Low Density Residential to the west, south and east with High and Medium Density Residential intermixed. The proposal also supports the City's policies on affordable housing and housing reinvestment. Staff does not believe the proposal would have any negative impact to adjacent planned land uses.

The community building is located on the same tax parcel as the building at 525. The addition of 21 feet will extend the building across the south boundary of the tax parcel at 555. Current building code requires the two parcels remain in communion ownership. The community building will have new siding. The entry canopies for each of the five apartment buildings will be updated, and the secondary building entries will have new glass fronts, doors and fabric canopies.

The Fire Marshall requires the fire pit to be in compliance with a diameter of three feet or less, located a minimum of 25-feet from any structure. The magnetic locks used on laundry doors require testing after installation.

Property owners within 350 feet received notice of the proposal. One response was received expressing concern about construction noise and parking. Construction hours are limited by City Code. Construction parking will be limited to on-site parking. The Environmental Quality Committee reviewed the plans and commented on the added shade trees. They encourage reuse of any salvaged materials. They encouraged added windows for daylight in the community building. The EQC was pleased to note that the reduction in impervious surface and proposed rain gardens would qualify the project for consideration for a Green Community Award.

Staff finds the application to be consistent with City Code and the Comprehensive Plan. It is recommended that the application be forwarded to the City Council for approval.

Commissioner Wenner asked if the parcels could be joined into one rather than the stipulation for common ownership. Mr. Warwick responded that the most recent deed is for a single parcel. The five tax parcels are described by metes and bounds, not a plat. The City encourages a future rezoning to a PUD, a modern zoning standard that would allow multiple buildings per parcel.

Commissioner Thompson asked if any consideration was given to keeping at least one tennis court that children use play games on every day. There is no park directly accessible because of the busy street. The large green area and play court would provide more play flexibility for children.

**Mr. Link Wilson**, Kaas Wilson Architects, stated that the property is managed and owned by a sophisticated family. He anticipates that in the next six months there will be a conversion to a PUD. One limitation is to keep the site area for renovation to less than an acre. The tennis courts are not used for tennis but other activities. A bocci court will remain. The club house addition will separate office space from recreational use.

Commissioner Wenner asked for further clarification on drainage of runoff from this property. Mr. Warwick stated that the soil is clay, and the runoff is very slow. The rain gardens will have bio-filtration to clean the water with plants. The drain pipe will discharge water beneath a parking lot to insure the surface stays drained. Aeration can be discussed with the applicant. No problems have been identified with drainage.

Commissioner Proud expressed appreciation to the applicant for continued reinvestment in the community.

**MOTION:** by Commissioner Schumer, seconded by Commissioner Thompson to recommend the City Council approve the Site and Building Plan review application submitted Kaas Wilson Architects for the Lakeshore Oaks Apartment complex at 505, 525, 555, 585 and 605 Harriet Avenue.

This approval is subject to the following:

1. This approval permits the construction of a 933 square foot addition to the community center, new building canopies, grading and stormwater management, and other site improvements shown on the submitted plans. These improvements are being made in conjunction with extensive remodeling of all of the apartment units. Any significant change to the plans will require review and approvals by the City Council.
2. Approval of the final grading, drainage, and erosion control plans by the Public Works Director, prior to the issuance of a building permit for this project.
3. The applicant is required to enter into a Site Development Agreement and Erosion Control Agreement with the City. Said agreements shall be executed prior to the issuance of any permits for this project.
4. Prior to issuance of a building permit, the property owner shall execute an affidavit, in a form approved by the City, requiring that the two tax parcels on which the community

building will be located will remain in common ownership. The executed affidavit shall be submitted to the City along with the County recording fee.

5. The project shall comply with the requirements of the Fire Marshall.
6. The Building Official is authorized to issue a building permit for the project, upon satisfaction of the conditions above.

This approval is based on the following findings of fact:

1. The proposed land use is consistent with the designated Residential (8-20 units per acre) land use of the Comprehensive Plan.
2. The proposed development complies with the standards identified in the City's Development Code.
3. The proposed improvements meet the spirit and intent of the Comprehensive Plan and the Development Code.

**VOTE:**                      Ayes - 5                      Nays - 0

**MISCELLANEOUS**

**City Council Assignments**

Chair Solomonson and Commissioner Wenner will respectively attend the October 7th and October 21st City Council meetings.

**November/December Meeting Date**

The regular November and December Planning Commission meetings will be scheduled for one meeting on December 3, 2013.

**ADJOURNMENT**

**MOTION:**     by Commissioner Schumer, seconded by Commissioner Wenner to adjourn the meeting at 8:32 p.m.

**VOTE:**                      Ayes - 5                      Nays - 0

**ATTEST:**

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Kathleen Nordine  
City Planner



**MOTION:** by Johnson, seconded by Marsh, to approve the financial reports as submitted and payment of the five invoices presented:

- |    |  |            |          |
|----|--|------------|----------|
| 1. | Community Reinvestment Fund<br>(12 Loans/Monthly Service Fee plus 1 New Loan Processed)<br>(Date Paid: 08/22/13) | \$87.00    | Fund 307 |
| 2. | Community Reinvestment Fund<br>(13 Loans/Monthly Service Fee) (Date Paid: 09/20/13)                              | \$78.00    | Fund 307 |
| 3. | Leeann Chin (EDA Dinner)<br>(Date Paid: 09/26/13)  | \$161.82   | Fund 240 |
| 4. | Kristin Barsness (EDA Consulting)<br>(Date Paid: 09/16/13)   | \$1,487.50 | Fund 240 |
| 5. | Allied Waste Service<br>(Dumpster at McGuire Property) (Date Paid: 09/16/13)                                     | \$117.09   | Fund 241 |

**VOTE:** Ayes - 5 Nays - 0

## **GENERAL BUSINESS**

### **HOARDING/GARBAGE HOUSE RESPONSE PLAN**

At its last meeting, the EDA endorsed development of a Hoarding Policy that would implement a process to address this issue within the City. Staff was directed to look into the possibility that such a policy might include temporary housing, if the property is posted uninhabitable, as well as a mental health evaluation.

City Planner Kathleen Castle reported that staff contacted the three hotels in the City to find out if reduced rates would be available for emergency situations that would be for one or two nights. The response was that it would depend on the time of year and day of the week. The hotel is not able to work with the City, if fully booked. The policy question is whether the City or individual would pay for that temporary stay.

Quigley stated that there should be a recommended cap to the expense and staff will have to decide each case.

In regard to the second policy issue regarding mental health evaluations, staff talked to three private practitioners. Rates for this service are from \$30/hour to \$150/hour on a sliding scale would be used. Depending on the diagnosis, insurance may cover the expense. She noted that Ms. Yates would go to the residence to make a connection with the person.

Withhart stated that he would like to see the City pay for at least one visit to make sure the individual made contact with a counselor.

Simonson agreed with setting a cap of expenditure and limited temporary housing for one or two nights to give the person an opportunity to make housing arrangements. He would also support a

mental health evaluation. The individual would be required to sign an agreement with the City that the person is willing to take steps to correct the issue and that there would be no court action.

Johnson expressed concern that there may be legal liability implications if the City were to offer even temporary support with one or two nights in a hotel.

Withhart noted that the City's charge is to maintain health, safety and welfare of residents. If the home is unsafe, then temporary housing is a nice way to help the person get out of that home immediately. He acknowledged that the process could be repeated. The mental health issue is much more complicated. The long-term solution is to deal with the mental health issue. He would like to see the City start that process but questioned whether it is within the scope of the City's authority.

Simonson stated that it is important to have policies and procedures in place so the City can publicly justify the reason to be involved. He would not recommend a cap expenditure of more than \$1,000. He estimated perhaps two instances per year when this policy might be used. One component not mentioned is assistance to clean the home. Ms. Castle noted that Ramsey County uses professional contractors and provides assistance up to \$500 to clean the house.

Marsh suggested that a \$1000 cap would give staff flexibility with the cost of a hotel room, creating a safe zone in the house and an intake session with a professional counselor.

**MOTION:** by Marsh, seconded by Denkinger, to set a cap of \$1,000 for staff to use per hoarding instance to address immediate short-term needs.

**VOTE:**                      Ayes - 5                      Nays - 0

### **Pilot Collaboration with The Hoarding Project**

Ms. Castle stated that the City has been invited by Janet Yeats to participate in a pilot project with The Hoarding Project. Ms. Yeats will seek funding through Healthy Homes Foundation for the project, not the City. The only cost to the City would be staff time. She would be able to help staff learn about how to address these cases.

Johnson asked what the wider community should know about this work. If certain steps taken by the City do not work, what is the risk to the City?

Withhart added to that question asking many times the City would approach someone with a hoarding problem if it is repeated many times.

Denkinger suggested that staff arrange for Janet Yeats to meet with the EDA and discuss these issues. She would like to hear about Ms. Yeats' experiences and her opinion on how she would define success and what happens when assistance does not work. From that discussion, a clear guideline can be developed by the City's for temporary assistance and when it should be cut off. Denkinger cautioned the City's commitment level, as some programs develop a life of their own.

Quigley asked how participation would be defined and whether there would be a required time period.

Withhart stated that the agreement with the City should include inspections. It may be that with one person inspections are needed every six months as long as the person owns the home. With another, it may be every year and eventually inspections would not be required. He believes it is important for the City to take the lead and develop collaboration among agencies so everyone is working together. It is the charge of the City to keep housing safe.

Simonson stated that if the City participates in the pilot study, guidelines and policies can be updated as more information is available.

**MOTION:** by Quigley, seconded by Johnson, for Shoreview to become an active participant in The Hoarding Project-Healthy Homes Pilot Project related to hoarding issues.

**VOTE:** Ayes - 5 Nays - 0

**AUTHORIZE PLANNING SERVICES CONTRACT WITH HKGI FOR HIGHWAY CORRIDOR TRANSITION AREAS STUDY**

The EDA Work Plan identifies completion of a Highway Corridor Transition Study in 2013/2014. City Planner Castle stated that the purpose of this study is to take a closer look at housing along arterial roadways in the City because of the potential impacts on housing with scheduled road improvements. The study would develop a proactive land use plan and strategic plan to address potential changes of land uses in those areas.

HKGi has submitted a response to the City's Request for Qualifications for a study that would be done in three stages. The scope of work would first cover assembling background data and analyzing factors related to land use, economic development, transportation and housing. From that analysis areas would be identified that are more at risk than others along those corridors.

The second stage would involve a workshop for key staff and involved agencies to look at land use alternatives and concepts, which would then be presented to the EDA, City Council and Planning Commission at a joint meeting to solicit feedback.

The third stage would be to develop a strategic action plan to implement strategies. The cost of the study as outlined is estimated at \$46,500. Funding would come from TIF District No. 1. It is hoped this study could be completed by spring of next year. The cost includes the necessary meetings with the EDA, Planning Commission and Economic Development Commission.

Simonson added that the study includes the area along Rice Street/I-694 that was part of the original Rice Street Crossings, but has now been expanded to include the aging commercial center and explore future land uses based on the planned upgrades to the freeway interchange by MnDOT.

Simonson noted that the study is framed as an internal exercise by the City and does not incorporate a public review process within the scope of the study. If there are land use policy recommendations or strategies for adding or revising Policy Development Areas within the Comprehensive Plan, then a more formal public notice and input process would be initiated for each area involved.

Withhart requested that the study include when a house was built, when it became a rental and when it went into foreclosure. He would also like the study to include a sense of timing when redevelopment would or could occur. Nordine said the consultant would include base information provided by the City on current conditions, housing stock ages, and other pertinent data.

Marsh asked if the areas of the City to be studied have been determined. Simonson stated that staff presented targeted areas based on City assessment and prior feedback from the EDA but adjustments can be made as the consultant begins their analysis.

**MOTION:** by Marsh, seconded by Denkinger to authorize execution of a services contract with HKGi (Hoisington Koegler Group, Inc.) to conduct a Highway Corridor Transition Areas Study.

**VOTE:**                      Ayes - 5                      Nays - 0

### **REDEVELOPMENT OF MCGUIRE PROPERTY**

Simonson reported that the City now officially owns the property at 3339 Victoria Street, formerly the McGuire property. Next steps after the seller has removed belongings and vacated the property will focus on the demolition of the structures and getting proposals for redevelopment. The first level of environmental review has been completed. Mr. McGuire has until November 15, 2013 to remove his personal items, pursuant to the terms of the sale. The City is indemnified and held harmless for any injury incurred during the process of removal until he leaves the property. In addition to the purchase price, the City gave him \$5,000 for moving expenses. There is a second level of environmental assessment including core sampling of the structure and interior for asbestos and other potentially hazardous materials that needs to be completed, but the goal is to demolish the structures in December and have the property restored before winter.

Simonson explained the process being recommended for exploring redevelopment of housing for the property. The City received a grant from Ramsey County in the amount of \$139,000 that will offset some City acquisition costs. Rather than a CDBG grant, the grant is being structured as a HOME grant, which has less restrictive requirements for affordability with only one unit needing to be affordable at 80% of the Average Median Income (AMI).

Staff has met with several prospective non-profit developers. Most interested in pursuing development on this property is the Greater Metropolitan Housing Corporation (GMHC). GMHC has provided a financial analysis and concept plan for redevelopment with three houses on the 1.5 acre site. The price range would be around \$250,000. The financial analysis shows a

gap in funding of approximately \$100,000 because of the affordable housing component, which GMHC is seeking assistance from the County or City. Their proposal also suggests the City donate the land for the project. Other cities have recommended GMHC as a good agency to work with and Shoreview has had an excellent relationship with them as well through our contract with the Housing Resource Center for services. Staff is recommending that the EDA endorse GMHC as the preferred developer for this site, which would then enable both parties to move forward with development analysis and concept plans. Simonson said that GMHC would go through a formal application process with their development plans, and would include discussions with the surrounding property owners for their input.

Quigley stated he would endorse the agency that would require the least amount of staff time. He acknowledged how this neighborhood has suffered from this property for many years and deserves a quality development.

Withhart noted that previous discussion had focused on more than three homes for the site. Simonson responded that one option was two 4-6 unit townhome buildings, but that would be very different from the single-family neighborhood that surrounds the site. In discussions with GMHC, it was felt that three homes would be the maximum for this area. The main goal is to clean up the property and turn it into suitable housing. The number of units is not as important as other goals of providing new quality housing that benefits the neighborhood. A neighborhood meeting will be scheduled in the next two months to inform neighborhood residents early in the process about the development being planned.

Withhart agreed it will be easier to sell development of three homes to the neighborhood, but it is important for the project to work economically for the City. Simonson reiterated that part of the GMHC proposal is for the City to donate the property. The City has always known that it would not make money on this property. The \$139,000 grant and TIF District funds help offset City costs. The additional gap needs to be further reviewed as more information comes forward. The City would either have to provide supplemental funds or find additional grants from the County unless those development costs can be reduced.

Marsh stated that he believes there is a developer who can make this a profitable project if the land is donated. He would not support funding the gap of \$100,000. He would endorse GMHC as the preferred developer but with the condition for further conversation so that additional City funding for the funding gap is not included. If this is not possible, he would like to seek another developer.

Simonson stated that staff will meet with GMHC to inform them of the hesitation to provide funding for the fund gap if the property is donated. Ramsey County can also be contacted to find out if more funding would be available. If there is no other non-profit housing developers interested, the City would have the option of seeking a private market rate developer but this means the County grant could not be obtained to offset the purchase.

Denkinger agreed and stated that the anticipated construction costs are very high when the lot price is excluded and the home price is at \$250,000.

Withhart noted that part of the financing is contingent on a shared driveway for three homes. Ms. Castle stated that shared driveways are permitted with a minor subdivision and PUD. If the property is platted, a public street is required. Withhart said the details need to be worked out and communicated to the Planning Commission prior to the public review process.

Quigley suggested GMHC make a presentation first to the EDA that would allow adjustments to be made to the proposed financing. Endorsement would then be GMHC as the preferred developer with a certain concept plan.

**MOTION:** by Quigley, seconded by Marsh, to endorse GMHC as the preferred developer for the City acquired property at 3339 Victoria Street with the provision that the City will have a chance to assist in framing the financing proposal in the neighborhood.

**VOTE:**                      Ayes - 5                      Nays - 0

**UPDATE ON LEGISLATIVE ACTION SEEKING TIF DISTRICT NO. 1 EXTENSION**

Simonson reported that the Mayor and staff has met with the Representatives Isaacson, Yarusso, and Senator Scalze, who are all very supportive of the City’s effort to extend TIF District No. 1 and all agreed support and sponsor a legislative bill on behalf of the City. City staff also met with County Commissioner Huffman, who will provide information to the County Board for a letter or resolutions of support. Staff also recently met with the Superintendent of the School District 621 who understands that providing more quality development and creating new jobs helps the school district. Staff will be attending a school board workshop to review the City’s extension request and seek their support. Further discussion of this matter will be on the next meeting agenda.

Staff is working on an updated Town Center Plan, as part of the TIF extension efforts. Staff has also met with an official from Westinghouse, which could benefit from the extension, to discuss their expansion plans. Because of their internal processes through their corporate hierarchy it may be a year before they receive the go ahead to develop an expansion plan. Discussions continue regarding their interest in acquiring more property, which would likely include the need for City assistance.

**UPDATES AND REPORTS**

**Economic Development Commission**

Simonson gave a brief update on the recent business visits through the BRE program.

**ADJOURNMENT**

**MOTION:** by Quigley, seconded by Johnson, to adjourn the meeting at 5:56 p.m.

**VOTE:**                      Ayes - 5                      Nays - 0

**HUMAN RIGHTS COMMISSION  
MEETING MINUTES  
October 23, 2013**

**CALL TO ORDER**

Commissioner Minton called the meeting to order at 7:00 p.m. with the following members present: Richard Bokovoy, Neha Sethi, Mark Hodkinson and Julie Williams. Commissioners Nancy Hite, Samuel Abdullai, Elaine Carnahan and Cory Springhorn had excused absences.

Also present was Tessia Melvin, Assistant to the City Manager.

**APPROVAL OF MINUTES**

Commissioner Hodkinson moved to accept the September 25, 2013, minutes, seconded by Commissioner Williams.

Vote: 5 AYES            0 NAYS

**COMMUNITY DIALOGUE DISCUSSION**

The Commission continued to discuss hosting a dialogue on bullying. Melvin reported that Commissioner Carnahan has two school board members willing to be on a panel: Greg Madsen and Lisa Sjobeck.

Melvin provided a copy of the Anti-Bullying Bill, which was provided by Commissioner Hodkinson. He suggested that Representative Barb Yarusso be invited to speak as she is a sponsor of the bill. The Commission suggested that Commissioner Hite contact Barb and talk to her about this event. Melvin agreed to discuss with Commissioner Hite.

Melvin reported that she had made some contacts to potential speakers. Most of the speakers were national, but Melvin was looking at availability and cost. Commissioner Williams suggested that the Commission consider talking with police departments. Commissioner Williams provided an example of a former White Bear Lake police officer, who was dedicated to helping youth.

Commissioner Williams also suggested following the current story on cyberbullying, where an attorney is pushing to charge parents in cyberbullying cases.

Commissioner Minton commented on the quality of the anti-bullying bill. He added that on December 14, there will be a vigil for the Connecticut shooting.

Commissioner Sethi talked to some students that are willing to talk about bullying; however, they were middle school kids. Commissioner Hodkinson added that maybe a guidance counselor or staff person that could provide some general stories of bullying and maybe how it has evolved. The Commission agreed that it would be better to have an adult talking about what they witness with kids, and not have kids talk about their experiences.

### **TIMELINE FOR COMMISSION INTERVIEWS**

Melvin reported that the Commission currently has one opening and reminded the Commission that applications for Committee/Commissions are due on Friday, October 25. Melvin reported that once she gets a list of applicants, she will schedule interviews with applicants for the November meeting. The Commission agreed with this timeline.

### **TIMELINE FOR HRC POSTER CONTEST**

Melvin presented the Commission with a timeline for the HRC Poster contest. The following timeline will be used:

- November 4: Melvin will contact teachers about their interest in participating in the HRC Poster Contest
- January 3: Is the deadline for teachers to respond to Melvin
- January 6: Melvin will deliver posters to schools
- January 16: Students deadline to turn in posters
- January 17: Melvin will pickup posters
- January 22: HRC Commission will judge the posters
- January 27-February 7: School presentations
- February 18: Winners will be recognized at the City Council meeting
- February-March: Posters displayed at City Hall/Community Center

### **PRIZES FOR HRC POSTER CONTEST**

Commissioner Williams asked that this item be tabled until more Commissioners are in attendance.

### **OTHER BUSINESS**

Melvin reminded the Commission about the Human Rights Symposium Day. Commissioner Minton stated that he attended in 2012, and thought the event was heavily legal focused.

### **ADJOURN**

There being no further business, Commissioner Williams moved to adjourn the meeting at 8:09 p.m., seconded by Commissioner Hodkinson.

Motion was adopted unanimously.

**Minutes**  
**ENVIRONMENTAL QUALITY COMMITTEE**  
**October 28th, 2013 7:00 PM**

**1. CALL TO ORDER**

The meeting was called to order at approximately 7:10pm.

**2. ROLL CALL**

Members present: Tim Pratt, Mike Prouty, Lisa Shaffer-Schrieber, Susan Rengstorf, Scott Halstead

Members absent: Dan Westerman, Katrina Edenfeld, John Suzukida

Staff present: Jessica Schaum

**3. APPROVAL OF AGENDA**

The agenda was approved with no changes.

**4. APPROVAL OF MEETING MINUTES – September 23rd, 2013**

The September 23<sup>rd</sup> minutes were approved with no changes.

**5. BUSINESS**

**A. Green Community Award application review**

- a. The Committee made several edits to the application for 2014 that Jessica will update. The Committee is interested in reaching more businesses for potential awards and will seek more information about the Shoreview/Arden Hills Business Council or the Business Exchange which is held twice a year. Tim will look into the Council meetings and Jessica will find the details for the City's Business Exchange event and see what sort of tabling or outreach the Committee could offer.

**B. Speaker Series topics for 2014**

- a. Suggestions and progress – We need to firm up speakers and topics, as well as abstracts if we want to publish the ½ page promo about it in the January edition of ShoreViews. Deadline to submit is mid-November, a ½ page of space is being held for us until that time. Speaker dates are the third Wednesday of the month January through April: Jan 15, Feb 19, March 19, April 16.
  - i. Solar success stories – John is in contact with the City of Edina and getting information about their PACE program.
  - ii. Other renewable energy projects or financing tools – What options are out there for residents, cost sharing, nuts and bolts of getting something installed. Tim will check with the Neighborhood Energy Connection for potential speakers.
  - iii. Water 102 – Tony Runkel – Mike will confirm. Topics could cover what residents can do to help groundwater recharge, conservation, and how much water is used in Shoreview.
  - iv. Stormwater ponds/water quality – Jessica will check with the City Engineer or Public Works Director, presentation could cover what the City does “behind the scenes” to manage stormwater, and where it all goes eventually.

### C. Newsletter Topics

- a. Next issue: Delivered mid-November
  - i. Trim Holiday Waste and Cardboard recycling dumpster
- b. Jan/Feb (Delivered 1<sup>st</sup> week of Jan)
  - i. Salt reduction article from Rice Creek Watershed, Recycling holiday lights. Saving a ½ page for our Speaker Series advertisement.
    1. Any additional articles due by Oct 31<sup>st</sup>.
- c. Next edition could include:
  - i. Green Community Awards program announcement
  - ii. Organics drop off at Ramsey County Yard Waste sites
  - iii. Tree sale
  - iv. Landscape revival
  - v. Compost bin/rain barrel sale

### D. Public Works Update

- a. Stormwater Permit re-authorization
  - i. Jessica and other Public Works staff are working on completing the permit re-authorization for our National Pollution Discharge Elimination System (NPDES) Surface Water Pollution Prevention Plan (SWPPP) application which is due in December to the Minnesota Pollution Control Agency for review. Below is a list of the issues the City must comply with in order to receive the extended permit coverage, many of which have new additional requirements:
    - Public Education and Outreach
    - Public Involvement and Participation
    - Illicit Discharge Detection and Elimination
    - Construction Site Stormwater Controls
    - Post-construction Stormwater Management for New Development and Redevelopment
    - Pollution Prevention/Good Housekeeping for Municipal Operations
- b. Cleanup Day
  - i. The City's Fall Cleanup Day event was held October 5th, and it was one of the City's most successful events to date despite the cold weather and rain. 699 vehicles used the service, 526 from Shoreview and 173 from Arden Hills. 10 additional vehicles came through the line to drop off hazardous waste from Ramsey County who were not Shoreview or Arden Hills residents. The specific tonnage reports are not yet available from the hauler, but the donations truck was filled to the brim. It's also worth noting that fall cleanup days are typically less well attended than the spring, but this year was our highest attendance yet.
- c. Regional Indicators Initiative and GreenStep Cities
  - i. Jessica will arrange for someone from the Regional Indicators Initiative to speak with the EQC early next year at a regular meeting. She is also compiling a list of things required to achieve Step 3 in the GreenStep Cities program.

### E. Other

- a. Next regular meeting – November 25
- b. Committee vacancies – The Committee will review applications to fill two vacancies at the November 25<sup>th</sup> meeting. New members would begin their term in January 2014.
- c. Shoreview Volunteer Appreciation Dinner – November 14<sup>th</sup> – Jessica reminded members to sign up for the event.

F. Adjournment

- a. The Committee adjourned at approximately 8:30pm.

## MOTION SHEET

MOVED BY COUNCILMEMBER \_\_\_\_\_

SECONDED BY COUNCILMEMBER \_\_\_\_\_

To approve the following payment of bills as presented by the finance department.

Date	Description	Amount
10/21/13	Accounts payable	\$1,192,745.40
10/24/13	Accounts payable	\$259,854.88
10/28/13	Accounts payable	\$52,640.88
10/31/13	Accounts payable	\$171,224.38
11/04/13	Accounts payable	\$341,959.34
<b>Sub-total Accounts Payable</b>		<b>\$ 2,018,424.88</b>
10/18/13	Payroll 126041 to 126096 964353 to 964530	\$151,966.63
<b>Sub-total Payroll</b>		
<b>TOTAL</b>		<b>\$ 2,170,391.51</b>

ROLL CALL:	AYES	NAYS
Johnson		
Quigley		
Wickstrom		
Withhart		
Martin		

11/04/13

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line	Amount	Invoice Amt
AARP C/O RAY MURRAY	DEFENSIVE DRIVING COURSE 10/10	225	43590	2174		003		\$264.00	\$264.00
ANCHOR PAPER COMPANY	COLORED PAPER	101	40200	2010		001		\$132.05	\$132.05
ARROWWOOD RESORT.COM	GFOA CONFERENCE LODGING: MALONEY/ENGBLOM	101	40500	4500		005		\$346.32	\$346.32
ARROWWOOD RESORT.COM	GFOA CONFERENCE LODGING: HAAPALA	101	40500	4500		005		\$346.29	\$346.29
BUFFALO WILD WINGS	AWARD (SOFTBALL COREC D)	225	43510	2170		001		\$100.00	\$100.00
CENTURY COLLEGE	CLASS BOOKS	101	42050	4500				\$239.55	\$294.20
		101	40500	4500		002		\$54.65	
CENTURY COLLEGE	CLASS BOOK	220	43800	4500				\$24.95	
CENTURY COLLEGE	REFUNDED SHIPPING FEE	101	42050	4500				-\$15.00	-\$15.00
COCA COLA REFRESHMENTS	WAVE CAFE BEVERAGE FOR RESALE	220	43800	2590		001		\$342.48	\$342.48
CODILITY LTD.	CODILITY CODE TESTING SUBSCRIPTION	101	40210	4890		007		\$199.00	\$199.00
COMCAST.COM	MODEM 2 INTERNET CHARGES	230	40900	3190		002		\$130.55	\$130.55
COMCAST.COM	COMPLEX STAFF INTERNET SERVICES	230	40900	3190		002		\$158.85	\$158.85
COORDINATED BUSINESS SYSTEMS	MITA LASER MAINTENANCE	101	40550	3860		004		\$156.00	\$156.00
EPA SALES.COM	FUEL SUPPLIES	701	46500	2180				\$339.89	\$339.89
ERDING, LAURA ANNE	YOUTH SOCCER REF OCT 5 & 12	225	43510	3190		007		\$120.00	
FIBER STORE CO., LIMITED	FIBER CABLE CONNECTORS	101	40550	2010		001		\$93.90	\$93.90
FITNESS FINDERS.NET	SAFETY TRAINING SUPPLIES	101	40210	4890		008		\$19.95	\$19.95
FLEET FARM/GE CAPITAL RETAIL B	UNIFORM: FRANDRUP/KIFFE/EWELL	101	42200	3970		001		\$139.40	\$557.60
		601	45050	3970		001		\$139.40	
		602	45550	3970		001		\$139.40	
		603	45850	3970		001		\$69.70	
		701	46500	3970		001		\$69.70	
FSH COMMUNICATIONS LLC	PAYPHONE TELEPHONE	101	40200	3210		001		\$64.13	
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001		\$15.31	\$15.31
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001		\$15.38	\$15.38
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001		\$15.36	\$15.36
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001		\$16.24	\$16.24
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001		\$16.24	\$16.24
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001		\$15.33	\$15.33
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001		\$15.34	\$15.34
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$23.75	\$23.75
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$19.99	\$19.99
HEGGIE'S PIZZA LLC	WAVE CAFE FOOD FOR RESALE	220	43800	2590		001		\$226.80	\$226.80
IDENTITY STORES, LLC	CHAMPIONSHIP SHIRTS-FALL SOFTBALL AWARD	225	43510	2170		001		\$212.40	\$212.40
JEDDELOH, KATIE	YOUTH SOCCER REF OCT 5 & 12	225	43510	3190		007		\$160.00	\$160.00
JOHNSON, ERIC	YOUTH SOCCER REF OCT 5 & 12	225	43510	3190		007		\$102.00	\$102.00
KREBSBACH, HUNTER	TENNIS SUB (10/12)	225	43510	3190		011		\$60.00	\$60.00
LAKESHORE LEARNING MATERIALS	PRESCHOOL SUPPLIES	225	43555	2170				\$482.32	\$482.32
MINNESOTA GFOA.COM	GFOA TRAINING: PHILIP	101	40500	4500		012		\$50.00	\$50.00
MINNESOTA GFOA.COM	BEGINNING GOVT ACCOUNTING: ROESLER	601	45050	4500		001		\$25.00	\$50.00

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line	Amount	Invoice Amt
		602	45550	4500		001		\$25.00	
MONOPRICE.COM	HDMI SPLITTER (2)	101	40550	2010		001		\$157.57	
NATIONAL STUDENT CLEARING HOUS	DEGREE VERIFICATION	101	40210	4890		006		\$9.95	\$9.95
NEOFUNDS BY NEOPOST	POSTAGE FOR POSTAGE MACHINE	101	40200	3220				\$3,000.00	\$3,000.00
NORTH VALLEY INC	2013 REHAB PROJECT 13-02&03 PYMNT NO.3	575	47000	5900				\$1,129,326.0	\$1,129,326.0
O'BRIEN, SHANNON	YOUTH SOCCER REF OCT 5 & 12	225	43510	3190		007		\$51.00	\$51.00
ORKIN EXTERMINATING CO INC.	PEST CONTROL LARSON HOUSE	101	40800	3190				\$84.40	\$84.40
PANINO'S	EDA MEETING SUPPLIES	240	44400	3190				\$161.41	\$161.41
REDMOND, LAUREN	YOUTH SOCCER REF OCT 5 & 12	225	43510	3190		007		\$100.00	\$100.00
RICOH USA INC.	MAINTENANCE: RICOH COPIERS	101	40200	3850		002		\$2,645.16	\$2,645.16
RICOH USA, INC.	LEASE: CITY HALL COPIERS	101	40200	3930		002		\$2,095.48	\$2,095.48
SUBWAY	STAFF MEETING SUPPLIES	225	43530	2170				\$112.48	\$112.48
TDS METROCOM	TELEPHONE SERVICES	101	40200	3210		003		\$1,180.08	\$1,478.06
		101	43710	3210				\$261.50	
		601	45050	3210				\$36.48	
THE INN ON LAKE SUPERIOR	AWWA LODGING:CURLEY/CHMIELEWSKI/WESOLOWS	101	42050	4500				\$586.96	\$586.96
VIEWSONIC CORPORATION NORTH AM	DIGITAL ROOM DISPLAY	422	40550	5800		010		\$383.95	\$383.95
WATSON COMPANY	WAVE CAFE FOOD FOR RESALE	220	43800	2591		003		\$325.53	
WATSON COMPANY	WAVE CAFE FOOD FOR RESALE	220	43800	2590		001		\$977.00	\$977.00
XCEL ENERGY	STREET LIGHTS: ELECTRIC	604	42600	3610				\$14,885.52	\$14,885.52
XCEL ENERGY	TRAFFIC SIGNAL: ELECTRIC	101	42200	3610				\$42.57	\$42.57
XCEL ENERGY	MAINTENANCE CENTER: ELECTRIC/GAS	701	46500	3610				\$2,269.18	\$2,338.81
		701	46500	2140				\$69.63	
XCEL ENERGY	TRAFFIC SIGNAL SHARED W/NORTH OAKS:ELECT	101	42200	3610				\$46.04	
XCEL ENERGY	SIRENS: ELECTRIC	101	41500	3610				\$65.76	\$65.76
XCEL ENERGY	SURFACE WATER: ELECTRIC/SUCKER LAKE PUMP	603	45900	3610				\$1,105.56	\$1,105.56
XCEL ENERGY	SURFACE WATER: ELECTRIC	603	45900	3610				\$76.29	\$76.29
XCEL ENERGY	STORM SEWER LIFT STATIONS: ELECTRIC	603	45850	4890		003		\$147.49	\$147.49
XCEL ENERGY	SLICE OF SHOREVIEW: ELECTRIC	101	43710	3610				\$11.08	\$11.08
XCEL ENERGY	TRAFFIC SIGNAL SHARED W/ARDEN HILLS:ELEC	101	42200	3610				\$45.80	\$45.80
XCEL ENERGY	COMMUNITY CENTER: ELECTRIC/GAS	220	43800	2140				\$2,677.20	\$26,353.12
		220	43800	3610				\$23,675.92	
XCEL ENERGY	TRAFFIC SIGNALS: ELECTRIC	101	42200	3610				\$612.30	
XCEL ENERGY	STREET LIGHTS: ELECTRIC	604	42600	3610				\$27.88	\$27.88
XCEL ENERGY	STREET LIGHTS: ELECTRIC	604	42600	3610				\$52.04	\$52.04
XCEL ENERGY	WATER TOWERS: ELECTRIC	601	45050	3610				\$68.65	\$68.65

Total of all invoices: \$1,192,745.40  
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## COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line	Amount	Invoice Amt
AGUILAR, ISABEL	FACILITY REFUND	220	22040					\$50.00	\$50.00
ASSURANT ADMINISTRATIVE OFFICE	LONG TERM DISABILITY: NOVEMBER 2013	101	20412					\$2,186.62	\$2,186.62
BRAUN INTERTEC CORPORATION	MATERIAL TESTING OWASSO ST PROJ 09-12	571	47000	5950				\$2,184.00	\$2,184.00
BUCHANAN, ROXANNE	EROSION RED 5174 LEXINGTON RES 13-90	101	22030					\$500.00	\$500.00
C & E HARDWARE	STREET LIGHT SUPPLIES	604	42600	2180				\$28.99	\$28.99
C.S. MCCROSSAN, INC.	PAYMENT 4 RED FOX RD 12-04	572	47000	5900				\$185,118.81	\$185,118.81
CAPRAS UTILITIES INC	UTILITY ESCROW 5345 HODGSON RES 13-90	101	22020					\$1,000.00	\$1,000.00
CARDWELL, DENNIS	FACILITY REFUND	220	22040					\$50.00	\$50.00
FABER ELECTRIC, LLC	PERMIT REFUND 2013-02381	101	32580					\$35.00	\$40.00
		101	20802					\$5.00	
GENESIS EMPLOYEE BENEFITS, INC	FLEX - MED/DEPENDENT CARE 10-25-13	101	20431					\$214.16	
		101	20432					\$257.18	\$471.34
GRAINGER, INC.	INSPECTION SUPPLIES	101	44100	2010				\$281.56	
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001		\$15.38	\$15.38
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001		\$15.38	\$15.38
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001		\$15.33	\$15.33
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001		\$15.33	\$15.33
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001		\$16.22	\$16.22
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001		\$16.22	\$16.22
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$23.75	\$23.75
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$23.75	\$23.75
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001		\$19.99	\$19.99
HAWKINS, INC.	POOL CHEMICALS	220	43800	2160		001		\$671.45	\$671.45
LACEY, JENNIFER OR MARTIN	REFUND CLOSING OVRPYMT-4356 REILAND LANE	601	36190			003		\$190.80	\$190.80
LEVASSEUR, ROBERT	CDL CLASS A RENEWAL REIMBURSEMENT	701	46500	4500		001		\$19.00	\$19.00
MANSAGER, JAMES	STREET ESCROW 5870 ST ALBANS RES 13-90	101	22020					\$2,000.00	\$2,000.00
MATHESON TRI-GAS INC	CO2 FOR WHIRLPOOL	220	43800	2160		002		\$93.88	\$93.88
MATHESON TRI-GAS INC	CO2 FOR WHIRLPOOL	220	43800	2160		002		\$93.88	\$93.88
MELVIN, TESSIA	REIMBURSEMENT/APMP OCTOBER MEETING	101	40200	4500		005		\$15.00	\$15.00
METROPOLITAN COUNCIL ENVIRONME	SAC CHARGES FOR SEPTEMBER 2013	602	20840					\$7,305.00	\$7,231.95
		602	34060					-\$73.05	
MILLS, JOHN	REFUND CLOSING OVRPYMT-795 CO RD F W	601	36190			003		\$107.67	\$107.67
PRAIRIE, JOAN	CHANHASSEN-FIDDLER O	220	22040					\$105.00	\$105.00
PRECISION SIGNS & LABELS, INC	EQC GREEN COMMUNITY AWARD PROGRAM STAKES	101	42050	2010				\$112.50	\$112.50
Q3 CONTRACTING	CONTRACT PMT 2 STREET LIGHT PROJ 13-05	604	42600	5300				\$44,464.75	\$44,464.75
Q3 CONTRACTING	RESTORE CHURCHILL/ROBINHOOD ST LIGHT1305	604	42600	5300				\$723.90	\$723.90
RUDEBUSCH, DEANNA	CHANHASSEN-FIDDLER O	220	22040					\$105.00	\$105.00
SANTANNI, KATHEY	CHANHASSEN-FIDDLER O	220	22040					\$105.00	\$105.00
SAVOIE, REBECCA	CHANHASSEN-FIDDLER O	220	22040					\$105.00	\$105.00
SIEVERT, MAVIS	CHANHASSEN-FIDDLER O	220	22040					\$105.00	\$105.00
SYSCO FOOD SERVICES OF MN, INC	WAVE CAFE FOOD FOR RESALE	220	43800	2590		001		\$369.28	\$511.84
		220	43800	2591		001		\$142.56	
TOENSING, CHRISTINA A.	FACILITY REFUND	220	22040					\$300.00	\$300.00
TWN CITY HANDYMAN	EROSION RED 1663 HILLVIEW RES 13-90	101	22030					\$1,000.00	\$1,000.00
U.S. BANK	TREADMILL LEASE/ONE SOURCE FIT/OCT 2013	220	43800	3960		002		\$1,065.99	\$1,065.99
UPPER CUT TREE SERVICES INC	PUBLIC TREE REMOVAL W013-33	101	43900	3190		002		\$198.63	\$198.63
UPPER CUT TREE SERVICES INC	PUBLIC TREE REMOVAL W013-30	101	43900	3190		002		\$598.50	\$598.50
UPPER CUT TREE SERVICES INC	PRIVATE TREE REMOVAL W013-29	101	43900	3190		003		\$321.38	\$321.38

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
VEST, MARGI	EROSION RED 5385 CARLSON RES 13-90	101	22030				\$500.00	\$500.00
WATSON COMPANY	BREAK ROOM SUPPLIES	101	40800	2180			\$117.84	
WIKSTROM, PAUL	FACILITY REFUND	220	22040				\$56.28	\$56.28
XCEL ENERGY	REM & INSTALL ST LIGHTS OWASSO PROJ12-09	571	47000	5950			\$6,802.00	\$6,802.00
							Total of all invoices:	\$259,854.88

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
UPPER CUT TREE SERVICES INC	PUBLIC TREE REMOVAL W013-33	101	43900	3190		002	-\$198.63	-\$198.63
UPPER CUT TREE SERVICES INC	PUBLIC TREE REMOVAL W013-30	101	43900	3190		002	-\$598.50	-\$598.50
UPPER CUT TREE SERVICES INC	PRIVATE TREE REMOVAL W013-29	101	43900	3190		003	-\$321.38	-\$321.38
AMERICAN WATER WORKS ASSOCIATI	AWWA 2014 DUES	101	42050	4330			\$1,748.00	\$1,748.00
FORM ANALYSIS, LLC	FORMS 2013 W2/1099	101	40500	2010		005	\$644.28	\$644.28
HOFFARD, THERESA	MILEAGE-RAMSEY ELECTIONS	101	40200	4890		001	\$29.38	
LEVI, LESLIE	WEB STORE BETA TESTING	101	40550	3190		002	\$375.00	\$375.00
MENARDS CASHWAY LUMBER **FRIDL	TOOLS	701	46500	2400		003	\$92.42	\$92.42
MINNESOTA METRO NORTH TOURISM	SEPT 2013 HOTEL/MOTEL TAX	101	22079				\$20,818.11	\$19,777.20
		101	38420				-\$1,040.91	
NCPERS MINNESOTA	PERA LIFE INSURANCE: NOV 2013	101	20413				\$240.00	\$240.00
Q3 CONTRACTING	CONTRACT PMT 3 STREET LIGHT PROJ 13-05	604	42600	5300			\$29,274.25	\$29,274.25
SIGNATURE LIGHTING INC	STREET LIGHT REPAIR-1090 CHURCHILL PL	604	42600	3810		003	\$599.57	\$599.57
SIGNATURE LIGHTING INC	STREET LIGHT REPAIR-5759 DONEGAL	604	42600	3810			\$979.29	\$979.29
							Total of all invoices:	\$52,640.88

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
ATHLETIC OUTFITTERS	LETTERING ON JACKETS	601	45050	3970		001	\$31.50	\$63.00
		602	45550	3970		001	\$31.50	
AUDIO VIDEO ELECTRONICS	DOWN PAYMENT FOR BANQUET ROOM SOUND	459	43800	5300			\$26,275.00	\$26,275.00
CLEAR CHANNEL INC	EROSION REDUCT 445 CO RD E RES 13-87	101	22030				\$500.00	\$500.00
COMMISSIONER OF REVENUE- WH TA	WITHHOLDING TAX - PAYDATE 11-01-13	101	21720				\$8,798.96	\$8,798.96
COMMUNITY HEALTH CHARITIES - M	EMPLOYEE CONTRIBUTIONS: 11-01-13	101	20420				\$114.50	\$114.50
CURLEY, DANIEL	REIMBURSEMENT: UNIFORM/EVENT SUPPLIES	101	42200	3970		002	\$19.84	\$67.93
		601	45050	3970		002	\$19.83	
		602	45550	3970		002	\$19.83	
		101	40210	4890		003	\$8.43	
DELTA DENTAL	DENTAL COVERAGE: NOVEMBER 2013	101	20415				\$6,755.25	\$7,065.89
		101	20411				\$310.64	
GENESIS EMPLOYEE BENEFITS, INC	VEBA CONTRIBUTIONS: 11-01-13	101	20418				\$5,730.00	\$5,730.00
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$16.18	\$16.18
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.28	\$15.28
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.29	\$15.29
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.29	\$15.29
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$16.21	\$16.21
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.33	\$15.33
GRANDMA'S BAKERY	CONTINENTAL BREAKFAST FOR RESALE	220	43800	2591		003	\$45.06	\$45.06
GRANDMA'S BAKERY	DOUGHNUTS FOR RESALE	220	43800	2591		003	\$36.87	\$36.87
GRANDMA'S BAKERY	BAKERY FOR RESALE - WAVE CAFE	220	43800	2590		001	\$15.30	\$15.30
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GRANDMA'S BAKERY	BIRTHDAY CAKES FOR RESALE	220	43800	2591		001	\$19.99	\$19.99
GREENHAVEN PRINTING	VOLUNTEER DINNER INVITES	101	40100	4890		001	\$255.43	\$255.43
HAMLIN UNIVERSITY	MELVIN	101	40400	4500			\$25.00	\$25.00
ICMA/VANTAGEPOINT TRANSFER-300	EMPLOYEE CONTRIBUTIONS PAYDATE: 11-01-13	101	21750				\$5,714.34	\$5,714.34
ICMA/VANTAGEPOINT TRANSFER-705	ROTH CONTRIBUTIONS: 11-01-13	101	20430				\$460.00	\$460.00
MINNESOTA CHILD SUPPORT PAYMEN	PAYDATE:11-01-13	101	20435				\$217.50	\$217.50
MINNESOTA ENVIRONMENTAL FUND	MN ENVIRONMENTAL EMPL CONTRIB: 11-01-13	101	20420				\$35.00	\$35.00
NELSON, CHERI	AQUATICS - LEVEL 2.5	220	22040				\$56.00	\$56.00
NORTHSTAR INSPECTION SERVICE I	INSPECTION SERVICES OCT 2013	101	44300	3190			\$942.50	\$942.50
ORKIN EXTERMINATING CO INC.	PEST CONTROL CC	220	43800	3190		004	\$178.36	\$178.36
PACK #408, CUB SCOUT	FACILITY REFUND	220	22040				\$157.50	\$157.50
PLANET UNDERGROUND	LOCATOR SCHOOL/PAULNO	601	45050	4500		003	\$322.50	\$645.00
		602	45550	4500		003	\$322.50	
PUBLIC EMPLOYEES RETIREMENT AS	EMPL/EMPLOYER CONTRIBUTIONS: 11-01-13	101	21740				\$27,613.36	\$27,613.36
Q3 CONTRACTING	ST LIGHT RESTORE BUCHER/EVERGREEN 13-05	604	42600	5300			\$626.00	\$626.00
RAMSEY COUNTY	ROAD STRIPING FOR 2013	101	42200	3190		001	\$17,978.00	\$17,978.00
RAMSEY COUNTY PARKS & REC.	ICE RENTAL FOR SKATING LESSONS	225	43580	3171			\$3,055.79	\$3,055.79
ROEMHILD, CHARLENE	ENRICHING YOUR FAMIL	220	22040				\$30.00	\$30.00
SHORT ELLIOTT HENDRICKSON, INC	2013 MSA TRAFFIC COUNTS	101	42050	3190			\$6,866.93	\$6,866.93
SOYETT, MARYLAND	ENRICHING YOUR FAMIL	220	22040				\$30.00	\$30.00
TREASURY, DEPARTMENT OF	FEDERAL WITHHOLDING TAX: 11-01-13	101	21710				\$21,056.75	\$54,081.95
		101	21730				\$26,640.20	
		101	21735				\$6,385.00	
UNITED WAY - GREATER TWIN CITI	EMPLOYEE CONTRIBUTIONS:11-01-13	101	20420				\$121.00	
UNIVERSITY OF MINNESOTA	APWA FALL CONF-MALONEY-DUNN-CURLEY-TOM W	101	42050	4500			\$1,090.00	\$1,090.00

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
UPPER CUT TREE SERVICES INC	PRIVATE TREE REMOVAL W013-29	101	43900	3190		003	\$321.38	\$321.38
UPPER CUT TREE SERVICES INC	PUBLIC TREE REMOVAL W013-30	101	43900	3190		002	\$598.50	\$598.50
UPPER CUT TREE SERVICES INC	PUBLIC TREE REMOVAL W013-33	101	43900	3190		002	\$1,060.20	\$1,060.20
UPPER CUT TREE SERVICES INC	PUBLIC STUMP REMOVAL W013-32	101	43900	3190		002	\$104.04	\$104.04
VERIZON WIRELESS	PUBLIC WORKS CELL PHONE	601	45050	3190			\$54.56	\$54.56
Total of all invoices:								\$171,224.38

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line	Amount	Invoice Amt
A-1 HYDRAULICS SALES & SERVICE	AIR HOSE SUPPLIES	701	46500	2180		001		\$15.64	\$15.64
AID ELECTRIC CORPORATION	WELL 7 GENERATOR HOOK UP	601	45050	3190		003		\$261.25	\$261.25
ALLEN, DEANNE	MINUTES - 10/14 CC, 10/21 CC	101	40200	3190		001		\$400.00	\$400.00
ALLEN, DEANNE	MINUTES - 10/14 EDA	240	44400	3190				\$200.00	\$200.00
BAC CONSTRUCTION SERVICES LLC	REPLACE MISSING AND DAMAGED SHINGLES	101	43710	3190				\$1,800.00	\$1,800.00
BARSNESS, KIRSTIN	EDA CONSULTING OCTOBER	240	44400	3190				\$1,006.25	\$3,150.00
		307	44100	4890				\$2,143.75	
BATTERIES PLUS - ROSEVILLE 029	BATTERY TENDER FOR TRAILER	701	46500	2220		002		\$56.74	\$56.74
BAUER BUILT TIRE AND BATTERY I	FRONT TIRES FOR VAC-CON	701	46500	2230		001		\$1,335.08	\$1,335.08
BAUER BUILT TIRE AND BATTERY I	TIRES FOR TRAILERS	701	46500	2230		002		\$412.22	\$412.22
BAUER BUILT TIRE AND BATTERY I	4 TIRES FOR UNIT 215 (RECAPS)	701	46500	2230		001		\$825.60	\$825.60
BEISSWENGERS HARDWARE	SHOP SUPPLIES	701	46500	2180		001		\$5.07	\$5.07
BENNETT MATERIAL HANDLING INC	PARTS FOR FORK LIFT	701	46500	2220		002		\$102.40	\$102.40
BIFF'S, INCORPORATED	BUCHER PARK UNITS	101	43710	3950				\$291.57	\$291.57
BIFF'S, INCORPORATED	COMMONS PARK UNITS	101	43710	3950				\$291.57	\$291.57
BIFF'S, INCORPORATED	LAKE JUDY UNIT	101	43710	3950				\$146.29	\$146.29
BIFF'S, INCORPORATED	MCCULLOUGH PARK UNITS	101	43710	3950				\$206.57	\$206.57
BIFF'S, INCORPORATED	RICE CREEK FIELDS UNIT	101	43710	3950				\$48.79	\$48.79
BIFF'S, INCORPORATED	SITZER PARK UNITS	101	43710	3950				\$295.86	\$295.86
BIFF'S, INCORPORATED	SHAMROCK PARK UNITS	101	43710	3950				\$394.86	\$394.86
BIFF'S, INCORPORATED	THEISEN PARK UNIT	101	43710	3950				\$146.29	\$146.29
BIFF'S, INCORPORATED	WILSON PARK UNITS	101	43710	3950				\$291.57	\$291.57
BOYER TRUCK PARTS INC.	PARTS FOR UNIT 203	701	46500	2220		001		\$49.17	\$49.17
C & E HARDWARE	SHOP SUPPLIES	701	46500	2180		001		\$3.97	\$3.97
CBIZ FINANCIAL SOLUTIONS, INC	REBA CONSULTING	101	40210	3190		013		\$78.65	\$78.65
CDW GOVERNMENT, INC	WYSE SOFTWARE MAINTENANCE	101	40550	3860		018		\$354.00	\$354.00
CDW GOVERNMENT, INC	ADOBE ACROBAT PRO 11	101	40550	2180		005		\$172.70	\$172.70
COMMERCIAL ASPHALT CO	ASPHALT	101	42200	2180		002		\$380.78	
CORPORATE CONNECTION	UNIFORM SHIRTS WITH LOGOS	101	42200	3970		002		\$98.00	\$652.52
		101	44300	2010				\$260.50	
		601	45050	3970		002		\$98.00	
		602	45550	3970		002		\$98.00	
		603	45850	3970		002		\$49.01	
		701	46500	3970		002		\$49.01	
CRYTEEL DIST. INC.	PARTS FOR UNIT 208	701	46500	2220		001		\$52.26	\$52.26
DAKOTA SUPPLY GROUP	1 1/2" METERS	601	45050	2510		002		\$1,246.55	\$1,246.55
DIAMOND VOGEL PAINT	TRAFFIC MARKING PAINT	101	42200	2180		004		\$164.96	\$164.96
DIAMOND VOGEL PAINT	STRIPER SPRAY TIP	701	46500	2220		002		\$38.05	\$38.05
DUKE'S ROOT CONTROL, INC.	ROOT KILL ON COTTAGE	570	47000	5900				\$1,966.80	
EMERGENCY AUTOMOTIVE	LED STROBE FOR UNIT 302	701	46500	2220		001		\$391.16	\$391.16
ENVIROTECH SERVICES INC	CALCIUM CHLORIDE 1800 GAL	101	42200	2181		002		\$1,885.28	\$1,885.28
FACTORY MOTOR PARTS COMPANY	WINTER WIPER BLADES	701	46500	2180		001		\$100.70	\$100.70
FED EX OFFICE INC	COPY IRRIGATION MAPS AND LAMINATE	101	43710	2180				\$25.17	\$25.17
FLAIL MASTER	GRINDING WHEEL FOR MOWER BLADES	101	43710	2240				\$112.66	\$112.66
FLEETPRIDE INC	PARTS FOR UNIT 210	701	46500	2220		001		\$52.74	\$52.74
FLEETPRIDE INC	PARTS FOR UNIT S-2	701	46500	2220		002		\$41.68	\$41.68
FLEETPRIDE INC	PARTS FOR UNIT 203	701	46500	2220		001		\$39.83	\$39.83
GRAINGER, INC.	LIGHT BULBS FOR PARK PARKING LOTS	101	43710	2240				\$112.67	\$112.67
GRAINGER, INC.	LIGHT BULBS FOR MCCULLOUGH PARKING LOT	101	43710	2240				\$112.35	\$112.35
GTS EDUCATIONAL EVENTS	MN GOVT IT SYMPOSIUM REGISTRATION	101	40550	4500		001		\$1,440.00	\$1,440.00
H & L MESABI, INC.	PLOW BLADES, BOLTS AND NUTS	701	46500	2180		001		\$1,845.41	\$1,845.41

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line	Amount	Invoice Amt
HEWLETT-PACKARD COMPANY	PC REPLACEMENTS	422	40550	5800		011		\$416.81	\$416.81
HOTSY EQUIPMENT CO	PARTS FOR HOTSY WASHER	701	46500	2220		002		\$85.50	\$85.50
HUGO EQUIPMENT COMPANY	PARTS FOR Z-MOWER	701	46500	2220		002		\$15.27	\$15.27
HUGO EQUIPMENT COMPANY	PARTS FOR PUSH MOWER	701	46500	2220		002		\$5.87	\$5.87
INSTRUMENTAL RESEARCH INC	SAMPLES	573	47000	5950				\$105.00	\$345.00
		601	45050	3190		004		\$240.00	
KONRAD MATERIAL SALES LLC	10 PALLETS OF CRACK SEALANT	101	42200	2180		001		\$14,200.27	\$14,200.27
MENARDS CASHWAY LUMBER **FRIDL	WOOD LATH AND SCREWS	101	43710	2240				\$37.92	\$37.92
MENARDS CASHWAY LUMBER **FRIDL	STAKES FOR MARKING BIKE PATHS-PLOWING	101	43710	2240				\$39.54	
MN DEPARTMENT OF TRANSPORTATIO	MNDOT PLANT INSPECTION	573	47000	5920				\$71.81	\$432.42
		575	47000	5920				\$360.61	
MULTICARE ASSOCIATES TWIN CITI	HAAS/RESPIRATOR	101	40210	3190				\$20.00	\$20.00
NORTH AMERICAN SALT COMPANY	125.18 TONS OF SALT	101	42200	2181		001		\$9,054.65	\$9,054.65
NORTHERN POWER PRODUCTS, INC	PARTS FOR CRACK SEALER	701	46500	2220		002		\$128.56	\$128.56
NORTHWEST LANDSCAPE COMPANY	IRRIGATION REPAIR RED FOX RD CP 12-04	572	47000	5900				\$1,359.70	\$1,359.70
NUSS TRUCK & EQUIPMENT INC	S-2 SWEEPER DIAGNOSE AND REPAIR	701	46500	3190		002		\$455.10	\$507.53
		701	46500	2220		002		\$52.43	
ODESSA II CONSTRUCTION	FINAL PAYEMENT BUCHER PARK PROJECT	459	43710	5300				\$134,687.00	
OFFICE DEPOT	TONER HP38A LESS CREDIT 676119357001	101	40550	2010		002		\$179.53	
		101	40550	2010		002		-\$55.25	\$124.28
OFFICE DEPOT	GENERAL OFFICE SUPPLIES	101	40200	2010		002		\$81.66	
OXYGEN SERVICE COMPANY	WELDING SUPPLIES	701	46500	2180		001		\$84.19	
POWER SYSTEMS	GROUP FITNESS EQUIPMENT	225	43530	2170		001		\$341.47	\$341.47
POWER SYSTEMS	FITNESS EQUIPMENT	225	43530	2170		001		\$429.88	\$626.46
		220	43800	2180		001		\$196.58	
PROCESS MEASUREMENT COMPANY	HOOR METER	602	45550	2282		001		\$271.25	\$271.25
QUALITY CONTROL & INTEGRATION,	RADIO FOR LIFT STATION	602	45550	2282		001		\$1,346.63	\$1,346.63
QUALITY FLOW SYSTEMS INC	HEATERS FOR LIFT STATIONS	602	45550	2282		001		\$1,563.77	\$1,563.77
RAMSEY COUNTY	911 SERVICES - OCTOBER 2013	101	41100	3198				\$8,154.60	\$8,154.60
RAMSEY COUNTY	FLEET SUPPORT FEE OCTOBER	101	41500	3890				\$24.96	\$24.96
RAMSEY COUNTY PROPERTY RECORDS	EMERGENCY COMMUNICATION RADIO USER FEE	701	46500	4330				\$134.16	\$134.16
RICOH USA INC.	TONER FOR C821 PRINTER	101	40550	3860		004		\$215.49	\$215.49
S & S TREE SPECIALISTS, INC	STUMP GRINDING	101	43710	3190				\$764.16	
SCHARBER & SONS	SNOWBLOWER FOR NEW TRACTOR	701	46500	5400				\$10,727.71	\$10,727.71
SCHARBER & SONS	PARTS FOR GATOR 1	701	46500	2220		002		\$70.52	\$70.52
SCHARBER & SONS	PARTS FOR GATOR 1	701	46500	2220		002		\$58.95	\$58.95
SCHARBER & SONS	PARTS FOR GATOR	701	46500	2220		002		\$63.59	\$63.59
SCHREIBER MULLANEY CONSTRCT CO	WATERSLIDE STAIR PROJECT SHARK SHACK	405	43800	5300				\$8,950.00	\$8,950.00
T.A. SCHIFSKY & SONS, INCORPOR	ASPHALT	101	42200	2180		002		\$83.10	\$83.10
TOUSLEY FORD, INC	PARTS FOR UNIT 304	701	46500	2220		001		\$14.63	\$14.63
TRANSPORTATION SUPPLIES INC	SCAN TOOL SOFTWARE UPDATE	701	46500	2400		006		\$545.36	\$545.36
TRI STATE BOBCAT, INC.	PARTS FOR TOOLCAT MOWER	701	46500	2220		002		\$275.05	\$275.05
TRI STATE BOBCAT, INC.	PARTS FOR TOOLCAT	701	46500	2220		002		\$10.13	\$10.13
TRI STATE BOBCAT, INC.	PARTS FOR TOOLCAT MOWER	701	46500	2220		002		\$270.78	\$270.78
TWIN CITY LAWNCARE & LANDSCAPE	LANDSCAPING HWY 96	405	43710	3810				\$35,814.25	\$35,814.25
TWIN SOURCE SUPPLY	GARBAGE BAGS FOR MAINT CENTER	701	46500	2183		002		\$61.81	\$61.81
UNI FIRST CORPORATION	UNIFORM RENTAL	101	42200	3970		001		\$41.82	\$167.33
		601	45050	3970		001		\$41.82	
		602	45550	3970		001		\$41.82	
		603	45850	3970		001		\$20.93	
		701	46500	3970		001		\$20.94	

COUNCIL REPORT

Vendor Name	Description	FF	GG	OO	AA	CC	Line Amount	Invoice Amt
UNIFIRST CORPORATION	UNIFORM RENTAL PARKS	101	43710	3970			\$64.09	\$64.09
UNIFIRST CORPORATION	UNIFORM RENTAL PARKS	101	43710	3970			\$108.60	\$108.60
UNIFIRST CORPORATION	UNIFORM RENTAL CC	220	43800	3970			\$49.23	\$49.23
UNIFIRST CORPORATION	UNIFORM RENTAL CC	220	43800	3970			\$49.23	\$49.23
UNIFIRST CORPORATION	UNIFORM RENTAL PARKS	101	43710	3970			\$64.09	\$64.09
UNIFIRST CORPORATION	UNIFORM RENTAL CC	220	43800	3970			\$49.23	\$49.23
VAN PAPER COMPANY	CRACK SEALING SUPPLIES	101	42200	2180		001	\$134.75	\$134.75
VIKING INDUSTRIAL CENTER	CALIBRATE AIR MONITORS	602	45550	3190		002	\$212.12	\$212.12
WATER CONSERVATION SERVICE, IN	LOCATE WATER MAIN BREAK	601	45050	3190		004	\$266.80	
WAUSAU TILE INC	TABLES AND RECEPTACLES FOR BUCHER PARK	459	43710	5300			\$5,337.34	\$5,337.34
WSB & ASSOCIATES, INC.	BUCHER PARK SERVICES - SEPTEMBER 2013	459	43710	5300			\$225.00	\$225.00
WSB & ASSOCIATES, INC.	ENGINEERING SERVICES RED FOX RD CP 12-04	572	47000	5910			\$360.00	\$360.00
YOCUM OIL COMPANY INC.	UNLEADED GAS FOR MAINT CENTER EQUIP	701	46500	2120		001	\$2,738.20	\$2,738.20
ZIEGLER, INCORPORATED	STAND-BY GENERATOR FOR BACK UP POWER	701	46500	5800			\$78,120.90	\$78,120.90
Total of all invoices:							\$341,959.34	

# Purchase Voucher

City of Shoreview  
 4600 Victoria Street North  
 Shoreview MN 55126

Voucher Number	37,928	Please return check to Glen <input checked="" type="checkbox"/>
Vendor number	02589 1	2013
Vendor name	NORTH VALLEY INC	
Address	20015 IGUANA STREET NW SUITE 100 NOWTHEN, MN 55330	

Date	Comment line on check	Invoice number	Amount
10-18-13	2013 REHAB PROJECT 13-02&03 PYMNT NO.3	1	\$1,129,326.02

THIS IS AN EARLY CHECK, PLACE VOUCHER IN EARLY CHECK FILE

*This Purchase Voucher is more than \$25,000.00; was the state's cooperative venture considered before purchasing through another source?*

Purchase was made through the state's cooperative purchasing venture.

Purchase was made through another source. The state's cooperative purchasing venture was considered.

Cooperative purchasing venture consideration requirement does not apply.

Return to: \_\_\_\_\_

Account Coding	Amount
575 47000 5900	\$1,129,326.0

Is sales tax included on invoice?	Not Taxable
If no, amount subject to sales use tax	\$

Reviewed by: *Glen Hoffard*  
 (signature required) Glen Hoffard

Approved by: *Terry Schwerm*  
 (signature required) Terry Schwerm

Two quotes must be attached to purchase voucher for all purchases between \$10,000 and \$50,000. If no quote is received, explain below:

Quote 1	
Quote 2	
Explanation if no quote received	

# Purchase Voucher

City of Shoreview  
 4600 Victoria Street North  
 Shoreview MN 55126

Vendor number	10206 1
Vendor name	XCEL ENERGY
Address	PO BOX 9477 MINNEAPOLIS MN 55484-9477

THIS IS AN EARLY CHECK, PLACE VOUCHER IN EARLY CHECK FILE

Return to:

Voucher	Date	Comment line on check	Invoice number	Account coding	Amount
37,922	10-11-13	COMMUNITY CENTER: ELECTRIC/GAS	5148429483	220 43800 2140	2,677.20
				220 43800 3610	23,675.92
				VOUCHER TOTAL:	\$26,353.12
Total:					\$26,353.12

*6.8159*

Is sales tax included on invoice?	Not Taxable
If no, amount subject to sales use tax	\$

Reviewed by: *Debbie Engblom*  
 (signature required) Debbie Engblom

Approved by: *Terry Schwerm*  
 (signature required) Terry Schwerm

# Purchase Voucher

City of Shoreview  
 4600 Victoria Street North  
 Shoreview MN 55126

Voucher Number	38,043	return to mike
Vendor number	02581 1	2013
Vendor name	C.S. MCCROSSAN, INC.	
Address	7865 JEFFERSON HIGHWAY BOX 1240 MAPLE GROVE, MN 55311-6240	

Date	Comment line on check	Invoice number	Amount
10-23-13	PAYMENT 4 RED FOX RD 12-04	4	\$185,118.81

THIS IS AN EARLY CHECK, PLACE VOUCHER IN EARLY CHECK FILE

This Purchase Voucher is more than \$25,000.00; was the state's cooperative venture considered before purchasing through another source?

Purchase was made through the state's cooperative purchasing venture.

Purchase was made through another source. The state's cooperative purchasing venture was considered.

Cooperative purchasing venture consideration requirement does not apply.

Return to: Mike S.

Account Coding	Amount
572 47000 5900	\$185,118.81

Is sales tax included on invoice?	Not Taxable
If no, amount subject to sales use tax	\$
Reviewed by: (signature required) Mike Shaughnessy	<u>Mike Shaughnessy</u> (MJS)
Approved by: (signature required) Terry Schwerm	<u>Terry Schwerm</u>

Two quotes must be attached to purchase voucher for all purchases between \$10,000 and \$50,000. If no quote is received, explain below:

Quote 1	
Quote 2	
Explanation if no quote received	Per approved contract

# Purchase Voucher

City of Shoreview  
 4600 Victoria Street North  
 Shoreview MN 55126

Voucher Number	37,973	RETURN CHECK TO TOM H
Vendor number	01376 1	2013
Vendor name	Q3 CONTRACTING	
Address	3066 SPRUCE STREET LITTLE CANADA, MN 55117-1061	

Date	Comment line on check	Invoice number	Amount
10-21-13	CONTRACT PMT 2 STREET LIGHT PROJ 13-05	13-05-2	\$44,464.75

THIS IS AN EARLY CHECK, PLACE VOUCHER IN EARLY CHECK FILE

*This Purchase Voucher is more than \$25,000.00; was the state's cooperative venture considered before purchasing through another source?*

Purchase was made through the state's cooperative purchasing venture.

Purchase was made through another source. The state's cooperative purchasing venture was considered.

Cooperative purchasing venture consideration requirement does not apply.

Return to: \_\_\_\_\_

Account Coding	Amount
604 42600 5300	\$44,464.75

Is sales tax included on invoice?	Not Taxable
If no, amount subject to sales use tax	\$ _____

Reviewed by: *Tom Hammitt* 10/21/13  
 (signature required) Tom Hammitt

Approved by: *Terry Schwerm*  
 (signature required) Terry Schwerm

Two quotes must be attached to purchase voucher for all purchases between \$10,000 and \$50,000. If no quote is received, explain below:

Quote 1	
Quote 2	
Explanation if no quote received	

# Purchase Voucher

City of Shoreview  
 4600 Victoria Street North  
 Shoreview MN 55126

Voucher Number	38,055	RETURN CHECK TO TOM H
Vendor number	01376 1	2013
Vendor name	Q3 CONTRACTING	
Address	3066 SPRUCE STREET LITTLE CANADA, MN 55117-1061	

Date	Comment line on check	Invoice number	Amount
10-21-13	CONTRACT PMT 3 STREET LIGHT PROJ 13-05	13-05-03	\$29,274.25

THIS IS AN EARLY CHECK, PLACE VOUCHER IN EARLY CHECK FILE

This Purchase Voucher is more than \$25,000.00; was the state's cooperative venture considered before purchasing through another source?

Purchase was made through the state's cooperative purchasing venture.

Purchase was made through another source. The state's cooperative purchasing venture was considered.

Cooperative purchasing venture consideration requirement does not apply.

Return to: \_\_\_\_\_

Account Coding	Amount
604 42600 5300	\$29,274.25

Is sales tax included on invoice?	Not Taxable
If no, amount subject to sales use tax	\$

Reviewed by: Tom Hammitt 10/24/13  
 (signature required) Tom Hammitt

Approved by: Termy Schwerm  
 (signature required) Termy Schwerm

Two quotes must be attached to purchase voucher for all purchases between \$10,000 and \$50,000. If no quote is received, explain below:

Quote 1	
Quote 2	
Explanation if no quote received	

# Purchase Voucher

City of Shoreview  
 4600 Victoria Street North  
 Shoreview MN 55126

Voucher Number	38,135	he will pick up check thursday after 1
Vendor number	00815 1	2013
Vendor name	AUDIO VIDEO ELECTRONICS	
Address	10900 73RD AVE N STE 124 MAPLE GROVE MN 55369	

Date	Comment line on check	Invoice number	Amount
10-30-13	DOWN PAYMENT FOR BANQUET ROOM SOUND	3931-1	\$26,275.00

THIS IS AN EARLY CHECK, PLACE VOUCHER IN EARLY CHECK FILE

This Purchase Voucher is more than \$25,000.00; was the state's cooperative venture considered before purchasing through another source?

Purchase was made through the state's cooperative purchasing venture.

Purchase was made through another source. The state's cooperative purchasing venture was considered.

Cooperative purchasing venture consideration requirement does not apply.

Return to: \_\_\_\_\_

Account Coding	Amount
459 43800 5300	\$26,275.00

Is sales tax included on invoice?	MN 6.875%
If no, amount subject to sales use tax	\$

Reviewed by: Tessia Melvin  
 (signature required) Tessia Melvin

Approved by: Terry Schwerm  
 (signature required) Terry Schwerm

Two quotes must be attached to purchase voucher for all purchases between \$10,000 and \$50,000. If no quote is received, explain below:

Quote 1	
Quote 2	
Explanation if no quote received	

# Purchase Voucher

City of Shoreview  
 4600 Victoria Street North  
 Shoreview MN 55126

Voucher Number	37,972	Urban Companies State contract # 63466
Vendor number	01008 1	2013
Vendor name	TWIN CITY LAWCARE & LANDSCAPE INC	
Address	PO BOX 130125 ROSEVILLE MN 55113	

Date	Comment line on check	Invoice number	Amount
10-14-13	LANDSCAPING HWY 96	2573-05	\$35,814.25

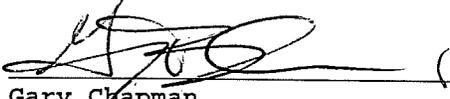
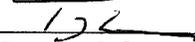
*This Purchase Voucher is more than \$25,000.00; was the state's cooperative venture considered before purchasing through another source?*

Purchase was made through the state's cooperative purchasing venture.

Purchase was made through another source. The state's cooperative purchasing venture was considered.

Cooperative purchasing venture consideration requirement does not apply.

Account Coding	Amount
405 43710 3810	\$35,814.25

Is sales tax included on invoice?	MN 6.875%
If no, amount subject to sales use tax	\$
Reviewed by:	
(signature required) Gary Chapman	
Approved by:	
(signature required) Terry Schwerm	

Two quotes must be attached to purchase voucher for all purchases between \$10,000 and \$50,000. If no quote is received, explain below:

Quote 1	TWIN CITY LAWCARE & LANDSCAPE	# 35,814.25
Quote 2	URBAN COMPANIES	# 45,445.00
Explanation if no quote received		

# Purchase Voucher

City of Shoreview  
 4600 Victoria Street North  
 Shoreview MN 55126

Voucher Number	37,988	Council Approved July 15, 2013
Vendor number	00530 1	2013
Vendor name	ZIEGLER, INCORPORATED	
Address	SDS 12-0436 P.O. BOX 86 MINNEAPOLIS MN 55486-0436	

Date	Comment line on check	Invoice number	Amount
10-11-13	STAND-BY GENERATOR FOR BACK UP POWER	E8770801	\$78,120.90

*This Purchase Voucher is more than \$25,000.00; was the state's cooperative venture considered before purchasing through another source?*

Purchase was made through the state's cooperative purchasing venture.

Purchase was made through another source. The state's cooperative purchasing venture was considered.

Cooperative purchasing venture consideration requirement does not apply.

Account Coding	Amount
701 46500 5800	\$78,120.90

Is sales tax included on invoice?	MN 6.875%
If no, amount subject to sales use tax	\$
Reviewed by: (signature required) <u>Dan Curley</u>	
Approved by: (signature required) <u>Terry Schwerm</u>	

Two quotes must be attached to purchase voucher for all purchases between \$10,000 and \$50,000. If no quote is received, explain below:

Quote 1	
Quote 2	
Explanation if no quote received	

**PROPOSED MOTION**

**MOVED BY COUNCILMEMBER** \_\_\_\_\_

**SECONDED BY COUNCILMEMBER** \_\_\_\_\_

to approve the application from the Shoreview Einhausen Sister City Association to conduct a raffle at the Taste of Shoreview festival on February 20, 2014.

<b>ROLL CALL:</b>	<b>AYES</b>	_____	<b>NAYS</b>	_____
Johnson		_____		_____
Quigley		_____		_____
Wickstrom		_____		_____
Withhart		_____		_____
Martin		_____		_____

**TO: MAYOR AND COUNCILMEMBERS**

**FROM: TERRI HOFFARD  
DEPUTY CLERK**

**DATE: OCTOBER 30, 2013**

**SUBJECT: APPLICATION FOR EXEMPT PERMIT**

Attached is a copy of the application from Shoreview Einhausen Sister City Association to conduct a raffle at the Taste of Shoreview event being held on February 20, 2014. The Taste of Shoreview includes sampling of foods from Shoreview area restaurants, wine tasting, a preview of this year's Slice of Shoreview Days, raffles, a silent auction, and more. Proceeds from the Taste of Shoreview help cover some of the many costs involved in putting the Slice of Shoreview Days together each year.

It is recommended that the City Council approve this request from the Shoreview Einhausen Sister City Association to conduct a raffle at the Taste of Shoreview event on February 20, 2014.

# LG220 Application for Exempt Permit

An exempt permit may be issued to a nonprofit organization that:  
 - conducts lawful gambling on five or fewer days, and  
 - awards less than \$50,000 in prizes during a calendar year.  
 If total prize value for the year will be \$1,500 or less, contact the licensing specialist assigned to your county.

### Application fee (non refundable)

If application is postmarked or received 30 days or more before the event **\$50**; otherwise **\$100**.

## ORGANIZATION INFORMATION

Organization name: Shoreview Einhausen Sister City Association Previous gambling permit number: X-33756-13-002  
 Minnesota tax ID number, if any: \_\_\_\_\_ Federal employee ID number (FEIN), if any: 41-2020313

Type of nonprofit organization. Check one.  
 Fraternal  Religious  Veterans  Other nonprofit organization

Mailing address: 4600 Victoria St N City: Shoreview State: MN Zip code: 55126 County: Ramsey

Name of chief executive officer [CEO]: William Kiehnbaum Daytime phone number: 651-357-4428 E-mail address: bkiehnbaum@gmail.com

## NONPROFIT STATUS

Attach a copy of ONE of the following for proof of nonprofit status.

- Nonprofit Articles of Incorporation OR a current Certificate of Good Standing.**  
 Don't have a copy? This certificate must be obtained each year from:  
 Secretary of State, Business Services Div., 60 Empire Drive, Suite 100, St. Paul, MN 55103  
 Phone: 651-296-2803
- IRS income tax exemption [501(c)] letter in your organization's name.**  
 Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS at 877-829-5500.
- IRS - Affiliate of national, statewide, or international parent nonprofit organization [charter]**  
 If your organization falls under a parent organization, attach copies of **both** of the following:
  - a. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling, and
  - b. the charter or letter from your parent organization recognizing your organization as a subordinate.

## GAMBLING PREMISES INFORMATION

Name of premises where the gambling event will be conducted. For raffles, list the site where the drawing will take place.

Shoreview Community Center  
 Address [do not use PO box]: 4580 Victoria St N City or township: Shoreview Zip code: 55126 County: Ramsey

Date[s] of activity. For raffles, indicate the date of the drawing.  
Feb 20, 2014

Check each type of gambling activity that your organization will conduct.  
 Bingo\*  Raffle  Paddlewheels\*  Pull-tabs\*  Tipboards\*

**\*Gambling equipment** for bingo paper, paddlewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. EXCEPTION: Bingo hard cards and bingo number selection devices may be borrowed from another organization authorized to conduct bingo.

To find a licensed distributor, go to [www.gcb.state.mn.us](http://www.gcb.state.mn.us) and click on **Distributors** under the **WHO'S WHO? LIST OF LICENSEES**, or call 651-639-4000.

**LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT**

**CITY APPROVAL  
for a gambling premises  
located within city limits**

The application is acknowledged with no waiting period.

The application is acknowledged with a 30 day waiting period, and allows the Board to issue a permit after 30 days [60 days for a 1st class city].

The application is denied.

Print city name \_\_\_\_\_

Signature of city personnel \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

**Local unit of government must sign**

**COUNTY APPROVAL  
for a gambling premises  
located in a township**

The application is acknowledged with no waiting period.

The application is acknowledged with a 30 day waiting period, and allows the Board to issue a permit after 30 days.

The application is denied.

Print county name \_\_\_\_\_

Signature of county personnel \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

**TOWNSHIP. If required by the county.**  
On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits.  
[A township has no statutory authority to approve or deny an application, per Minnesota Statutes 349.166.]

Print township name \_\_\_\_\_

Signature of township officer \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

**CHIEF EXECUTIVE OFFICER'S SIGNATURE**

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief executive officer's signature William Kiehnbaum Date 10/24/2013

Print name WILLIAM KIEHNBAUM, PRES. SHERIDAN GOLF & COUNTRY ASSN.

**REQUIREMENTS**

**Complete a separate application for:**

- all gambling conducted on two or more consecutive days, or
- all gambling conducted on one day.

Only one application is required if one or more raffle drawings are conducted on the same day

**Send application with:**

a copy of your proof of nonprofit status, and

application fee (non refundable). Make check payable to "State of Minnesota."

**To:** Gambling Control Board  
1711 West County Road B, Suite 300 South  
Roseville, MN 55113

**Financial report and recordkeeping required**  
A financial report form and instructions will be sent with your permit, or use the online fill-in form available at [www.gcb.state.mn.us](http://www.gcb.state.mn.us).

Within 30 days of the event date, complete and return the financial report form to the Gambling Control Board.

**Questions?**  
Call the Licensing Section of the Gambling Control Board at 651-639-4000.

This form will be made available in alternative format (i.e. large print, Braille) upon request.

**Data privacy notice:** The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the application. Your organization's name and address will be public information when received by the Board.

All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to: Board members, Board staff whose work requires access to the information; Minnesota's Department of Public Safety; Attorney

General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date **MAR 14 2006**

SHOREVIEW EINHAUSEN SISTER CITY  
ASSOCIATION  
C/O SHOREVIEW CITY HALL  
4600 VICTORIA ST  
SHOREVIEW, MN 55126-5817

Employer Identification Number:  
41-2020313  
DIN:  
17053042706096  
Contact Person: SHAREN J LOCKLEAR ID# 31209  
Contact Telephone Number:  
(877) 829-5500  
Public Charity Status:  
170(b) (1) (A) (vi)

Dear Applicant:

Our letter dated MAY 2002, stated you would be exempt from Federal income tax under section 501(c) (3) of the Internal Revenue Code, and you would be treated as a public charity, rather than as a private foundation, during an advance ruling period.

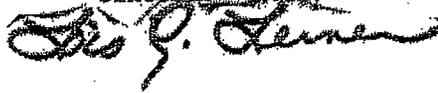
Based on the information you submitted, you are classified as a public charity under the Code section listed in the heading of this letter. Since your exempt status was not under consideration, you continue to be classified as an organization exempt from Federal income tax under section 501(c) (3) of the Code.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at [www.irs.gov](http://www.irs.gov).

If you have general questions about exempt organizations, please call our toll-free number shown in the heading.

Please keep this letter in your permanent records.

Sincerely yours,



Lois G. Lerner  
Director, Exempt Organizations  
Rulings and Agreements

Letter 1050 (DO/CG)

## Proposed Motion

MOVED BY COUNCILMEMBER \_\_\_\_\_

SECONDED BY COUNCILMEMBER \_\_\_\_\_

To award the group health insurance policy to HealthPartners represented by CBIZ effective January 1, 2014 as recommended in the attached staff report.

ROLL CALL: AYES \_\_\_\_\_ NAYS \_\_\_\_\_

JOHNSON	_____	_____
QUIGLEY	_____	_____
WICKSTROM	_____	_____
WITHHART	_____	_____
MARTIN	_____	_____

Regular Council Meeting  
November 4, 2013

## Memorandum

Date: November 1, 2013  
To: MAYOR AND CITY COUNCIL  
From: Laurie D. Elliott, Human Resources Director  
Re: Award of 2014 Health Insurance

### **Background**

The City currently has group health coverage for our regular employees through HealthPartners. This is a high-deductible plan with an HRA (VEBA) account. The plan basics include a \$1000 deductible, 80/20 co-pay, and an out-of-pocket annual maximum of \$3000 for singles and \$6000 for families. Employees pay more if they use out-of-network services. Our 2013 premiums are \$449.75 for singles and \$1070.40 for family coverage. The City solicited proposals from health insurance providers.

At the time of the proposals, our current year-to-date loss ratio was 172.67%; with a rolling 12 month loss ratio of 150.14%. This means that for every \$1 collected in premiums, HealthPartners was paying \$1.73 - \$1.50 in claims. By requesting proposals for next year, we could assure the best competitive rates possible considering our claims. Staff worked with Paul Schrupp at CBIZ, our health insurance agent, to solicit proposals along with our renewal quote.

### **Discussion**

Three vendors chose to provide a quote and a fourth vendor declined. Proposals were reviewed based on their rates, multiple year rate guarantees, basis of renewal ratings, stability of premiums, plan designs, wellness credits and other factors. Once the proposals were reviewed, the amount of the rate increase became the most significant factor in our review.

- Blue Cross Blue Shield proposed a 34.38% increase over our current rates with no rate guarantees provided.
- Medica offered a 33.14% increase with no rate guarantees provided.
- HealthPartners offered a 19% increase with a second year rate cap of 15%.

In addition, HealthPartners offered some plan alternatives to reduce the premium increase.

- *Alternate Plan #1:*  
Increase prescription copays from \$12/35/50 to \$15/40/60 for an 18.33% increase
- *Alternate Plan #2:*  
Increase the deductible to \$1250/person and \$3750/family for a 16.5% increase
- *Alternate Plan #3:*  
Increase the deductible to \$1500/person and \$4500/family for a 14.06% increase

- *Alternate Plan #4:*  
Same as Alternate Plan #3 plus increase the out-of pocket maximums from \$3000/person, \$6000/family to \$3500 and \$7000 respectively for an 11.24% increase.

In reviewing the premiums, overall cost, and affect on employees with family coverage, staff is recommending accepting both Alternate #1 and Alternate #3, which results in an increase of 13.37%. The 2014 premiums would be as follows:

	<u>2013</u>	<u>2014</u>
Single	\$449.75	\$509.88
Family	\$1,070.40	\$1,213.50

Even though this is a significant increase from the 2013 rates, staff believes it is reasonable based on our current loss ratios and the bids from other health providers. It also allows the City to maintain the basic elements of our health insurance plan with HealthPartners.

### **Recommendation**

Staff recommends approval of the HealthPartners plan with Alternates #1 and #3. The plan would go into effect January 1, 2014.



TO: MAYOR, CITY COUNCIL, CITY MANAGER

FROM: THOMAS L HAMMITT  
SENIOR ENGINEERING TECHNICIAN

DATE: OCTOBER 30, 2013

SUBJ: APPROVE PAYMENT NO. 4, FINAL  
2013 STREET LIGHT REPLACEMENTS, PROJECT NO. 13-05

### INTRODUCTION

Contractor Payment No 4, Final, has been prepared by staff and is presented to Council for approval.

### BACKGROUND

On June 17, 2013, the City of Shoreview authorized a contract with Q3 Contracting for the replacement of street lights in three areas in the City. The three areas were Glen Paul Court, Churchill/Robinhood/Mercury and Evergreen/Bucher/Lametti/David Areas. The approved contract amount was \$90,070.00.

### DISCUSSION

The contractor has completed all portions of the project. XCEL has energized the systems and all lights are working. The project came in on budget and all testing and inspections have been completed and have shown the work to be acceptable.

### RECOMMENDATION

It is recommended that Council adopt Resolution No. 13-94, approving Contractor Payment No. 4 (Final) in the amount of \$4,703.50 for the project.

tlh

#13-05

t:/projects/2013/13-05streetlightreplacements/council/final payment2013

**APPLICATION FOR PAYMENT**

NO. 4- FINAL

PROJECT: 2013 STREET LIGHT REPLACEMENTS  
OWNER: CITY OF SHOREVIEW  
PROJECT NO: STREET LIGHT PROJECT 13-05  
CONTRACTOR: Q3 CONTRACTING  
APPLICATION DATE: 10/22/2013 FOR PERIOD ENDING: 10/28/2013

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**STATEMENT OF WORK**

ORIGINAL CONTRACT AMOUNT	\$ <u>94,070.00</u>
NET CHANGE BY CHANGE ORDER	\$ _____
CONTRACT AMOUNT TO DATE	\$ <u>94,070.00</u>
TOTAL AMOUNT OF WORK COMPLETED	\$ <u>94,070.00</u>
LESS 0 % RETAINAGE	\$ <u>-</u>
AMOUNT DUE TO DATE	\$ <u>94,070.00</u>
LESS PREVIOUS PAYMENTS	\$ <u>89,366.50</u>
PAYMENT DUE THIS APPLICATION	\$ <u>4,703.50</u>

APPLICATION FOR PAYMENT  
Page Two

I certify that all items and amonunts shown are correct for the work completed to date.

CONTRACTOR: \_\_\_\_\_ Q3 CONTRACTING \_\_\_\_\_

BY: \_\_\_\_\_  
(Name and Title)

DATE: \_\_\_\_\_

APPROVED FOR PAYMENT

OWNER: \_\_\_\_\_ CITY OF SHOREVIEW \_\_\_\_\_

BY: \_\_\_\_\_  
  
Tom Wesolowski - City Engineer

DATE: \_\_\_\_\_  
10/24/13

2013 STREET LIGHT REPLACEMENTS  
PROJECT 13-05

Application of Payment No. 4

Area No. 1 - Glen Paul Ct	\$	16,450.00
Area No. 2 - Churchill/Robinhood/Oxford	\$	46,805.00
Area No. 3 - Evergreen/Lametti/David/Stephen	\$	<u>30,815.00</u>
Total Project	\$	94,070.00

(PROPOSED)

EXTRACT OF MINUTES OF MEETING OF THE  
CITY COUNCIL OF SHOREVIEW, MINNESOTA

HELD NOVEMBER 4, 2013

\* \* \* \* \*

Pursuant to due call and notice thereof, a meeting of the City Council of the City of Shoreview, Minnesota was duly called and held at the Shoreview City Hall in said City on November 4, 2013, at 7:00 p.m. The following members were present:

and the following members were absent:

Member introduced the following resolution and moved its adoption.

RESOLUTION NO. 13-94

2013 STREET LIGHT REPLACEMENT PROJECT NO. 13-05  
CONTRACTOR PAYMENT NO. 4 (FINAL)

WHEREAS, on June 17, 2013, a contract was awarded to Q3 Contracting, in the amount of \$94,070.00, for Glen Paul Court, Churchill/Robinhood/Mercury and Evergreen/Bucher/Lametti/David Areas, City Project No. 13-05, and

WHEREAS, the contractor, Q3 Contracting, has completed all work on the project and is now requesting final payment, in the amount of \$4,703.50, and

WHEREAS, all testing and inspections have been completed and have shown the work to be acceptable, and

WHEREAS, the City Engineer has recommended approval of the Contractor Payment.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Shoreview, Minnesota, as follows:

That Contractor Payment No. 4 (Final), in the amount of \$4,703.50, is hereby approved for a total project contract amount of \$94,070.00.

The motion for the adoption of the foregoing resolution was duly seconded by Member and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

WHEREUPON, said resolution was declared duly passed and adopted this 4<sup>th</sup> day of November, 2013.

STATE OF MINNESOTA)

COUNTY OF RAMSEY)

CITY OF SHOREVIEW)

I, the undersigned, being the duly qualified and acting Manager of the City of Shoreview of Ramsey County, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a meeting of said City Council held on the 4<sup>th</sup> day of November 2013, with the original thereof on file in my office and the same is a full, true and complete transcript therefrom insofar as the same relates to the Contractor Payment for the 2013 Street Light Replacement Project No.13-05.

WITNESS MY HAND officially as such Manager and the corporate seal of the City of Shoreview, Minnesota, this 5<sup>th</sup> day of November, 2013.

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Terry C. Schwerm  
City Manager

SEAL

PROPOSED RESOLUTION

MOVED BY COUNCILMEMBER \_\_\_\_\_

SECONDED BY COUNCILMEMBER \_\_\_\_\_

to adopt Resolution No.13-93 approving Change Order No. 4, in the amount of \$32,863.91 and Payment No.6 (Final), in the amount of \$69,572.89 for the Floral Drive, Hanska Ct. and Demar Ave. Reconstruction, City Project No.12-01.

<b>ROLL CALL:</b>	<b>AYES</b>	<b>NAYS</b>
JOHNSON	_____	_____
QUIGLEY	_____	_____
WICKSTROM	_____	_____
WITHHART	_____	_____
MARTIN	_____	_____

REGULAR COUNCIL MEETING  
NOVEMBER 4, 2013

TO: MAYOR, CITY COUNCIL, CITY MANAGER  
FROM: GLEN M. HOFFARD  
SENIOR ENGINEERING TECHNICIAN  
DATE: NOVEMBER 4, 2013  
SUBJECT: FLORAL DR., HANSKA CT. AND DEMAR AVE. RECONSTRUCTION  
CP # 12-01, CHANGE ORDER NO. 4 & PAYMENT NO. 6 (FINAL)

INTRODUCTION

The attached Change Order No.4 and Payment No.6 (Final) have been prepared by staff and must be approved by Council.

BACKGROUND

On May 21, 2012, the City Council awarded a contract to C. W. Houle, Inc. in the amount of \$1,215,939.60 for the Floral Drive, Hanska Ct. and Demar Ave. Reconstruction, City Project No.12-01, and authorized the Mayor and City Manager to sign said contract. On July 16, 2012, Change Order No.1 was approved by the City Council in the amount of (\$18,150.00) which reduced the contract amount to \$1,197,789.60. On November 19, 2012, Change Order No.2 was approved by the City Council in the amount of \$54,989.90 which increased the contract amount to \$1,252,779.50. On December 17, 2012, Change Order No.3 was approved by the City Council in the amount of \$43,245.00 which increased the contract amount to \$1,296,024.50.

DISCUSSION

The contractor has performed additional work beyond the scope of the original contract as follows:

The contractor has installed additional sod beyond the original contract quantity. A new pay item has been added to the contract as follows:

Additional Sod	
7,646 SY @ \$2.90/SY =	\$ 22,173.40

The contractor has installed additional Class 7 beyond the original contract quantity. A new pay item has been added to the contract as follows:

Additional Class 7	
899.88 Tons @ \$10.30/Ton =	\$ 9,268.76

Modifications were made to the driveway at 312 Floral Dr. that improved the transition from the new curb to the existing driveway. A new pay item has been added to the contract as follows:

Driveway Modifications	
1 Ea @ \$1,421.75 =	\$ 1,421.75
<b>Total Change Order No.4</b>	<b>\$ 32,863.91</b>

Change Order No.4 will increase the contract amount to \$1,328,888.41. The additional cost will be funded from the Street Renewal Fund.

Payment No.6 (Final) in the amount of \$69,572.89 will result in a total amount of work completed of \$1,323,962.26.

RECOMMENDATION

It is recommended that Council adopt the attached proposed resolution approving Change Order No.4 and Payment No.6 (Final) for the Floral Dr, Hanska Ct. and Demar Ave. Reconstruction, City Project No.12-01.

**EXTRACT OF MINUTES OF MEETING OF THE  
CITY COUNCIL OF SHOREVIEW, MINNESOTA**

**HELD NOVEMBER 4, 2013**

\* \* \* \* \*

Pursuant to due call and notice thereof, a meeting of the City Council of the City of Shoreview, Minnesota was duly called and held at the Shoreview City Hall in said City on November 4, 2013 at 7:00 pm. The following members were present:

and the following members were absent:

Member                   introduced the following resolution and moved its adoption.

RESOLUTION NO. 13-93  
APPROVING CHANGE ORDER NO.4 AND PAYMENT NO.6 (FINAL)  
FOR THE FLORAL DRIVE, HANSKA CT.  
AND DEMAR AVE. RECONSTRUCTION  
CITY PROJECT NO. 12-01

WHEREAS, On May 21, 2012 the City Council awarded a contract, in the amount of \$1,215,939.60, to C. W. Houle, Inc. for the Floral Drive, Hanska Ct. and Demar Ave. Reconstruction, C.P. 12-01, and authorized the Mayor and City Manager to sign said contract, and

WHEREAS, On July 16, 2012, Change Order No.1, in the amount of (\$18,150.00) was approved by the City Council and revised the contract amount to \$1,197,789.60, and

WHEREAS, On November 19, 2012, Change Order No.2, in the amount of \$54,989.90 was approved by the City Council and revised the contract amount to \$1,252,779.50, and

WHEREAS, On December 17, 2012, Change Order No.3, in the amount of \$43,245.00 was approved by the City Council and revised the contract amount to \$1,296,024.50, and

WHEREAS, Change Order No. 4, in the amount of \$32,863.91, has been prepared in order to address certain changes or modifications to the original contract, and

WHEREAS, said changes and modifications to the project will increase the contract amount to \$1,328,888.41, and

WHEREAS, Payment No.6 (Final) in the amount of \$69,572.89 for a total amount of work completed of \$1,323,962.26 has been prepared by staff, and

WHEREAS, the Director of Public Works has recommended approval of proposed Change Order No. 4 and Payment No.6 (Final).

NOW, THEREFORE, BE IT RESOLVED by the City Council of Shoreview, Minnesota:

1. That Change Order No. 4, in the amount of \$32,863.91, resulting in a revised contract amount of \$1,328,888.41 is hereby approved, and
2. That Change Order No.4 will be funded from the Street Renewal Fund, and
3. That Payment No.6 (Final) in the amount of \$69,572.89 for a total amount of work completed of \$1,323,962.26, is hereby approved

The motion for the adoption of the foregoing resolution was duly seconded by Member and upon vote being taken thereon, the following voted in favor thereof: and the following voted against the same:

WHEREUPON, said resolution was declared duly passed and adopted this 4th day of November, 2013.

STATE OF MINNESOTA    )  
   )  
 COUNTY OF RAMSEY     )  
   )  
 CITY OF SHOREVIEW    )

I, the undersigned, being the duly qualified and acting Manager of the City of Shoreview of Ramsey County, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a meeting of said City Council held on the 4th day of November, 2013, with the original thereof on file in my office and the same is a full, true and complete transcript therefrom insofar as the same relates to the approval of Change Order No. 4 and Payment No.6 (Final), for the Floral Drive, Hanska Ct. and Demar Ave. Reconstruction, C.P #12-01.

WITNESS MY HAND officially as such Manager and the corporate seal of the City of Shoreview, Minnesota, this 5<sup>th</sup> day of November, 2013.

SEAL

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Terry C. Schwerm  
 City Manager

# CITY OF SHOREVIEW CONTRACT CHANGE ORDER

Project:	Floral Dr. Hanska Ct. & Demar Ave. Reconstruction
City Project No.:	12-01
Change Order Number:	4 (Four)
Date:	November 4, 2013
Contractor:	C. W. Houle, Inc.

The additions, revisions and corrections contained herein shall be made to the Contract Documents for the project and shall become part of the Scope of Work.

Additional Sod 7,646 SY @ \$2.90 =	\$ 22,173.40
Additional Class 7 899.88 Tons @ \$10.30 =	\$ 9,268.76
Driveway Modifications 1 Ea @ \$1,421.75 =	\$ 1,421.75
<b>Total Change Order No.4</b>	<b><u>\$ 32,863.91</u></b>

### SUMMARY:

Original Contract Amount:	\$ 1,215,939.60
Change Order No. 1:	\$ -18,150.00
Change Order No. 2:	\$ 54,989.90
Change Order No. 3:	\$ 43,245.00
Change Order No. 4	<u>\$ 32,863.91</u>
Amended Contract Amount	\$ 1,328,888.41

### APPROVALS:

APPROVED BY: City of Shoreview

By: \_\_\_\_\_ Title: City Engineer Date: \_\_\_\_\_

ACCEPTED BY: C. W. Houle, Inc.

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

**APPLICATION FOR PAYMENT**

NO. 6 (Final)

PROJECT: Floral Drive, Hanska Ct., Demar Avenue  
and Richmond Avenue. Reconstruction

OWNER: City of Shoreview

PROJECT NO: 12-01

CONTRACTOR: C. W. Houle, Inc.

APPLICATION DATE: 11/4/2013 FOR PERIOD ENDING: 10/18/2013

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**STATEMENT OF WORK**

ORIGINAL CONTRACT AMOUNT	\$ <u>1,215,939.60</u>
NET CHANGE BY CHANGE ORDER	\$ <u>112,948.81</u>
CONTRACT AMOUNT TO DATE	\$ <u>1,328,888.41</u>
TOTAL AMOUNT OF WORK COMPLETED	\$ <u>1,323,962.26</u>
LESS 0 % RETAINAGE	\$ <u>-</u>
AMOUNT DUE TO DATE	\$ <u>1,323,962.26</u>
LESS PREVIOUS PAYMENTS	\$ <u>1,254,389.37</u>
PAYMENT DUE THIS APPLICATION	\$ <u>69,572.89</u>

APPLICATION FOR PAYMENT  
Page Two

CONTRACTOR: C. W. Houle, Inc.

BY: \_\_\_\_\_  
(Name and Title)

DATE: \_\_\_\_\_

APPROVED FOR PAYMENT:

OWNER: CITY OF SHOREVIEW

BY: \_\_\_\_\_  
Tom Wesolowski (City Engineer)

DATE: \_\_\_\_\_

**PAYMENT NO. 6 (FINAL)  
 FLORAL, COUNTY RD. F, AND DEMAR  
 NEIGHBORHOOD RECONSTRUCTION  
 CITY PROJECT NO. 12-01**

**STREET RECONSTRUCTION**

ITEM NO.	ITEM	UNIT	ESTIMATED QUANTITY		UNIT PRICE	TOTAL AMOUNT
			QUANTITY	TO DATE		
2021.501	MOBILIZATION	LS	1.00	1.00	\$ 28,350.00	\$ 28,350.00
2101.502	CLEARING	TREE	12.00	14.00	\$ 500.00	\$ 7,000.00
2101.507	GRUBBING	TREE	12.00	15.00	\$ 250.00	\$ 3,750.00
2104.505	REMOVE CONCRETE CURB & GUTTER	LF	100.00	100.00	\$ 4.00	\$ 400.00
2104.505	REMOVE BITUMINOUS PAVEMENT	SY	9,500.00	9,500.00	\$ 2.55	\$ 24,225.00
2104.505	REMOVE DRIVEWAY PAVEMENT (CONCRETE)	SY	340.00	340.00	\$ 7.90	\$ 2,686.00
2104.505	REMOVE DRIVEWAY PAVEMENT (BITUMINOUS)	SY	660.00	680.60	\$ 7.90	\$ 5,376.74
2104.511	SAW CONCRETE PAVEMENT	LF	300.00	365.00	\$ 5.00	\$ 1,825.00
2104.523	SALVAGE & REINSTAL EXISTING SIGNS, POSTS AND MAILBOXES	EA	55.00	47.00	\$ 100.00	\$ 4,700.00
2105.501	COMMON EXCAVATION	CY	4,950.00	4,950.00	\$ 10.10	\$ 49,995.00
2105.507	SUBGRADE EXCAVATION	CY	50.00		\$ 12.00	\$ -
2105.522	SELECT GRAN. BORROW	CY	50.00		\$ 12.00	\$ -
2105.525	TOPSOIL BORROW	CY	1,445.00	1,255.00	\$ 14.50	\$ 18,197.50
2112.501	SUBGRADE PREPARATION	RD STA	33.00	33.00	\$ 200.00	\$ 6,600.00
2360.521	BITUMINOUS DRIVEWAY PAVEMENT LVWE45030B	SY	660.00	680.60	\$ 14.50	\$ 9,868.70
2506.516	CAST. ASSEMBLY (R-1733) W/I&I BARRIER	EA	18.00	18.00	\$ 895.00	\$ 16,110.00
2531.501	CONCRETE CURB & GUTTER (B6-18)	LF	2,600.00	2,861.00	\$ 10.60	\$ 30,326.60
2531.501	SURMOUNTABLE CONCRETE C & G	LF	4,200.00	3,961.00	\$ 10.00	\$ 39,610.00
2531.507	6" CONCRETE DRIVEWAY PAVEMENT	SY	340.00	340.00	\$ 47.00	\$ 15,980.00
SPECIAL	4" PVC CONDUIT FOR STREET LIGHTING	LF	80.00	84.00	\$ 6.00	\$ 504.00
2563.601	TRAFFIC CONTROL	LS	1.00	1.00	\$ 10,500.00	\$ 10,500.00
2573.502	SILT FENCE	LF	500.00	600.00	\$ 2.50	\$ 1,500.00
2573.501	INLET PROTECTION	EA	10.00	2.00	\$ 320.00	\$ 640.00
2575.505	SODDING	SY	8,500.00	8,500.00	\$ 2.90	\$ 24,650.00
2123.610	STREET SWEEPING	HR	5.00		\$ 130.00	\$ -
C.O.#2	ADDITIONAL CONCRETE DRWY. REMOVAL	SY	452.94	452.94	\$ 7.90	\$ 3,578.23
C.O.#2	ADDITIONAL CONCRETE DRWY. PVMNT.	SY	452.94	452.94	\$ 47.00	\$ 21,288.18
C.O.#2	RECONSTRUCT SANITARY MANHOLES	EA	4.00	4.00	\$ 913.24	\$ 3,652.96
C.O.#2	REPLACE LANDSCAPE ROCKS	LS	1.00	1.00	\$ 310.00	\$ 310.00
C.O.#2	PEDESTRIAN RAMP	EA	3.00	3.00	\$ 850.00	\$ 2,550.00
C.O.#2	REPLACE PAVER BLOCK DRIVEWAY AT 374 FLORAL DR.	LS	1.00	1.00	\$ 1,360.00	\$ 1,360.00
C.O.#2	REPLACE PAVERS AT 287 DEMAR AVE.	LS	1.00	1.00	\$ 330.00	\$ 330.00
C.O.#2	REPLACE FIELD STONE WALL AT 322 FLORAL DR.	LS	1.00	1.00	\$ 300.00	\$ 300.00
C.O.#2	INSTALL SALV RETAINING WALL BLOCK AT 253 COUNTY RD. F	LS	1.00	1.00	\$ 255.40	\$ 255.40
C.O.#2	REBUILD RETAINING WALL AT 259 COUNTY RD. F	LS	1.00	1.00	\$ 3,157.50	\$ 3,157.50
C.O.#2	REBUILD RETAINING WALL AT 267 COUNTY RD. F	LS	1.00	1.00	\$ 416.35	\$ 416.35
C.O.#4	DRIVEWAY MODIFICATIONS	LS	1.00	1.00	\$ 1,421.75	\$ 1,421.75
C.O.#4	ADDITIONAL SOD	SY	7,646.00	7,646.00	\$ 2.90	\$ 22,173.40
<b>SUBTOTAL - STREET RECONSTRUCTION</b>						<b>\$ 363,588.31</b>

**PAYMENT NO. 6 (FINAL)**  
**FLORAL, COUNTY RD. F, AND DEMAR**  
**NEIGHBORHOOD RECONSTRUCTION**  
**CITY PROJECT NO. 12-01**

**STORM SEWER**

ITEM NO.	ITEM	UNIT	ESTIMATED QUANTITY	QUANTITY TO DATE	UNIT PRICE	TOTAL COST
2104.509	REMOVE STORM STRUCTURE	EA	13.00	14.00	\$ 480.00	\$ 6,720.00
2104.501	REMOVE STORM PIPE	LF	525.00	520.00	\$ 14.00	\$ 7,280.00
2105.609	NON-WOVEN GEOTEXTILE FABRIC, TYPE II	SY	3,025.00	3,025.00	\$ 2.10	\$ 6,352.50
2105.501	COMMON EXCAVATION (30" PIPE TRENCH)	CY	1,010.00	1,010.00	\$ 11.00	\$ 11,110.00
2451.607	1 1/2" CLEAR ROCK	CY	750.00	750.00	\$ 27.00	\$ 20,250.00
2502.541	30" PERF. HDPE PIPE, SMOOTH INTERIOR	LF	1,345.00	1,350.00	\$ 49.00	\$ 66,150.00
2503.541	12" HDPE STORM SEWER PIPE, SMOOTH INTERIOR	LF	490.00	581.00	\$ 17.50	\$ 10,167.50
2503.541	15" HDPE STORM SEWER PIPE, SMOOTH INTERIOR	LF	113.00	88.00	\$ 20.20	\$ 1,777.60
2503.541	18" HDPE ST SEWER PIPE, SMOOTH INTERIOR	LF	275.00	277.00	\$ 22.10	\$ 6,121.70
2503.602	CONNECT TO EXIST STORM PIPE	EA	5.00	4.00	\$ 1,175.00	\$ 4,700.00
SPECIAL	CONST 30" PVC MH STRUCTURE W/CASTING & 3' SUMP	EA	9.00	9.00	\$ 3,080.00	\$ 27,720.00
SPECIAL	CONST 30" PVC CB STRUCTURE W/CASTING & 3' SUMP	EA	5.00	5.00	\$ 2,670.00	\$ 13,350.00
SPECIAL	CONST 30" PVC CB STRUCTURE W/CAST	EA	26.00	27.00	\$ 2,385.00	\$ 64,395.00
2506.502	CONST 60" CBMH W/CAST	EA	1.00	1.00	\$ 4,260.00	\$ 4,260.00
2506.502	CONST 60" MH W/CAST	EA	1.00	1.00	\$ 5,230.00	\$ 5,230.00
C.O.#2	RECONSTRUCT EXIST. STORM SEWER	LS	1.00	1.00	\$ 4,650.74	\$ 4,650.74
C.O.#2	REPLACE 60" MANHOLE TOP SLAB	LS	1.00	1.00	\$ 1,318.40	\$ 1,318.40
C.O.#2	REMOVE SILT AT FLARED END	LS	1.00	1.00	\$ 675.00	\$ 675.00
C.O.#3	ERNAL DR. ST. WATER FILTERING STRUCT.	LS	1.00	1.00	\$ 43,245.00	\$ 43,245.00
<b>SUBTOTAL - STORM SEWER</b>						<b>\$ 305,473.44</b>

**WATERMAIN**

ITEM NO.	ITEM	UNIT	ESTIMATED QUANTITY	QUANTITY TO DATE	UNIT PRICE	TOTAL COST
2104.509	REMOVE/SALVAGE HYDRANT & VALVE	EA	6.00	6.00	\$ 790.00	\$ 4,740.00
2504.602	CONNECT TO EXISTING WM	EA	4.00	4.00	\$ 2,330.00	\$ 9,320.00
2504.603	TEMPORARY WATER SERVICE	LS	1.00	1.00	\$ 22,300.00	\$ 22,300.00
2504.603	6" WATERMAIN DIP CL 53	LF	120.00	120.00	\$ 43.00	\$ 5,160.00
2504.603	6" WATERMAIN CL DR11 HDPE-DIPS DIRECTIONALLY DRILLED	LF	3,300.00	-	\$ 44.00	\$ -
2504.602	F & I HYDRANT (WB-67) & VALVE	EA	6.00	6.00	\$ 4,820.00	\$ 28,920.00
2504.602	6" GATE VALVE	EA	8.00	6.00	\$ 2,310.00	\$ 13,860.00
2504.602	1" CORPORATION	EA	52.00	52.00	\$ 440.00	\$ 22,880.00
2504.602	1" CURB STOP & BOX	EA	52.00	53.00	\$ 605.00	\$ 32,065.00
2504.603	1" COPPER TUBING	LF	1,725.00	1,701.00	\$ 20.60	\$ 35,040.60
2504.603	4" UTILITY INSULATION	SY	30.00	18.00	\$ 27.00	\$ 486.00
2504.608	HDPE FITTINGS CL DR11	EA	11.00	12.00	\$ 375.00	\$ 4,500.00
2504.608	DIP FITTINGS	LBS	2,000.00	365.00	\$ 4.30	\$ 1,569.50
C.O.#1	6" WATERMAIN CL DR11 HDPE-DIPS PIPE BURSTING METHOD	LF	3,300.00	3,180.00	\$ 38.50	\$ 122,430.00
C.O.#2	EXTEND HYDRANT	EA	2.00	2.00	\$ 827.82	\$ 1,655.64
C.O.#2	RELOCATE HYDRANT	LS	1.00	1.00	\$ 1,651.36	\$ 1,651.36
<b>SUBTOTAL - WATERMAIN</b>						<b>\$ 306,578.10</b>

**PAYMENT NO. 6 (FINAL)  
 FLORAL, COUNTY RD. F, AND DEMAR  
 NEIGHBORHOOD RECONSTRUCTION  
 CITY PROJECT NO. 12-01**

**SANITARY SEWER**

ITEM NO.	ITEM	UNIT	ESTIMATED QUANTITY	QUANTITY TO DATE	UNIT PRICE	TOTAL COST
2503.602	REMOVE & REPLACE 4"X8" WYE	EA	46.00	45.00	\$ 1,155.00	\$ 51,975.00
2503.603	4" PVC SERVICE PIPE	LF	1,500.00	1,496.00	\$ 22.60	\$ 33,809.60
2503.602	4" UTILITY INSULATION	SY	30.00		\$ 27.00	\$ -
<b>SUBTOTAL - SANITARY SEWER</b>						<b>\$ 85,784.60</b>

**BITUMINOUS PAVEMENT**

ITEM NO.	ITEM	UNIT	ESTIMATED QUANTITY	QUANTITY TO DATE	UNIT PRICE	TOTAL COST
2211.501	AGGREGATE BASE CLASS 7	TON	3,800.00	3,800.00	\$ 10.30	\$ 39,140.00
2360.508	BITUMINOUS WEAR COURSE MVWE45035B	TON	700.00	700.00	\$ 66.00	\$ 46,200.00
2360.514	BITUMINOUS BASE COURSE LVNW25030B	TON	975.00	1,006.04	\$ 66.00	\$ 66,398.64
2357.502	BITUMINOUS MAT'L FOR TACK COAT	GAL	425.00	515.00	\$ 3.20	\$ 1,648.00
2331.603	BITUMINOUS CONTROL JOINT	LF	2,100.00	2,409.00	\$ 3.50	\$ 8,431.50
C.O.#2	ADDITIONAL BITUMINOUS WEAR COURSE	TON	118.79	118.79	\$ 66.00	\$ 7,840.14
C.O.#4	ADDITIONAL AGGREGATE BASE CLASS 7	TON	899.88	899.88	\$ 10.30	\$ 9,268.76
<b>SUBTOTAL -BITUMINOUS PAVEMENT</b>						<b>\$ 178,927.04</b>

**RICHMOND AVE. STORM  
 IMPROVEMENTS  
 CITY PROJECT NO. 12-01**

**STREET RECONSTRUCTION**

ITEM NO.	ITEM	UNIT	ESTIMATED QUANTITY	QUANTITY TO DATE	UNIT PRICE	TOTAL COST
2021.501	MOBILIZATION	LS	1.00	1.00	\$ 3,000.00	\$ 3,000.00
2104.505	REMOVE BITUMINOUS PAVEMENT	SY	835.00	835.00	\$ 3.50	\$ 2,922.50
2104.505	REMOVE DRIVEWAY PAVEMENT (BITUMINOUS)	SY	25.00	137.00	\$ 10.00	\$ 1,370.00
2104.505	REMOVE CONCRETE CURB & GUTTER	LF	370.00	485.00	\$ 5.00	\$ 2,425.00
2104.523	SALVAGE & REINSTAL EXISTING SIGNS, POSTS AND MAILBOXES	EA	3.00	1.00	\$ 175.00	\$ 175.00
2105.501	COMMON EXCAVATION	CY	600.00	270.00	\$ 13.00	\$ 3,510.00
2105.525	TOPSOIL BORROW	CY	118.00	90.00	\$ 23.00	\$ 2,070.00
2112.501	SUBGRADE PREPARATION	RD STA	3.00	3.00	\$ 300.00	\$ 900.00
2123.610	STREET SWEEPING	HR	3.00	2.00	\$ 130.00	\$ 260.00
2211.501	AGGREGATE BASE CLASS 7	TON	165.00	275.15	\$ 13.50	\$ 3,714.53
2360.508	BITUMINOUS WEAR COURSE MVWE45035B	TON	38.00	83.52	\$ 102.00	\$ 8,519.04
2360.514	BITUMINOUS BASE COURSE LVNW25030B	TON	45.00	112.90	\$ 107.00	\$ 12,080.30
2357.502	BITUMINOUS MAT'L FOR TACK COAT	GAL	20.00	60.00	\$ 4.00	\$ 240.00
2331.603	BITUMINOUS CONTROL JOINT	LF	175.00	225.00	\$ 5.00	\$ 1,125.00
2360.521	BITUMINOUS DRIVEWAY PAVEMENT LVWE45030B	SY	25.00	156.00	\$ 30.00	\$ 4,680.00
2506.516	CAST. ASSEMBLY (R-1733) W/I&I BARRIER	EA	1.00		\$ 890.00	\$ -
2531.501	CONCRETE CURB & GUTTER (B6-18)	LF	410.00	515.00	\$ 11.60	\$ 5,974.00
2563.601	TRAFFIC CONTROL	LS	1.00	1.00	\$ 700.00	\$ 700.00
2573.502	SILT FENCE	LF	300.00		\$ 3.50	\$ -
2573.501	INLET PROTECTION	EA	3.00		\$ 320.00	\$ -
2575.505	SODDING	SY	695.00	630.00	\$ 4.50	\$ 2,835.00
<b>SUBTOTAL - STREET RECONSTRUCTION</b>						<b>\$ 56,500.37</b>

**PAYMENT NO. 6 (FINAL)  
 RICHMOND AVE. STORM  
 IMPROVEMENTS  
 CITY PROJECT NO. 12-01**

**STORM SEWER**

ITEM NO.	ITEM	UNIT	ESTIMATED QUANTITY	QUANTITY TO DATE	UNIT PRICE	TOTAL COST
2104.501	REMOVE EXIST. 12" RCP ST. SEWER PIPE	LF	65.00	65.00	\$ 14.00	\$ 910.00
2104.501	REMOVE EXIST. 29" RCP ST. SEWER PIPE	LF	250.00	250.00	\$ 15.00	\$ 3,750.00
2104.509	REMOVE EXIST. ST. SEWER STRUCTURE	EA	3.00	4.00	\$ 480.00	\$ 1,920.00
2105.501	COMMON EXC. (STORM TREATMENT AREA)	CY	80.00	45.00	\$ 21.00	\$ 945.00
2503.541	12" RCP SEWER DESIGN 3006 CL5	LF	32.00	36.30	\$ 28.00	\$ 1,016.40
2503.541	24" RCP SEWER DESIGN 3006 CL5	LF	125.00	119.00	\$ 51.00	\$ 6,069.00
2503.541	24" RCP FES W/TRASH GUARD	EA	1.00	1.00	\$ 1,590.00	\$ 1,590.00
2503.602	CONNECT TO EXIST. STORM SEWER PIPE	EA	2.00	2.00	\$ 1,100.00	\$ 2,200.00
2506.502	CONSTRUCT MH-CB 48" DIA. W/CASTING	EA	2.00	2.00	\$ 2,330.00	\$ 4,660.00
<b>SUBTOTAL - STORM SEWER</b>						<b>\$ 23,060.40</b>

**WATERMAIN**

ITEM NO.	ITEM	UNIT	ESTIMATED QUANTITY	QUANTITY TO DATE	UNIT PRICE	TOTAL COST
2104.509	REMOVE/SALVAGE HYDRANT & VALVE	EA	1.00	1.00	\$ 1,800.00	\$ 1,800.00
2504.603	ABANDON 6" CIP WATERMAIN	LS	1.00	1.00	\$ 2,250.00	\$ 2,250.00
<b>SUBTOTAL - WATERMAIN</b>						<b>\$ 4,050.00</b>

**PAYMENT SUMMARY**

**FLORAL, COUNTY RD. F & DEMAR (C.P.12-01)**

<b>STREET RECONSTRUCTION</b>	<b>\$ 363,588.31</b>
<b>STORM SEWER</b>	<b>\$ 305,473.44</b>
<b>WATERMAIN</b>	<b>\$ 306,578.10</b>
<b>SANITARY SEWER</b>	<b>\$ 85,784.60</b>
<b>BITUMINOUS PAVEMENT</b>	<b>\$ 178,927.04</b>

**RICHMOND AVE. STORM IMPROVEMENTS (C.P. 12-01)**

<b>STREET RECONSTRUCTION</b>	<b>\$ 56,500.37</b>
<b>STORM SEWER</b>	<b>\$ 23,060.40</b>
<b>WATERMAIN</b>	<b>\$ 4,050.00</b>
<b>TOTAL PAYMENT</b>	<b>\$ 1,323,962.26</b>

**PROPOSED MOTION**

**MOVED BY COUNCILMEMBER** \_\_\_\_\_

**SECONDED BY COUNCILMEMBER** \_\_\_\_\_

To approve the attached letter agreement for City Attorney services for 2014 with Kelly and Lemmons, P.A.

**ROLL CALL:**

**AYES** \_\_\_\_\_

**NAYS** \_\_\_\_\_

**Johnson**

\_\_\_\_\_

\_\_\_\_\_

**Quigley**

\_\_\_\_\_

\_\_\_\_\_

**Wickstrom**

\_\_\_\_\_

\_\_\_\_\_

**Withhart**

\_\_\_\_\_

\_\_\_\_\_

**Martin**

\_\_\_\_\_

\_\_\_\_\_

City Council Meeting  
November 4, 2013

**TO: MAYOR AND COUNCILMEMBERS**

**FROM: TERRY SCHWERM  
CITY MANAGER**

**DATE: OCTOBER 30, 2013**

**SUBJECT: AGREEMENT FOR LEGAL SERVICES**

### **INTRODUCTION**

Since September 2012, the City has contracted with the Kelly and Lemmons law firm for both civil and criminal prosecution services. The City Council is being asked to approve an engagement letter to continue this arrangement for 2014.

### **BACKGROUND**

In September of 2012, the City Council approved an engagement letter for City Attorney services, including both civil and criminal prosecution services, with the Kelly and Lemmons law firm. This change was prompted when long-time City Attorney Jerry Filla moved his practice to the Kelly and Lemmons firm. For the past several months, Pat Kelly or another lawyer at the firm has attended both City Council and Planning Commission meetings.

During the past year, staff believes that Kelly and Lemmons firm has been responsive to a variety of civil and criminal issues that we deal with on an ongoing basis. We have also received positive feedback from the Ramsey County Sheriff's personnel who deals with the prosecuting attorneys on the criminal prosecution matters.

Based on this positive feedback, it is being recommended that the City Council approve an updated engagement letter for City Attorney Services with Kelly and Lemmons through 2014. The only significant change in the agreement is an increase in the cost of prosecution services to \$90 per hour, which is still slightly below the market rate for these services.

### **RECOMMENDATION**

Based on the foregoing information, it is recommended that the City Council approve the attached letter agreement for City Attorney services for 2014 with Kelly and Lemmons, P.A.

# Kelly & Lemmons, P.A.

A T T O R N E Y S A T L A W

Patrick J. Kelly  
pkelly@kellyandlemmons.com

Licensed in Minnesota and Wisconsin

September 24, 2013

Mr. Terry Schwerm, City Manager  
City of Shoreview  
4600 North Victoria Street  
Shoreview, MN 55126

**SENT VIA U.S. MAIL**

**RE: Proposal – City Attorney Services**

Dear Mr. Schwerm:

I write this letter to confirm our acceptance of the City's selection of our firm as its City Attorney, and the terms of our engagement with Shoreview.

## **1. Services, Term.**

Our firm will provide the following services as City Attorney for Shoreview from the date of execution of this Agreement to December 31, 2014, unless otherwise terminated by the City:

### Civil Law Services

1. Attend City Council meetings and other City Board, Authority, Commission or Committee meetings as requested by the City Council or City Manager.
2. Draft and/or review ordinances, resolutions, and correspondence, as requested. Review City Council agendas and meeting minutes as requested.
3. Advise the Mayor, Council Members, City Manager, Department Heads and other staff on city legal matters when requested or when it appears actions may not be appropriate.
4. Prepare and/or review municipal contracts, such as contracts for public improvements, joint powers agreements, construction, and purchase of equipment as requested.
5. Maintain Codification of City ordinances on a regular basis.

6. Represent City in matters related to the enforcement of City building, zoning, subdivision codes and related codes.
7. Research and submit legal opinions on municipal or other legal matters, as requested by City Council or City Manager.
8. Meet with the City Council, Economic Development Authority, City Manager, Department Heads and City Staff as needed to review Council agenda items, the status of all legal matters before the City.
9. Provide legal briefings as requested to City Council and Staff regarding new or proposed legislation affecting municipal operations and activities.
10. Provide written updates on new State or Federal legislation or judicial decisions impacting the City; including suggested action or changes in operations or procedures to assure compliance.
11. Provide advice on open meeting law, data practices issues, and records retention.
12. Represent the City in employment related issues including administrative hearings and in litigation involving same.
13. Interpret and advise with respect to municipal employment matters including, but not limited to, PERA, labor agreements, personnel policy, FLSA, Veterans' Preference, and unemployment compensation.
14. Defend City in litigation (except in those cases where insurance companies are required to provide defense) including, but not limited to, 1) human rights claims; 2) condemnation; 3) permits and administrative actions; and 4) labor and employment matters.
15. Defend City in uninsured claims and other insurance matters.
16. In coordination with Bond Counsel, review of financing, special assessments, bonds and insurance requirements required by or for City contracts or activities.
17. Assist the City in the acquisition of properties for public improvements, easements, economic development, and parks.
18. Represent City in condemnation proceedings for land acquisition associated with various public improvement projects.

19. Represent City in workers' compensation matters; except as addressed by the City's insurance carrier.
20. Initiate litigation on behalf of City as requested by City Council.
21. Interpret and advise regarding State land use statutes and the City Code.
22. Interpret and advise regarding laws relating to Comprehensive Plans and Metropolitan Council approvals.
23. Interpret and advise regarding impact fees and legal uses.
24. Advise and represent the City on environmental matters.
25. Advise the City/review the following:
  - a. Conditional Use Permits and Variance Requests including the adequacy of "findings of fact" used to support the action taken.
  - b. Vacation of Rights-of-way
  - c. Special Assessments
  - d. Planned Unit Developments
  - e. Development Agreements
  - f. Subdivision and Zoning Requests
26. City Council/City Manager, Interpret and advise regarding TIF laws and their application.
27. Perform any other services, at the direction of the City Council, that are appropriate for the City Attorney to aid in the efficient operation of the City.

Prosecution Services

1. Represent and prosecute all criminal law matters within the City's jurisdiction that are not the responsibility of the County Attorney, includes but not limited to attendance at arraignments as scheduled by the Ramsey County District Court, scheduling and coordinating of officer appearances, reviewing all criminal cases presented for purposes of prosecution, determine technical compliance with criminal code and other state statutes, writing complaints, making recommendations to the Court for alternatives to prosecution where appropriate, act as a resource to the City's law enforcement agency in the development of criminal cases, and provide training sessions for law enforcement staff as needed.

2. Timely pursuit of disposition of criminal cases in advance of actual Court cases to avoid unnecessary officer court time.
3. Subject to the development of a policy for forfeitures to be approved by the City Council, process and present forfeiture cases on behalf of the City's law enforcement agency pursuant to said policy.
4. Provide an annual report to the City Council on prosecution activities conducted in the name of the City.

## **2. Compensation.**

(a) Kelly & Lemmons, P.A. will submit monthly billing statements for the services it provides to Shoreview under this Agreement. Our firm tracks and bills its time in quarter-hour increments. We will send detailed billing statements which reflect the date, time billed, person performing the work, description of the work performed, and the line item amount. Our compensation for the above services will be as follows:

### Civil Services

Generally, for work on civil matters, Kelly & Lemmons, P.A. will charge an hourly rate of **\$120.00** per hour for non-civil litigation work performed by attorneys; **\$140.00** per hour for civil litigation work performed by attorneys; and **\$60.00** per hour for work performed by law clerks or paralegals. The monthly retainer is **\$1250.00** per month.

### Prosecution Services

For work on prosecution matters, including civil property forfeitures under the criminal codes, Kelly & Lemmons, P.A. will charge an hourly rate of **\$90.00** per hour for work performed by attorneys, and a rate of **\$50.00** per hour for work performed by law clerks or paralegals.

(b) Kelly & Lemmons, P.A. may incur various expenses in providing services on behalf of Shoreview. The City shall reimburse Kelly & Lemmons, P.A. for all out-of-pocket expenses. We have agreed to the following rates for common reimbursable expenses:

Photocopies:	\$ .20 per page.
Facsimile:	\$1.00 per page.
Postage:	current postage rates.

Long Distance: As incurred.

Other costs incurred in providing services (e.g. service of process, subpoena fees) will be submitted for reimbursement with each month's billing statement without markup.

(c) Kelly & Lemmons, P.A. agrees to keep its billing rates stable for the next year following the execution of this agreement (calendar year 2014).

**3. At Will Agreement.** The parties acknowledge that this is an At Will Agreement. Upon termination of representation, all files and records relevant to this representation will be made available to Shoreview for removal. In the event Shoreview does remove said records and files, Kelly & Lemmons, P.A. shall have the right to copy the file in its entirety with the cost of said copying to be borne by Shoreview. Shoreview also agrees to compensate Kelly & Lemmons, P.A. for up to thirty (30) days following termination of the agreement for reasonable time and reimbursable expenses incurred in transitioning work in progress to a successor counsel.

**4. Storage.** Kelly & Lemmons, P.A. reserves the right to store file materials in a professional manner and for a professionally acceptable period of time. Such storage may include the use of commercial storage facilities. Shoreview further agrees to pay any reasonable cost incurred by Kelly & Lemmons, P.A. in the recovery and refile of said file materials, should that be necessary. Such costs may include, but are not limited to, service fees charged by commercial storage vendors.

**5. Miscellaneous.** No modification of this Agreement shall be valid unless it is in writing and signed by both parties. The representatives of Shoreview signing below have read this Agreement and have had an opportunity to ask questions regarding any portions of this Agreement which they do not understand.

Once again, we would like to thank the City for selecting us, and we look forward to continuing to build a strong working relationship with Shoreview.

If you have any questions regarding the proposed terms of this Agreement, please do not hesitate to contact me.

Respectfully yours,

**KELLY & LEMMONS, P.A.**

Patrick J. Kelly

*Mr. Terry Schwerm*  
*September 24, 2013*  
*Shoreview Engagement Letter*  
*Page 6*

Accepted on behalf of Shoreview:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Manager

## PROPOSED MOTION

**MOVED BY COUNCIL MEMBER:** \_\_\_\_\_

**SECONDED BY COUNCIL MEMBER:** \_\_\_\_\_

To adopt Resolution # 13-97 approving the Conditional Use Permit submitted by Thomas and Susan Walgren, to construct a new detached accessory structure (gazebo) on the property, subject to the following conditions:

1. The project must be completed in accordance with the plans submitted with the applications. Any significant changes to these plans, as determined by the City Planner, will require review and approval by the Planning Commission.
2. The exterior design and finish of the addition shall be consistent with the plans submitted and complement the home on the property.
3. The existing vegetation along that portion of the west side property line adjacent to the proposed structure must remain and be maintained.
4. The applicant shall obtain a building permit for the structure. The structure shall comply with the Building Code standards.
5. The structure shall be used for the recreational and leisure use consistent with the residential use of the property.
6. The structure shall not be used in any way for commercial purposes.

Said approval is based on the following findings of fact:

1. The proposed accessory structure will maintain the residential use and character of the property and is therefore in harmony with the general purposes and intent of the Development Ordinance.
2. The primary use of the property will remain residential and is in harmony with the policies of the Comprehensive Guide Plan.
3. The conditional use permit standards as detailed in the Development Ordinance for a residential accessory are met.
4. The structure and/or land use conform to the Land Use Chapter of the Comprehensive Guide Plan and are compatible with the existing neighborhood.

**ROLL CALL:    AYES \_\_\_\_\_    NAYS \_\_\_\_\_**

Johnson	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

***Regular City Council Meeting***

November 4, 2013

**TO:** Mayor, City Council, City Manager  
**FROM:** Kathleen Castle, City Planner  
**DATE:** October 31, 2013  
**SUBJECT:** File No. 2504-13-31, Walgren – 212 Bridge Street, Conditional Use Permit

### **INTRODUCTION**

Thomas and Susan Walgren, 212 Bridge Street, are proposing to construct a detached accessory structure on their property. The proposal requires a Conditional Use Permit since the structure exceeds 150 square feet in area. The intent of the Conditional Use Permit process is to review the proposal in terms of the Development Code standards and consistency with the Comprehensive Plan.

### **PROJECT DESCRIPTION**

The property is an interior lot located on Bridge Street and is zoned R1, Detached Residential as are the surrounding properties. The property has an area of 10,720 square feet and a width of 80 feet along Bridge Street. The property is developed with a single family home that has a foundation area of 1,550 square feet with an 864 square foot attached three-car garage.

The Walgrens are in the process of re-landscaping the rear yard of their property. A grading permit has been issued that addresses stormwater management and the installation of the patio. This plan also includes the construction of a 175 square foot gazebo that is one-story in height. Please see the attached plans.

### **DEVELOPMENT CODE**

The accessory structure regulations were revised in 2006 and stricter standards were created to ensure the compatibility of these structures with surrounding residential uses. On parcels less than 1 acre or larger in size, accessory structures that are larger than 150 square feet but less than 288 square feet require a Conditional Use Permit. The Conditional Use Permit process enables the City to review the proposed use for compliance to the Development Code standards and ensure compatibility with nearby land uses through a public hearing. The combined area of all accessory structures cannot exceed 90% of the dwelling unit foundation area or 1,200 square feet, whichever is more restrictive.

Accessory structures must be setback a minimum of 5 feet from a side lot line and 10 feet from a rear lot line. The maximum height permitted for detached accessory structures is 18 feet as measured from the roof peak to the lowest finished grade; however in no case shall the height of the structure exceed the height of the dwelling unit. In addition,

sidewalls cannot exceed 10 feet and interior storage areas above the main floor cannot exceed an interior height of 6 feet.

The exterior design of the structure must be compatible with the dwelling and be similar in appearance from an aesthetic, building material and architectural standpoint. The proposed design, scale, height and other aspects related to the accessory structure are evaluated to determine the impact on the surrounding area. Building permits may be issued upon the finding that the appearance of the structure is compatible with the structures and properties in the surrounding area and does not detract from the area. The intent of these regulations and the City’s Comprehensive Plan’s policies is to ensure that the residential character of the property and neighborhood is maintained and that dwelling unit remains the primary feature and use of the property.

***Conditional Use Permit***

Attachment A summarizes the standards which must be met for the Conditional Use Permit to be granted. These standards address location, structure setbacks, screening, and exterior design. In addition, a Conditional Use Permit can only be granted upon the finding that the proposed use is in harmony with and conforms to the Comprehensive Plan policies and Development Code standards.

**APPLICANT’S STATEMENT**

The applicant states that the detached accessory building (gazebo) will be used for the enjoyment of their property. It will be furnished with casual furniture and other residential related items. The structure will not be used as a storage shed or garage. The use is incidental to the residential use of the property.

**STAFF REVIEW**

The proposal was reviewed in accordance with the Conditional Use Permit standards identified in the Development Code. The proposed structure complies with the City’s standards regarding height, exterior design and screening from adjoining properties. The following table reviews the proposal in terms of these standards.

	<b>Existing</b>	<b>Proposed</b>	<b>Development Code Standard</b>
<b>Area</b>			
<b>Gazebo</b>		175 sf	150 sf to 288 sf
<b>Attached Garage</b>	864 sf		Not applicable
<b>All Accessory Structures</b>	864 sf	1,039 sf (67% of dfa)	<b>*1,200 sf</b> or 90% of the dwelling unit foundation area (1,550) – whichever is more restrictive

<b>Setback – side lot line</b>		12 ft	10 ft
<b>Height</b> <b>Roof Peak</b> <b>Sidewall</b>		16.5 ft 8 ft	18 ft 8 ft
<b>Exterior Design</b>		Cedar	Compatible with the residence and be similar in appearance
<b>Screening</b>		Retain existing vegetation	Structure shall be screened from view of public streets and adjoining properties with landscaping, berming or fencing

In Staff’s opinion, the proposed gazebo is in harmony with general purpose of the Development Code and Comprehensive Plan policies. The overall size of this structure when combined with all accessory structures is less than 90% of the dwelling unit foundation area, therefore, the dwelling unit will remain the primary feature and use of the property. The use of the structure is incidental to the primary residential use of the property and will enhance the appearance and use of the backyard. The intended use of the structure is for passive leisure or recreational use. The applicant indicated that the structure will not be used for the storage of lawn/garden related items or other uses associated with storage sheds and garages. This use is consistent with the residential use of the property and neighborhood.

There is existing vegetation along the perimeter of the property that will be retained. In addition, a 6-foot tall privacy fence is planned along the side property lines.

**PUBLIC COMMENT**

Property owners within 350’ of the property were notified of the application. Several comments in support have been received.

**PLANNING COMMISSION REVIEW**

The Commission reviewed the request at their October 22<sup>nd</sup> meeting and concluded that the proposal complies with the standards for a CUP. The Commissioners commended the applicants on the proposal and improvement to their property. The Commission recommended the Council approve the CUP with a 5 – 0 vote.

**RECOMMENDATION**

The applicant’s proposal is consistent with the Conditional Use Permit criteria and standards for detached accessory structures. The residential use of the proposed gazebo is in harmony with the general purposes and intent of the Development Code and Comprehensive Plan. The structure/land use conforms to the Comprehensive Plan and is

compatible with the residential neighborhood. The existing home will remain the primary feature and use of the property.

Staff is recommending the City Council adopt Resolution #13-97 approving the Conditional Use Permit, subject to the following:

1. The project must be completed in accordance with the plans submitted with the applications. Any significant changes to these plans, as determined by the City Planner, will require review and approval by the Planning Commission.
2. The exterior design and finish of the addition shall be consistent with the plans submitted and complement the home on the property.
3. The existing vegetation along that portion of the west side property line adjacent to the proposed structure must remain and be maintained.
4. The applicant shall obtain a building permit for the structure. The structure shall comply with the Building Code standards.
5. The structure shall be used for the recreational and leisure use consistent with the residential use of the property.
6. The structure shall not be used in any way for commercial purposes.

Attachments:

1. Attachment A – Conditional Use Permit, Standards for Detached Accessory Structures
2. Res. 13-97
3. October 22, 2013 Planning Commission Minutes
4. Aerial Photo
5. Applicant's Statement, Submitted Plans and Photographs
6. Comments received
7. Motion Sheet

# ATTACHMENT A

- (1) The accessory structure shall be located in the rear yard of the property except as otherwise permitted by this ordinance.
- (2) The accessory structure shall be setback a minimum of 10 feet from the side property line and 10 feet from the rear property line; however, the City may require greater setbacks to mitigate impacts on adjoining properties.
- (3) For parcels 1 acre or larger in size, the lot shall have a minimum area of 1 acre above the ordinary high water line of a lake, ponding area or wetland on the property.
- (4) The accessory structure shall be screened from view of adjacent properties and public streets through the use of landscaping, berming, fencing or a combination thereof.
- (5) The structure shall comply with the standards of Section 205.082(D) (5) of this ordinance.

## ***Conditional Use Permit Criteria***

Certain land uses are designated as a conditional use because they may not be suitable in a particular zoning district unless conditions are attached. In those circumstances, conditions may be imposed to protect the health, safety and welfare and to insure harmony with the Comprehensive Plan.

In addition to the standards identified above, the City Council must find that the use complies with the following criteria.

- (1) The use is in harmony with the general purposes and intent of the Development Ordinance.
- (2) The use is in harmony with the policies of the Comprehensive Guide Plan.
- (3) Certain conditions as detailed in the Development Ordinance exist.
- (4) The structure and/or land use conform to the Land Use Chapter of the Comprehensive Guide Plan and are compatible with the existing neighborhood.

**EXTRACT OF MINUTES OF MEETING OF THE  
CITY COUNCIL OF SHOREVIEW, MINNESOTA  
HELD NOVEMBER 4, 2013**

\* \* \* \* \*

Pursuant to due call and notice thereof, a meeting of the City Council of the City of Shoreview, Minnesota was duly called and held at the Shoreview City Hall in said City at 7:00 PM.

The following members were present:

And the following members were absent:

Member introduced the following resolution and moved its adoption.

**RESOLUTION NO. 13-97  
CONDITIONAL USE PERMIT**

**WHEREAS**, Thomas and Susan Walgren, applied for a conditional use permit to construct a detached accessory structure (gazebo) on their property, legally described as:

Lot 8, Block3, Hidden Oaks

*(This property is commonly known as 212 Bridge Street, Shoreview, Minnesota.)*

**WHEREAS**, in accordance with the Development Code, on lots larger than one acre, accessory structures may exceed the maximum allowable square footage permitted as a Conditional Use Permit provided certain standards are met and,

**WHEREAS**, the maximum area permitted for a detached accessory structures is 150 square feet, unless a conditional use permit is issued. The combined area of all accessory structures cannot exceed 90% of the dwelling unit foundation area or 1,200 square feet, whichever is more restrictive; and,

**WHEREAS**, the applicant is requesting a conditional use permit to construct a 175 square foot detached gazebo on his property, 212 Bridge Street, which is in the R1, Detached Residential Zoning District and has a lot area of 10,720 square feet; and

**WHEREAS**, the property is currently developed with: 864 square foot attached garage; and

**WHEREAS**, the detached accessory structure (gazebo) will have a floor area of 175 square feet, increasing the total floor area of accessory buildings to 1,039 square feet, as detailed in the submitted plans; and

**WHEREAS**, the Planning Commission held a public hearing on the proposal and found that the proposed use was consistent with the Comprehensive Plan and that the proposed use would not have a detrimental effect on the character and development of the neighborhood; and

**WHEREAS**, the City Council is authorized by state law and the City of Shoreview Development Code to make final decisions on conditional use permit requests.

**NOW, THEREFORE, BE IT RESOLVED BY THE SHOREVIEW CITY COUNCIL**, that the above-described conditional use permit be approved on the basis of the following findings of fact:

1. The proposed accessory structure will maintain the residential use and character of the property and is therefore in harmony with the general purposes and intent of the Development Ordinance.
2. The primary use of the property will remain residential and is in harmony with the policies of the Comprehensive Guide Plan.
3. The conditional use permit standards as detailed in the Development Ordinance for a residential accessory are met.
4. The structure and/or land use conform to the Land Use Chapter of the Comprehensive Guide Plan and are compatible with the existing neighborhood.

**NOW, THEREFORE, BE IT FURTHER RESOLVED BY THE SHOREVIEW CITY COUNCIL** that a Conditional Use Permit allowing a 1,120 square foot detached garage is hereby approved, subject to the following conditions:

1. The project must be completed in accordance with the plans submitted with the applications. Any significant changes to these plans, as determined by the City Planner, will require review and approval by the Planning Commission.
2. The exterior design and finish of the addition shall be consistent with the plans submitted and complement the home on the property.
3. The existing vegetation along that portion of the west side property line adjacent to the proposed structure must remain and be maintained.
4. The applicant shall obtain a building permit for the structure. The structure shall comply with the Building Code standards.
5. The structure shall be used for the recreational and leisure use consistent with the residential use of the property.

6. The structure shall not be used in any way for commercial purposes.

The motion was duly seconded by Council Member and upon a vote being taken thereon, the following voted in favor thereof:

And the following voted against the same:

Adopted this 4th day of November

---

Sandra C. Martin, Mayor  
Shoreview City Council

ATTEST:

---

Terry Schwerm, City Manager

ACCEPTANCE OF CONDITIONS:

---

Thomas Walgren

---

Susan Walgren

SEAL

STATE OF MINNESOTA )  
 )  
COUNTY OF RAMSEY )  
 )  
CITY OF SHOREVIEW )

I, the undersigned, being the duly qualified and acting Manager of the City of Shoreview of Ramsey County, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a meeting of said City of Shoreview City Council held on the 20th day of May, 2013 with the original thereof on file in my office and the same is a full, true and complete transcript there from insofar as the same relates to adopting Resolution 13-47.

WITNESS MY HAND officially as such Manager and the corporate seal of the City of Shoreview, Minnesota, this 20<sup>th</sup> day of May, 2013.

---

Terry C. Schwerm  
City Manager

SEAL

DRAFT

October 22, 2013 Planning Commission Minutes

Rachel Karel, 863 Tanglewood Drive, to construct a detached accessory structure on their property, subject to the following conditions with an eighth condition to provide non-deciduous vegetation to provide screening from the road.

1. The project must be completed in accordance with the plans submitted with the application. Any significant changes to these plans, as determined by the City Planner, will require review and approval by the Planning Commission.
2. The exterior design and finish of the structure shall be compatible with the dwelling.
3. A minimum setback of 10-feet is required from the private driveway easement line.
4. The structure shall not interfere with the septic system located on the property.
5. The applicant shall obtain a building permit for the structure.
6. The structure shall be used for the hot tub and other related household items and equipment.
7. The structure shall not be used in any way for commercial purposes.

Said approval is based on the following findings of fact:

1. The proposed accessory structure will be maintain the residential use and character of the property and is therefore in harmony with the general purposes and intent of the Development Ordinance.
2. The primary use of the property will remain residential and is in harmony with the policies of the Comprehensive Guide Plan.
3. The conditional use permit standards as detailed in the Development Ordinance for residential accessory are met.
4. The structure and/or land use conform to the Land Use Chapter of the Comprehensive Guide Plan and are compatible with the existing neighborhood.

VOTE:           Ayes - 5                           Nays - 0

**PUBLIC HEARING - CONDITIONAL USE PERMIT**

**FILE NO.:**               2504-13-31  
**APPLICANT:**        THOMAS & SUSAN WALGREN  
**LOCATION:**             212 BRIDGE STREET

**Presentation by City Planner Kathleen Castle**

This application is a proposal to build a 175-foot gazebo, a detached accessory structure larger than 150 square feet, which requires a Conditional Use Permit. The property consists of 10,720 square feet with an 80-foot width. It is developed with a single family home with a 3-car attached garage.

The rear yard is being re-landscaped and includes a patio, gazebo, hot tub and storm water management improvements. The gazebo would be 12 feet from the property line, and there is

**DRAFT**

October 22, 2013 Planning Commission Minutes

screening. The proposal complies with the Conditional Use Permit criteria and Development Code standards.

Property owners within 350 feet were notified of the proposal. Comments of support were received. Staff is recommending the application be forwarded to the City Council for approval.

Commissioner McCool questioned the amount of impervious surface. Ms. Castle answered that impervious surface will be at 37%, which is less than the 40% permitted.

City Attorney Kelly stated that proper notice has been given for the public hearing at this meeting.

Chair Solomonson opened the public hearing. There were no comments or questions.

MOTION: by Commissioner McCool, seconded by Commissioner Schumer to close the public hearing.

VOTE: Ayes - 5 Nays - 0

MOTION: by Commissioner Schumer, seconded by Commissioner Ferrington to recommend the City Council approve the Conditional Use Permit application submitted by Thomas and Susan Walgren, 212 Bridge Street, to construct a detached accessory structure (gazebo) on their property, subject to the following conditions:

1. The project must be completed in accordance with the plans submitted with the applications. Any significant changes to these plans, as determined by the City Planner, will require review and approval by the Planning Commission.
2. The exterior design and finish of the addition shall be consistent with the plans submitted and complement the home on the property.
3. The existing vegetation along that portion of the west side property line adjacent to the proposed structure must remain and be maintained.
4. The applicant shall obtain a building permit for the structure. The structure shall comply with the Building Code standards.
5. The structure shall be used for the recreational and leisure use consistent with the residential use of the property.
6. The structure shall not be used in any way for commercial purposes.

Said approval is based on the following findings of fact:

1. The proposed accessory structure will be maintain the residential use and character of the property and is therefore in harmony with the general purposes and intent of the Development Ordinance.
2. The primary use of the property will remain residential and is in harmony with the policies of the Comprehensive Guide Plan.
3. The conditional use permit standards as detailed in the Development Ordinance for residential accessory are met.

**DRAFT**

October 22, 2013 Planning Commission Minutes

4. The structure and/or land use conform to the Land Use Chapter of the Comprehensive Guide Plan and are compatible with the existing neighborhood.

**VOTE:**                      Ayes - 5                      Nays - 0

**COMPREHENSIVE SIGN PLAN REVIEW**

**FILE NO.:**                      2501-13-28  
**APPLICANT:**                DR. ROBERT L. THATCHER/JOHN TRAEGER  
**LOCATION:**                    1050 COUNTY ROAD E

**Presentation by Senior Planner Rob Warwick**

The property is developed with a 6,500 square foot office building owned by Mr. John Traeger. The two tenants in the building are John Traeger Insurance Agency and The Health and Wellness Center of Mid-America, operated by Dr. Thatcher. The request is to change the existing monument sign by replacing the two tenant panels with a 14-square foot message center sign. A Comprehensive Sign Plan is required because the sign area is less than the 20-foot minimum required by code. The owner of the building states that it is not feasible to alter the monument sign to accommodate a larger message center sign. The tenant panels only consist of 14 square feet. The monument sign is the only sign on the site. Deviations from the Sign Code can be approved through a Comprehensive Sign Plan Review. A full color display is planned with an 8-second duration.

Land uses surrounding the property consist of other office and commercial uses. Approximately 650 feet east, there are residences on Richmond Court. Message center requirements must identify proximity to residential use. The property is in a PUD, zoned Office. It is staff's determination that the proposed message center sign will not impact residential areas. Office buildings and vegetation between the subject property and residences will screen any visibility of the proposed message center sign.

Notices were sent to property owners within 350 feet. Two responses were received in support of the proposal.

Staff finds that the new sign will convey the number of services offered. Staff is recommending the application be forwarded to the City Council for approval with the conditions listed in the staff report.

Commissioner Wenner asked if there would be graphics in the sign. Mr. Warwick stated that only text messages are proposed.

Commissioner Ferrington noted the varying letter heights mentioned in the application and asked the actual height. Mr. Warwick stated that there can be three lines of text at 5.5 inches. The minimum approved by the City has been 6 inches. The manufacturer has indicated that at 45 mph speeds, a better height is 7 or 8 inches. Two lines at 8 inches are allowed.



# Walgren - 212 Bridge Street



## Legend



- City Halls
- Schools
- Hospitals
- Fire Stations
- Police Stations
- Recreational Centers
- Parcel Points
- Parcel Boundaries

## Notes

Conditional Use Permit



This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.  
THIS MAP IS NOT TO BE USED FOR NAVIGATION

10/3/13

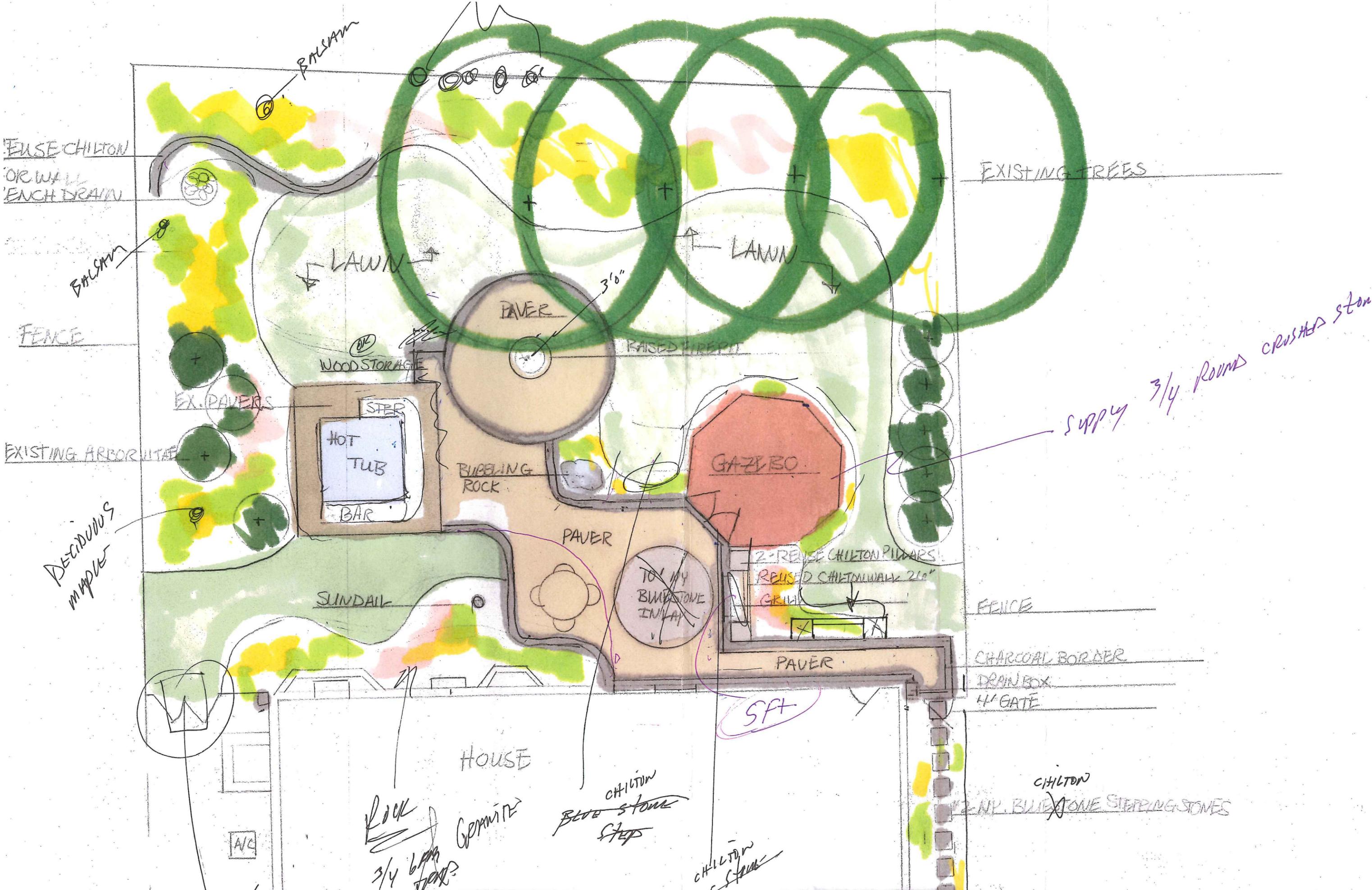
TO WHOM IT MAY CONCERN:

THIS STATEMENT IS PROVIDED TO DESCRIBE THE INTENDED USE OF OUR REQUEST FOR A 16' GAZEBO, WITH 175 FT.<sup>2</sup> TO BE INSTALLED IN THE REAR OF OUR YARD FOR OUR PERSONAL ENJOYMENT. IN NO WAY WILL THIS BE USED AS A "SECOND HOME." WE PLAN TO FURNISH THE GAZEBO WITH CASUAL FURNITURE AND POSSIBLY A TELEVISION, AND USE FOR OUR PERSONAL, RESIDENTIAL USE.



THOMAS F. WALDEEN





REUSE CHILTON  
OR WALL  
ENCH DRAIN

EXISTING TREES

BALSAM

LAWN

LAWN

FENCE

WOOD STORAGE

PAVER

RAISED WALKWAY

EX. PAVERS

STEPS  
HOT TUB  
BAR

RUBELING  
ROCK

GAZEBO

EXISTING ARBOR VITAE

PAVER

DECIDUOUS  
MAPLES

SUNDAIR

TO MY  
BLUESTONE  
INLAY

2-REUSED CHILTON PILLARS

REUSED CHILTON WALK 2'6"

FENCE

CHARCOAL BORDER

PAVER

DRAIN BOX

4' GATE

HOUSE

SFT

Rock  
3/4 6mm  
floor?

GERMITE

CHILTON  
BLUE STONE  
STEPS

CHILTON  
BLUE STONE

CHILTON

2-1/2" NY. BLUESTONE STEPPING STONES

supply 3/4 ROUND CRUSHED STONE



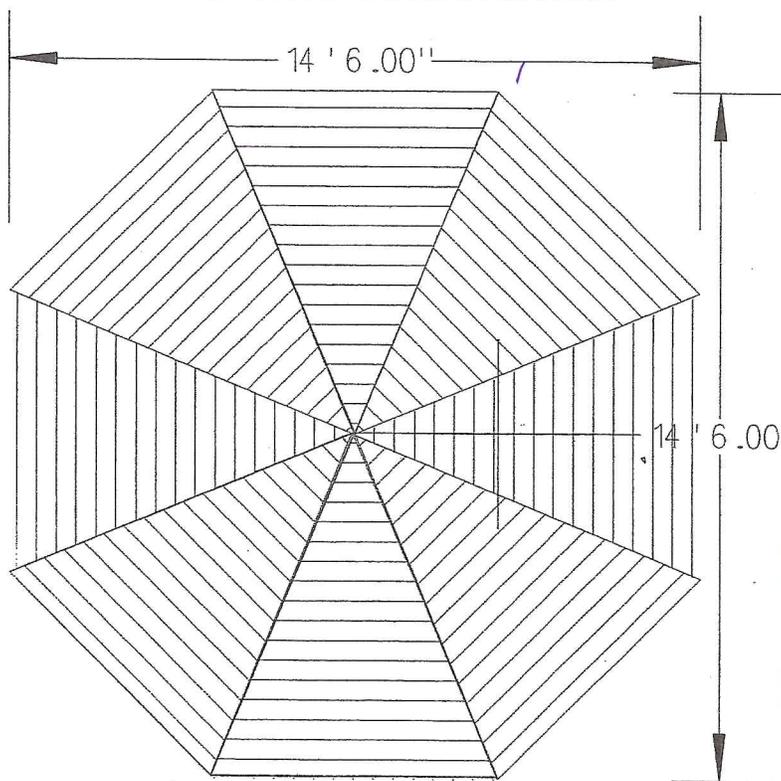
*Garden Getaway Gazebos, Inc.*  
 1234 West Scott Street  
 Fond du Lac, WI 54937  
 866-923-9070

two tier gazebo with  
 standard brackets and  
 blend of 4 stone on  
 owners foundation  
 and deck

**16' gazebo, 175 square feet  
 from floor to ceiling 14' high**

8 deck sections, 94 1/4" radian, 6' ends. Tongue and groove 2x6 western red cedar flooring, (also available tongue and groove 2x6 douglas fir flooring). No surface fasteners. Floor sections are numbered and predrilled for dowels. Four coats of Sherwin Williams waterborne polyurethane varnish are applied to the floor. Interior walls and ceiling have 2 coats of a cedartone Sherwin Williams Woodscapes exterior finish, SW3513 Spice Chest. Deck sections are fastened to a foundation grade, .60 pressure treated wood foundation wall set on a 3/4" stone footing. Foundation is continuously perimeter vented and rodent proofed. 6 mil poly and gravel over interior soil. Exterior has a 60 mil neoprenrubber applied to the foundation. Foundation is backfilled with 3/4" stone. Wall sections have 1/2"x5 1/2" clear, vertical grain beveled siding. Aluminum extrusionslider windows with full screens. Solid cedar, double entrance doors with Schlage leverlock entrance hardware. Prewired for ceiling fan (owner supplied and installed), 2 sconce lights or track lights, 2 Polk Audio RC55i speakers with AM-FM single CD stereo, 4 duplex outlets, 2 wall switches, all accessible for future changes or additions. Roof sections with 1x12 knotty western red cedar, (optional clear 5/4 x 4 tongue and groove cedar or Douglas fir), 2x4 s4s knotty western red cedar rafters, 18" tapersawn vertical grain #1 western red cedar shakes applied with 8" exposure.

PERMITS IF REQUIRED TO BE OBTAINED BY OWNERS



16' single tier shown  
 with standard brackets

**upper roof section**

one-6" hardened steel timberframe screw through 2x4 top plate of ring into hip rafter, one per upper roof section.

one 3" deck screw and clear acrylic latex sealant fastens each ring section to the 2x6 cedar ledger

cedar 2x4 ripped at 30 degrees and applied (in our shop) with 3" screws and polyurethane constructions adhesive to the 2x4 top plate of roof section

**lower roof section**

minimum one per lower roof section  
4" hardened steel timberframe screw through the top plate into the rafter.

2x4

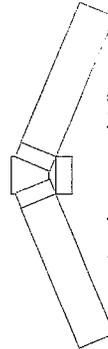
#3 knotty 1x12 western red cedar

Briteway extruded aluminum double slider window with tempered glass and full exterior screen

interior

walls are 92 1/2" tall side cross section of wall

4x4 knothched with two vertical 2x4 studs



top view corner detail

1/2" x 5 1/2" clear VG cedar siding applied interior and exterior, 15# felt under exterior siding smooth to interior, rough sawn to exterior

2x4 flat

2x2 fastened to 2x4 flat with two 3" prime plus deck screws each end

*Garden Getaway Gazebos, Inc.*  
1234 West Scott Street  
Fond du Lac, WI 54937  
866-923-9070

**Standard walls for 3 season gazebo**

**1 1/2" eps foam panels fit tight between studs**



Kathleen Castle &lt;kcastle@shoreviewmn.gov&gt;

---

**212 Bridge St**

1 message

**John Towle** <jtowle@gbp.com>

Tue, Oct 15, 2013 at 2:52 PM

To: kcastle@shoreviewmn.gov

Kathlem,

My name is John Towle, and I live at 200 Lion Lane, Shoreview MN.

I am replying to a request for comment on the Conditional Use Permit application from Thomas & Susan Walgren.

I no concerns with their proposed project.

Thank You,

*John Towle*

Cell# 612-968-1144

City Council:  
Sandy Martin, Mayor  
Amy Johnson  
Terry Quigley  
Ady Wickstrom  
Ben Withhart



City of Shoreview  
4600 Victoria Street North  
Shoreview, MN 55126  
651-490-4600 phone  
651-490-4699 fax  
www.shoreviewmn.gov

October 8, 2013

**REQUEST FOR COMMENT**

Dear Shoreview Property Owner:

Please be advised that on **Tuesday, October 22<sup>nd</sup> at 7:00 p.m.**, the Shoreview Planning Commission will hold a public hearing for a Conditional Use Permit application submitted by **Thomas and Susan Walgren** to construct a 175 square foot detached accessory structure (gazebo) in the rear yard of their property at **212 Bridge Street**.

On parcels less than 1 acre or larger in size, accessory structures that are larger than 150 square feet but less than 288 square feet require a Conditional Use Permit. The Conditional Use Permit process enables the City to review the proposed use through a public hearing for compliance to the Development Code standards and ensure compatibility with nearby land uses. Please see the attached plan.

You are encouraged to fill out the bottom portion of this form and return it if you have any comments or concerns. You may also send your comments to me via email. Comments received by **October 17<sup>th</sup>** will be distributed to the Planning Commission with their agenda packet. Comments received after that date but before the meeting will be distributed to the Commission that night. You are also welcome to attend the meeting which will be held in the **City Council Chambers, Shoreview City Hall, 4600 North Victoria Street**.

If you would like more information or have any questions, please call me at 651-490-4682 between 8:00 a.m. and 4:30 p.m., Monday through Friday. I can also be reached via e-mail at [kcastle@shoreviewmn.gov](mailto:kcastle@shoreviewmn.gov).

Sincerely,  
  
Kathleen Castle  
City Planner

Comments:

Everything the walgrens do to  
their house & yard look first  
class. I think it looks great!

Name: Cheryl Hiner  
Address: 244 Lion Ln SU



Kathleen Castle &lt;kcastle@shoreviewmn.gov&gt;

---

**212 Bridge Street**

1 message

**Mike & Teresa Gallagher** <mike.teresa@comcast.net>

Thu, Oct 17, 2013 at 9:22 AM

To: kcastle@shoreviewmn.gov

Kathleen,

We received your letter regarding Tom and Sue Walgren, 212 Bridge St. relating to a conditional use permit.

We are completely in favor of this gazebo project. We live on the street directly south of the Walgrens and have visual access to their back yard. We don't see the construction as anything but an enhancement to their already well maintained property. We have been neighbors of the Walgrens for over 10 years and they have always kept a clean and well maintained yard (as have most of the families in our neighborhood). Furthermore, there are many trees and other shrubbery that the gazebo will blend in with nicely.

Again, we are in favor!

Mike &amp; Teresa Gallagher

222 Lion Lane

City Council:  
Sandy Martin, Mayor  
Amy Johnson  
Terry Quigley  
Ady Wickstrom  
Ben Withhart



City of Shoreview  
4600 Victoria Street North  
Shoreview, MN 55126  
651-490-4600 phone  
651-490-4699 fax  
www.shoreviewmn.gov

October 8, 2013

## REQUEST FOR COMMENT

Dear Shoreview Property Owner:

Please be advised that on **Tuesday, October 22<sup>nd</sup> at 7:00 p.m.**, the Shoreview Planning Commission will hold a public hearing for a Conditional Use Permit application submitted by **Thomas and Susan Walgren** to construct a 175 square foot detached accessory structure (gazebo) in the rear yard of their property at **212 Bridge Street**.

On parcels less than 1 acre or larger in size, accessory structures that are larger than 150 square feet but less than 288 square feet require a Conditional Use Permit. The Conditional Use Permit process enables the City to review the proposed use through a public hearing for compliance to the Development Code standards and ensure compatibility with nearby land uses. Please see the attached plan.

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Sincerely,

Kathleen Castle  
City Planner

Comments:

LOOKS NICE - LET THEM BUILD  
IT. MAKE SURE ALL SET-  
BACKS ARE MET.

ALL LIGHTING SHOULD BE LOW  
VOLTAGE TO AVOID CARRYOVER  
TO ADJACENT PROPERTIES

Name: TOM PALANSKY  
Address: 234 GALTIER

City Council:  
Sandy Martin, Mayor  
Emy Johnson  
Terry Quigley  
Ady Wickstrom  
Ben Withhart



City of Shoreview  
4600 Victoria Street North  
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651-490-4600 phone  
651-490-4699 fax  
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October 8, 2013

**REQUEST FOR COMMENT**

Dear Shoreview Property Owner:

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On parcels less than 1 acre or larger in size, accessory structures that are larger than 150 square feet but less than 288 square feet require a Conditional Use Permit. The Conditional Use Permit process enables the City to review the proposed use through a public hearing for compliance to the Development Code standards and ensure compatibility with nearby land uses. Please see the attached plan.

You are encouraged to fill out the bottom portion of this form and return it if you have any comments or concerns. You may also send your comments to me via email. Comments received by **October 17<sup>th</sup>** will be distributed to the Planning Commission with their agenda packet. Comments received after that date but before the meeting will be distributed to the Commission that night. You are also welcome to attend the meeting which will be held in the **City Council Chambers, Shoreview City Hall, 4600 North Victoria Street**.

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Sincerely,

Kathleen Castle  
City Planner

Comments:

I'm surprised to receive this request for comments due to my proximity to the residence in question. Maybe this was meant for 226 Bridge Street?

Name: Sherry Rue  
Address: 226 Galtier Place Shoreview

## PROPOSED MOTION

MOVED BY COUNCIL MEMBER \_\_\_\_\_

SECONDED BY COUNCIL MEMBER \_\_\_\_\_

To approve the Comprehensive Sign Plan submitted by Dr. Robert Thatcher, for 1050 County Road E, subject to the following conditions:

- A. The signs shall comply with the plans submitted for the Comprehensive Sign Plan application. Any significant change will require review by the Planning Commission and City Council.
- B. The applicant shall obtain a sign permit prior to the installation of any signs on the property.
- C. The message center sign shall:
  1. Display text using a minimum 6-inch letter height, sufficient to be readable by passing motorists without distraction.
  2. Messages shall be limited to allow passing motorists to read the entire copy.
  3. Messages shall be displayed for a minimum of 8 seconds, and shall change instantaneously.
  4. Messages be presented in a static display, and shall not scroll, flash, blink or fade.
  5. The brightness of the sign shall not exceed 0.3 foot-candles above ambient conditions, when measured at a distance of 37.4 feet from the sign.

This approval is based on the following findings of fact:

1. *The plan proposes signs consistent in color, size and materials throughout the site for each type of proposed sign.* The property currently has one sign, the monument sign proposed to employ the message center sign.
2. *Approving the deviation is necessary to relieve a practical difficulty existing on the property.* The message center sign has been designed to fit into the existing monument sign, and the area available is limited to the proposed 14 square foot area sign.

3. *The proposed deviations from the standards of Section 208 result in a more unified sign package and greater aesthetic appeal between signs on the site. The deviation will allow a message center sign that is effectively integrated into the existing monument sign.*
  
4. *Approving the deviation will not confer a special privilege on the applicant that would normally be denied under the Ordinance. The sign display will use letters that exceed the 6-inch minimum height and short messages to retain visibility for passing motorists.*
  
5. *The resulting sign plan is effective, functional, attractive and compatible with community standards. The sign plan amendment proposes signs with a consistent design that conforms to the intent of Code.*

ROLL CALL:      AYES \_\_\_\_\_      NAYS \_\_\_\_\_

Johnson	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

**Regular City Council Meeting**  
November 4, 2013

**TO:** Mayor, City Council, City Manager  
**FROM:** Rob Warwick, Senior Planner  
**DATE:** October 29, 2013  
**SUBJECT:** Comprehensive Sign Plan, 1050 County Road E, File 2501-13-28

### **INTRODUCTION AND BACKGROUND**

On behalf of John Traeger, Dr. Robert Thatcher submitted a Comprehensive Sign Plan application for the property at 1050 County Road E. The office building on the property was constructed in 2006, and a freestanding monument sign completed in 2007. The building is owned by Mr. Traeger.

The existing monument sign has an area of 47 square feet, and includes space for two panels identifying building tenants. The applicant has now submitted a comprehensive sign plan, proposing to alter the existing monument sign by adding an integrated message center sign in place of the tenant panels. The message center sign is 14 square foot, which is less than the minimum 20-square foot area required for a message center sign. Deviations from requirements of the Sign Code are permitted with approval of a Comprehensive Sign Plan. The application was complete October 1, 2013.

### **PROJECT DESCRIPTION AND DEVELOPMENT CODE REQUIREMENTS**

The property is located near the southeast corner of the intersection of Lexington Avenue and County Road E. The one-story office building has approximately 6,500 square feet of gross floor area, occupied by the John W. Traeger Insurance Agency and the Health and Wellness Center of Mid-America, operated by Dr. Thatcher.

The zoning designation is PUD, Planned Unit Development, with an underlying designation of O, Office. All adjoining land uses are commercial. The nearest residential use is more than 650 feet to the east along County Road E. There are also residential uses on Richmond Court, southeast of the subject property, but the location of the sign on the subject property is screened by the office building when viewed from the southeast. Given these conditions, the review is based on a determination that the proposed message center sign will not impact nearby residential uses.

Monument signs for a building with less than 20,000 square feet of floor area are permitted with a maximum area of 60 square feet and a maximum height of 12 feet. The existing sign complies with the standards for a monument sign.

The 13.9 square-foot message center sign is designed to use the area of the monument originally intended to display two tenant panels. It is not possible to modify the existing sign to accommodate a larger message center, and so the area represents a deviation from the

Code. An approved comprehensive sign plan may vary from the design and dimensional standards of the Sign Code.

The City adopted standards for message center signs earlier this year, and these include:

- The message center sign must be integrated into a freestanding monument sign.
  - The name of the facility shall dominate all other sign features.
- A maximum area of 50-square feet in the Office District.
- A minimum area of 20-square feet in all districts
- A static display with a minimum 8-second duration.
- No flashing, scrolling, fades, or other imitation of movement is permitted.
- The text must be limited to allow passing motorists to read the entire copy.
- Brightness for the sign must be set at a minimum level which the sign is to be read, and must include an automatic dimmer control to adjust brightness for ambient light conditions.

Dr. Thatcher plans to display services provided by his clinic on the message center full-color display, using an 8-second minimum duration for each display. See the applicant's statement for examples of the messages anticipated. Conditions are recommended to minimize the distraction the sign might present to drivers viewing the sign from County Road E.

### **STAFF REVIEW**

Comprehensive Sign Plan review considers five elements governing sign design within the site: location, materials, size, color and illumination. When a deviation is proposed approval shall be based on required findings, and these findings are reviewed below:

1. *The plan proposes signs consistent in color, size and materials throughout the site for each type of proposed sign.* The property currently has one sign, the monument sign proposed to employ the message center sign.
2. *Approving the deviation is necessary to relieve a practical difficulty existing on the property.* The message center sign has been designed to fit into the existing monument sign, and the area available is limited to the proposed 14 square foot area sign.
3. *The proposed deviations from the standards of Section 208 result in a more unified sign package and greater aesthetic appeal between signs on the site.* The deviation will allow a message center sign that is effectively integrated into the existing monument sign.
4. *Approving the deviation will not confer a special privilege on the applicant that would normally be denied under the Ordinance.* The sign display will use letters with a minimum 6-inch height, and short messages to retain visibility for passing motorists.

5. *The resulting sign plan is effective, functional, attractive and compatible with community standards.* The sign plan amendment proposes signs with a consistent design that conforms to the intent of Code.

### **REQUEST FOR COMMENT**

Property owners within 350 feet of the site were notified of the requests. Two comments from adjacent property owners have been submitted in response to the notice, and both express support for the proposal.

### **PLANNING COMMISSION**

At their October 22, 2013 meeting, the Planning Commission reviewed the application. The Commissioners discussed the text sizes, noting that the proposed sign is capable of displaying up to 18.5 inches with a single line of text or 3 lines with 5.5 inch text. The Commission concern stems from the relationship between text size, vehicle speed and legibility. The applicant will use 7 or 8 inch tall text to insure legibility from the 45 mph roadway, and developed sample messages, see attached, that will fit onto the proposed sign.

The Commission unanimously (5-0) recommended approval of the Comprehensive Sign Plan to the City Council.

### **RECOMMENDATION**

Staff and the Planning Commission have reviewed the proposal in accordance with the sign criteria, and recommend the City Council approve the application, with the following conditions:

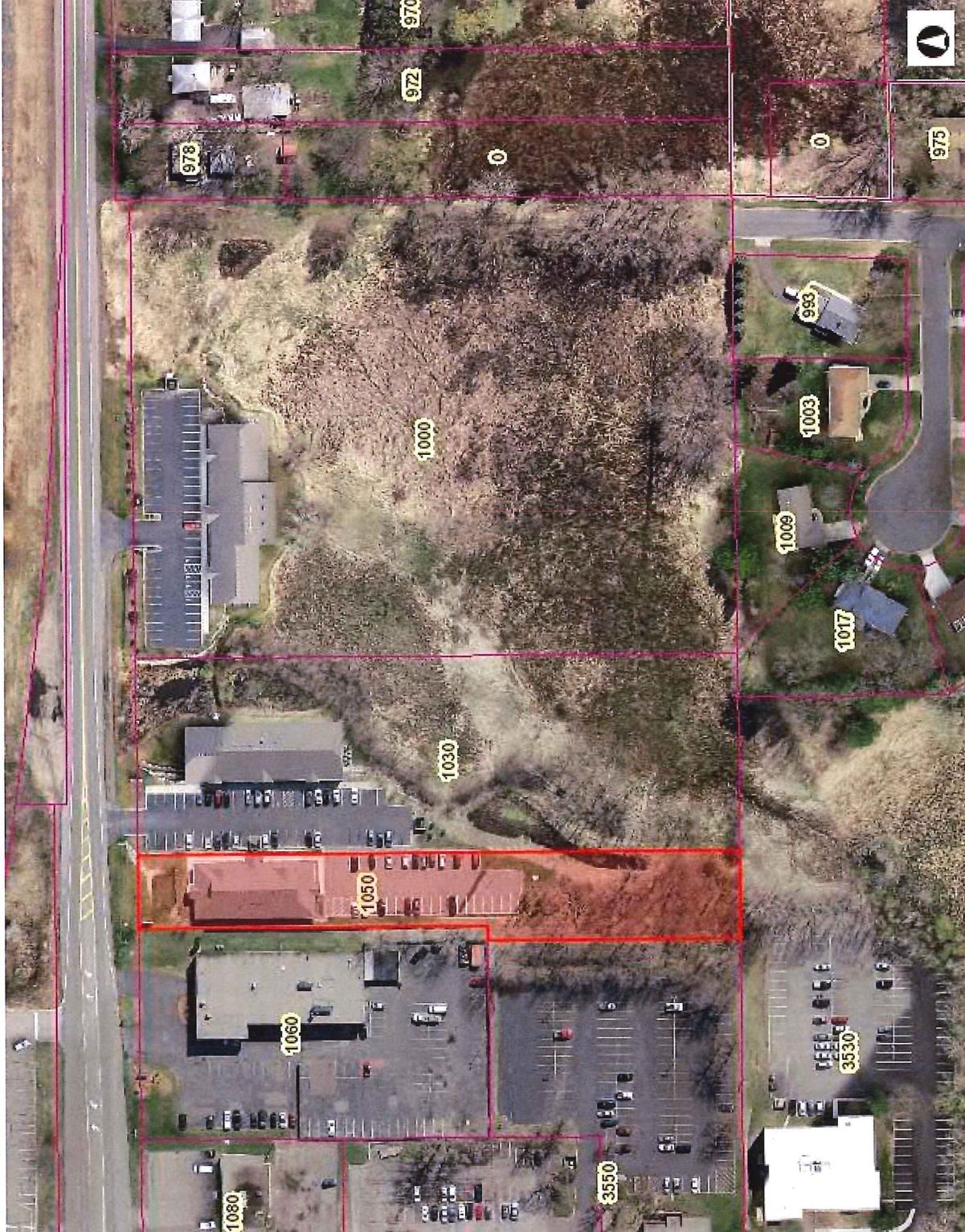
- A. The signs shall comply with the plans submitted for the Comprehensive Sign Plan application. Any significant change will require review by the Planning Commission and City Council.
- B. The applicant shall obtain a sign permit prior to the installation of any signs on the property.
- C. The message center sign shall:
  1. Display text using a minimum 6-inch letter height, sufficient to be readable by passing motorists without distraction.
  2. Messages shall be limited to allow passing motorists to read the entire copy.
  3. Messages shall be displayed for a minimum of 8 seconds, and shall change instantaneously.

4. Messages be presented in a static display, and shall not scroll, flash, blink or fade.
5. The brightness of the sign shall not exceed 0.3 foot-candles above ambient conditions, when measured at a distance of 37.4 feet from the sign.

Attachments:

1. Location Map
2. Approved Monument Sign
3. Submitted Plans
4. Proposed Motion

T:/2012 pcf/2501-13-28 1050 co road E sign plan/CC report .doc



### Legend



- Parcel Points
- Parcel Boundaries

### Notes

Enter Map Description

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.  
THIS MAP IS NOT TO BE USED FOR NAVIGATION

300.0 Feet

150.00

0



JWT INSURANCE  
CLIENT:

SHOREVIEW, MN  
LOCATION:

TED KROSKA  
ACCOUNT EXECUTIVE:

JOH JASPER  
DESIGNER:

JWT INSURANCE  
DRAWING:

4-9-07  
DATE:

REVISION:

CUSTOMER APPROVAL

THESE PLANS ARE THE EXCLUSIVE PROPERTY OF LAWRENCE IGN AND ARE THE RESULT OF THE ORIGINAL WORK OF ITS EMPLOYEES. THEY ARE SUBMITTED TO YOUR OFFICE FOR CONSIDERATION OF YOUR PURCHASE OF THESE PLANS OR TO PURCHASE FROM LAWRENCE IGN. THESE PLANS ARE BEING DISTRIBUTED TO OTHER THAN EMPLOYEES OF YOUR COMPANY WITHOUT YOUR PERMISSION. THE ONE EMBODIED HEREIN IS EXPRESSLY FORBIDDEN. IN THE EVENT THAT SUCH EXHIBITION OCCURS, LAWRENCE IGN SHALL BE ENTITLED TO THE COMPENSATION FOR TIME AND EFFORT ENTAILLED IN CREATING THESE PLANS.

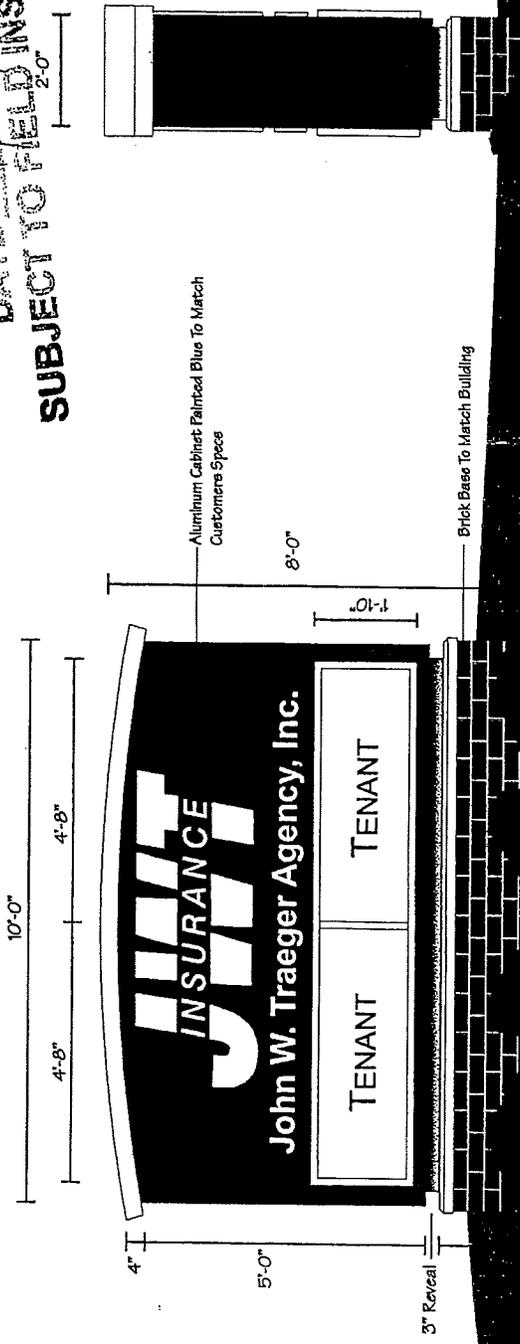
**DOUBLE FACE ILLUMINATED MONUMENT**

- Aluminum Cabinets Will Be Painted Blue To Match Customers Specs.
- Face Will Have Routed Out Copy & Logo With 3/4" Clear Acrylic Push Thru Letters.
- Tenant Panels Will Be White Lexan With Translucent Vinyl Graphics Applied To The Face.
- Bars & Revelers Will Be Painted Light Grey.
- Cabinet Will Be Lit With High Output Fluorescent Lighting.
- Aluminum Top Cap & Reveal Will Be Painted Light Grey.
- Brick Base To Match Building Brick.

**APPROVED**  
**CITY OF SHOREVIEW**

BY *(RW)*  
DATE *4/2/07*

**SUBJECT TO FIELD INSPECTION**  
2'-0"



PRINTED COLORS & GRADIENTS AS SHOWN MAY VARY FROM ACTUAL FINISHED COLOR.  
**DOUBLE FACE ILLUMINATED MONUMENT**  
SCALE: 1/2" = 1'-0"

*modify panels that read 'Tenant'*  
**Existing Monument Sign**



# stewart signs

America's Premier Sign Company

October 7, 2013

Dr. Thatcher,

Thank you for your continued interest in the Stewart Sign Company--America's Premier Sign Company since 1968.

Our DayStar EXP LED cabinet 20MM 24 x 112 that you are interested in ordering has the following dimensions:

Actual Display Height is 1' 6.9" by Actual Display Width of 7' 4.2"

Total Cabinet is 1'10" x 7' 7.2"

You are able to display (3) lines of text at 5.5" tall characters and 19-23 characters per line.

You can also display one line of 18.9 " tall characters.

The DayStar 20mm LED display is the perfect signage to capture the passing motorist that is doing 45mph or less pass your business.

Our DayStar has the capabilities of displaying video--text--animation--graphics.

The DayStar comes with its' own proprietary software and is very user friendly. You can control the led display sign to do about anything including when to run your messages. You can tell the sign when you want your message to appear and for how long. You can program your sign up to a year in advance and all your data is stored on the embetted Linux PC 32 gb controller.

The Stewart Sign Company has been providing top quality signage to the American public for the last 46 years.

We are the largest provider of LED signage to the US Military and we just installed a large LED display at the Kennedy Space Center for NASA.

I look forward to welcoming HEALTH AND WELLNESS CENTER to the Stewart Sign family of satisfied customers.

Regards,

Rick Fontaine

---

2201 Cantu Court Suite 215 Sarasota, FL 34232  
(941) 378-4242 (800) 237-3928 Fax (941) 378-2765

**stewartsigns.com**

# Stewart

AMERICA'S PREMIER SIGN COMPANY

## Changeable Letter Size Chart

Important: Change "page scaling" to "none" in your print options to ensure the sample letters are printed at the correct size.

Page Scaling:

The *times in seconds* are calculated assuming a 1" letter to be readable at 50 feet. Each 1" increase results in an additional 50 foot readability. By industry studies, the 50 foot per inch readability criterion is generous.

The chart on the right also assumes free flowing traffic. Traffic lights, stop signs, and other conditions can, in some cases, justify smaller character heights.

Remember, the figures in the chart represent the time from which letters first become readable until one passes by a sign. The need to monitor traffic conditions, and normal driving concerns restrict the amount of time a driver can dedicate to reading your message. The answer, whenever possible, is to allow the driver more time to read the message through larger letter sizes.

The premier quality of an effective sign is readability. If a sign cannot be read from a distance sufficient to allow time to read it, then the message it carries is silenced. This chart will help you choose the best letter size for the speed of traffic passing by.

*From years of study, it has been determined that the recommended minimum reading time is 5 seconds.*

Imagine you are the driver of a car driving past your sign. At your speed, what size letter will the sign require to allow you time to read the message before you pass it?

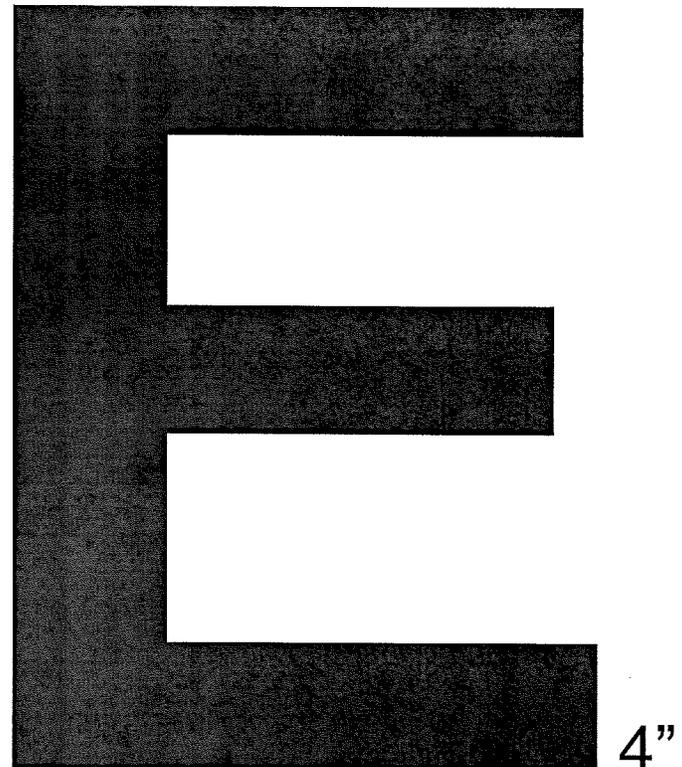
### INSTRUCTIONS FOR SIZE SELECTION CHART

This letter chart has been designed to help you select the most readable letter size for your sign.

We recommend that you:

1. Place the chart perpendicular to the road where your new sign will be located. It may be held, tacked to a wooden stake or tree, or taped to an existing sign.
2. Drive by the letter chart at the normal traffic speed.
3. Choose the letter size that is the most readable.

		Letter Size			
		4"	6"	8"	10"
M.P.H.	25	<b>5.5</b>	8.2	10.9	13.6
	35	3.9	<b>5.8</b>	7.8	9.7
	45	3.0	<b>4.5</b>	<b>6.1</b>	7.6
	55	2.5	3.7	<b>5.0</b>	6.2
	65	2.1	3.1	4.5	<b>5.7</b>





John W. Traeger Agency, Inc.

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1050 County Road E West, Suite 100 • St. Paul, MN 55126

Office: (651) 414-6400 Fax: (651) 414-6401

September 13<sup>th</sup>, 2013

City of Shoreview  
Planning Commission

To whom it may concern:

I recently have had discussion with my long time renter, Dr. Robert Thatcher of the Health and Wellness Center located at 1050 County Road E. West. Shoreview, MN. Dr. Thatcher is interested in replacing the designated signage he has in my monument sign with an LED sign.

The new sign would fit exactly within his designated space without any re-configuration to my current monument sign. He has discussed the design and it meets my requirements.

The reason for the request for the new sign is to provide Dr. Thatcher with the ability to attract new patients and to pass along exactly what his clinic does. He is the only other tenant besides my office in the building.

Thank you for your consideration of the slight variance he is asking to make compared to the village rules. My understanding is that the city minimum is 20 square feet of readable sign space and he is asking for you to approve 18 square feet.

It is not realistic for me to tear down a 7 year old sign and build a new one to create 2 additional square feet to satisfy the current rules of the city. I fully support his request for variance.

I am hopeful the Planning Commission will recommend to the City Council that this variance is reasonable and support Dr. Thatcher's request.

Thank you,

A handwritten signature in black ink, appearing to read 'John Traeger', written over a horizontal line.

John Traeger  
651-414-6402



Robert Warwick <rwarwick@shoreviewmn.gov>

---

**Bob Thatcher**

---

DRchina@aol.com <DRchina@aol.com>

Tue, Oct 15, 2013 at 4:12 PM

To: rwarwick@shoreviewmn.gov

Cc: drchina@aol.com

**Sign options:**

Shoreview Physical Therapy

3rd Opinion Pain Relief Center

Integrated Health Care

Time and Temp

Laser Pain Specialists

Acupuncture Services

These are examples of our sign usage.

Thanks...

Bob

Subj: **RE: Dr. Bob Thatcher/Sign**  
Date: 9/17/2013 1:01:30 P.M. Central Daylight Time  
From: [mschoonover@sbwinc.com](mailto:mschoonover@sbwinc.com)  
To: [DRchina@aol.com](mailto:DRchina@aol.com)

**Bob-If it's ok with the City, it is ok with me.**

**I approve the use of your new sign.**

**Mike**

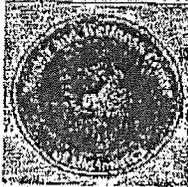
---

**From:** [DRchina@aol.com](mailto:DRchina@aol.com) [mailto:[DRchina@aol.com](mailto:DRchina@aol.com)]  
**Sent:** Tuesday, September 17, 2013 10:59 AM  
**To:** Mike Schoonover  
**Subject:** Dr. Bob Thatcher/Sign

Mike...do you have any issues with our modifying our building sign?

Bob T

**Dr. Robert L. Thatcher**  
Clinic Director  
Doctor of Chiropractic, DipAp  
Health and Wellness Center  
MidAmerica  
651-484-8448 -- Office  
<http://www.bewelltoday.us/>



Subj: **County Road E Signage**  
Date: 10/2/2013 11:55:23 A.M. Eastern Daylight Time  
From: [keith@remax.net](mailto:keith@remax.net)  
To: [drchina@aol.com](mailto:drchina@aol.com)

I am a partner in the two neighboring buildings at 1000 County Road E and 1050 County Road E. am fine with the sign changes that you mentioned to me.

Regards-  
Keith Eibensteiner  
Real Estate Consultant  
RE/MAX Results  
651-248-0590  
Email: [keith.eibensteiner@results.net](mailto:keith.eibensteiner@results.net)  
[www.results.net/keith.eibensteiner](http://www.results.net/keith.eibensteiner)



**PROPOSED MOTIONS**

Moved by Council member \_\_\_\_\_

Seconded by Council member \_\_\_\_\_

To adopt proposed resolution #13-98 authorizing Issuance, awarding sale, prescribing the form and details and providing for the payment of \$2,270,000 general obligation bonds, Series 2013C.

ROLL CALL:	AYES	NAYS
Johnson	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

Fred Espe  
Assistant Finance Director  
November 4, 2013  
Council Meeting

TO: Terry Schwerm, City Manager  
FROM: Fred Espe, Assistant Finance Director  
DATE: October 31, 2013  
RE: Award Sale of Bonds

## Introduction

Enclosed is the resolution authorizing the issuance, awarding the sale and prescribing the form and details and providing for the payment of the \$2,270,000 general obligation Bonds, Series 2013C.

## AAA Bond Rating Confirmed

On Wednesday October 22, City staff met with Standard & Poor's Ratings Services (S&P) (the City's rating agency) to obtain a rating on the \$2,270,000 general obligation bonds, Series 2013C. This week S&P verbally confirmed the City's existing AAA bond rating, the highest bond rating awarded, which helps the City obtain lower interest rates on debt borrowing. The rating is a statement of confidence in the City's current financial stability and long-term fiscal planning. It is important to note that the bond rating process is repeated for each new debt issue.

This year S&P changed their approach for assessing the risk and assigning ratings associated with municipal general obligation debt. The new methodology is intended to provide transparency into the rating process, enhance rating comparability, and formalize the forward-looking component of the rating process. The rating process allows for greater understanding of how S&P arrives at a specific rating, aids in the understanding of how a rating may change, and provides comparability across sectors and regions.

The new rating process is based on S&P's assessment of seven underlying factors and 43 possible qualitative and quantitative adjustments. City staff was given a list of thirty three questions covering the seven factors prior to meeting with S&P. Each factor is given a rating between one and five (one being most favorable). The factors are weighted as follows:

- Institutional framework 10%
- Economy 30%
- Management 20%
- Budgetary flexibility 10%
- Budgetary performance 10%
- Liquidity 10%
- Debt and contingent liabilities 10%

S&P is currently in the process of reviewing all of their outstanding local government general obligation ratings using their new criteria, therefore we do not have a current listing of AAA rated cities in Minnesota.

### **Background on Proposed Debt Issuance**

On October 7, 2013 the City Council authorized the sale of \$2,270,000 in general obligation bonds. The general obligation bonds will be issued in three components, as follows:

General Obligation Improvement Bonds	\$ 1,775,000
General Obligation Water Revenue Bonds	305,000
General Obligation Surface Water Revenue Bonds	<u>190,000</u>
Total Bonds	\$ 2,270,000

General Obligation Bonds will finance street and utility improvements:

- **Improvement Bonds**, in the amount of \$1.775 million, to finance the assessment portions of the following improvements:
  - Owasso Street Realignment
  - County Road D Rehabilitation
  - Red Fox Road Street Rehabilitation
  - Cottage Place Rehabilitation
  - Gaston Grove St. Albans Watermain
- **Water Bonds**, in the amount of \$305,000, to finance the water share of the following improvements:
  - County Road D Rehabilitation
  - Cottage Place Rehabilitation
- **Surface Water Bonds**, in the amount of \$190,000, to finance the surface water share of the Cottage Place Rehabilitation project.

The Improvement bonds will be repaid over twenty years with maturities that match the timing of assessment receipts. The Water and Surface Water bonds will be repaid over ten years.

## **Legal Debt Limit**

Minnesota statutes limit the amount of debt a City may issue for general obligation purposes. Including issuance of the proposed debt, the City has used about 18% of the available debt limit, leaving 82% available. To put this into perspective, the legal debt limit of the City is \$72,148,140 (3% of taxable market value), as compared to about \$13,121,000 of Shoreview debt applicable to the debt limit.

## **Recommendation**

Competitive bids will be taken at Springsted's office on Monday, November 4. The bids will be opened, analyzed, and a bid tabulation will be presented to the City Council that evening, along with a recommendation regarding the lowest bidder.

Staff recommends the adoption of the proposed resolutions, drafted by the City's bond attorney (Jennifer L. Hanson, Dorsey & Whitney LLP).

Attachments to this report include:

- Standard and Poor's rating summary
- Resolution #13-98 authorizing general obligation bonds
- Official statement covering the debt issues (advertising the sale to potential bond investors)

# RatingsDirect®

---

## Summary:

# Shoreview, Minnesota; Appropriations; General Obligation

### Primary Credit Analyst:

Antionette E Maxwell, Chicago (1) 312-233-7016; antionette.maxwell@standardandpoors.com

### Secondary Contact:

Katilyn Pulcher, ASA, CERA, Chicago (1) 312-233-7055; katilyn.pulcher@standardandpoors.com

## Table Of Contents

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Rationale

Outlook

Related Criteria And Research

## Summary:

# Shoreview, Minnesota; Appropriations; General Obligation

### Credit Profile

US\$2.27 mil GO bnds ser 2013C due 02/01/2035

<i>Long Term Rating</i>	AAA/Stable	New
-------------------------	------------	-----

Shoreview rfdg certs of part ser 2011A dtd 04/01/2011 due 08/01/2012-2023

<i>Long Term Rating</i>	AA+/Stable	Affirmed
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Shoreview GO

<i>Long Term Rating</i>	AAA/Stable	Affirmed
-------------------------	------------	----------

Shoreview GO bnds

<i>Long Term Rating</i>	AAA/Stable	Affirmed
-------------------------	------------	----------

### Rationale

Standard & Poor's Ratings Services assigned its 'AAA' long-term rating to Shoreview, Minn.'s series 2013C general obligation (GO) bonds. At the same time, Standard & Poor's affirmed its 'AAA' long-term rating on the city's existing GO debt and its 'AA+' long-term rating on the city's certificates of participation (COPs). The outlook on all ratings is stable.

The COPs are rated one notch below the city's GO rating due to the annual appropriation risk associated with the security.

The bonds are general obligations of the city for which the city pledges its full faith and credit power to levy direct general ad valorem property taxes without limitation as to rate or amount. In addition, the city will pledge special assessments against benefited properties and net revenues of its water and surface water utility funds. The series 2013C bond proceeds will be used to finance various street and utility improvements within the city.

The rating reflects our assessment of the city's:

- Very strong economy, which benefits from participation in the broad and diverse economy of Minneapolis-St. Paul (the Twin Cities);
- Very strong budgetary flexibility, with 2012 audited available reserves at 49% of general fund expenditures;
- Strong budgetary performance, which takes into account the small use of reserves for the total governmental budget in 2012.
- Very strong liquidity, providing very strong cash levels to cover both debt service and expenditures;
- Very strong management with strong financial policies reflective in consistent ability to maintain balanced budgets; and
- Adequate debt and contingent liabilities position, driven mostly by the city's moderate carrying charges and high net direct debt as a percent of total governmental funds revenue.

### **Very strong economy**

Located in Ramsey County, Shoreview's economy is very strong, in our view, with access to the broad and diverse Minneapolis-St. Paul economy. Traditionally, county unemployment has tracked lower than that of the state and the nation and averaged 4.1% in August 2013. The city has per capita incomes that we consider very strong, reflective of the ability of some residents to access jobs in the neighboring areas. The city has projected its per capita effective buying income is 142% of the nation. Per capita market value for the city was \$104,189 in for fiscal 2013. Assessed value (AV) decreased by a 5.8% average annual rate between 2009 and 2013, reflecting an overall downturn in the economy. However, AV is expected to stabilize, given recent residential and commercial development occurring within the city.

### **Very strong budget flexibility**

In our opinion, the city's budgetary flexibility remains very strong, with reserves maintained at 30% of expenditures for the past several years and no plans to significantly spend them down. The city anticipates reserves for 2013 will increase compared with 2012 levels. For audited fiscal 2012 (ended Dec. 31), available general fund reserves were \$4 million or 49.3% of expenditures. However, the city maintains separate funds, which total \$7.6 million in cash, equal to 88% of general fund expenditures. Management expects for the funds to remain above 75% of expenditures. These funds are used for building repairs, vehicle replacements, street repairs, and other capital projects. However, the funds are legally available for any use, and the council views them as an extension of the general fund, which increases the city's available liquidity considerably.

### **Strong budgetary performance**

The city's budgetary performance has been strong overall, in our view, with a surplus of 1.9% for the general fund in fiscal 2012 but a 0.3% deficit for total governmental funds after transfers. The city is projecting a surplus in both the general fund and the total government fund for fiscal 2013. The city does not rely on local government aid, as with a lot of cities in Minnesota, but tax revenues are the city's leading revenue source at 75%. Tax revenues have increased modestly as the city is willing and has raised the tax rate slightly to keep revenues increasing. At this time, given the city's historic budget-to-actual performance, we do not anticipate a change in our assessment of the city's general fund performance. However, should tax revenues decline, we believe the city will be in a good position to maintain at least strong performance.

### **Very strong liquidity**

Supporting the city's finances is liquidity that we consider very strong, with total government available cash at 28.2% of total governmental fund expenditures and more than 3x debt service. We believe the city has strong access to external liquidity. The city has issued bonds frequently during the past 15 years, primarily GO bonds.

### **Very strong management conditions**

We view the city's management conditions as very strong, with good financial practices combined reflective in the city's positive operating performance. Management provides the city council with monthly reports on its budget to actuals. The city has its own investment policy and contracts with investment managers, and the council is updated monthly on holdings and earnings. The city also maintains a long-term financial plan and capital improvement plan that is viewed and updated by city officials and city council annually. The city has formalized a reserve policy, with a general fund balance minimum of 50% of the following year's taxes and state aid. It is also the city's policy to maintain

additional general fund with reserves up to 10% of budgeted expenditures in the ensuing year. In addition, the reserve policy indicates that the other funds can be used with the approval of city council.

### **Adequate debt and contingent liability profile**

In our opinion, the city's debt and contingent liability profile is adequate, with total governmental fund debt service at 9.1% of total governmental fund expenditures and with net direct debt at 123% of total governmental fund revenue, which is slated to rise in 2015 with a potential debt issuance. The city has self-supporting debt from the GO bonds, which are supported by water, sewer, and surface water utility revenues. However, in our view, somewhat mitigating the adequate debt profile is that only 66% of the city's debt is due to amortize in 10 years.

All full-time and certain part-time city employees are covered by defined-benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees' Police and Fire Fund (PEPFF), cost-sharing, multiple-employer retirement plans. Retirees are provided the option to remain in the city's health insurance plan, but eligible retirees are responsible for 100% of the premiums. As such, this is an implicit subsidy of the city and is funded on a pay-as-you-go-basis. The city has contributed 100% of its annual required contribution (ARC) in each of the past three years. The combined ARC pension costs and other postemployment benefit (OPEB) pay-as you-go costs for fiscal 2012 were less than 2% of expenditures, and the city does not anticipate these costs will increase substantially in the near term.

### **Strong institutional framework**

We consider the Institutional Framework score for Minnesota cities as strong. See the Institutional Framework Overview: Minnesota Local Governments.

## **Outlook**

The stable outlook reflects our view of the city's consistent economy and financial performance, which is supported by very strong management. We do not expect to revise the rating in the next two years because we believe the city will maintain very strong reserves. However, the rating could be negatively impacted by a further decline in market value along with a decline in the combined available fund balances, should the combined balances fall below 75% of general fund expenditures. The city's access to the broad and diverse Minneapolis St. Paul metropolitan statistical area provides stability to the rating.

## **Related Criteria And Research**

- USPF Criteria: Local Government GO Ratings Methodology And Assumptions, Sept. 12, 2013
- U.S. Not-For-Profit Health Care Providers Hone Their Strategies For Reform, May 16, 2011
- State And Local Government Ratings Are Not Directly Constrained By That Of The U.S. Sovereign, Aug. 8, 2011

Complete ratings information is available to subscribers of RatingsDirect at [www.globalcreditportal.com](http://www.globalcreditportal.com). All ratings affected by this rating action can be found on Standard & Poor's public Web site at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.



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**McGraw-Hill**

**CERTIFICATION OF MINUTES**

Municipality: The City of Shoreview, Minnesota

Governing Body: City Council

Meeting: A meeting of the City Council of the City of Shoreview was held on the 4<sup>th</sup> day of November, 2013 at 7:00 p.m. at the City offices, 4600 Victoria Street North, Shoreview, Minnesota.

Members present:

Members absent:

Documents: Resolution No. 13-\_\_\_ - Authorizing Issuance, Awarding Sale, Prescribing the Form and Details and Providing for the Payment of \$2,270,000 General Obligation Bonds, Series 2013C

Certification:

I, Terry Schwerm, City Manager of the City of Shoreview, Minnesota, do hereby certify the following:

Attached hereto is a true and correct copy of a resolution on file and of record in the offices of the City of Shoreview, Minnesota, which resolution was adopted by the Shoreview City Council, at the meeting referred to above. Said meeting was a regular meeting of the Shoreview City Council, was open to the public, and was held at the time at which meetings of the City Council are regularly held. Member \_\_\_\_\_ moved the adoption of the attached resolution. The motion for adoption of the attached resolution was seconded by Member \_\_\_\_\_. A vote being taken on the motion, the following voted in favor of the resolution:

\_\_\_\_\_

and the following voted against the resolution:

\_\_\_\_\_

Whereupon said resolution was declared duly passed and adopted by at least two-thirds of the members of the City Council. The attached resolution is in full force and effect and no action has been taken by the City Council of the City of Shoreview, Minnesota which would in any way alter or amend the attached resolution.

Witness my hand officially as the City Manager of the City of Shoreview, Minnesota this \_\_\_\_ day of November, 2013.

By \_\_\_\_\_  
Its City Manager

It was reported that \_\_\_\_\_ proposals for the purchase of \$2,270,000 General Obligation Bonds, Series 2013C were received prior to 10:00 o'clock a.m., Central time, pursuant to the Official Statement distributed to potential purchasers of the Bonds by Springsted Incorporated, financial consultants to the City. The proposals have been publicly opened, read and tabulated and were found to be as follows:

See Attached

RESOLUTION AUTHORIZING ISSUANCE, AWARDING SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE PAYMENT OF \$2,270,000 GENERAL OBLIGATION BONDS, SERIES 2013C

BE IT RESOLVED by the City Council, City of Shoreview, Minnesota (the "City"), as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. This City Council, by resolution duly adopted on October 7, 2013, authorized the issuance and sale of its \$2,270,000 General Obligation Bonds, Series 2013C (the "Bonds"), pursuant to Minnesota Statutes, Sections 444.075 and Chapters 429 and 475. The portion of the Bonds (\$\_\_\_\_\_) that is being issued pursuant to Minnesota Chapters 429 and 475 (the "Improvement Bonds") will be used to finance certain street improvement projects in the City (the "Improvement Projects"). The portion of the Bonds (\$\_\_\_\_\_) that is being issued pursuant to Minnesota Statutes, Section 444.075 and Chapter 475 (the "Utility Bonds") will be used to finance improvements (the "Utility Projects;" together with the Improvement Projects, the "Projects") to the municipal water and surface water systems (collectively, the "System"). Maturity schedules for the Improvement Bonds and the Utility Bonds are attached hereto.

1.02. Sale. Pursuant to the Terms of Proposal and the Official Statement prepared on behalf of the City by Springsted Incorporated, sealed proposals for the purchase of the Bonds were received at or before the time specified for receipt of proposals. The bids have been opened and publicly read and considered, and the purchase price, interest rates and net interest cost under the terms of each proposal have been determined. The most favorable proposal received is that of \_\_\_\_\_, in \_\_\_\_\_, \_\_\_\_\_ (the "Purchaser") to purchase the Bonds at a price of \$\_\_\_\_\_ plus accrued interest, if any, on all Bonds to the date of issuance and delivery, on the further terms and conditions hereinafter set forth.

1.03. Award. The sale of the Bonds is hereby awarded to the Purchaser, and the Mayor and City Manager are hereby authorized and directed on behalf of the City to execute a contract for the sale of the Bonds with the Purchaser in accordance with the Terms of Proposal. The good faith deposit of the Purchaser shall be retained and deposited by the City until the Bonds have been delivered, and shall be deducted from the purchase price paid at settlement.

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.01. Issuance of Bonds. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing, having happened and having been performed, it is now necessary for the Council to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.02. Maturities; Interest Rates; Denominations and Payment. The Bonds shall be originally dated as of the date of issuance thereof, shall be in the denomination of \$5,000 each, or any integral multiple thereof, of single maturities, shall mature on February 1 in the years and

amounts stated below, and shall bear interest from date of issue until paid or duly called for redemption, at the annual rates set forth opposite such years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2015	\$	%	2026	\$	%
2016			2027		
2017			2028		
2018			2029		
2019			2030		
2020			2031		
2021			2032		
2022			2033		
2023			2034		
2024			2035		
2025					

[REVISE MATURITY SCHEDULE FOR ANY TERM BONDS]

The Bonds shall be issuable only in fully registered form. The interest thereon and, upon surrender of each Bond, the principal amount thereof shall be payable by check or draft issued by the Registrar described herein, provided that so long as the Bonds are registered in the name of a securities depository, or a nominee thereof, in accordance with Section 2.08 hereof, principal and interest shall be payable in accordance with the operational arrangements of the securities depository.

2.03. Dates and Interest Payment Dates. Upon initial delivery of the Bonds pursuant to Section 2.07 and upon any subsequent transfer or exchange pursuant to Section 2.06, the date of authentication shall be noted on each Bond so delivered, exchanged or transferred. Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2014, each such date being referred to herein as an Interest Payment Date, to the persons in whose names the Bonds are registered on the Bond Register, as hereinafter defined, at the Registrar’s close of business on the fifteenth day of the calendar month immediately preceding the Interest Payment Date, whether or not such day is a business day. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

2.04. Redemption. Bonds maturing in 2024 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the bond depository in accordance with its customary procedures) in integral multiples of \$5,000, on February 1, 2023, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City Manager shall cause notice of the call for redemption thereof to be published if and as required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail, to the Registrar and registered holders of any Bonds to be redeemed at their addresses as they appear on the Bond Register described in Section 2.06 hereof, provided that notice shall be given to any securities

depository in accordance with its operational arrangements. No defect in or failure to give such notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

[COMPLETE THE FOLLOWING PROVISIONS IF THERE ARE TERM BONDS–  
ADD ADDITIONAL PROVISIONS IF THERE ARE MORE THAN TWO TERM BONDS]

[Bonds maturing on February 1, 20\_\_\_\_ and 20\_\_\_\_ (the “Term Bonds”) shall be subject to mandatory redemption prior to maturity pursuant to the sinking fund requirements of this Section 2.04 at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Registrar shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts of such Bonds:

<u>Year</u>	<u>Principal Amount</u>
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The remaining \$\_\_\_\_\_ stated principal amount of such Bonds shall be paid at maturity on February 1, 20\_\_\_\_\_.

<u>Year</u>	<u>Principal Amount</u>
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The remaining \$\_\_\_\_\_ stated principal amount of such Bonds shall be paid at maturity on February 1, 20\_\_\_\_\_.

Notice of redemption shall be given as provided in the preceding paragraph.]

2.05. Appointment of Registrar. The City hereby appoints U.S. Bank National Association, in St. Paul, Minnesota, as the initial Bond registrar, transfer agent and paying agent (the “Registrar”). The Mayor and City Manager are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company organized under the laws of the United States or one of the states of the United States and authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services

performed. The City reserves the right to remove the Registrar, effective upon not less than thirty days' written notice and upon the appointment and acceptance of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the Bond Register to the successor Registrar.

2.06. Registration. The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its principal corporate trust office a register (the "Bond Register") in which the Registrar shall provide for the registration of ownership of Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged. The term Holder or Bondholder as used herein shall mean the person (whether a natural person, corporation, association, partnership, trust, governmental unit, or other legal entity) in whose name a Bond is registered in the Bond Register.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the Holder thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the Holder thereof or by an attorney duly authorized by the Holder in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment date.

(c) Exchange of Bonds. At the option of the Holder of any Bond in a denomination greater than \$5,000, such Bond may be exchanged for other Bonds of authorized denominations, of the same maturity and a like aggregate principal amount, upon surrender of the Bond to be exchanged at the office of the Registrar. Whenever any Bond is so surrendered for exchange the City shall execute and the Registrar shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

(d) Cancellation. All Bonds surrendered for payment, transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name any Bond is at any time registered in the Bond Register as the absolute owner of the Bond, whether the Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal of and interest on the Bond and for

all other purposes; and all payments made to or upon the order of such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds (except for an exchange upon a partial redemption of a Bond), the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Obligations. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

2.07. Execution, Authentication and Delivery. The Bonds shall be prepared under the direction of the City Manager and shall be executed on behalf of the City by the signatures of the Mayor and the City Manager, provided that the signatures may be printed, engraved or lithographed facsimiles of the originals. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until the date of delivery of such Bond. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond, substantially in the form provided in Section 2.09, has been executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on any Bond shall be conclusive evidence that it has been duly authenticated and delivered under this Resolution. When the Bonds have been prepared, executed and

authenticated, the City Manager shall deliver them to the Purchaser upon payment of the purchase price in accordance with the contract of sale theretofore executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

2.08. Securities Depository. (a) For purposes of this section the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds bonds as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the City agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, if any, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Bond Register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with DTC’s Operational Arrangements, and all such payments shall be valid and effective to fully satisfy and discharge the City’s obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal and interest.

Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bonds in the form of physical certificates, the City may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bonds in the form of certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC, if not previously filed with DTC, by the Mayor or City Manager is hereby authorized and directed.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bonds in the form of certificates are issued to owners other than Cede & Co., its successor as nominee for DTC as owner of all the Bonds, or another securities depository as owner of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds in the form of physical certificates and the method of payment of principal of and interest on such Bonds in the form of physical certificates.

2.09. Form of Bonds. The Bonds shall be prepared in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF RAMSEY

CITY OF SHOREVIEW

GENERAL OBLIGATION BONDS, SERIES 2013C

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
%	February 1, 20__	December 5, 2013	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

CITY OF SHOREVIEW, State of Minnesota (the "City") acknowledges itself to be indebted and for value received hereby promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above on the maturity date specified above

and promises to pay interest thereon from the date of original issue specified above or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, at the annual interest rate specified above, payable on February 1 and August 1 in each year, commencing August 1, 2014 (each such date, an "Interest Payment Date"), all subject to the provisions referred to herein with respect to the redemption of the principal of this Bond before maturity. The interest so payable on any Interest Payment Date shall be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the calendar month immediately preceding the Interest Payment Date. Interest hereon shall be computed on the basis of a 360-day year composed of twelve 30-day months. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on U.S. Bank National Association, St. Paul, Minnesota, as Bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the "Registrar") or other agreed-upon means of payment by the Registrar or its designated successor. For the prompt and full payment of such principal and interest as the same respectively come due, the full faith and credit and taxing powers of the City have been and are hereby irrevocably pledged.

This Bond is one of an issue (the "Bonds") in the aggregate principal amount of \$2,270,000 issued pursuant to a resolution adopted by the City Council on November 4, 2013 (the "Resolution"), to finance various street improvement projects in the City and improvements to the City's water and surface water systems (collectively, the "System"), and is issued by authority of and in strict accordance with the provisions of the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Sections 444.075 and Chapters 429 and 475. For the full and prompt payment of the principal of and interest on the Bonds as the same become due, the full faith, credit and taxing power of the City have been and are hereby irrevocably pledged. The Bonds are issuable only in fully registered form, in the denomination of \$5,000 or any integral multiple thereof, of single maturities.

Bonds maturing in 2024 and later years shall be subject to redemption and prepayment at the option of the City, in whole or in part, in such order of maturity dates as the City may select and, within a maturity, by lot as selected by the Registrar (or, if applicable, by the Bond depository in accordance with its customary procedures) in multiples of \$5,000, on February 1, 2023, and on any date thereafter, at a price equal to the principal amount thereof and accrued interest to the date of redemption. The City shall cause notice of the call for redemption thereof to be published if and to the extent required by law, and at least thirty (30) and not more than sixty (60) days prior to the designated redemption date, shall cause notice of call for redemption to be mailed, by first class mail (or, if applicable, provided in accordance with the operational arrangements of the securities depository), to the registered holders of any Bonds, at the holders' addresses as they appear on the Bond register maintained by the Bond Registrar, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond not affected by such defect or failure. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon partial redemption of any Bond, a new

Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

[COMPLETE THE FOLLOWING PROVISIONS IF THERE ARE TERM BONDS–  
ADD ADDITIONAL PROVISIONS IF THERE ARE MORE THAN TWO TERM BONDS]

[Bonds maturing in the years 20\_\_\_\_ and 20\_\_\_\_ shall be subject to mandatory redemption, at a redemption price equal to their principal amount plus interest accrued thereon to the redemption date, without premium, on February 1 in each of the years shown below, in an amount equal to the following principal amounts:

<u>Term Bonds Maturing in 20--</u>		<u>Term Bonds Maturing in 20--</u>	
<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>	<u>Sinking Fund Payment Date</u>	<u>Aggregate Principal Amount</u>
	\$		\$

Notice of redemption shall be given as provided in the preceding paragraph.]

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Registrar, by the registered owner hereof in person or by the owner’s attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the owner’s attorney, and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the designated transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date; subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to any such transfer or exchange.

The Bonds have been designated by the City as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The City and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment as herein provided and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Registrar shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the City.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding general obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required; that, prior to the issuance hereof, the City Council has by the Resolution covenanted and agreed to levy special assessments upon property specially benefited by the improvements financed with the Bonds and has agreed to collect and apply to payment of the Bonds certain net revenues of the System and ad valorem taxes levied on all taxable property in the City, which assessments, revenues and taxes are estimated to be collectible in years and amounts sufficient to produce sums not less than 5% in excess of the principal of and interest on the Bonds when due, and has appropriated such assessments, revenues and taxes to its General Obligation Bonds, Series 2013C Bond Fund for the payment of such principal and interest; that if necessary for the payment of such principal and interest, additional ad valorem taxes are required to be levied upon all taxable property in the City, without limitation as to rate or amount; that all proceedings relative to the projects financed by this Bond have been or will be taken according to law and that the issuance of this Bond, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City has caused this Bond to be executed on its behalf by the facsimile signatures of its Mayor and City Manager and has caused this Bond to be dated as of the date set forth below.

CITY OF SHOREVIEW, MINNESOTA

\_\_\_\_\_  
(facsimile signature – City Manager)

\_\_\_\_\_  
(facsimile signature – Mayor)

\_\_\_\_\_  
CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION,  
as Registrar



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[end of Bond form]

SECTION 3. USE OF PROCEEDS. There is hereby established on the official books and records of the City a General Obligation Bonds, Series 2013C Construction Fund (the "Construction Fund"). Within the Construction Fund are established the following accounts:

(a) Improvement Construction Account. The Improvement Construction Account shall be credited with (i) all special assessments collected with respect to the Improvement Projects until all costs of the Improvement Projects have been fully paid and with (ii) \$\_\_\_\_\_ from the proceeds of the Improvement Bonds. To the extent required by Minnesota Statutes, Section 429.091, subdivision 4, the City shall maintain a separate subaccount within the Improvement Construction Account to record expenditures for each improvement. Every item of expense made for the Improvement Projects shall be deducted from the Improvement Construction Account to the extent paid from proceeds of the Improvement Bonds. The City Manager shall maintain the Improvement Construction Account until payment of all costs and expenses incurred in connection with the construction of the Improvement Projects have been paid.

(b) Utility Construction Account. The Utility Construction Account shall be credited with \$\_\_\_\_\_ from the proceeds of the Utility Bonds, an amount equal to the estimated cost of the Utility Projects. The City Manager shall maintain the Utility Construction Account until all costs and expenses incurred by the City in connection with the construction of the Utility Projects have been paid.

All funds on hand in the Construction Fund when terminated shall be credited to the Bond Fund described in Section 4 hereof, unless and except as such proceeds may be transferred to some other fund or account as to which the City has received from bond counsel an opinion that such other transfer is permitted by applicable laws and does not impair the exemption of interest on the Bonds from federal income taxes.

SECTION 4. GENERAL OBLIGATION BONDS, SERIES 2013C BOND FUND. So long as any of the Bonds are outstanding and any principal or interest thereon unpaid, the City Manager shall maintain on the official books and records of the City a separate fund designated as the General Obligation Bonds, Series 2013C Bond Fund (the "Bond Fund"). Into the Bond Fund shall be paid (a) the amounts specified in Section 3 above, (b) any amount in excess of the amounts credited to the Construction Fund as provided in Section 3 hereof received from the Purchaser upon delivery of the Bonds, (c) the special assessments and net revenues described in Sections 5 and 6 hereof; (d) any taxes collected pursuant to Section 7 hereof, and (e) any other funds appropriated by the City Council for the payment of the Bonds. The principal of and interest on the Bonds shall be payable from the Bond Fund, and the money on hand in the Bond Fund from time to time shall be used only to pay the principal of and interest on the Bonds. If the balance on hand in the Bond Fund is at any time insufficient to pay principal and interest then due on the Bonds, such amounts shall be paid from other money on hand in other funds of the City, which other funds shall be reimbursed therefor when sufficient money becomes available in

the Bond Fund. The City Council also covenants and agrees that it will each year levy a sufficient amount of ad valorem taxes to pay any accumulated or anticipated deficiency, which levy is not subject to any constitutional or statutory limitation.

There are hereby established two accounts in the Bond Fund, designated as the "Debt Service Account" and the "Surplus Account." There shall initially be deposited into the Debt Service Account upon the issuance of the Bonds the amount set forth in (b) above. Thereafter, during each Bond Year (i.e., each twelve month period commencing on February 2 and ending on the following February 1), as monies are received into the Bond Fund, the City Manager shall first deposit such monies into the Debt Service Account until an amount has been appropriated thereto sufficient to pay all principal and interest due on the Bonds through the end of the Bond Year. All subsequent monies received in the Bond Fund during the Bond Year shall be appropriated to the Surplus Account. If at any time the amount on hand in the Debt Service Account is insufficient for the payment of principal and interest then due, the City Manager shall transfer to the Debt Service Account amounts on hand in the Surplus Account to the extent necessary to cure such deficiency. Investment earnings (and losses) on amounts from time to time held in the Debt Service Account and Surplus Account shall be credited or charged to said accounts.

**SECTION 5. SPECIAL ASSESSMENTS.** The City hereby covenants and agrees that, for the payment of the costs of the Improvement Projects, the City has done or will do and perform all acts and things necessary for the final and valid levy of special assessments in a principal amount not less than 20% of the cost of the Improvement Project. The City has levied or expects to levy special assessments in the principal amount of \$1,665,190. The cost of the Improvement Project, inclusive of financing costs, is estimated to be approximately \$1,775,000. It is estimated that the principal and interest on such special assessments will be levied beginning in 2014 and collected in the years 2015-2034 in the amounts shown on Appendix I attached hereto. The principal of the assessments shall be made payable in annual installments, with interest as established by the City Council in accordance with law on unpaid installments thereof from time to time remaining unpaid. In the event any special assessment shall at any time be held invalid with respect to any lot or tract of land, due to any error, defect or irregularity in any action or proceeding taken or to be taken by the City or by this City Council or by any of the officers or employees of the City, either in the making of such special assessment or in the performance of any condition precedent thereto, the City hereby covenants and agrees that it will forthwith do all such further things and take all such further proceedings as shall be required by law to make such special assessment a valid and binding lien upon said property.

**SECTION 6. PLEDGE OF NET REVENUES.** It is hereby found, determined and declared that the City owns and operates the System as a revenue-producing utility and convenience, and that the net operating revenues of the System, after deducting from the gross receipts derived from charges for the service, use and availability of the System the normal, current and reasonable expenses of operation and maintenance thereof, will be sufficient, together with any other pledged funds, for the payment when due of the principal of and interest on the Utility Bonds herein authorized, and on any other bonds to which such revenues are pledged.

Pursuant to Minnesota Statutes, Section 444.075, the City hereby covenants and agrees with the registered owners from time to time of the Bonds, that until the Bonds and the interest

thereon are discharged as provided in Section 8 or paid in full, the City will impose and collect reasonable charges in accordance with said Section 444.075 for the service, use and availability of the System according to schedules sufficient to produce net revenues sufficient to pay the Utility Bonds and any other bonds to which said net revenues have been pledged, and the net revenues, to the extent necessary, are hereby irrevocably pledged and appropriated to the payment of the Utility Bonds herein authorized and interest thereon when due. Nothing herein shall preclude the City from hereafter making further pledges and appropriations of the net revenues of the System for payment of additional obligations of the City hereafter authorized if the Council determines before the authorization of such additional obligations that the estimated net revenues of the System will be sufficient, together with any other sources pledged to the payment of the outstanding and additional obligations, for payment of the outstanding bonds and such additional obligations. Such further pledges and appropriations of net revenues may be made superior or subordinate to or on a parity with, the pledge and appropriation herein made.

**SECTION 7. PLEDGE OF TAXING POWERS.** For the prompt and full payment of the principal of and interest on the Bonds as such payments respectively become due, the full faith, credit and unlimited taxing powers of the City shall be and are hereby irrevocably pledged. In order to produce aggregate amounts which, together with the collections of special assessments and net revenues of the System as set forth in Sections 5 and 6, will produce amounts not less than 5% in excess of the amounts needed to meet when due the principal and interest payments on the Bonds, ad valorem taxes are hereby levied on all taxable property in the City. The taxes will be levied and collected in years and amounts shown on the attached levy computation. Said taxes shall be irrepealable as long as any of the Bonds are outstanding and unpaid, provided that the City reserves the right and power to reduce said levies in accordance with the provisions of Minnesota Statutes, Section 475.61.

**SECTION 8. DEFEASANCE.** When all of the Bonds have been discharged as provided in this Section, all pledges, covenants and other rights granted by this Resolution to the Holders of the Bonds shall cease. The City may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or, if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The City may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms by depositing with the Registrar on or before that date an amount equal to the principal, redemption premium, if any, and interest then due, provided that notice of such redemption has been duly given as provided herein. The City may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with the Registrar or with a bank or trust company qualified by law to act as an escrow agent for this purpose, cash or securities which are authorized by law to be so deposited for such purpose, bearing interest payable at such times and at such rates and maturing or callable at the holder's option on such dates as shall be required to pay all principal and interest to become due thereon to maturity or, if notice of redemption as herein required has been irrevocably provided for, to an earlier designated redemption date. If such deposit is made more than ninety days before the maturity date or specified redemption date of the Bonds to be discharged, the City must have received a written opinion of Bond Counsel to the effect that such deposit does not adversely

affect the exemption of interest on any Bonds from federal income taxation and a written report of an accountant or investment banking firm verifying that the deposit is sufficient to pay when due all of the principal and interest on the Bonds to be discharged on and before their maturity dates or earlier designated redemption date.

#### SECTION 8. TAX COVENANTS; ARBITRAGE MATTERS AND CONTINUING DISCLOSURE.

8.01. General Tax Covenant. The City agrees with the registered owners from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action that would cause interest on the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the "Code") and applicable Treasury Regulations (the "Regulations"), and agrees to take any and all actions within its powers to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. All proceeds of the Bonds deposited in the Construction Fund will be expended solely for the payment of the costs of the Projects. The Projects are and will be owned and maintained by the City and available for use by members of the general public on a substantially equal basis. The City shall not enter into any lease, management contract, use agreement, capacity agreement or other agreement with any non-governmental person relating to the use of the Projects, or any portion thereof, or security for the payment of the Bonds which might cause the Bonds to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

8.02. Arbitrage Certification. The Mayor and City Manager being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser a certificate in accordance with Section 148 of the Code, and applicable Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and Regulations.

8.03. Arbitrage Rebate. The City acknowledges that the Bonds may be subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no "gross proceeds" of the Bonds (other than amounts constituting a "bona fide debt service fund") arise during or after the expenditure of the original proceeds thereof.

8.04. Qualified Tax-Exempt Obligations. The City Council hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and hereby finds that the reasonably anticipated amount of tax-exempt obligations (within the meaning of Section 265(b)(3) of the Code) which will be issued by the City and all subordinate entities during calendar year 2013 does not exceed \$10,000,000.

8.05. Reimbursement. The City certifies that the proceeds of the Bonds will not be used by the City to reimburse itself for any expenditure with respect to the Projects which the City paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the City shall have made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations, provided that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, with respect to the Projects meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to “preliminary expenditures” for the Projects as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the “issue price” of the Bonds.

8.06. Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the “Rule”), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The City is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

- (1) on or before 365 days after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2013, the following financial information and operating data in respect of the City (the “Disclosure Information”):

- (A) the audited financial statements of the City for such fiscal year, prepared in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and
- (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: “City Property Values”; “City Indebtedness”; and “City Tax Rates, Levies and Collections”.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the City shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access System (EMMA) or to the SEC. The City shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect, provided, however, that if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

- (2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events:
  - (A) Principal and interest payment delinquencies;
  - (B) Non-payment related defaults, if material;
  - (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
  - (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
  - (E) Substitution of credit or liquidity providers, or their failure to perform;

- (F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (G) Modifications to rights of security holders, if material;
- (H) Bond calls, if material, and tender offers;
- (I) Defeasances;
- (J) Release, substitution, or sale of property securing repayment of the securities, if material;
- (K) Rating changes;
- (L) Bankruptcy, insolvency, receivership or a similar event with respect to the City;
- (M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (N) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used herein, for those events that must be reported if material, an event is “material” if it is an event as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a material fact is also an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (3) In a timely manner, notice of the occurrence of any of the following events or conditions:
  - (A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;

- (B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);
- (C) the termination of the obligations of the City under this section pursuant to subsection (d);
- (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
- (E) any change in the fiscal year of the City.

(c) Manner of Disclosure.

- (1) The City agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).
- (2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the City in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.
- (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Council filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the

amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

- (3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

#### SECTION 9. CERTIFICATION OF PROCEEDINGS.

9.01. Registration of Bonds. The City Manager is hereby authorized and directed to file a certified copy of this resolution with the County Auditor of Ramsey County, together with such additional information as is required, and to obtain a certificate that the Bonds and the taxes levied pursuant hereto have been duly entered upon the County Auditor's Bond register.

9.02. Authentication of Transcript. The officers of the City and the County Auditor are hereby authorized and directed to prepare and furnish to the Purchaser and to Dorsey & Whitney LLP, Bond Counsel, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits and certificates, including any heretofore furnished, shall be deemed representations of the City as to the correctness of all statements contained therein.

9.03. Official Statement. The Official Statement relating to the Bonds, dated \_\_\_\_\_, 2013, prepared and distributed by Springsted Incorporated, the financial consultant for the City, is hereby approved. Springsted Incorporated is hereby authorized on behalf of the City to prepare and deliver to the Purchaser within seven business days from the date hereof, a supplement to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule 15c2-12 adopted by the SEC under the Securities and Exchange Act of 1934. The officers of the City are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency of the Official Statement.

9.04. Effective Date. This resolution shall be in full force and effect from and after its passage.

PASSED AND APPROVED this 4<sup>th</sup> day of November, 2013.

THE CITY OF SHOREVIEW, MINNESOTA.

## APPENDIX I

### Special Assessments and Tax Levies with respect to the Improvement Projects

<u>Levy Years</u>	<u>Collection Years</u>	<u>Assessments</u>	<u>Levies</u>
2014	2015	\$	\$
2015	2016		
2016	2017		
2017	2018		
2018	2019		
2019	2020		
2020	2021		
2021	2022		
2022	2023		
2023	2024		
2024	2025		
2025	2026		
2026	2027		
2027	2028		
2028	2029		
2029	2030		
2030	2031		
2031	2032		
2032	2033		
2033	2034		

### Maturity Schedule—Improvement Bonds

<u>Date (February 1)</u>	<u>Principal</u>
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	

2030  
2031  
2032  
2033  
2034  
2035

Maturity Schedule—Utility Bonds

<u>Date</u> <u>(February 1)</u>	<u>Principal</u> <u>(Water)</u>	<u>Principal</u> <u>(Surface Water)</u>
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		

RAMSEY COUNTY AUDITOR'S  
CERTIFICATE AS TO REGISTRATION AND TAX LEVY

The undersigned, being the duly qualified and acting County Auditor of Ramsey County, Minnesota, hereby certifies that there has been filed in my office a certified copy of a resolution duly adopted on November 4, 2013, by the City Council of Shoreview, Minnesota, setting forth the form and details of an issue of \$2,270,000 General Obligation Bonds, Series 2013C dated the date of issuance thereof.

I further certify that the issue has been entered on my bond register and the taxes required by law have been levied as required by Minnesota Statutes, Sections 475.61 to 475.63.

WITNESS my hand and official seal on the \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Ramsey County Auditor

(SEAL)

OFFICIAL STATEMENT DATED OCTOBER 15, 2013

NEW ISSUE  
BANK QUALIFIED

Standard & Poor's Rating: Requested

*In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions, and assuming compliance with certain covenants, interest to be paid on the Bonds is excluded from gross income for federal income tax purposes and from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes; is not an item of tax preference for federal or Minnesota alternative minimum tax purposes; and interest is included in adjusted current earnings of corporations for federal alternative minimum tax purposes. Interest is included in taxable income for the purposes of the Minnesota franchise tax on corporations and financial institutions. See "TAX EXEMPTION" and "RELATED TAX CONSIDERATIONS" herein.*

**\$2,270,000\***  
**City of Shoreview, Minnesota**  
**General Obligation Bonds, Series 2013C**  
**(Book Entry Only)**

**Dated Date: Date of Delivery**

**Interest Due: Each February 1 and August 1,  
commencing August 1, 2014**

The Bonds will mature on February 1 in the years and amounts\* as follows:

2015	\$ 45,000	2020	\$135,000	2024	\$150,000	2028	\$85,000	2032	\$85,000
2016	\$130,000	2021	\$140,000	2025	\$105,000	2029	\$85,000	2033	\$90,000
2017	\$135,000	2022	\$145,000	2026	\$ 80,000	2030	\$90,000	2034	\$95,000
2018	\$135,000	2023	\$145,000	2027	\$ 80,000	2031	\$85,000	2035	\$95,000
2019	\$135,000								

Proposals for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above.

The City may elect on February 1, 2023, and on any day thereafter, to prepay Bonds due on or after February 1, 2024 at a price of par plus accrued interest.

The Bonds are general obligations of the City for which the City pledges its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City will pledge special assessments against benefited properties and net revenues of its water and surface water utility funds. The proceeds will be used to finance (i) various street improvements within the City, and (ii) various utility improvements within the City.

Proposals shall be for not less than \$2,242,760 plus accrued interest, if any, on the total principal amount of the Bonds. Proposals shall specify rates in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity must be 98.0% or greater. Proposals must be accompanied by a good faith deposit in the amount of \$22,700 in the form of a certified or cashier's check payable to the order of the City, a wire transfer, or a Financial Surety Bond, and delivered to Springsted Incorporated prior to the time proposals will be opened. Award of the Bonds will be made on the basis of True Interest Cost (TIC).

The City will designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, and the Bonds will not be subject to the alternative minimum tax for individuals.

The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book entry form only, in the principal amount of \$5,000 and integral multiples thereof. Investors will not receive physical certificates representing their interest in the Bonds purchased. (See "Book Entry System" herein.) U.S. Bank National Association, St. Paul, Minnesota will serve as registrar (the "Registrar") for the Bonds. Bonds will be available for delivery at DTC on or about December 5, 2013.

**PROPOSALS RECEIVED: November 4, 2013 (Monday) until 11:00 A.M., Central Time**

**AWARD: November 4, 2013 (Monday) at 7:00 P.M., Central Time**



Further information may be obtained from SPRINGSTED Incorporated, Financial Advisor to the City, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101-2887 (651) 223-3000

\* Preliminary; subject to change.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the Issuer from time to time (collectively, the "Official Statement"), may be treated as an Official Statement with respect to the Obligations described herein that is deemed final as of the date hereof (or of any such supplement or correction) by the Issuer, except for the omission of certain information referred to in the succeeding paragraph.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Obligations, together with any other information required by law, shall constitute a "Final Official Statement" of the Issuer with respect to the Obligations, as that term is defined in Rule 15c2-12. Any such addendum shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference.

By awarding the Obligations to any underwriter or underwriting syndicate submitting a Proposal therefor, the Issuer agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Obligations are awarded copies of the Official Statement and the addendum or addenda described in the preceding paragraph in the amount specified in the Terms of Proposals.

The Issuer designates the senior managing underwriter of the syndicate to which the Obligations are awarded as its agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter delivering a Proposal with respect to the Obligations agrees thereby that if its bid is accepted by the Issuer (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Obligations for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

No dealer, broker, salesman or other person has been authorized by the Issuer to give any information or to make any representations with respect to the Obligations, other than as contained in the Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Issuer. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the Issuer and, while believed to be reliable, is not guaranteed as to completeness or accuracy. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE THEREOF.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts of documents prepared by or on behalf of the Issuer have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request.

Any CUSIP numbers for the Obligations included in the Final Official Statement are provided for convenience of the owners and prospective investors. The CUSIP numbers for the Obligations have been assigned by an organization unaffiliated with the Issuer. The Issuer is not responsible for the selection of the CUSIP numbers and makes no representation as to the accuracy thereof as printed on the Obligations or as set forth in the Final Official Statement. No assurance can be given that the CUSIP numbers for the Obligations will remain the same after the date of issuance and delivery of the Obligations.

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**THE CITY HAS AUTHORIZED SPRINGSTED INCORPORATED TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:**

**TERMS OF PROPOSAL**

**\$2,270,000\***

**CITY OF SHOREVIEW, MINNESOTA  
GENERAL OBLIGATION BONDS, SERIES 2013C  
(BOOK ENTRY ONLY)**

Proposals for the Bonds and the Good Faith Deposit ("Deposit") will be received on Monday, November 4, 2013, until 11:00 A.M., Central Time, at the offices of Springsted Incorporated, 380 Jackson Street, Suite 300, Saint Paul, Minnesota, after which time proposals will be opened and tabulated. Consideration for award of the Bonds will be by the City Council at 7:00 P.M., Central Time, of the same day.

**SUBMISSION OF PROPOSALS**

Springsted will assume no liability for the inability of the bidder to reach Springsted prior to the time of sale specified above. All bidders are advised that each Proposal shall be deemed to constitute a contract between the bidder and the City to purchase the Bonds regardless of the manner in which the Proposal is submitted.

(a) **Sealed Bidding.** Proposals may be submitted in a sealed envelope or by fax (651) 223-3046 to Springsted. Signed Proposals, without final price or coupons, may be submitted to Springsted prior to the time of sale. The bidder shall be responsible for submitting to Springsted the final Proposal price and coupons, by telephone (651) 223-3000 or fax (651) 223-3046 for inclusion in the submitted Proposal.

**OR**

(b) **Electronic Bidding.** Notice is hereby given that electronic proposals will be received via PARITY<sup>®</sup>. For purposes of the electronic bidding process, the time as maintained by PARITY<sup>®</sup> shall constitute the official time with respect to all Bids submitted to PARITY<sup>®</sup>. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY<sup>®</sup> for purposes of submitting its electronic Bid in a timely manner and in compliance with the requirements of the Terms of Proposal.* Neither the City, its agents nor PARITY<sup>®</sup> shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents nor PARITY<sup>®</sup> shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY<sup>®</sup>. The City is using the services of PARITY<sup>®</sup> solely as a communication mechanism to conduct the electronic bidding for the Bonds, and PARITY<sup>®</sup> is not an agent of the City.

If any provisions of this Terms of Proposal conflict with information provided by PARITY<sup>®</sup>, this Terms of Proposal shall control. Further information about PARITY<sup>®</sup>, including any fee charged, may be obtained from:

PARITY<sup>®</sup>, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018  
Customer Support: (212) 849-5000

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\* Preliminary; subject to change.

## DETAILS OF THE BONDS

The Bonds will be dated as of the date of delivery, as the date of original issue, and will bear interest payable on February 1 and August 1 of each year, commencing August 1, 2014. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Bonds will mature February 1 in the years and amounts\* as follows:

2015	\$ 45,000	2020	\$135,000	2024	\$150,000	2028	\$85,000	2032	\$85,000
2016	\$130,000	2021	\$140,000	2025	\$105,000	2029	\$85,000	2033	\$90,000
2017	\$135,000	2022	\$145,000	2026	\$ 80,000	2030	\$90,000	2034	\$95,000
2018	\$135,000	2023	\$145,000	2027	\$ 80,000	2031	\$85,000	2035	\$95,000
2019	\$135,000								

\* *The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Bonds or the amount of any maturity in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Bonds as that of the original proposal. Gross spread is the differential between the price paid to the City for the new issue and the prices at which the securities are initially offered to the investing public.*

Proposals for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth above. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the Proposal form.

## BOOK ENTRY SYSTEM

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The purchaser, as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

## REGISTRAR

The City will name the registrar which shall be subject to applicable SEC regulations. The City will pay for the services of the registrar.

## OPTIONAL REDEMPTION

The City may elect on February 1, 2023, and on any day thereafter, to prepay Bonds due on or after February 1, 2024. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments shall be at a price of par plus accrued interest.

## SECURITY AND PURPOSE

The Bonds will be general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City pledges special assessments against benefited properties and net revenues of its water and surface water utility funds. The proceeds will be used to finance (i) various street improvements within the City, and (ii) various utility improvements within the City.

## BIDDING PARAMETERS

Proposals shall be for not less than \$2,242,760 plus accrued interest, if any, on the total principal amount of the Bonds. No proposal can be withdrawn or amended after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity must be 98.0% or greater. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional proposals will be accepted.

## GOOD FAITH DEPOSIT

Proposals, regardless of method of submission, shall be accompanied by a Deposit in the amount of \$22,700, in the form of a certified or cashier's check, a wire transfer, or Financial Surety Bond and delivered to Springsted Incorporated prior to the time proposals will be opened. Each bidder shall be solely responsible for the timely delivery of their Deposit whether by check, wire transfer or Financial Surety Bond. Neither the City nor Springsted Incorporated have any liability for delays in the transmission of the Deposit.

Any Deposit made by **certified or cashier's check** should be made payable to the City and delivered to Springsted Incorporated, 380 Jackson Street, Suite 300, St. Paul, Minnesota 55101.

Any Deposit sent via **wire transfer** should be sent to Springsted Incorporated as the City's agent according to the following instructions:

Wells Fargo Bank, N.A., San Francisco, CA 94104  
ABA #121000248  
for credit to Springsted Incorporated, Account #635-5007954  
Ref: Shoreview, MN Series 2013C Good Faith Deposit

Contemporaneously with such wire transfer, the bidder shall send an e-mail to [bond\\_services@springsted.com](mailto:bond_services@springsted.com), including the following information; (i) indication that a wire transfer has been made, (ii) the amount of the wire transfer, (iii) the issue to which it applies, and (iv) the return wire instructions if such bidder is not awarded the Bonds.

Any Deposit made by the successful bidder by check or wire transfer will be delivered to the City following the award of the Bonds. Any Deposit made by check or wire transfer by an unsuccessful bidder will be returned to such bidder following City action relative to an award of the Bonds.

If a **Financial Surety Bond** is used, it must be from an insurance company licensed to issue such a bond in the State of Minnesota and pre-approved by the City. Such bond must be submitted to Springsted Incorporated prior to the opening of the proposals. The Financial Surety Bond must identify each underwriter whose Deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to an underwriter using a Financial Surety Bond, then that underwriter is required to submit its Deposit to the City in the form of a certified or cashier's check or wire transfer as instructed by Springsted Incorporated not later than 3:30 P.M., Central Time on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the City to satisfy the Deposit requirement.

The Deposit received from the purchaser, the amount of which will be deducted at settlement, will be deposited by the City and no interest will accrue to the purchaser. In the event the purchaser fails to comply with the accepted proposal, said amount will be retained by the City.

#### AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the City. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any proposal or matters relating to the receipt of proposals and award of the Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the City determines to have failed to comply with the terms herein.

#### BOND INSURANCE AT PURCHASER'S OPTION

The City has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Bonds. If the Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's Proposal. The City specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the City. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the City) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Bonds.

#### CUSIP NUMBERS

If the Bonds qualify for assignment of CUSIP numbers such numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the purchaser to accept delivery of the Bonds. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the purchaser.

#### SETTLEMENT

On or about December 5, 2013, the Bonds will be delivered without cost to the purchaser through DTC in New York, New York. Delivery will be subject to receipt by the purchaser of an approving legal opinion of Dorsey & Whitney LLP of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms

of payment for the Bonds has been made impossible by action of the City, or its agents, the purchaser shall be liable to the City for any loss suffered by the City by reason of the purchaser's non-compliance with said terms for payment.

#### CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the City will undertake, pursuant to the resolution awarding sale of the Bonds, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The purchaser's obligation to purchase the Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Bonds.

#### OFFICIAL STATEMENT

The City has authorized the preparation of an Official Statement containing pertinent information relative to the Bonds, and said Official Statement will serve as a nearly final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For copies of the Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Financial Advisor to the City, Springsted Incorporated, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101, telephone (651) 223-3000.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. By awarding the Bonds to any underwriter or underwriting syndicate submitting a proposal therefor, the City agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded up to 25 copies of the Official Statement and the addendum or addenda described above. The City designates the senior managing underwriter of the syndicate to which the Bonds are awarded as its agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter delivering a proposal with respect to the Bonds agrees thereby that if its proposal is accepted by the City (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

Dated October 7, 2013

BY ORDER OF THE CITY COUNCIL

/s/ Terry Schwerm  
City Manager

**OFFICIAL STATEMENT**  
**CITY OF SHOREVIEW, MINNESOTA**  
**\$2,270,000\***  
**GENERAL OBLIGATION BONDS, SERIES 2013C**  
**(BOOK ENTRY ONLY)**

**INTRODUCTORY STATEMENT**

This Official Statement contains certain information relating to the City of Shoreview, Minnesota (the “City” or the “Issuer”) and its issuance of \$2,270,000\* General Obligation Bonds, Series 2013C (the “Bonds” or the “Obligations”). The Bonds will be general obligations of the City for which the City pledges its full faith and credit and power to levy direct general ad valorem taxes. Additional sources of security for the Bonds are discussed herein.

Inquiries may be directed to Ms. Jeanne Haapala, Finance Director/Treasurer, City of Shoreview, 4600 North Victoria Street, Shoreview, Minnesota 55126, by telephoning (651) 490-4600, or by emailing [jhaapala@shoreviewmn.gov](mailto:jhaapala@shoreviewmn.gov). Inquiries may also be made to Springsted Incorporated, 380 Jackson Street, Suite 300, St. Paul, Minnesota 55101-2887, by telephoning (651) 223-3000, or by emailing [bond\\_services@springsted.com](mailto:bond_services@springsted.com). If information of a specific legal nature is desired, requests may be directed to Ms. Jennifer Hanson, Dorsey & Whitney LLP, 50 South Sixth Street, 15<sup>th</sup> Floor, Minneapolis, Minnesota 55402, Bond Counsel, by telephoning (612) 492-6959, or by emailing [hanson.jennifer@dorsey.com](mailto:hanson.jennifer@dorsey.com).

**CONTINUING DISCLOSURE**

In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), the City will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the Resolution, to provide annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the “Disclosure Covenants”). The information to be provided on an annual basis, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix II to this Official Statement.

Pursuant to Rule 15c2-12(f)(3), the City certifies that for the past five years it has complied in all material respects with all previous undertakings entered into pursuant to the Rule. Breach of the Disclosure Covenants will not constitute a default or an “Event of Default” under the Bonds or the Resolution. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the City to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

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\* Preliminary; subject to change.

## THE BONDS

### General Description

The Bonds are dated as of the date of delivery and will mature annually on February 1 as set forth on the front cover of this Official Statement. The Bonds are being issued in book entry form. Interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2014. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar as of the fifteenth day of the calendar month next preceding such interest payment date. Principal of and interest on the Bonds will be paid as described in the section "Book Entry System" herein. U.S. Bank National Association, St. Paul, Minnesota will serve as the Registrar for the Bonds and the City will pay for registration services.

### Optional Redemption

The City may elect on February 1, 2023, and on any day thereafter, to prepay Bonds due on or after February 1, 2024. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments shall be at a price of par plus accrued interest.

In case of optional redemption, thirty days' written notice of redemption shall be given to the registered owner(s) of the Bonds. Failure to give such written notice to any registered owner of the Bonds or any defect therein shall not affect the validity of any proceedings for the redemption of the Bonds. All Bonds or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment.

### Book Entry System

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Obligations, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing

Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC’s records. The ownership interest of each actual purchaser of each Obligation (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Obligations are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners of the Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Obligations within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Obligations unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Obligations will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Obligations purchased or tendered, through its Participant, to agent, and shall effect delivery of such Obligations by causing the Direct Participant to transfer the Participant's interest in the Obligations, on DTC's records, to agent. The requirement for physical delivery of Obligations in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Obligations are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Obligations to agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Obligations at any time by giving reasonable notice to Issuer or agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

## **AUTHORITY AND PURPOSE**

The Bonds are being issued pursuant to Minnesota Statutes 429, 444, and 475. Proceeds of the Bonds will be used to finance:

- various street improvements within the City (the "Improvement Portion"); and
- various utility improvements within the City (the "Utility Portion").

The composition of the Bonds is estimated to be as follows:

	<u>Improvement Portion</u>	<u>Utility Portion</u>	<u>Total</u>
<b>Sources of Funds:</b>			
Principal Amount	<u>\$1,775,000</u>	<u>\$495,000</u>	<u>\$2,270,000</u>
Total Sources of Funds	\$1,775,000	\$495,000	\$2,270,000
<b>Uses of Funds:</b>			
Deposit to Project Fund	\$1,665,190	\$480,700	\$2,145,890
Capitalized Interest	57,873	- 0 -	57,873
Costs of Issuance	30,637	8,360	38,997
Allowance for Discount Bidding	<u>21,300</u>	<u>5,940</u>	<u>27,240</u>
Total Uses of Funds	\$1,775,000	\$495,000	\$2,270,000

### **SECURITY AND FINANCING**

The Bonds will be general obligations of the City for which the City pledges its full faith and credit and power to levy direct general ad valorem taxes. In addition, the City pledges special assessments against benefited properties for repayment of the Improvement Portion of the Bonds, and net revenues of its waster and surface water utility funds for the Utility Portion of the Bonds.

Special assessments in the principal amount of approximately \$1,665,190 are expected to be filed in November 2014 for first collection in 2015. Assessments will be collected over terms of 10, 15, and 20 years with level payments of principal and interest. Interest on the unpaid balance of the 10 and 15 year assessments will be charged at a rate of 1.50% over the true interest cost received on the Improvement Portion of the Bonds. Interest on the unpaid balance of the 20 year assessments will be charged at a rate of 0.50% over the true interest cost received on the Improvement Portion of the Bonds.

Pursuant to Minnesota Statutes, Chapter 444, and the resolution awarding the sale of the Bonds, the City will covenant to impose and collect charges for the service, use, availability and connection to the water and surface water utilities to produce net revenues in amounts sufficient to support the operation of the water and surface water utilities and to pay debt service on the Bonds. The City is required to annually review the budget of the water and surface water utilities to determine whether current rates and charges are sufficient and to adjust such rates and charges as necessary. The City does not anticipate the need to levy taxes for repayment of the Utility Portion of the Bonds.

The City will make its first levy for the Improvement Portion of the Bonds in 2014 for collection in 2015. Capitalized interest has been included in the par amount of the Improvement Portion of the Bonds to make the interest payments due on the Improvement Portion of the Bonds through February 1, 2015. Each year's collection taxes, special assessments, and net revenues, if collected in full, will be sufficient to pay 105% of the interest payment due August 1 of the collection year and the principal and interest payment due February 1 of the following year.

## **FUTURE FINANCING**

The City does not anticipate issuing any additional long-term general obligation debt for at least the next 90 days.

## **LITIGATION**

The City is not aware of any threatened or pending litigation affecting the validity of the Bonds or the City's ability to meet its financial obligations.

## **LEGALITY**

The Bonds are subject to approval as to certain matters by Dorsey & Whitney LLP of Minneapolis, Minnesota, as Bond Counsel. Bond counsel has not participated in the preparation of this Official Statement, except for guidance concerning the following sections, "Tax Exemption" and "Related Tax Considerations," and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify, any of the financial or statistical statements, or data contained in this Official Statement and will express no opinion with respect thereto. A legal opinion in substantially the form set out as Appendix I to this Official Statement will be delivered at closing.

## **TAX EXEMPTION**

It is the opinion of Dorsey & Whitney LLP, Minneapolis, Minnesota, Bond Counsel, based on current law, and on certifications to be furnished at closing, and assuming compliance by the City with certain covenants (the "Tax Covenants"), that interest on the Bonds is excluded from gross income for federal income tax purposes and from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes. Interest on the Bonds is included in taxable income for purposes of Minnesota franchise taxes imposed on corporations and financial institutions. Interest on the Bonds is not an item of tax preference for federal or Minnesota alternative minimum tax purposes, but it is included in adjusted current earnings of corporations for purposes of the federal alternative minimum tax.

The Code establishes certain requirements that must be met after the issuance of the Bonds in order that interest on the Bonds be excluded from federal gross income and from Minnesota taxable net income of individuals, estates, and trusts. These requirements include, but are not limited to, provisions regarding the use of Bond proceeds and the facilities financed or refinanced with such proceeds; restrictions on the investment of Bond proceeds and other amounts; and provisions requiring that certain investment earnings be rebated periodically to the federal government. Noncompliance with such requirements may cause interest on the Bonds to be included in federal gross income or in Minnesota taxable net income retroactively to their date of issue. Compliance with the Tax Covenants will satisfy the current requirements of the Code with respect to exclusion of interest on the Bonds from federal gross income and from Minnesota taxable net income of individuals, estates, and trusts. No provision has been made for redemption of or for an increase in the interest rate on the Bonds in the event that interest on the Bonds is included in federal gross income or in Minnesota taxable net income.

## RELATED TAX CONSIDERATIONS

Section 86 of the Code and corresponding provisions of Minnesota law require recipients of certain social security and railroad retirement benefits to take interest on the Bonds into account in determining the taxability of such benefits. Passive investment income, including interest on the Bonds, may be subject to taxation under section 1375 of the Code, and corresponding provisions of Minnesota law, for an S corporation that has accumulated earnings and profits at the close of the taxable year, if more than 25 percent of its gross receipts is passive investment income. Federal and Minnesota laws restrict the deductibility of certain expenses allocable to the Bonds. Because of the Code's basis reduction rules for amortizable Bond premium, Bondholders who acquire Bonds at a premium might recognize taxable gain upon sale of the Bonds, even if the Bonds are sold for an amount equal to or less than their original cost. In the case of a financial institution, no deduction is allowed under the Code for that portion of the holder's interest expense which is allocable to interest on the Bonds within the meaning of section 265(b) of the Code. In the case of an insurance company subject to the tax imposed by section 831 of the Code, the amount which otherwise would be taken into account as losses incurred under section 832(b)(5) of the Code must be reduced by an amount equal to 15 percent of the interest on the Bonds that is received or accrued during the taxable year. Interest on the Bonds may be included in the income of a foreign corporation for purposes of the branch profits tax imposed by section 884 of the Code, and is included in net investment income of foreign insurance companies under section 842(b) of the Code.

The market value and marketability of the Bonds may be adversely affected by future changes in federal or Minnesota tax treatment of interest on the Bonds or by future reductions in income tax rates.

THE FOREGOING IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF COLLATERAL TAX CONSEQUENCES ARISING FROM OWNERSHIP OR DISPOSITION OF THE BONDS OR RECEIPT OF INTEREST ON THE BONDS. PROSPECTIVE PURCHASERS OR BONDHOLDERS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO APPLICABLE FEDERAL, STATE AND LOCAL TAX RULES IN STATES OTHER THAN MINNESOTA.

### **Proposed Changes in Federal and State Tax Law**

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in Congress and in the state that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

President Obama's Fiscal Year 2013 budget proposal would reduce the individual income tax benefit of certain deductions and exclusions, including the exclusion of interest on certain state and local bonds, by limiting the reduction of tax liability to a maximum of 28 percent, affecting married taxpayers filing a joint return with income over \$250,000 (at 2009 levels) and single taxpayers with income over \$200,000. If this proposal is enacted, interest on the Bonds

received by taxpayers in higher tax brackets would be partially subject to tax. The President proposed a similar provision in September 2011, and the Majority Leader of the U.S. Senate, at the request of the President, introduced it as part of the American Jobs Act of 2011 (the "Jobs Bill"). The version of the Jobs Bill that included this proposal failed to receive the number of votes needed in the Senate to proceed to a vote on the merits. No prediction is made whether this proposal will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. Prospective purchasers should consult with their own tax advisors regarding this and any other pending or proposed federal income tax legislation.

The above is not a comprehensive list of all federal tax consequences that may arise from the receipt of interest on the Bonds. The receipt of interest on the Bonds may otherwise affect the federal or State of Minnesota income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

### **QUALIFIED TAX-EXEMPT OBLIGATIONS**

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes a portion of interest expense that is allocable to carrying and acquiring tax-exempt obligations, as limited by Sections 265(a)(2) and 291 of the Code.

### **RATING**

An application for a rating of the Bonds has been made to Standard & Poor's Ratings Services, 55 Water Street, New York, New York. If a rating is assigned, it will reflect only the opinion of Standard & Poor's. Any explanation of the significance of the rating may be obtained only from Standard & Poor's.

There is no assurance that the rating, if assigned, will continue for any given period of time, or that such a rating will not be revised or withdrawn if, in the judgment of Standard & Poor's, circumstances so warrant. A revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

### **FINANCIAL ADVISOR**

The City has retained Springsted Incorporated, Public Sector Advisors, of St. Paul, Minnesota, as financial advisor (the "Financial Advisor") in connection with the issuance of the Bonds. In preparing the Official Statement, the Financial Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Financial Advisor is not a public accounting firm and has not been engaged by the City to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

## **CERTIFICATION**

The City has authorized the distribution of this Official Statement for use in connection with the initial sale of the Bonds. As of the date of the settlement of the Bonds, the Purchaser will be furnished with a certificate signed by the appropriate officers of the City. The certificate will state that the Official Statement did not and does not, as of the date of the certificate, contain any untrue statement of material fact or omit to state a material fact necessary, in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

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## CITY PROPERTY VALUES

### Trend of Values<sup>(a)</sup>

Assessment/ Collection <u>Year</u>	Assessor's Estimated <u>Market Value</u>	Sales Ratio <sup>(b)</sup>	Economic <u>Market Value</u> <sup>(c)</sup>	Market Value Homestead <u>Exclusion</u>	Taxable <u>Market Value</u>	Taxable Net <u>Tax Capacity</u>
2013/14 <sup>(d)</sup>	\$2,566,247,800	N/A	N/A	N/A	\$2,413,910,700	N/A
2012/13	2,559,713,400	N/A	N/A	\$148,560,100	2,404,938,000	\$26,235,162
2011/12	2,716,611,800	96.6%	\$2,812,227,536	141,607,500	2,568,566,800	28,150,469
2010/11	2,844,850,700	98.4	2,891,108,435	N/A	2,838,577,100	30,788,656
2009/10	3,021,416,300	N/A	N/A	N/A	3,015,578,100	32,956,640
2008/09	3,212,545,600	N/A	N/A	N/A	3,198,277,000	34,599,354

(a) For a description of the Minnesota property tax system, see Appendix III.

(b) Sales Ratio Study for the year of assessment as posted by the Minnesota Department of Revenue, <http://www.revenue.state.mn.us/propertytax/Pages/statistics-immv.aspx>. These ratios did not exist prior to 2010/11.

(c) Economic market value equals the assessor's estimated market value divided by the sales ratio. These valuations cannot be calculated for years prior to 2010/11.

(d) 2013/14 valuations are preliminary and are subject to change.

Source: Ramsey County, Minnesota, September 2013, except as otherwise noted.

### 2012/13 Taxable Net Tax Capacity: \$26,235,162

Real Estate:		
Residential Homestead	\$18,087,979	64.9%
Commercial/Industrial, Public Utility, and Railroad	6,704,036	24.1
Non-Homestead Residential	2,693,371	9.7
Agricultural and Seasonal/Recreational	60,854	0.2
Personal Property	<u>311,101</u>	<u>1.1</u>
2012/13 Net Tax Capacity	\$27,857,341	100.0%
Less: Captured Tax Increment Tax Capacity	(1,379,783)	
Contribution to Fiscal Disparities	(2,783,590)	
Plus: Distribution from Fiscal Disparities	<u>2,541,194</u>	
2012/13 Taxable Net Tax Capacity	\$26,235,162	

## Ten of the Largest Taxpayers in the City

<u>Taxpayer</u>	<u>Type of Property</u>	<u>2012/13 Net Tax Capacity</u>
Ari – Shoreview Corp Center LLC	Commercial	\$ 836,548
Wells Fargo Properties Inc.	Bank operations center	757,220
Deluxe Corporation	Check printing	471,250
Xcel Energy	Utility	308,897
Target Corporation	Retail	299,250
Medtronic Inc.	Biomedical device manufacturer	296,650
Terrace Apartments Company	Apartments	280,676
Rice Creek I LLC	Commercial	234,500
Carroll Ventures Company	Apartments	195,000
Fox UTV Holdings Inc.	Electronics manufacturer	<u>191,664</u>
Total		\$3,871,655

\* Represents 14.8% of the City's total 2012/13 taxable net tax capacity.

## CITY INDEBTEDNESS

### Legal Debt Limit and Debt Margin\*

Legal Debt Limit (3% of Estimated Market Value)	\$76,791,402
Less: Outstanding Debt Subject to Limit	<u>(14,235,000)</u>
Legal Debt Margin as of December 5, 2013	\$62,556,402

\* The legal debt margin is referred to statutorily as the "Net Debt Limit" and permits debt to be offset by debt service funds and current revenues which are applicable to the payment of debt in the current fiscal year. No such offset has been used to increase the margin as shown above.

NOTES: Certain types of debt are not subject to the legal debt limit. See Appendix IV – Debt Limitations.

The 2013 Minnesota Legislature clarified the definition of estimated market value and established it as the basis for the calculation of the Net Debt Limit. A large contributing factor to the change was to offset the Market Value Homestead Exclusion implemented by the 2012 Minnesota Legislature, which had a significant impact on taxable market values.

### General Obligation Debt Supported by Taxes \*

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 12-5-13</u>
10-1-04	\$1,600,000	Capital Improvements	2-1-2014	\$ 110,000
6-1-06	2,500,000	Street Reconstruction	2-1-2015	325,000
3-10-10	5,615,000	Capital Improvements	2-1-2030	5,270,000
3-6-13	2,415,000	Street Reconstruction	2-1-2028	2,415,000
3-6-13	2,130,000	Capital Improvement and Street Reconstruction	2-1-2022	<u>2,130,000</u>
Total				\$10,250,000

\* These issues are subject to the legal debt limit.

### General Obligation Debt Supported Primarily by Special Assessments

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 12-5-13</u>
11-1-02	\$ 430,000	Local Improvements	2-1-2014	\$ 50,000
3-1-06	205,000	Local Improvements	2-1-2014	15,000
11-15-08	330,000	Local Improvements	2-1-2025	280,000
11-15-09	235,000	Local Improvements	2-1-2021	195,000
12-16-10	140,000	Street Improvements	2-1-2022	130,000
3-6-13	235,000	Street Improvements	2-1-2022	235,000
12-5-13	1,775,000	Street Improvements (the Improvement Portion of the Bonds)	2-1-2035	<u>1,775,000</u>
Total				\$2,680,000

### General Obligation Debt Supported by Tax Increment

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 12-5-13</u>
11-1-07	\$1,090,000	Tax Increment Refunding	12-1-2015	\$690,000

## General Obligation Debt Supported by Revenues

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 12-5-13</u>
11-1-02	\$ 770,000	Water and Sewer Revenue	2-1-2014	\$ 80,000
3-1-06	1,130,000	Water and Sewer Revenue	2-1-2014	70,000
11-1-07	1,705,000	Water, Sewer, and Surface Water Revenue	2-1-2023	1,250,000
11-15-08	3,175,000	Water, Sewer, and Surface Water Revenue	2-1-2025	2,580,000
11-15-09	1,180,000	Surface Water Revenue	2-1-2021	890,000
12-16-10	2,580,000	Water, Sewer, and Surface Water Revenue	2-1-2026	2,280,000
3-6-13	1,735,000	Water and Surface Water Revenue	2-1-2023	1,735,000
3-6-13	1,050,000	Water, Sewer, and Surface Water Revenue	2-1-2022	1,050,000
12-5-13	495,000	Water and Surface Water Revenue (the Utility Portion of the Bonds)	2-1-2024	<u>495,000</u>
Total				\$10,430,000

## Lease Obligations

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 12-5-13</u>
4-1-11	\$4,620,000	Municipal Building Refunding	8-1-2023	\$3,985,000 *

\* This issue is payable from rental payments made by the City pursuant to a lease purchase agreement. The rental payments are annually appropriated by the City. This issue is subject to the legal debt limit.

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## Estimated Calendar Year Debt Service Including the Bonds

Year	G.O. Debt Supported by Taxes		G.O. Debt Supported Primarily by Special Assessments	
	Principal	Principal & Interest	Principal	Principal & Interest <sup>(a)</sup>
2013 (at 12-5)	(Paid)	(Paid)	(Paid)	(Paid)
2014	\$ 660,000	\$ 742,420	\$160,000	\$ 204,218
2015	675,000	831,894	130,000	202,747
2016	720,000	1,027,444	200,000	269,328
2017	725,000	1,014,864	165,000	230,844
2018	740,000	1,010,929	155,000	217,404
2019	760,000	1,010,419	150,000	208,750
2020	765,000	993,740	160,000	214,636
2021	655,000	862,356	165,000	214,985
2022	680,000	866,054	145,000	190,478
2023	480,000	645,926	120,000	161,616
2024	495,000	641,841	125,000	162,911
2025	510,000	636,623	135,000	168,768
2026	520,000	625,168	80,000	110,303
2027	535,000	617,156	80,000	107,723
2028	555,000	612,607	85,000	109,958
2029	380,000	414,032	85,000	107,025
2030	395,000	406,554	90,000	108,918
2031			85,000	100,725
2032			85,000	97,538
2033			90,000	99,190
2034			95,000	100,605
2035			95,000	96,876
Total	\$10,250,000 <sup>(b)</sup>	\$12,960,027	\$2,680,000 <sup>(c)</sup>	\$3,485,546

(a) Includes the Improvement Portion of the Bonds at an assumed average annual interest rate of 3.27%.

(b) 66.9% of this debt will be retired within ten years.

(c) 57.8% of this debt will be retired within ten years.

**Estimated Calendar Year Debt Service Including the Bonds (Continued)**

<u>Year</u>	<u>G.O. Debt Supported by Tax Increment</u>		<u>G.O. Debt Supported by Revenues</u>	
	<u>Principal</u>	<u>Principal &amp; Interest</u>	<u>Principal</u>	<u>Principal &amp; Interest<sup>(a)</sup></u>
2013 (at 12-5)	(Paid)	(Paid)	(Paid)	(Paid)
2014	\$340,000	\$ 367,600	\$ 965,000	\$ 1,263,003
2015	350,000	364,000	965,000	1,234,161
2016			960,000	1,205,172
2017			875,000	1,096,107
2018			905,000	1,101,400
2019			930,000	1,100,084
2020			955,000	1,096,911
2021			985,000	1,096,842
2022			885,000	967,816
2023			830,000	885,604
2024			505,000	537,862
2025			470,000	484,848
2026			200,000	202,990
<b>Total</b>	<b>\$690,000</b>	<b>\$731,600</b>	<b>\$10,430,000<sup>(b)</sup></b>	<b>\$12,272,800</b>

<u>Year</u>	<u>Lease Obligations</u>	
	<u>Principal</u>	<u>Principal &amp; Interest</u>
2013 (at 12-5)	(Paid)	(Paid)
2014	\$ 350,000	\$ 467,315
2015	360,000	470,315
2016	365,000	467,935
2017	375,000	469,540
2018	390,000	474,978
2019	400,000	474,058
2020	415,000	477,058
2021	430,000	478,155
2022	440,000	473,750
2023	460,000	477,250
<b>Total</b>	<b>\$3,985,000</b>	<b>\$4,730,354</b>

(a) Includes the Utility Portion of the Bonds at an assumed average annual interest rate of 2.15%.

(b) 88.7% of this debt will be retired within ten years.

## Other Debt Obligations

### Operating Leases

The City currently leases three copier machines under three separate lease agreements. The leases expire in August 2018 and call for monthly payments of \$78, \$2,054, and \$947, respectively.

The City also leases eight treadmills, eight elliptical machines, and four adaptive motion trainers under four separate lease agreements for the community center. Two leases expire in September 2016, one lease expires in February 2015, and the other in October 2013; and call for monthly lease payments of \$1,389, \$1,320, \$1,089, and \$1,445, respectively.

Future minimum annual lease payments are as follows:

<u>Year Ended December 31,</u>	<u>Copiers</u>	<u>Exercise Equipment</u>	<u>Total</u>
2013	\$20,295	\$ 45,241	\$ 65,536
2014	11,364	45,571	56,935
2015	11,364	33,592	44,956
2016	11,364	24,378	35,742
2017	11,364		11,364
2018	<u>7,576</u>		<u>7,576</u>
Total	\$73,327	\$148,782	\$222,109

### Overlapping Debt

<u>Taxing Unit<sup>(a)</sup></u>	<u>2012/13 Taxable Net Tax Capacity</u>	<u>Est. G.O. Debt As of 12-5-13<sup>(b)</sup></u>	<u>Debt Applicable to Tax Capacity in City</u>	
			<u>Percent</u>	<u>Amount</u>
Ramsey County	\$ 443,648,458	\$182,420,000	5.9%	\$10,762,780
Ramsey County Library	227,219,636	19,285,000	11.6	2,237,060
ISD No. 621 (Mounds View)	77,862,715	117,142,229	31.1	36,431,233
ISD No. 623 (Roseville)	56,704,132	43,680,000	3.6	1,572,480
Metropolitan Council	2,964,890,691	16,715,000 <sup>(c)</sup>	1.0	167,150
Metropolitan Transit District	2,367,824,145	327,345,000 <sup>(d)</sup>	1.1	<u>3,600,795</u>
Total				\$55,973,918

(a) Only those taxing units with general obligation debt outstanding are included here.

(b) Excludes general obligation tax and aid anticipation certificates, state-aid street bonds, and revenue-supported debt.

(c) Excludes general obligation debt supported by sewer system revenues, 911 user fees, and housing rental payments. Includes certificates of participation.

(d) Includes general obligation grant anticipation notes.

**Debt Ratios\***

	<u>G.O. Direct Debt</u>	<u>G.O. Direct &amp; Overlapping Debt</u>
To 2012/13 Estimated Market Value (\$2,559,713,400)	0.69%	2.87%
Per Capita (25,429 – 2012 State Demographer’s Estimate)	\$692	\$2,894

\* Excludes general obligation debt supported by revenues, and other debt obligations, and includes lease obligations.

**CITY TAX RATES, LEVIES AND COLLECTIONS**

**Tax Capacity Rates for a City Resident in Independent School District No. 621  
(Mounds View)**

	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	
					<u>Total</u>	<u>For Debt Only</u>
Ramsey County	43.171%	46.598%	50.801%	56.944%	60.638%	4.320%
City of Shoreview	25.129	27.569	30.671	33.252	36.970	2.637
ISD No. 621 (Mounds View) <sup>(a)</sup>	22.937	24.560	25.573	29.044	29.444	17.906
Rice Creek Watershed District	1.545	1.511	1.618	2.348	3.322	-0-
Special Districts <sup>(b)</sup>	<u>9.467</u>	<u>10.091</u>	<u>10.614</u>	<u>11.979</u>	<u>12.479</u>	<u>1.925</u>
<b>Total</b>	102.249%	110.329%	119.277%	133.567%	142.853%	26.788%

(a) Independent School District No. 621 (Mounds View) also has a 2012/13 tax rate of 0.22830% spread on the market value of property in support of an excess operating levy.

(b) Includes the Metropolitan Council, Mosquito Control, Light Rail Authority, and Ramsey County Library.

NOTE: Taxes are determined by multiplying the net tax capacity by the tax capacity rate, plus multiplying the referendum market value by the market value rate. This table does not include the market value based rates. See Appendix III.

**Tax Collections for the City**

<u>Levy/Collect</u>	<u>Net Levy</u> *	<u>Collected During Collection Year</u>		<u>Collected and/or Abated As of 5-31-13</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2012/13	\$9,611,532			(In Process of Collection)	
2011/12	9,268,875	\$9,212,291	99.4%	\$9,242,241	99.7%
2010/11	8,990,493	8,935,566	99.4	8,976,877	99.8
2009/10	8,657,517	8,573,890	99.0	8,657,517	100.0
2008/09	8,321,949	8,265,427	99.3	8,317,087	99.9

\* The net levy excludes state aid for property tax relief and fiscal disparities, if applicable. The net levy is the basis for computing tax capacity rates. See Appendix III.

**FUNDS ON HAND  
As of August 31, 2013**

<u>Fund</u>	<u>Cash and Investments</u>
General	\$ 2,431,761
Special Revenue	2,772,158
Capital Projects	7,991,511
Debt Service:	
G.O. Taxes	255,923
Refunding Escrow	2,188,083
G.O. Special Assessments	379,459
Refunding Escrow	100,867
G.O. Tax Increment	6,625
Lease Obligations	520,457
Closed Bond Fund	764,835*
Enterprise:	
Water	3,677,996
Refunding Escrow	524,453
Sewer	2,296,992
Refunding Escrow	166,429
Surface Water	1,113,505
Street Light	354,607
Internal Service	1,358,931
Hockey Association Escrow	<u>400,000</u>
 Total Cash and Investments	 \$27,304,592

\* *The Closed Bond Fund receives residual balances from retired debt service funds as well as transfers of excess fund balance from the General Fund. In some cases this fund supports small remaining deficits in the final year of a debt service fund, in addition to reducing large fluctuations in the City's overall debt service levies.*

**CITY INVESTMENTS**

As of August 31, 2013, the City had investments with a total market value of \$26,241,727 and deposits of \$172,877. The following are investments allowed by State statute in which the City will be authorized to invest pursuant to the City's investment policy:

- a) Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities, or organizations created by an act of congress, excluding mortgage-backed securities defined as high risk.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a national bond rating service, and all of the investments have a final maturity of 13 months or less, and whose only investments are in securities described in (a) above, general obligation tax-exempt securities, or repurchase or reverse repurchase agreements.
- c) Obligations of the State of Minnesota or any of its municipalities as follows:
  - 1) any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service;

- 2) any security which is a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service; and
  - 3) a general obligation of the Minnesota housing finance agency which is a moral obligation of the State of Minnesota and is rated "A" or better by a national bond rating agency.
- d) Bankers acceptance of United States banks eligible for purchase by the Federal Reserve System.
  - e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
  - f) Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories by a national bond rating agency.
  - g) Repurchase or reverse repurchase agreements and security lending agreements with financial institutions qualified as a "depository" by the governmental entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or, certain Minnesota securities broker-dealers; or, a bank qualified as a depositor.
  - h) General obligation temporary bonds of the same governmental entity issues under Section 429.178, subd. 5; or 475.61, subd. 6.

As of August 1, 2013, the City has invested in the following securities:

<u>Type</u>	<u>Cost Basis</u>	<u>Percent of Portfolio</u>	<u>Market Value</u>
Federal Home Loan Bank	\$ 4,684,375	17.15%	\$ 4,448,151
Mutual Funds	3,810,954	13.96	3,810,954
FHLMC	960,000	3.52	909,379
FNMA	5,378,847	19.70	4,997,972
Municipal Bonds	3,245,705	11.89	3,081,593
Certificates of Deposit	6,072,000	22.24	6,013,845
2013B Refunding Escrow – U.S. Treasury, Bills, Notes, and Agencies	2,979,833	10.91	2,979,833
Deposits	<u>172,877</u>	<u>0.63</u>	<u>172,877</u>
Total	\$27,304,591	100.00%	\$26,414,604

## GENERAL INFORMATION CONCERNING THE CITY

The City is a northern suburb of the City of St. Paul and is located in Ramsey County. The City encompasses an area of approximately 12.6 square miles (8,064 acres).

### Population

The City's population trend is shown below.

<u>Year</u>	<u>Population</u>	<u>Percent Change</u>
2012 State Demographer's Estimate	25,429	1.5%
2010 U.S. Census Bureau	25,043	(3.4)
2000 U.S. Census Bureau	25,924	5.4
1990 U.S. Census Bureau	24,587	42.1
1980 U.S. Census Bureau	17,300	--

Sources: *Minnesota State Demographic Center, <http://www.demography.state.mn.us/> and United States Census Bureau, <http://www.census.gov/>.*

### Transportation

Major transportation routes in and near the City provide easy access for workers commuting into the City, as well as for City residents commuting to jobs throughout the Minneapolis-St. Paul metropolitan area. Interstate Highway 694 crosses east-west through the southern portion of the City, Interstate Highway 35W runs north-south along the northwest corner of the City, and Highway 96 runs east-west through the City. Public transportation options are also available through Metro Transit.

### Major Employers

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
Deluxe Corporation	Forms and bank checks printing	975
Wells Fargo	Banking services	711*
Cummins Power Generation	Headquarters	600
TSI Incorporated	Electronics manufacturer	440
DJO Global-Empi Inc.	Biomedical manufacturing	390
Target Corporation	Discount retail	200
Par Systems	Robotics systems	160
Rainbow Foods	Grocery store	62
Kozlak's Royal Oak Restaurant	Restaurant	52

\* As of October 2012; most recent information available.

Source: *This does not purport to be a comprehensive list and is based on a January 2013 telephone survey of employers.*

## Labor Force Data

	Annual Average				August
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Labor Force:					
City of Shoreview	41,930	14,645	14,784	14,863	15,106
Ramey County	271,326	270,655	273,375	274,598	278,307
Minneapolis-St. Paul					
Bloomington MSA	1,844,504	1,833,578	1,848,525	1,857,426	1,882,221
State of Minnesota	2,952,963	2,966,097	2,970,653	2,969,607	2,989,164
Unemployment Rate:					
City of Shoreview	6.3%	6.3%	5.4%	4.6%	4.1%
Ramsey County	7.9	7.4	6.6	5.8	5.0
Minneapolis-St. Paul					
Bloomington MSA	7.9	7.3	6.3	5.5	4.7
State of Minnesota	8.0	7.4	6.5	5.6	4.8

Source: Minnesota Department of Employment and Economic Development, <http://www.positivelyminnesota.com>. 2013 data are preliminary.

## Retail Sales and Effective Buying Income (EBI) for Ramsey County

	Total Retail Sales (\$000)	Total EBI (\$000)	Median Household EBI
2012	\$6,042,244	\$11,289,070	\$40,372
2011	7,666,022	10,874,635	42,043
2010	7,668,794	10,971,610	42,425
2009	7,379,232	11,231,972	44,193
2008	7,434,206	10,964,930	43,216

The 2012 median household EBI for the State of Minnesota was \$44,911.

Source: Claritas, Inc.

## Building Permits

Year	New Single Family Residential		New Commercial/Industrial		Total Value (All Permits)
	Number	Value	Number	Value	
2013 (to 12-5)	4	\$1,835,000	1	\$1,285,000	\$15,224,398
2012	13	3,700,000	2	3,710,000	29,935,258
2011	11	3,889,000	--	--	21,890,958
2010	9	3,030,000	--	--	42,073,261
2009	14	5,121,000	--	--	18,331,621

Source: City of Shoreview.

## **Recent Development**

The City has established a new strategic plan for fostering continued economic growth by focusing on retaining and growing existing key businesses. Through the adoption of the Shoreview Business Retention and Expansion (BRE) Program, the City Council developed a comprehensive and proactive plan to strengthen City relationships with the local business community, focusing on landmark and emerging companies deemed critical in providing significant jobs and economic tax base that benefit the overall quality of life within the City. As a result, the City is in the midst of significant economic growth bringing new retail services, dining choices, expanded senior living options, added jobs, and tax base with several high profile business expansions.

### Retail Development

*Red Fox Retail.* In 2012, the Red Fox Road area adjacent to Interstate 694 east of Lexington Avenue and near Super Target was approved for a phased retail development. The first phase of the retail center included a Chipotle, Leann Chin, Five Guys Burgers, the Massage Retreat Spa, and Sport Clips.

The second phase of development began in early 2013, a Trader Joe's specialty market will open in October, adjacent to the new retail center to anchor the retail development. A future third phase was approved for office or retail uses.

*TCF Bank.* In early 2013, TCF Bank opened a new branch facility at the corner of Lexington Avenue and Red Fox Road. The new building was constructed on the former Sinclair gas station property, which was demolished to make way for the new bank.

### Manufacturing Development

*PaR Systems.* In 2013, PaR Systems, Inc., located at 707 and 655 County Road E, completed construction of a new 48,000 square-foot facility on vacant land east of their corporate offices on their Shoreview campus. The \$5.5 million expansion will bring new jobs and provide additional manufacturing space to meet continued growth projections, due in part to a recent contract to provide robotic cranes to assist with the on-going clean-up of the Fukushima nuclear power plant in Japan.

*TSI Incorporated.* TSI Incorporated ("TSI"), located at 500 Cardigan Road, completed construction in 2013 on a \$7 million, 58,000 square-foot expansion of their corporate headquarters and research and manufacturing facility. TSI currently employs 560 people worldwide, including 440 employees located in the City. The expansion is being built to accommodate continued growth, as the company projects a workforce addition of 180 employees in Shoreview within the next several years.

### Multi-Family Housing Development

*Shoreview Senior Living.* In December 2012, construction was completed on a new 105-unit senior housing community called Shoreview Senior Living. The project, located on Hodgson Road north of Highway 96, provides a mix of congregate, assisted living, and memory care rental apartments. The developer has committed to provide and maintain 12 units for eligible residents through the Elderly Waiver Program.

*Lakeview Terrace.* Construction began in 2013 on a redevelopment project involving the tear-down of the vacant Midland Plaza strip center at Owasso and Victoria Streets to construct a new upscale six-story luxury apartment building of 104 units adjacent to the existing Midland Terrace Apartments complex. The \$24 million project will include the relocation of Owasso Street to align with County Road E in order to create a development parcel for the new

apartments. The redevelopment will provide benefits of removing an old retail center, creating new higher end market rental housing choices for the community, and traffic safety improvements in the project area. The public road improvements began in early 2013, with construction of the apartment building expected to be complete by fall of 2014.

**Financial Services**

Financial services are provided within the City by branch offices of U.S. Bank National Association, and Wells Fargo Bank, National Association. Additional financial services are available to City residents throughout the Minneapolis-St. Paul metropolitan area.

Source: Federal Deposit Insurance Corporation, <http://www2.fdic.gov/idasp/main.asp>.

**Education\***

Two public school districts provide educational services to City residents: Independent School District No. 621 (Mounds View), which had a 2012/13 K-12 enrollment of 9,938; and Independent School District No. 623 (Roseville), which had a 2012/13 K-12 enrollment of 6,995.

St. Odilia’s, a private parochial school located in the City, had a 2012/13 total enrollment of approximately 453 students in kindergarten through grade eight.

\* 2013/14 enrollment figures are not yet available.

**GOVERNMENTAL ORGANIZATION AND SERVICES**

**Organization**

The City was incorporated in 1957 and became a statutory city on January 1, 1974. The City’s governing body is the City Council, comprised of the Mayor and four Council members. The Mayor serves a two-year term of office, and the Council members are elected at-large to serve overlapping four-year terms. The present Council is comprised of members as follows:

		<u>Expiration of Term</u>
Sandra C. Martin	Mayor	December 31, 2014
Emy Johnson	Council Member	December 31, 2016
Ben Withhart	Council Member	December 31, 2014
Terry Quigley	Council Member	December 31, 2014
Ady Wickstrom	Council Member	December 31, 2016

The chief administrative officer of the City is the City Manager, Mr. Terry C. Schwerm. Mr. Schwerm has served in this position since 1993. Financial operations of the City are the responsibility of the Finance Director, Ms. Jeanne Haapala. Ms. Haapala has served in this position since 1988. Also serving in the Finance Department is Mr. Fred Espe, Assistant Finance Director, who has held this position since 1998. Mr. Tom Simonson serves as the City’s Assistant City Manager and Director of Community Development, and has been with the City for 22 years. The City has 77.44 full-time equivalent and approximately 56.91 part-time equivalent employees serving in various departments.

## **Services**

The City's water system consists of six wells, two 1.5 million gallon elevated storage tanks, a one million gallon underground reservoir and two water treatment plants. The water system has a total pumping capacity of 14.4 million gallons per day. Average daily demand is 3.2 million gallons and peak demand is 10.6 million gallons per day.

Although the City maintains its own sewer laterals, core facilities are owned by Metropolitan Council Environmental Services ("MCES"). Wastewater treatment and disposal is also the responsibility of MCES and the City is billed for its usage of MCES sewage facilities.

Xcel Energy provides electricity and natural gas service to City residents and Qwest provides telephone service.

The City contracts with the Lake Johanna Volunteer Fire Department for fire protection services. The Lake Johanna Fire Department is a non-profit corporation consisting of a full-time fire chief and approximately 60 volunteer firefighters. The department has four fire stations, two of which are owned by the City. A seven-member board governs the department, and two of the board members are selected by the City. The City's current contract with the department expires on December 31, 2018, with automatic five-year extensions.

The City is responsible for all major repairs to the City's buildings, vehicles and equipment in excess of \$2,500. The City has a Class 3 insurance rating.

The City contracts with the Ramsey County Sheriff's Department for police services.

The City's Parks and Recreation Department manages an extensive park system consisting of ten parks with a total of 268 acres of park land. The City has an 111,000 square-foot community center, which includes a swimming pool, gymnasium, fitness center, two community rooms, and several meeting rooms.

## **Capital Improvement Plan**

The City maintains a five-year Capital Improvement Plan for future infrastructure maintenance and asset replacement that utilizes revolving funds to minimize future borrowing needs. A large share of the City's debt is financed through special assessments and tax increment, thus decreasing the need for general obligation debt supported by taxes. The policy provides long-term planning and future financing strategies for capital replacement costs. A required element of the policy is a continuum plan, prepared on an annual basis, covering the replacement of all capital assets.

## **Employee Pensions**

All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota ("PERA"). PERA administers the General Employees Retirement Fund ("GERF"), which is a cost-sharing multiple-employer retirement plan. GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security and Basic members are not. All new members must participate in the Coordinated Plan.

The City's contributions to the GERF for the past five years are as follows:

	<u>GERF</u>
2012	\$387,654
2011	383,811
2010	366,692
2009	347,240
2008	328,898

Four Council members and the Mayor of the City are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP is a tax-qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until the time of withdrawal. Plan benefits depend solely on the amounts contributed to the plan plus investment earnings less administrative expenses. An eligible elected official who chooses to participate in the plan contributes 5% of their salary, which is matched by the elected official's employer. PERA receives 2% of employer contributions and 0.025% of the assets in each member's account annually for administering the plan. The City's contributions to PEDCP for the past five years are as follows:

	<u>PEDCP</u>
2012	\$1,461
2011	1,461
2010	1,446
2009	1,446
2008	1,377

For more information regarding the liability of the City with respect to its employees, please reference Note 7, Pension Plans, of the City's Comprehensive Annual Financial Report for fiscal year ended December 31, 2012, an excerpt of which is included as Appendix IV of this Official Statement.

*Source: City's 2012 Comprehensive Annual Financial Report.*

### **Other Postemployment Benefits**

The City's only OPEB is for health insurance. Retirees and disabilitants are eligible to remain on the City's group health plan, but the City does not assist with premium payments. The only cost to the City comes from the implicit rate subsidy. Under GASB 45 such costs must be accounted for on an annual basis, however, management has determined that any liability related to postemployment benefits is immaterial to the City's Comprehensive Annual Financial Report.

## Total Operating Funds

	2012 <u>Budget</u>	2012 <u>Actual</u>	2013 <u>Budget</u>
<b>Revenues</b>			
Property Taxes	\$ 7,250,086	\$ 7,147,896	\$ 7,459,567
Special Assessments	115,865	174,842	107,971
Licenses and Permits	292,750	540,755	314,050
Intergovernmental	400,247	376,158	366,152
Charges for Services	5,473,175	5,689,999	5,809,731
Fines and Forfeits	62,000	67,000	62,500
Utility Charges	7,540,762	8,086,327	7,993,640
Central Garage Charges	1,137,680	1,143,847	1,153,020
Interest Earnings	208,550	185,417	163,350
Other Revenues	<u>81,860</u>	<u>174,000</u>	<u>80,740</u>
Total Revenues	\$22,562,975	\$23,586,241	\$23,510,721
<b>Expenditures</b>			
General Government	\$ 2,307,905	\$ 2,243,504	\$ 2,345,660
Public Safety	2,721,227	2,706,424	2,882,693
Public Works	1,889,483	1,864,122	1,979,986
Parks and Recreation	5,294,174	5,282,365	5,470,139
Community Development	637,832	612,405	680,735
Enterprise Operations	5,409,730	5,244,732	5,705,039
Central Garage	576,564	550,659	593,566
Miscellaneous	48,000	67,522	40,000
Debt Service	2,333,436	2,331,187	2,277,782
Depreciation	<u>1,861,000</u>	<u>1,813,983</u>	<u>1,907,000</u>
Total Expenditures	\$23,079,351	\$22,716,903	\$23,882,600
<b>Other Sources (Uses)</b>			
Sale of Asset-Gain	\$ 20,000	\$ 26,311	\$ 41,000
Debt Proceeds	0	0	20,000
Debt Refunding	0	0	0
Contribution Assets	0	194,313	0
Transfers In	2,056,090	2,063,714	2,359,186
Transfers Out	<u>(1,149,840)</u>	<u>(1,374,262)</u>	<u>(1,340,320)</u>
Total Other Sources (Uses)	\$ 926,250	\$ 910,076	\$ 1,079,866
Net Change	\$ 409,874	\$ 1,779,414	\$ 707,987

Sources: City of Shoreview's 2012 Comprehensive Annual Financial Report and 2013 Budget.

## PROPOSED FORM OF LEGAL OPINION

City of Shoreview  
Shoreview, Minnesota

[Purchaser]

Re:     \$ \_\_\_\_\_ General Obligation Bonds, Series 2013C  
          City of Shoreview, Minnesota

Ladies and Gentlemen:

As Bond Counsel in connection with the authorization, issuance and sale by the City of Shoreview, Minnesota (the City), of the obligations described above (the Bonds), dated, as originally issued, as of \_\_\_\_\_, 2013, we have examined certified copies of certain proceedings taken, and certain affidavits and certificates furnished, by the City in the authorization, sale and issuance of the Bonds, including the form of the Bonds. As to questions of fact material to our opinion, we have assumed the authenticity of and relied upon the proceedings, affidavits and certificates furnished to us without undertaking to verify the same by independent investigation. From our examination of such proceedings, affidavits and certificates and on the basis of existing law, it is our opinion that:

1. The Bonds are valid and binding general obligations of the City, enforceable in accordance with their terms.

2. The principal of and interest on the Bonds are payable from special assessments to be levied on property specially benefited by the improvements financed by the Bonds, net revenues of the municipal water and sewer systems and ad valorem taxes duly levied on all taxable property in the City, which assessments, revenues and ad valorem taxes are expected to produce amounts sufficient to pay the principal of and interest on the Bonds when due, but if necessary for payment thereof, additional ad valorem taxes are required by law to be levied on all taxable property in the City, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Bond (a) is not includable in gross income for federal income tax purposes or in taxable net income of individuals, estates or trusts for Minnesota income tax purposes; (b) is includable in taxable income of corporations and financial institutions for purposes of the Minnesota franchise tax; (c) is not an item of tax preference includable in alternative minimum taxable income for purposes of the federal alternative minimum tax applicable to all taxpayers or the Minnesota alternative minimum tax applicable to individuals, estates and trusts and (d) is includable in adjusted current earnings of corporations in determining alternative minimum taxable income for purposes of federal alternative minimum tax.

4. The City has designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the Code), and financial institutions described in Section 265(b)(5) of the Code may treat the Bonds for purposes of Sections 265(b)(2) and 291(e)(1)(B) of the Code as if they were acquired on August 7, 1986.

The opinions expressed in paragraphs 1 and 2 above are subject to the effect of any state or federal laws relating to bankruptcy, insolvency, reorganization, moratorium or creditors' rights and the exercise of judicial discretion.

The opinions expressed in paragraph 3 and 4 above are subject to the condition of the City's compliance with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon may be, and continue to be, excluded from gross income for federal income tax purposes and that the Bonds be and continue to be qualified tax-exempt obligations. The City has covenanted to comply with these continuing requirements. Its failure to do so could result in the inclusion of interest on the Bonds in federal gross income and in Minnesota taxable net income, retroactive to the date of issuance of the Bonds. Except as stated in this opinion, we express no opinion regarding federal, state or other tax consequences to holders of the Bonds.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2013.

**CONTINUING DISCLOSURE COVENANTS**

Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the City hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The City is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The City will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the City, the following information at the following times:

- (1) on or before twelve (12) months after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2013, the following financial information and operating data in respect of the City (the Disclosure Information):
  - (A) the audited financial statements of the City for such fiscal year, prepared in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and
  - (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: "City Property Values;" "City Indebtedness;" and "City Tax Rates, Levies and Collections."

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the City shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the City shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access System (EMMA) or to the SEC. The City shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the City have materially changed or been discontinued, such Disclosure Information need no longer be provided if the City includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other City operations in respect of which data is not included in the Disclosure Information and the City determines that certain specified data regarding such replacement operations would be described in paragraph (2) hereof, then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the City shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

- (2) In a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events:
  - (A) Principal and interest payment delinquencies;
  - (B) Non-payment related defaults, if material;
  - (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
  - (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
  - (E) Substitution of credit or liquidity providers, or their failure to perform;
  - (F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Bonds;
  - (G) Modifications to rights of Bond holders, if material;
  - (H) Bond calls, if material, and tender offers;
  - (I) Defeasances;
  - (J) Release, substitution, or sale of property securing repayment of the Bonds, if material;
  - (K) Rating changes;
  - (L) Bankruptcy, insolvency, receivership or similar event of the obligated person;
  - (M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
  - (N) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

As used herein, for those events that must be reported if material, an event is “material” if it is an event as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, an event is also “material” if it is an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (3) In a timely manner, notice of the occurrence of any of the following events or conditions:
  - (A) the failure of the City to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
  - (B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the City under subsection (d)(2);
  - (C) the termination of the obligations of the City under this section pursuant to subsection (d);
  - (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
  - (E) any change in the fiscal year of the City.

(c) Manner of Disclosure.

- (1) The City agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).
- (2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the City in this section shall remain in effect so long as any Bonds are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the City under this section shall terminate and be without further effect as of any date on which the City delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the City to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

- (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the City from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Council filed in the office of the recording officer of the City accompanied by an opinion of Bond Counsel, who may rely on certificates of the City and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the City or the type of operations conducted by the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

- (3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

**SUMMARY OF TAX LEVIES, PAYMENT PROVISIONS, AND  
MINNESOTA REAL PROPERTY VALUATION  
(effective through levy year 2012/payable year 2013)**

Following is a summary of certain statutory provisions effective through levy year 2012/payable year 2013 relative to tax levy procedures, tax payment and credit procedures, and the mechanics of real property valuation. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes, rules and regulations of the State of Minnesota.

**Property Valuations (Chapter 273, Minnesota Statutes)**

Assessor's Estimated Market Value. Each parcel of real property subject to taxation must, by statute, be appraised at least once every five years as of January 2 of the year of appraisal. With certain exceptions, all property is valued at its market value, which is the value the assessor determines to be the price the property to be fairly worth, and which is referred to as the "Estimated Market Value." The 2013 Minnesota Legislature established the Estimated Market Value as the value used to calculate a municipality's legal debt limit.

Taxable Market Value. The Taxable Market Value is the value that Net Tax Capacity is based on, after all reductions, limitations, exemptions and deferrals.

Net Tax Capacity. The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Taxable Market Value. Class rate percentages vary depending on the type of property as shown on the last page of this Appendix. The formulas and class rates for converting Taxable Market Value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature. Property taxes are the sum of the amounts determined by i) multiplying the Net Tax Capacity by the tax capacity rate, and ii) multiplying the referendum market value by the market value rate.

Market Value Homestead Exclusion. In 2011, the Market Value Homestead Exclusion Program (MVHE) was implemented to offset the elimination of the Market Value Homestead Credit Program that provided relief to certain homesteads. The MVHE reduces the taxable market value of a homestead with an Assessor's Estimated Market Value up to \$413,800 in an attempt to result in a property tax similar to the effective property tax prior to the elimination of the homestead credit. The MVHE applies to property classified as Class 1a or 1b and Class 2a, and causes a decrease in the Issuer's aggregate Taxable Market Value, even if the Assessor's Estimated Market Value on the same properties did not decline.

**Property Tax Payments and Delinquencies  
(Chapters 275, 276, 277, 279-282 and 549, Minnesota Statutes)**

Ad valorem property taxes levied by local governments in Minnesota are extended and collected by the various counties within the State. Each taxing jurisdiction is required to certify the annual tax levy to the county auditor within five (5) working days after December 20 of the year preceding the collection year. A listing of property taxes due is prepared by the county auditor and turned over to the county treasurer on or before the first business day in March.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements are mailed out by March 31. One-half (1/2) of the taxes on real property is due on or before May 15. The remainder is due on or before October 15. Real property taxes not paid by their due date are assessed a penalty that, depending on the type of property, increases from 2% to 4% on the day after the due date. In the case of the first installment of real property taxes due May 15, the penalty increases to 4% or 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes due October 15, the penalty increases to 6% or 8% on November 1 and increases again to 8% or 12% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property that is owned by a tax-exempt entity, but is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

On the first business day of January of the year following collection all delinquencies are subject to an additional 2% penalty, and those delinquencies outstanding as of February 15 are filed for a tax lien judgment with the district court. By March 20 the county auditor files a publication of legal action and a mailing of notice of action to delinquent parties. Those property interests not responding to this notice have judgment entered for the amount of the delinquency and associated penalties. The amount of the judgment is subject to a variable interest determined annually by the Department of Revenue, and equal to the adjusted prime rate charged by banks but in no event is the rate less than 10% or more than 14%.

Property owners subject to a tax lien judgment generally have five years (5) in the case of all property located outside of cities or in the case of residential homestead, agricultural homestead and seasonal residential recreational property located within cities or three (3) years with respect to other types of property to redeem the property. After expiration of the redemption period, unredeemed properties are declared tax forfeit with title held in trust by the State of Minnesota for the respective taxing districts. The county auditor, or equivalent thereof, then sells those properties not claimed for a public purpose at auction. The net proceeds of the sale are first dedicated to the satisfaction of outstanding special assessments on the parcel, with any remaining balance in most cases being divided on the following basis: county - 40%; town or city - 20%; and school district - 40%.

### **Property Tax Credits (Chapter 273, Minnesota Statutes)**

In addition to adjusting the taxable value for various property types, primary elements of Minnesota's property tax relief system are: property tax levy reduction aids; the renters credit, which relates property taxes to income and provides relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The circuit breaker credit and targeted credits are reimbursed to the taxpayer upon application by the taxpayer. Property tax levy reduction aid includes educational aids, local governmental aid, equalization aid, county program aid and disparity reduction aid.

## **Debt Limitations**

All Minnesota municipalities (counties, cities, towns and school districts) are subject to statutory “net debt” limitations under the provisions of Minnesota Statutes, Section 475.53. Net debt is defined as the amount remaining after deducting from gross debt the amount of current revenues that are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

1. Obligations issued for improvements that are payable wholly or partially from the proceeds of special assessments levied upon benefited property.
2. Warrants or orders having no definite or fixed maturity.
3. Obligations payable wholly from the income from revenue producing conveniences.
4. Obligations issued to create or maintain a permanent improvement revolving fund.
5. Obligations issued for the acquisition and betterment of public waterworks systems, and public lighting, heating or power systems, and any combination thereof, or for any other public convenience from which revenue is or may be derived.
6. Certain debt service loans and capital loans made to school districts.
7. Certain obligations to repay loans.
8. Obligations specifically excluded under the provisions of law authorizing their issuance.
9. Certain obligations to pay pension fund liabilities.
10. Debt service funds for the payment of principal and interest on obligations other than those described above.
11. Obligations issued to pay judgments against the municipality.

## **Levies for General Obligation Debt (Sections 475.61 and 475.74, Minnesota Statutes)**

Any municipality that issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county(ies) within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for payment of the obligations, produce at least five percent in excess of the amount needed to pay principal and interest when due. Notwithstanding any other limitations upon the ability of a taxing unit to levy taxes, its ability to levy taxes for a deficiency in prior levies for payment of general obligation indebtedness is without limitation as to rate or amount.

## **Metropolitan Revenue Distribution (Chapter 473F, Minnesota Statutes) “Fiscal Disparities Law”**

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly known as “Fiscal Disparities,” was first implemented for taxes payable in 1975. Forty percent of the increase in commercial-industrial (including public utility and railroad) net tax capacity valuation since 1971 in each assessment district in the Minneapolis/St. Paul seven-county metropolitan area (Anoka, Carver, Dakota, excluding the City of Northfield, Hennepin, Ramsey, Scott, excluding the City of New Prague, and Washington Counties) is contributed to an area-wide tax base. A distribution index, based on the factors of population and real property market value per capita, is employed in determining what proportion of the net tax capacity value in the area-wide tax base shall be distributed back to each assessment district.

**STATUTORY FORMULAE: CONVERSION OF TAXABLE MARKET VALUE (TMV) TO  
NET TAX CAPACITY FOR MAJOR PROPERTY CLASSIFICATIONS**

<u>Property Type</u>	<u>Local Tax Payable 2009</u>	<u>Local Tax Payable 2010</u>	<u>Local Tax Payable 2011</u>	<u>Local Tax Payable 2012</u>	<u>Local Tax Payable 2013</u>
<b>Residential Homestead (1a)</b>					
Up to \$500,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%	1.25%	1.25%
<b>Residential Non-homestead</b>					
Single Unit (4bb1)					
Up to \$500,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%	1.25%	1.25%
1-3 unit and undeveloped land (4b1)	1.25%	1.25%	1.25%	1.25%	1.25%
<b>Market Rate Apartments</b>					
Regular (4a)	1.25%	1.25%	1.25%	1.25%	1.25%
Low-Income (4d)	0.75%	0.75%	0.75%	0.75%	0.75%
<b>Commercial/Industrial/Public Utility (3a)</b>					
Up to \$150,000	1.50% <sup>1</sup>				
Over \$150,000	2.00% <sup>1</sup>				
Electric Generation Machinery	2.00%	2.00%	2.00%	2.00%	2.00%
<b>Commercial Seasonal Residential</b>					
Homestead Resorts (1c)					
Up to \$600,000	0.55%	0.55%	0.50%	0.50%	0.50%
\$600,000 - \$2,300,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over \$2,300,000	1.25% <sup>1</sup>				
Seasonal Resorts (4c)					
Up to \$500,000	1.00% <sup>1</sup>				
Over \$500,000	1.25% <sup>1</sup>				
<b>Non-Commercial (4c12)</b>					
Up to \$500,000	1.00% <sup>1 2</sup>				
Over \$500,000	1.25% <sup>1 2</sup>				
<b>Disabled Homestead (1b)</b>					
Up to \$50,000	0.45%	0.45%	0.45%	0.45%	0.45%
\$50,000 to \$500,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%	1.25%	1.25%
<b>Agricultural Land &amp; Buildings</b>					
Homestead (2a)					
Up to \$500,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%	1.25%	1.25%
Remainder of Farm					
Up to \$1,290,000 <sup>3</sup>	0.55% <sup>2</sup>	0.55% <sup>2</sup>	0.50% <sup>2</sup>	0.50% <sup>2</sup>	0.50% <sup>2</sup>
Over \$1,290,000 <sup>3</sup>	1.00% <sup>2</sup>				
Non-homestead (2b)	1.00% <sup>2</sup>				

<sup>1</sup> Subject to the State General Property Tax.

<sup>2</sup> Exempt from referendum market value tax.

<sup>3</sup> 2012 legislative increases.

**EXCERPT OF 2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Data on the following pages has been extracted from the audited Comprehensive Annual Financial Report (CAFR) for fiscal year ended December 31, 2012. The reader should be aware that the complete financial statements may contain additional information which may interpret, explain or modify the data presented here.

The City's Comprehensive Annual Financial Reports for the fiscal years ended December 31, 1985 through 2011, the City was awarded the Certificate of Achievement For Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in State and local government financial reporting. The City has submitted its CAFR for the 2012 fiscal year to GFOA.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

**INDEPENDENT AUDITOR'S REPORT**

To the City Council and Management  
City of Shoreview, Minnesota

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Shoreview, Minnesota (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**OPINIONS**

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**OTHER MATTERS**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the respective budgetary comparison information for the General Fund and the major special revenue funds, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, supplementary financial information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual nonmajor fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, supplementary financial information, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Malley, Montague, Karnowski, Radosevich, & Co., P.A.*

Minneapolis, Minnesota  
May 10, 2013

CITY OF SHOREVIEW, MINNESOTA  
Statement of Net Position  
December 31, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 18,663,600	\$ 5,610,156	\$ 24,273,756
Accrued interest receivable	61,625	19,758	81,383
Accounts receivable	122,821	1,966,418	2,089,239
Deposit receivable	1,445	—	1,445
Loan receivable	108,806	—	108,806
Taxes receivable	240,817	—	240,817
Special assessments receivable	565,904	62,566	628,470
Internal balances	(59,103)	59,103	—
Due from other governmental units	87,952	45,562	133,514
Prepaid items	80,537	9,236	89,773
Capital assets			
Nondepreciable	8,784,432	1,295,418	10,079,850
Depreciable (net of accumulated depreciation)	52,436,207	29,241,353	81,677,560
<b>Total assets</b>	<b>81,095,043</b>	<b>38,309,570</b>	<b>119,404,613</b>
<b>Liabilities</b>			
Accounts payable	181,831	78,531	260,362
Salaries payable	112,150	26,923	139,073
Contracts payable	6,562	25,600	32,162
Accrued bond interest payable	226,005	138,493	364,498
Deposits payable	277,879	6,757	284,636
Due to other governmental units	57,827	14,886	72,713
Unearned revenue	783,852	—	783,852
Compensated absences payable			
Due within one year	29,309	8,834	38,143
Due in more than one year	232,922	70,227	303,149
Loan payable			
Due in more than one year	6,000,000	—	6,000,000
Certificates of participation payable			
Due within one year	345,000	—	345,000
Due in more than one year	3,985,000	—	3,985,000
Bonds payable			
Due within one year	1,295,000	780,000	2,075,000
Due in more than one year	9,445,000	8,205,000	17,650,000
<b>Total liabilities</b>	<b>22,978,337</b>	<b>9,355,251</b>	<b>32,333,588</b>
<b>Net position</b>			
Net investment in capital assets	40,154,929	21,585,799	61,740,728
Restricted for			
Business loan program	165,777	—	165,777
Cable television	92,886	—	92,886
Debt service	1,659,255	—	1,659,255
Economic development	23,830	—	23,830
Housing and redevelopment	61,285	—	61,285
Recycling	161,791	—	161,791
Trunk facility	—	183,496	183,496
Tax increment purposes	3,199,653	—	3,199,653
Unrestricted	12,597,300	7,185,024	19,782,324
<b>Total net position</b>	<b>\$ 58,116,706</b>	<b>\$ 28,954,319</b>	<b>\$ 87,071,025</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF SHOREVIEW, MINNESOTA**  
Statement of Activities  
For The Year Ended December 31, 2012

	Net (Expense) Revenue and Changes in Net Position					
	Expenses	Program Revenues		Business-Type Activities		Total
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Functions/programs</b>						
<b>Primary government</b>						
<b>Governmental activities</b>						
General government	\$ 2,349,276	\$ 1,549,907	\$ 68,978	\$ -	\$ (730,391)	\$ (730,391)
Public safety	3,113,032	70,304	-	-	(3,042,728)	(3,042,728)
Public works	3,998,390	828,857	229,589	818,096	(2,121,848)	(2,121,848)
Parks and recreation	6,128,769	3,651,544	21,780	34,300	(2,421,145)	(2,421,145)
Community development	2,904,944	611,623	-	-	(2,293,321)	(2,293,321)
Interest on long-term debt	595,009	-	-	-	(595,009)	(595,009)
<b>Total governmental activities</b>	<b>19,089,420</b>	<b>6,712,235</b>	<b>320,347</b>	<b>852,396</b>	<b>(11,204,442)</b>	<b>(11,204,442)</b>
<b>Business-type activities</b>						
Water	2,206,516	2,918,022	-	45,021	756,527	756,527
Sewer	3,283,498	3,568,777	-	35,584	320,863	320,863
Surface water	1,019,008	1,147,539	-	29,380	157,911	157,911
Street lights	275,412	456,284	-	-	180,872	180,872
<b>Total business-type activities</b>	<b>6,784,434</b>	<b>8,090,622</b>	<b>-</b>	<b>109,985</b>	<b>1,416,173</b>	<b>1,416,173</b>
<b>Total primary government</b>	<b>25,873,854</b>	<b>14,802,857</b>	<b>320,347</b>	<b>962,381</b>	<b>(11,204,442)</b>	<b>(9,788,269)</b>
<b>General revenues</b>						
Property taxes					9,243,083	9,243,083
Tax increment collections					1,980,051	1,980,051
Grants and contributions not restricted to specific programs					33,369	33,369
Unrestricted investment earnings					231,716	303,347
Gain on disposal of capital assets					26,561	26,561
Transfers					459,493	-
<b>Total general revenues and transfers</b>					<b>11,974,273</b>	<b>11,586,411</b>
Change in net position					(387,862)	1,798,142
Net position - beginning					769,831	85,272,883
<b>Net position - ending</b>					<b>57,346,875</b>	<b>85,272,883</b>
					\$ 28,954,319	\$ 87,071,025

The accompanying notes are an integral part of these financial statements.

**CITY OF SHOREVIEW, MINNESOTA**  
 Balance Sheet  
 Governmental Funds  
 December 31, 2012

	General	Community Center Operation	Recreation Programs	Municipal State Aid	Street Renewal	General Fixed Asset Replacement	Capital Improvement	Other Governmental Funds	Intra-Activity Eliminations	Total Governmental Funds
<b>Assets</b>										
Cash and investments	\$ 4,255,300	\$ 1,153,549	\$ 653,728	\$ 1,755,442	\$ 2,214,406	\$ 745,491	\$ 799,963	\$ 5,701,309	\$ -	\$ 17,279,188
Accrued interest receivable	13,048	3,894	2,316	5,198	8,937	918	2,333	21,048	-	57,692
Accounts receivable (net of allowance for uncollectibles)	39,199	3,880	130	-	-	978	887	77,147	-	122,221
Deposits receivable	-	1,445	-	-	-	-	-	-	-	1,445
Loan receivable	-	-	-	-	-	-	-	108,806	-	108,806
Taxes receivable	149,519	-	-	-	18,308	27,598	2,504	38,441	-	236,370
Special assessments receivable	-	-	-	-	39,323	-	-	524,847	-	565,904
Interfund receivable	-	-	-	1,734	-	-	-	222,690	(222,690)	-
Due from other governmental units	35,954	-	2,172	-	-	-	-	13,859	-	51,985
Prepaid items	69,213	3,643	4,855	-	-	-	-	182	-	77,893
<b>Total assets</b>	<b>\$ 4,562,233</b>	<b>\$ 1,166,411</b>	<b>\$ 663,201</b>	<b>\$ 1,762,374</b>	<b>\$ 2,280,974</b>	<b>\$ 774,985</b>	<b>\$ 805,687</b>	<b>\$ 6,708,329</b>	<b>\$ (222,690)</b>	<b>\$ 18,501,504</b>

**Liabilities and Fund Balances**

<b>Liabilities</b>										
Accounts payable	\$ 36,577	\$ 68,694	\$ 3,230	\$ -	\$ -	\$ -	\$ 10,466	\$ 47,279	\$ -	\$ 166,246
Salaries payable	65,313	30,248	10,792	-	-	-	-	1,983	-	108,336
Contracts payable	-	-	-	-	-	6,562	-	-	-	6,562
Deposits payable	199,978	77,901	-	-	-	-	-	-	-	277,879
Interfund payable	-	-	-	-	-	-	-	222,690	(222,690)	-
Due to other governmental units	57,055	232	540	-	-	-	-	536,215	-	57,827
Deferred revenue	67,301	-	-	700,708	45,966	10,378	74,995	808,167	-	1,435,563
<b>Total liabilities</b>	<b>426,224</b>	<b>177,075</b>	<b>14,562</b>	<b>700,708</b>	<b>45,966</b>	<b>16,940</b>	<b>85,461</b>	<b>808,167</b>	<b>(222,690)</b>	<b>2,052,413</b>
<b>Fund balances</b>										
Nonspendable	69,213	3,643	4,855	-	-	-	-	182	-	77,893
Restricted	-	-	-	-	-	-	-	5,105,880	-	5,105,880
Committed	-	985,693	643,784	-	2,235,008	758,045	720,226	219,794	-	5,562,530
Assigned	-	-	-	1,061,666	-	-	-	796,928	-	1,858,594
Unassigned	4,066,796	-	-	-	-	-	-	(222,622)	-	3,844,174
<b>Total fund balances</b>	<b>4,136,009</b>	<b>989,336</b>	<b>648,639</b>	<b>1,061,666</b>	<b>2,235,008</b>	<b>758,045</b>	<b>720,226</b>	<b>5,900,162</b>	<b>-</b>	<b>16,449,091</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,562,233</b>	<b>\$ 1,166,411</b>	<b>\$ 663,201</b>	<b>\$ 1,762,374</b>	<b>\$ 2,280,974</b>	<b>\$ 774,985</b>	<b>\$ 805,687</b>	<b>\$ 6,708,329</b>	<b>\$ (222,690)</b>	<b>\$ 18,501,504</b>

Fund balance reported above

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Internal service funds are used by management to charge costs to individual funds.

The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Net position of governmental activities

The accompanying notes are an integral part of these financial statements.

**CITY OF SHOREVIEW, MINNESOTA**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Governmental Funds**  
**For The Year Ended December 31, 2012**

	General	Community Center Operation	Recreation Programs	Municipal State Aid	Street Renewal	General Fixed Asset Replacement	Capital Improvement	Other Governmental Funds	Intra-Activity Eliminations	Total Governmental Funds
<b>Revenues</b>										
<b>Taxes</b>										
General property taxes	\$ 6,374,969	\$ -	\$ -	\$ -	\$ 787,870	\$ 1,181,598	\$ 108,352	\$ 558,545	\$ -	\$ 9,011,334
Tax increments	-	-	-	-	7,966	-	-	1,980,051	-	1,980,051
Special assessments	-	-	-	932	-	-	265	171,872	-	181,035
Licenses and permits	540,755	-	-	-	-	-	-	-	-	540,755
Intergovernmental	187,149	-	-	657,850	-	-	-	68,124	-	913,123
Charges for services	1,262,088	2,298,345	1,340,831	-	-	-	-	781,052	-	5,682,316
Fines and forfeits	67,000	-	-	-	-	-	-	-	-	67,000
Earnings on investments	47,253	14,100	8,388	18,827	32,364	3,325	8,451	84,006	-	216,714
Payments in lieu of taxes	-	-	-	-	-	-	110,000	-	-	110,000
Antenna rental fees	-	-	-	-	-	-	246,611	-	-	246,611
Other	52,529	60	972	-	-	7,388	80,745	56,290	-	197,984
<b>Total revenues</b>	<b>8,531,743</b>	<b>2,312,505</b>	<b>1,350,191</b>	<b>677,609</b>	<b>828,200</b>	<b>1,192,311</b>	<b>554,424</b>	<b>3,699,940</b>	<b>-</b>	<b>19,146,923</b>
<b>Expenditures</b>										
<b>Current</b>										
General government	1,956,537	-	-	-	-	-	-	249,430	-	2,205,967
Public safety	2,706,424	-	-	-	-	321,358	-	-	-	3,027,782
Public works	1,389,113	-	-	-	358,195	58,470	-	530,157	-	2,335,935
Parks and recreation	1,594,152	2,445,729	1,236,757	-	-	301,731	41,698	-	-	5,620,067
Community development	517,777	-	-	-	-	-	-	2,385,583	-	2,903,360
Capital outlay	-	-	-	-	-	-	-	-	-	-
General government	81,313	-	-	-	-	-	-	113,447	-	194,760
Public works	-	-	-	-	-	-	-	927,921	-	927,921
Parks and recreation	-	5,727	-	-	-	144,699	89,128	-	-	239,554
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	1,335,000	-	1,335,000
Interest and paying agent fees	-	-	-	-	-	-	-	407,823	-	407,823
<b>Total expenditures</b>	<b>8,245,316</b>	<b>2,451,456</b>	<b>1,236,757</b>	<b>-</b>	<b>358,195</b>	<b>826,258</b>	<b>130,826</b>	<b>5,949,361</b>	<b>-</b>	<b>19,198,169</b>
<b>Revenues over (under) expenditures</b>	<b>286,427</b>	<b>(138,951)</b>	<b>113,434</b>	<b>677,609</b>	<b>470,005</b>	<b>366,053</b>	<b>423,598</b>	<b>(2,249,421)</b>	<b>-</b>	<b>(51,246)</b>
<b>Other financing sources (uses)</b>										
Sale of capital assets	-	-	-	-	-	250	-	-	-	250
Transfers in	481,000	300,000	65,000	-	6,276	207,403	-	1,986,908	(2,672,858)	373,729
Transfers out	(607,830)	-	(75,000)	(38,775)	(623,536)	(295,517)	(185,561)	(846,639)	2,672,858	-
<b>Total other financing sources (uses)</b>	<b>(126,830)</b>	<b>300,000</b>	<b>(10,000)</b>	<b>(38,775)</b>	<b>(617,260)</b>	<b>(87,864)</b>	<b>(185,561)</b>	<b>1,140,269</b>	<b>-</b>	<b>373,979</b>
<b>Net change in fund balances</b>	<b>159,597</b>	<b>161,049</b>	<b>103,434</b>	<b>638,834</b>	<b>(147,255)</b>	<b>278,189</b>	<b>238,037</b>	<b>(1,109,152)</b>	<b>-</b>	<b>322,733</b>
<b>Fund balances - January 1</b>	<b>3,976,412</b>	<b>828,287</b>	<b>545,205</b>	<b>422,832</b>	<b>2,382,263</b>	<b>479,856</b>	<b>482,189</b>	<b>7,009,314</b>	<b>-</b>	<b>16,126,358</b>
<b>Fund balances - December 31</b>	<b>\$ 4,136,009</b>	<b>\$ 989,336</b>	<b>\$ 648,639</b>	<b>\$ 1,061,666</b>	<b>\$ 2,235,008</b>	<b>\$ 758,045</b>	<b>\$ 720,226</b>	<b>\$ 5,900,162</b>	<b>\$ -</b>	<b>\$ 16,449,091</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF SHOREVIEW, MINNESOTA**

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For The Year Ended December 31, 2012

Amounts reported for governmental activities in the Statement of Activities are  
different because:

Net changes in fund balances – total governmental funds.	\$ 322,733
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital additions in the current period.	(974,824)
The Statement of Activities reports gains and losses arising from the trade-in or disposal of existing assets to acquire new capital assets. Conversely, governmental funds simply report proceeds on sale of capital assets.	(36,885)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(118,858)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas material amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,335,000
The transfer out of governmental capital assets contributed to enterprise funds.	(91,107)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	52,322
Internal service funds are used by management to charge costs to individual funds. This amount is the portion of net revenue attributable to and reported with governmental activities.	281,450
Change in net position of governmental activities.	<u>\$ 769,831</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA  
Statement of Net Position  
Proprietary Funds  
December 31, 2012

	Business-Type Activities – Enterprise Funds					Governmental
	Water	Sewer	Surface Water	Street Lights	Totals Current Year	Activities – Internal Service Funds
<b>Assets</b>						
<b>Current assets</b>						
Cash and investments	\$ 3,023,577	\$ 2,029,363	\$ 367,602	\$ 189,614	\$ 5,610,156	\$ 1,384,412
Accrued interest receivable	9,676	6,885	2,337	860	19,758	3,933
Accounts receivable						
Customers	605,317	822,217	266,784	69,935	1,764,253	600
Customer accounts certified to county	57,659	110,563	23,338	10,605	202,165	–
Taxes receivable	–	–	–	–	–	4,447
Due from other governmental units	5,493	6,484	33,279	306	45,562	35,967
Prepaid items	4,072	2,855	2,198	111	9,236	2,644
<b>Total current assets</b>	<b>3,705,794</b>	<b>2,978,367</b>	<b>695,538</b>	<b>271,431</b>	<b>7,651,130</b>	<b>1,432,003</b>
<b>Noncurrent assets</b>						
Special assessments receivable	29,659	26,771	5,886	250	62,566	–
<b>Capital assets</b>						
Land	27,577	11,459	265,166	–	304,202	36,293
Buildings and structures	6,452,565	1,608,118	–	–	8,060,683	6,786,055
Machinery and equipment	2,474,505	46,746	10,132	723	2,532,106	4,961,198
Distribution and collection systems	15,825,468	11,642,147	10,600,867	1,636,791	39,705,273	–
Construction in progress	397,197	101,000	444,126	48,893	991,216	–
<b>Total capital assets</b>	<b>25,177,312</b>	<b>13,409,470</b>	<b>11,320,291</b>	<b>1,686,407</b>	<b>51,593,480</b>	<b>11,783,546</b>
Less accumulated depreciation	(11,013,695)	(6,910,317)	(2,133,371)	(999,326)	(21,056,709)	(3,347,892)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>14,163,617</b>	<b>6,499,153</b>	<b>9,186,920</b>	<b>687,081</b>	<b>30,536,771</b>	<b>8,435,654</b>
<b>Total noncurrent assets</b>	<b>14,193,276</b>	<b>6,525,924</b>	<b>9,192,806</b>	<b>687,331</b>	<b>30,599,337</b>	<b>8,435,654</b>
<b>Total assets</b>	<b>17,899,070</b>	<b>9,504,291</b>	<b>9,888,344</b>	<b>958,762</b>	<b>38,250,467</b>	<b>9,867,657</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accounts payable	35,186	6,862	20,541	15,942	78,531	15,585
Salaries payable	11,676	10,176	4,791	280	26,923	3,814
Contracts payable	25,600	–	–	–	25,600	–
Accrued bond interest payable	74,474	29,852	34,167	–	138,493	102,764
Customer deposits payable	6,757	–	–	–	6,757	–
Due to other governmental units	13,508	–	1,378	–	14,886	–
Compensated absences payable	3,830	3,463	1,442	99	8,834	534
Revenue bonds payable	365,000	155,000	260,000	–	780,000	245,000
<b>Total current liabilities</b>	<b>536,031</b>	<b>205,353</b>	<b>322,319</b>	<b>16,321</b>	<b>1,080,024</b>	<b>367,697</b>
<b>Noncurrent liabilities</b>						
Compensated absences payable (net of current portion)	30,437	27,513	11,472	805	70,227	4,254
Revenue bonds payable (net of current portion)	4,335,000	1,830,000	2,040,000	–	8,205,000	5,270,000
<b>Total noncurrent liabilities</b>	<b>4,365,437</b>	<b>1,857,513</b>	<b>2,051,472</b>	<b>805</b>	<b>8,275,227</b>	<b>5,274,254</b>
<b>Total liabilities</b>	<b>4,901,468</b>	<b>2,062,866</b>	<b>2,373,791</b>	<b>17,126</b>	<b>9,355,251</b>	<b>5,641,951</b>
<b>Net position</b>						
Net investment in capital assets	9,497,645	4,514,153	6,886,920	687,081	21,585,799	2,920,654
Restricted for trunk facility	–	183,496	–	–	183,496	–
Unrestricted	3,499,957	2,743,776	627,633	254,555	7,125,921	1,305,052
<b>Total net position</b>	<b>\$12,997,602</b>	<b>\$ 7,441,425</b>	<b>\$ 7,514,553</b>	<b>\$ 941,636</b>	<b>28,895,216</b>	<b>\$ 4,225,706</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					59,103	
Net position of business-type activities					<u>\$28,954,319</u>	

The accompanying notes are an integral part of these financial statements.

**CITY OF SHOREVIEW, MINNESOTA**  
**Statement of Revenues, Expenses, and**  
**Changes in Fund Net Position**  
**Proprietary Funds**  
**For The Year Ended December 31, 2012**

	Business-Type Activities – Enterprise Funds				Totals Current Year	Governmental Activities – Internal Service Funds
	Water	Sewer	Surface Water	Street Lights		
<b>Operating revenues</b>						
Customer billings	\$ 2,892,069	\$ 3,557,896	\$ 1,109,363	\$ 456,144	\$ 8,015,472	\$ 1,151,455
Water meter sales	11,399	–	–	–	11,399	–
Other	14,554	10,881	38,176	140	63,751	–
<b>Total operating revenues</b>	<b>2,918,022</b>	<b>3,568,777</b>	<b>1,147,539</b>	<b>456,284</b>	<b>8,090,622</b>	<b>1,151,455</b>
<b>Operating expenses</b>						
MCES sewer service charges	–	1,699,069	–	–	1,699,069	–
Administrative charges	171,320	318,560	99,050	34,750	623,680	–
Personal services	633,905	563,491	273,650	16,284	1,487,330	194,462
Materials and supplies	75,921	22,780	20,862	721	120,284	274,635
Water meters	19,815	–	–	–	19,815	–
Contractual services	367,065	275,855	306,931	21,496	971,347	79,015
Utilities	123,022	7,297	5,713	161,578	297,610	24,413
Insurance	14,211	6,615	3,848	923	25,597	22,914
Depreciation	614,991	317,853	221,177	40,041	1,194,062	619,921
<b>Total operating expenses</b>	<b>2,020,250</b>	<b>3,211,520</b>	<b>931,231</b>	<b>275,793</b>	<b>6,438,794</b>	<b>1,215,360</b>
<b>Operating income (loss)</b>	<b>897,772</b>	<b>357,257</b>	<b>216,308</b>	<b>180,491</b>	<b>1,651,828</b>	<b>(63,905)</b>
<b>Nonoperating revenues (expenses)</b>						
General property taxes	–	–	–	–	–	214,382
Earnings on investments	35,077	24,964	8,476	3,114	71,631	15,002
Gain on sale of capital assets	–	–	–	–	–	26,311
Loss on disposal of capital assets	(1,901)	–	–	–	(1,901)	(20,841)
Other	–	–	–	–	–	64,149
Interest and paying agent fees	(183,921)	(72,489)	(84,797)	–	(341,207)	(247,157)
<b>Total nonoperating revenues (expenses)</b>	<b>(150,745)</b>	<b>(47,525)</b>	<b>(76,321)</b>	<b>3,114</b>	<b>(271,477)</b>	<b>51,846</b>
<b>Income (loss) before contributions and transfers</b>	<b>747,027</b>	<b>309,732</b>	<b>139,987</b>	<b>183,605</b>	<b>1,380,351</b>	<b>(12,059)</b>
<b>Capital contributions</b>	<b>45,021</b>	<b>35,584</b>	<b>96,794</b>	<b>23,693</b>	<b>201,092</b>	<b>114,106</b>
<b>Transfers</b>						
Transfers in	–	–	–	–	–	180,600
Transfers out	(240,000)	(188,000)	(107,000)	(15,600)	(550,600)	(3,729)
<b>Total transfers</b>	<b>(240,000)</b>	<b>(188,000)</b>	<b>(107,000)</b>	<b>(15,600)</b>	<b>(550,600)</b>	<b>176,871</b>
<b>Change in net position</b>	<b>552,048</b>	<b>157,316</b>	<b>129,781</b>	<b>191,698</b>	<b>1,030,843</b>	<b>278,918</b>
<b>Net position – January 1</b>	<b>12,445,554</b>	<b>7,284,109</b>	<b>7,384,772</b>	<b>749,938</b>	<b>27,864,373</b>	<b>3,946,788</b>
<b>Net position – December 31</b>	<b>\$ 12,997,602</b>	<b>\$ 7,441,425</b>	<b>\$ 7,514,553</b>	<b>\$ 941,636</b>	<b>\$ 28,895,216</b>	<b>\$ 4,225,706</b>
<b>Net changes in net position reported above</b>					<b>\$ 1,030,843</b>	
<b>Amounts reported for business-type activities in the Statement of Activities are different because:</b>						
Transfer in of capital assets from governmental activities.					91,107	
Governmental activities contribution revenue reported above					(91,107)	
Internal service funds are used by management to charge the cost of equipment maintenance and insurance to individual funds. This amount is the portion of net revenue attributable to and reported with business-type activities.					(2,532)	
<b>Change in net position of business-type activities</b>					<b>\$ 1,028,311</b>	

The accompanying notes are an integral part of these financial statements.

**CITY OF SHOREVIEW, MINNESOTA**  
Statement of Cash Flows  
Proprietary Funds  
For The Year Ended December 31, 2012

	Business-Type Activities – Enterprise Funds				Totals Current Year	Governmental
	Water	Sewer	Surface Water	Street Lights		Internal Service Funds
<b>Cash flows from operating activities</b>						
Receipts from customers and users	\$ 2,767,264	\$ 3,521,944	\$ 1,088,193	\$ 442,421	\$ 7,819,822	\$ –
Receipts from interfund services provided	–	–	–	–	–	1,151,455
Payments to suppliers	(593,379)	(2,131,220)	(339,260)	(184,479)	(3,248,338)	(406,645)
Payments to employees	(632,550)	(563,151)	(272,969)	(16,266)	(1,484,936)	(193,399)
Payments for interfund services used	(171,320)	(318,560)	(99,050)	(34,750)	(623,680)	–
Miscellaneous revenue	–	–	–	–	–	64,149
Net cash flows from operating activities	<u>1,370,015</u>	<u>509,013</u>	<u>376,914</u>	<u>206,926</u>	<u>2,462,868</u>	<u>615,560</u>
<b>Cash flows from noncapital financing activities</b>						
Transfer to other funds	(240,000)	(188,000)	(107,000)	(15,600)	(550,600)	(3,729)
<b>Cash flows from capital and related financing activities</b>						
Proceeds from sales of capital assets	–	–	–	–	–	84,819
Acquisition and construction of capital assets	(384,052)	(239,261)	(371,689)	(179,169)	(1,174,171)	(489,037)
Receipts from taxpayers	–	–	–	–	–	211,611
Transfers from other funds	–	–	–	–	–	180,600
Capital contributions	45,097	35,644	29,401	–	110,142	114,281
Principal paid on capital debt	(550,000)	(145,000)	(255,000)	–	(950,000)	(100,000)
Interest and paying agent fees on capital debt	(192,188)	(73,979)	(88,028)	–	(354,195)	(247,657)
Net cash flows from capital and related financing activities	<u>(1,081,143)</u>	<u>(422,596)</u>	<u>(685,316)</u>	<u>(179,169)</u>	<u>(2,368,224)</u>	<u>(245,383)</u>
<b>Cash flows from investing activities</b>						
Earnings on investments	38,809	27,850	9,579	2,978	79,216	14,641
<b>Net change in cash and cash equivalents</b>	<b>87,681</b>	<b>(73,733)</b>	<b>(405,823)</b>	<b>15,135</b>	<b>(376,740)</b>	<b>381,089</b>
Cash and cash equivalents – January 1	2,935,896	2,103,096	773,425	174,479	5,986,896	1,003,323
Cash and cash equivalents – December 31	<u>\$ 3,023,577</u>	<u>\$ 2,029,363</u>	<u>\$ 367,602</u>	<u>\$ 189,614</u>	<u>\$ 5,610,156</u>	<u>\$ 1,384,412</u>
<b>Reconciliation of operating income (loss) to net cash flows from operating activities</b>						
Operating income (loss)	\$ 897,772	\$ 357,257	\$ 216,308	\$ 180,491	\$ 1,651,828	\$ (63,905)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities						
Miscellaneous revenue	–	–	–	–	–	64,149
Depreciation	614,991	317,853	221,177	40,041	1,194,062	619,921
Decrease (increase) in receivables	(150,758)	(46,833)	(59,346)	(13,863)	(270,800)	(566)
Decrease (increase) in prepaid items	(241)	(217)	(169)	(4)	(631)	(100)
Increase (decrease) in payables	8,251	(119,047)	(1,056)	261	(111,591)	(3,939)
Total adjustments	<u>472,243</u>	<u>151,756</u>	<u>160,606</u>	<u>26,435</u>	<u>811,040</u>	<u>679,465</u>
Net cash flows from operating activities	<u>\$ 1,370,015</u>	<u>\$ 509,013</u>	<u>\$ 376,914</u>	<u>\$ 206,926</u>	<u>\$ 2,462,868</u>	<u>\$ 615,560</u>
<b>Noncash investing, capital, and financing activities</b>						
Contributions of capital assets -						
Governmental funds	\$ –	\$ –	\$ 67,414	\$ 23,693	\$ 91,107	\$ –
Capital asset purchase on account -						
Accounts payable	–	–	10,300	–	10,300	(3,272)
Contracts payable	21,762	(62,275)	–	–	(40,513)	(1,000)
Due from other governmental units -						
Capital contribution	(76)	(60)	(21)	–	(157)	(175)
Sale of capital assets	–	–	–	–	–	(20,000)
Taxes receivable	–	–	–	–	–	2,771

The accompanying notes are an integral part of these financial statements.

**CITY OF SHOREVIEW, MINNESOTA**

Statement of Assets and Liabilities

Agency Funds

December 31, 2012

Assets

Cash and investments	\$	407,369
Accrued interest receivable		<u>42</u>
Total assets	\$	<u><u>407,411</u></u>

Liabilities

Deposits payable	\$	<u><u>407,411</u></u>
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The accompanying notes are an integral part of these financial statements.

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Shoreview, Minnesota (the City) was incorporated in 1957 and operates under the state of Minnesota Statutory Plan B (Council – Manager) form of government. The City provides the following municipal services: public safety (police, fire, civil defense, and animal control), highways and streets, sanitation and health, parks and recreation, public improvements, community development, and general administrative services.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America applicable to governmental units as promulgated by the American Institute of Certified Public Accountants (AICPA) and the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies.

**A. FINANCIAL REPORTING ENTITY**

In accordance with GASB pronouncements and accounting principles generally accepted in the United States of America, the financial statements of the reporting entity should include the primary government and its component units. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of their operational or financial relationship with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of service performed or provided by the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, it has been determined that the City has one component unit.

**Blended Component Unit**

**Shoreview Economic Development Authority (EDA)** - The EDA was created to carry out the housing and economic development activities within the City. The governing body consists of five members three of which are City Council members. All EDA Commissioners are appointed by the Mayor with approval by the City Council. A member may be removed by the City Council for inefficiency, neglect of duty, or misconduct in office pursuant to procedures in Minnesota Statutes 469.095. All sales of bonds or other obligations of the EDA must be approved by the City Council. The EDA is required to follow the budget process for City departments in accordance with City policy, ordinances and resolutions. All EDA budgets are approved by the City Council. Development and redevelopment actions of the EDA must be in conformance with the City Comprehensive Plan and official controls implementing the Comprehensive Plan. The EDA must submit its plan for development and redevelopment to the City Council for approval in accordance with City planning procedures and law. The administrative structure and management practices and policies of the EDA must be approved by the City Council. The EDA's activity is reported as the Economic Development Authority and Housing and Redevelopment Authority Special Revenue Funds. The EDA does not issue a separate set of financial statements.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the nonfund activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or business-type activity. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The City's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, special assessments, intergovernmental revenues, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Community Center Operation Fund* (Special Revenue Fund type) accounts for all operations of the community center, including maintenance of the facility and services offered for a fee basis. The funds primary revenue sources are memberships, daily user fees, room rentals and concessions.

The *Recreation Programs Fund* (Special Revenue Fund type) accounts for recreational and social programs offered on a fee basis. Revenues are user fees of various programs and activities which fund administrative and direct program expenditures.

The *Municipal State Aid Fund* (Capital Project Fund type) accounts for the City's allocation of the state collected highway use tax. The allocation is based on population and need for construction of designated state aid streets.

The *Street Renewal Fund* (Capital Project Fund type) provides financing for the replacement and/or rehabilitation of the City's street system. This fund has a minimum required fund balance of \$2 million per city policy.

The *General Fixed Asset Replacement Fund* (Capital Project Fund type) provides financing for the replacement of all general capital assets.

The *Capital Improvement Fund* (Capital Project Fund type) provides financing for improvements to the City's parks and trail system.

The government reports the following major proprietary funds:

The *Water Fund* accounts for the water service charges which are used to finance the water system operations.

The *Sewer Fund* accounts for the sewer service charges which are used to finance the sanitary sewer system operations.

The *Surface Water Fund* accounts for the surface water charges which are used to finance the surface water system operations.

The *Street Lights Fund* accounts for the street light charges which are used to finance the street light system operations.

Additionally, the government reports the following fund types:

*Internal service funds* account for the activities of the City's *short-term disability self-insurance, liability claims, and central garage funds*. These services are provided to other departments of the City on a cost reimbursement basis.

*Agency funds* account for the assets of the *Hockey Association and Lake Johanna Volunteer Fire Department* held by the City in a custodial capacity as an agent.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures, or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, which are similarly treated when they involve other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Sewer, Surface Water, and Street Lights Funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### D. BUDGETS

Budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the General Fund and all special revenue funds. Budgeted expenditure appropriations lapse at year-end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is at present not considered necessary to assure effective budgetary control or to facilitate effective cash management.

**E. LEGAL COMPLIANCE – BUDGETS**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The city manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution on a departmental basis (general government, public safety, public works, parks and recreation, community development, and miscellaneous) which is the legal level of control, and can be expended by each department based upon detailed budget estimates for individual expenditure accounts.
4. The city manager is authorized to transfer appropriations within any department budget. Adjustments to appropriations between departments or between funds, and budget additions and deletions must be authorized by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.
6. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the debt service funds. Supplementary budgets are adopted for the proprietary funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operations and capital maintenance and are not reflected in the financial statements.
7. A capital improvement program is reviewed annually by the City Council for the capital project funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.

The following is a listing of nonmajor special revenue funds whose expenditures exceeded budget appropriations:

	Original and Final Budget	Actual	Over Budget
Nonmajor funds			
Special revenue fund			
Slice of Shoreview Event – General Government	\$ 57,200	\$ 63,917	\$ 6,717
Economic Development Authority – Community Development	\$ 49,783	\$ 51,765	\$ 1,982

The overexpenditures were funded by available fund balance and revenues in excess of budget.

**F. CASH AND INVESTMENTS**

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Earnings from investments are allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as interfund receivables in the advancing fund, and an interfund payable in the fund with the deficit, until adequate resources are received. These interfund balances are eliminated on the government-wide financial statements.

Investments are generally stated at fair value, except for investments in 2a7-like external investment pools, which are stated at amortized cost. Investment income is accrued at the balance sheet date.

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the cash and investments allocated to the proprietary fund types have original maturities of 90 days or less. Therefore, the entire balance in such fund types are considered to be cash equivalents.

**G. RECEIVABLES AND PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "interfund receivables/payables." All short-term interfund receivables and payables at year-end are planned to be eliminated in the subsequent year. Long-term interfund loans are classified as "interfund loan receivable/payable." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Internal balances on the Statement of Net Position also consist of prior and current year internal service fund costs in excess of charges to business-type activities.

Property taxes and special assessment receivables have been reported net of estimated uncollectible amounts (See Note I H and I). Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported.

**H. PROPERTY TAX REVENUE RECOGNITION**

The City Council annually adopts a tax levy and certifies it to the county in December (levy/assessment date) of each year for collection in the following year. The county is responsible for billing and collecting all property taxes for itself, the City, the local school district, and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the county and remitted to the City on or before July 15 and December 15 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The county possesses this authority.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes property tax revenue in the period for which taxes were levied. Uncollectible property taxes are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes received by the City in July, December, and January are recognized as revenue for the current year. Taxes collected by the county by December 31 (remitted to the City the following January) and taxes not received at year-end are classified as delinquent and due from county taxes receivable. The portion of delinquent taxes not collected by the City in January is fully offset by deferred revenue because they are not available to finance current expenditures.

The City's property tax revenue includes payments from the Metropolitan Revenue Distribution (Fiscal Disparities Formula) per Minnesota Statute § 473F. This statute provides a means of spreading a portion of the taxable valuation of commercial/industrial real property to various taxing authorities within the defined metropolitan area. The valuation "shared" is a portion of commercial/industrial property valuation growth since 1971. Property taxes paid to the City through this formula for 2012 totaled \$820,646. Receipt of property taxes from this "fiscal disparities pool" does not increase or decrease total tax revenue.

**I. SPECIAL ASSESSMENT REVENUE RECOGNITION**

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with state statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale and the first proceeds of that sale (after costs, penalties, and expenses of sale) are remitted to the City in payment of delinquent special assessments. Generally, the City will collect the full amount of its special assessments not adjusted by City Council or court action. Pursuant to state statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded or is agricultural or seasonal recreational land, in which event the property is subject to such sale after five years.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments that are collected by the county by December 31 (remitted to the City the following January) are also recognized as revenue for the current year. All remaining delinquent, deferred, and special deferred assessments receivable in governmental funds are completely offset by deferred revenues.

**J. INVENTORIES**

The original cost of materials and supplies has been recorded as expenditures at the time of purchase for both the governmental and proprietary funds. These funds do not maintain material amounts of materials and supplies.

**K. PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

**L. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e. those reported by governmental activities) the City chose to include all such items regardless of their acquisition date. These assets are reported at historical cost.

The City estimated historical cost for the initial reporting of these assets through back trending (estimating the current replacement cost and utilizing an appropriate price-level index to deflate the cost to the acquisition year). As the City constructs or acquires additional infrastructure assets each period, they will be capitalized and reported at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the

**O. FUND BALANCE CLASSIFICATIONS/FLOW ASSUMPTIONS**

In the fund financial statements, governmental funds report fund balances in classifications that disclose constraints for which those fund balances can be spent. These classifications are as follows:

- Nonspendable* – consists of amounts that are not in spendable form, such as prepaid items.
- Restricted* – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.
- Committed* – consist of internally imposed constraints. These constraints are established by Resolution of the City Council.
- Assigned* – consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. These constraints are established by the City Council and/or management. Pursuant to City Council Resolution, the City Manager or Finance Director is authorized to establish assignments of fund balance.
- Unassigned* – is the residual classification for the general fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for an allowable use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order; 1) committed 2) assigned 3) unassigned.

**P. NET POSITION CLASSIFICATIONS/FLOW ASSUMPTIONS**

In the government-wide and proprietary fund financial statements, net position represents the difference between assets, liabilities and deferred inflows/outflows (as applicable). Net position is displayed in three components:

- Net Investment in Capital Assets* – Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
  - Restricted Net Position* – Consists of net position that is restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
  - Unrestricted Net Position* – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."
- When both restricted and unrestricted resources are available for an allowable use, it is the City's policy to use the restricted resources first, then unrestricted resources as they are needed.

capitalized value of the assets constructed. For the year ended December 31, 2012, no interest was capitalized in connection with construction in progress.

Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

Assets	
Building and structures	20-75 years
Machinery and equipment	5-20 years
Distribution and collection systems	50 years
Streets	35 years
Street lights	25 years
Trails and sidewalks	25-30 years
Pedestrian tunnels and bridges	35 years

**M. COMPENSATED ABSENCES**

It is the City's policy to permit employees to accumulate earned but unused annual leave and sick pay benefits. All annual leave is accrued when incurred in the government-wide and proprietary fund financial statements. Annual leave is payable when used or upon termination of employment. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of Statement of Government Accounting Standards No. 16, "Accounting for Compensated Absences," no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave benefits that is vested as severance pay. Sick leave is payable when used and in some cases upon termination of employment. For regular employees, sick leave is payable upon retirement after at least 10 years of service at a rate of 33-1/3 percent of accumulated sick leave. The recorded portion of sick leave represents employees with 10 years of service and over the age of 55. The remaining amounts are not recorded as liabilities because payment is not probable.

**N. LONG-TERM OBLIGATIONS**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are immaterial and are expensed in the year of bond issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Q. INTERFUND TRANSACTIONS**

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Interfund loans are reported as an interfund loan receivable or payable which offsets the movement of cash between funds. All other interfund transactions are reported as transfers.

**R. USE OF ESTIMATES**

The preparation of financial statements, in accordance with accounting principles generally accepted in the United States of America, requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

**S. CHANGE IN ACCOUNTING PRINCIPLE**

For the year ended December 31, 2012, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 62, "Codification of accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedure.

For the year ended December 31, 2012, the City has also implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." This statement changed how governmental entities present a statement of net position, adding two new basic financial statement elements, and replacing "net assets" with "net position" as the terminology used to describe the difference between the other four elements. The two basic financial statement elements added are "deferred inflows of resources" and "deferred outflows of resources". These new elements are differentiated from assets (deferred outflows of resources) and liabilities (deferred inflows of resources), but have similar effects on net position. The objective of this statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.

**Note 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

1. **EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

The governmental fund Balance Sheet includes a reconciliation between fund balances – total governmental funds and net position – governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this (\$15,935,684) difference are as follows:

Long-term debt payable	\$ (15,555,000)
Accrued interest payable	(123,241)
Compensated absences	<u>(257,443)</u>

Net adjustment to reduce fund balances – total governmental funds to arrive at net position – governmental activities

\$ (15,935,684)

Another element of that reconciliation explains that "internal service funds are used by management to charge the costs of fleet management, short-term disability insurance, and liability claims to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position." The details of this \$4,166,603 difference are as follows:

Net position of the internal service funds	\$ 4,225,706
Add: Internal payable representing charges in excess of costs to business-type activities – prior years	(61,635)
Add: Internal payable representing charges in excess of costs to business-type activities – current year	<u>2,532</u>

Net adjustment to increase fund balances – total governmental funds to arrive at net position – governmental activities

\$ 4,166,603

2. **EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this (\$974,824) difference are as follows:

Capital outlay	\$ 1,362,235
Depreciation expense	<u>(2,337,059)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (974,824)</u>

Another element of that reconciliation states that “revenues on the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this (\$118,858) difference are as follows:

General property taxes deferred revenue	
At December 31, 2011	\$ (87,509)
At December 31, 2012	104,875
Special assessments deferred revenue	
At December 31, 2011	(683,060)
At December 31, 2012	<u>546,836</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (118,858)</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g. bonds and leases) provides current financial resources to governmental funds, while the repayment of the long-term debt consumes the current financial resources of governmental funds.” Neither transaction, however, has any effect on net position. The details of this \$1,335,000 difference are as follows:

Principal repayments	
General obligation improvement bonds	\$ 285,000
General obligation tax increment bonds	510,000
General obligation capital improvement plan bonds	100,000
General obligation street reconstruction bonds	150,000
Certificates of participation	<u>290,000</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,335,000</u>

Another element of that reconciliation states that “some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$52,322 difference are as follows:

Compensated absences	\$ (7,649)
Accrued interest	<u>59,971</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 52,322</u>

**Note 3. DEPOSITS AND INVESTMENTS**

**A. DEPOSITS**

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System.

The following is considered the most significant risk associated with deposits:

**Custodial Credit Risk** – In the case of deposits, this is the risk that in the event of a failure, the City’s deposits may be lost.

Minnesota Statutes require that all city deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the city treasurer or in a restricted account at the Federal Reserve Bank or in an account at a trust department of a

- commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. Authorized collateral includes the following:
- a) United States government treasury bills, treasury notes, and treasury bonds;
  - b) Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
  - c) General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
  - d) Unrated general obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
  - e) Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation; and
  - f) Time deposits that are fully insured by any federal agency.

The City has no additional deposit policies addressing custodial credit risk.

At year-end, the carrying amount of the City's deposits was \$79,921 and the bank balance was \$51,394. The entire bank balance was covered by federal depository insurance.

**B. INVESTMENTS**

As of December 31, 2012, the City had the following cash and investments:

Investment Type	Concentration Risk Over 5% of Portfolio	Interest Risk - Maturity Duration in Years				Carrying Amount at Fair Value
		Less than 1 Year	1 to 5 Years	6 to 10 Years	More than 10 Years	
		Years	Years	Years	Years	
Federal National Mortgage Association	24.7%	\$ -	\$ 1,302,224	\$ -	\$ 4,804,708	\$ 6,106,932
Federal Home Loan Bank	10.9%	-	-	2,701,884	-	2,701,884
Federal Home Loan Mortgage Corporation	12.2%	-	-	3,024,931	-	3,024,931
Marketable certificates of deposit	N/A	995,044	4,243,566	748,808	485,573	6,472,991
Municipal bonds	N/A	-	-	2,026,787	-	2,026,787
Money market funds	N/A	1,650,529	-	-	-	1,650,529
Minnesota Municipal Money Market Western Asset Institutional Govt. Reserves Institutional Shares	N/A	2,695,173	-	-	-	2,695,173
Wells Fargo Advantage Government Money Market Fund	N/A	68,729	-	-	-	68,729
<b>Total investments</b>		<b>\$ 5,409,473</b>	<b>\$ 5,543,790</b>	<b>\$ 8,502,410</b>	<b>\$ 5,290,281</b>	<b>\$ 24,747,956</b>
Deposits						(79,921)
Party cash						13,090
<b>Totals</b>						<b>\$ 24,681,125</b>
Government-Wide Statement of Net Position						\$ 24,273,756
Fiduciary Funds Statement of Assets and Liabilities						407,369
<b>Totals</b>						<b>\$ 24,681,125</b>

N/A - Not Applicable

The Minnesota Municipal Money Market Fund is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the same regulatory rules of the SEC under rule 2a7. The City's investment in this trust is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. The fund is not rated by a nationally recognized rating agency.

Investments are subject to various risks, the following of which are considered the most significant:

**Custodial Credit Risk** - For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy addressing this risk, but typically limits its exposure by only purchasing insured or registered investments, or by the control of who holds the securities.

**Credit Risk** – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes authorize the City to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities, or organizations created by an act of congress, excluding mortgage-backed securities defined as high risk.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a national bond rating service, and all of the investments have a final maturity of 13 months or less, and whose only investments are in securities described in (a) above, general obligation tax-exempt securities, or repurchase or reverse repurchase agreements.
- c) Obligations of any state or local municipality as follows:
  - 1) any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service;
  - 2) any security which is a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service; and
  - 3) a general obligation of the Minnesota housing finance agency which is a moral obligation of the state of Minnesota and is rated "A" or better by a national bond rating agency.
- d) Bankers acceptance of United States banks eligible for purchase by the Federal Reserve System.
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two national rating agencies, and maturing in 270 days or less.
- f) Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories by a national bond rating agency.
- g) Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the governmental entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers; or, a bank qualified as a depositor.
- h) General obligation temporary bonds of the same governmental entity issued under § 429.091, Subdivision 7; § 469.178, Subdivision 5; or § 475.61, Subdivision 6.

The City's investment policy does not further address credit risk. As of December 31, 2012, the City's investment in obligations of U.S. government agencies that are only implicitly guaranteed by the U.S. government (e.g., securities issued by the Federal National Mortgage Association, the Federal Home Loan Bank, and the Federal Home Loan Mortgage Corporation), the Western Asset Institutional Government Reserves Institutional shares, and Wells Fargo Advantage Government Money Market Fund received Aaa credit ratings from Moody's Investors Service, Inc. and AA+ from Standard & Poor's Corporation. The City's investments in Municipal bonds were rated Aaa, Aa1, Aa2 and Aa3 by Moody's Investors Service, Inc. in the amount of \$498,240, \$496,870, \$255,528 and \$776,149 respectively.

**Concentration Risk** – This is the risk associated with investing a significant portion of the City's investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The City's investment policies do not limit the concentration of investments.

**Interest Rate Risk** – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City does not have an investment policy limiting the duration of investments.

**Notes 4 RECEIVABLES/DEFERRED REVENUE**

Significant receivable balances not expected to be collected within one year of December 31, 2012 are as follows:

Major funds	Accounts Receivable	Certified Utility Accounts Receivable	Utility Customer Accounts Receivable	Delinquent Property Taxes	Special Assessment Receivable	Total
General	\$ 2,536	\$ -	\$ -	\$ 27,735	\$ -	\$ 30,271
Municipal State Aid	-	-	-	-	903	903
Street Renewal	-	-	-	3,366	34,022	37,388
General Fixed Asset Replacement	-	-	-	5,096	-	5,096
Capital Improvement	-	-	-	458	-	458
Water	-	11,509	54,782	-	25,930	92,221
Sewer	-	22,069	68,658	-	22,733	113,460
Surface Water	-	4,659	21,739	-	5,025	31,423
Street Lights	-	2,117	8,994	-	-	11,111
Nonmajor governmental funds	-	-	-	3,183	436,170	439,353
	<u>\$ 2,536</u>	<u>\$ 40,354</u>	<u>\$154,173</u>	<u>\$ 39,838</u>	<u>\$ 524,783</u>	<u>\$ 761,684</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

Unavailable	Major Funds						Total
	General Fund	Municipal State Aid	Street Renewal	General Fixed Asset Replacement	Capital Improvement	Nonmajor Funds	
Delinquent property taxes receivable	\$56,486	\$ -	\$ 6,855	\$ 10,378	\$ 933	\$ 30,223	\$ 104,875
Special assessments not yet due	-	1,733	39,111	-	-	305,992	546,836
Total unavailable revenue	<u>\$56,486</u>	<u>1,733</u>	<u>45,966</u>	<u>10,378</u>	<u>933</u>	<u>336,215</u>	<u>651,711</u>
Unearned	10,815	-	-	-	-	-	10,815
Grant revenue received, but not yet earned	-	698,975	-	-	-	-	698,975
State Aid received, but not yet earned	-	-	-	-	3,333	-	3,333
Billboard rental fees received, but not yet earned	-	-	-	-	70,729	-	70,729
Annual rental fees received, but not yet earned	-	-	-	-	74,062	-	74,062
Total unearned revenue	<u>10,815</u>	<u>698,975</u>	<u>-</u>	<u>-</u>	<u>74,062</u>	<u>-</u>	<u>783,852</u>
Total deferred (unavailable) unearned revenue for governmental funds	<u>\$67,301</u>	<u>\$ 700,708</u>	<u>\$ 45,966</u>	<u>\$ 10,378</u>	<u>\$ 74,995</u>	<u>\$ 536,215</u>	<u>\$ 1,435,563</u>

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**Note 5 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2012 was as follows:

Depreciation expense was charged to functions/programs of the government as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
<b>Primary government</b>					
<b>Governmental activities</b>					
Capital assets, not being depreciated					
Land	\$ 7,724,345	\$ -	\$ -	\$ -	\$ 7,724,345
Construction in progress	1,568,832	987,867	-	(1,496,612)	1,060,087
Total capital assets, not being depreciated	9,293,177	987,867	-	(1,496,612)	8,784,432
Capital assets, being depreciated					
Building and structures	33,946,231	32,602	-	36,241	34,015,074
Machinery and equipment	7,225,842	735,424	305,410	99,339	7,755,195
Infrastructure	36,607,803	-	19,962	1,361,032	37,948,873
Total capital assets, being depreciated	77,779,876	768,026	325,372	1,496,612	79,719,142
Less accumulated depreciation for					
Building and structures	8,521,109	793,062	-	-	9,314,171
Machinery and equipment	3,428,457	519,973	221,438	-	3,726,992
Infrastructure	32,605,527	1,643,945	7,700	-	34,241,172
Total accumulated depreciation	44,555,093	2,956,980	229,138	-	47,282,935
Total capital assets being depreciated - net	53,224,783	(2,188,954)	96,234	1,496,612	52,436,207
Governmental activities capital assets - net	\$ 62,517,960	\$ (1,201,087)	\$ 96,234	\$ -	\$ 61,220,639
<b>Business-type activities</b>					
Capital assets, not being depreciated	\$ 304,202	\$ -	\$ -	\$ -	\$ 304,202
Land	678,292	1,229,073	-	(916,149)	991,216
Construction in progress	982,494	1,225,073	-	(916,149)	1,295,818
Total capital assets, not being depreciated	1,964,988	2,454,146	-	(1,832,298)	2,586,836
Capital assets, being depreciated					
Building and structures	7,785,042	-	-	277,641	8,060,683
Machinery and equipment	2,537,460	5,992	11,346	-	2,532,106
Distribution and collection system	39,085,966	-	19,201	638,508	39,705,273
Total capital assets, being depreciated	49,406,468	5,992	30,547	916,149	50,298,062
Less accumulated depreciation for					
Building and structures	2,860,793	238,764	-	-	3,099,557
Machinery and equipment	268,984	101,695	9,445	-	361,234
Distribution and collection system	16,761,516	853,603	19,201	-	17,595,918
Total accumulated depreciation	19,891,293	1,194,062	28,646	-	21,055,709
Total capital assets being depreciated - net	29,515,175	(1,188,070)	1,901	916,149	29,241,555
Business-type activities capital assets - net	\$ 30,497,669	\$ 41,003	\$ 1,901	\$ -	\$ 30,536,771

Governmental activities	\$ 145,532
General government	85,261
Public safety	1,642,785
Public works	463,481
Parks and recreation	
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	619,921
<b>Total depreciation expense - governmental activities</b>	<b>\$ 2,956,980</b>
Business-type activities	\$ 614,991
Water	317,853
Sewer	221,177
Surface water	40,041
Street lights	
<b>Total depreciation expense - business-type activities</b>	<b>\$ 1,194,062</b>

**COMMITMENTS**

At December 31, 2012, the City had construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

Project	Amount
Demar Floral Rehabilitation	\$ 16,035

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**NOTE 6. LONG-TERM DEBT**

The City issues general obligation bonds and certificates of participation to provide funds for the acquisition and construction of major capital facilities. The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

**GOVERNMENTAL ACTIVITIES**

As of December 31, 2012, the governmental activities long-term debt of the City consisted of the following:

	Issue Date	Final Maturity Date	Interest Rate	Authorized and Issued	Outstanding 12/31/2012
G.O. improvement bonds					
2002 Improvement Bonds	11/01/2002	02/01/2014	2.50-3.65	\$ 430,000	\$ 100,000
2004 Improvement Bonds	02/01/2004	02/01/2016	1.25-3.75	455,000	180,000
2006 Improvement Bonds	03/01/2006	02/01/2022	3.25-4.00	205,000	130,000
2008 Improvement Bonds	11/15/2008	02/01/2025	3.50-4.375	330,000	300,000
2009 Improvement Bonds	11/15/2009	02/01/2021	3.00-4.00	235,000	215,000
2010 Improvement Bonds	12/16/2010	02/01/2022	1.00-4.00	140,000	140,000
Total G.O. improvement bonds				1,795,000	1,065,000
G.O. tax increment bonds					
G.O. Tax Increment Refunding of 2004	02/01/2004	02/01/2013	1.50-3.40	2,625,000	370,000
G.O. Tax Increment Refunding of 2007	11/01/2007	12/01/2015	4.00	1,090,000	950,000
Total G.O. tax increment bonds				3,715,000	1,320,000
Other G.O. improvement bonds					
G.O. Capital Improvement Plan Bonds of 2004	10/01/2004	02/01/2020	2.00-4.10	1,600,000	975,000
G.O. Street Reconstruction Bonds of 2006	06/01/2006	02/01/2022	4.00-4.20	2,500,000	1,865,000
G.O. Capital Improvement Plan Bonds of 2010	03/10/2010	02/01/2030	1.20-5.85	5,615,000	5,515,000
Total other G.O. improvement bonds				9,715,000	8,355,000
Loan payable					
Metropolitan Right-of-Way Acquisition Loan Fund	09/26/2006	N/A	-	6,000,000	6,000,000
Certificates of participation					
Refunding Certificates of Participation 2011	04/01/2011	08/01/2023	2.00-3.75	4,620,000	4,330,000
Compensated absences					
	N/A	N/A	N/A	N/A	262,231
Total city indebtedness - governmental activities				\$ 25,845,000	\$ 21,332,231
N/A - Not Applicable					

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**BUSINESS-TYPE ACTIVITIES**

As of December 31, 2012, the business-type activities long-term debt of the City consisted of the following:

	Issue Date	Final Maturity Date	Interest Rate	Authorized and Issued	Outstanding 12/31/2012
G.O. revenue bonds					
Water Revenue Bonds of 2002	11/01/2002	02/01/2014	2.50-3.65	\$ 295,000	\$ 60,000
Surface Water Revenue Bonds of 2002	11/01/2002	02/01/2014	2.50-3.65	475,000	100,000
Water Revenue Bonds of 2004	02/01/2004	02/01/2016	1.25-3.75	445,000	135,000
Sewer Revenue Bonds of 2004	02/01/2004	02/01/2016	1.25-3.75	395,000	155,000
Surface Water Revenue Bonds of 2004	02/01/2004	02/01/2016	1.25-3.75	535,000	200,000
Water Revenue Bonds of 2006	03/01/2006	02/01/2022	3.25-4.00	860,000	625,000
Sewer Revenue Bonds of 2006	03/01/2006	02/01/2022	3.25-4.00	270,000	195,000
Water Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50-4.15	845,000	670,000
Sewer Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50-4.15	260,000	205,000
Surface Water Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50-4.15	600,000	475,000
Water Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5-4.375	2,365,000	2,040,000
Sewer Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5-4.375	580,000	500,000
Surface Water Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5-4.375	230,000	200,000
Surface Water Revenue Bonds of 2009	11/15/2009	02/01/2021	3.00-4.00	1,180,000	990,000
Water Revenue Bonds of 2010	12/16/2010	02/01/2026	0.75-4.60	1,240,000	1,170,000
Sewer Revenue Bonds of 2010	12/16/2010	02/01/2026	0.75-4.60	985,000	930,000
Surface Water Revenue Bonds of 2010	12/16/2010	02/01/2026	0.75-4.60	355,000	335,000
Total G.O. revenue bonds				11,915,000	8,985,000
Compensated absences payable					
	N/A	N/A	N/A	N/A	79,061
Total city indebtedness - business-type activities				\$ 11,915,000	\$ 9,064,061
N/A - Not Applicable					

**CITY OF SHOREVIEW**  
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**BUSINESS-TYPE ACTIVITIES**

Annual debt service requirements to maturity for the business-type long-term debt are as follows:

Year Ending December 31,	G.O. Revenue Bonds	
	Business-Type Activities Principal	Interest
2013	\$ 780,000	\$ 320,635
2014	800,000	296,304
2015	750,000	271,556
2016	750,000	246,841
2017	665,000	222,926
2018	685,000	199,176
2019	705,000	173,602
2020	730,000	146,060
2021	760,000	116,538
2022	655,000	87,918
2023	585,000	62,096
2024	450,000	39,874
2025	470,000	19,604
2026	200,000	4,600
<b>Total</b>	<b>\$ 8,985,000</b>	<b>\$ 2,207,730</b>

It is not practical to determine the specific year for payment of long-term accrued compensated absences.

**CITY OF SHOREVIEW**  
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**GOVERNMENTAL ACTIVITIES**

Annual debt service requirements to maturity for the governmental activities long-term debt are as follows:

Year Ending December 31,	G.O. Improvement Bonds		G.O. Tax Incremental Bonds		G.O. Improvement Bonds		Certificates of Participation	
	Governmental Activities Principal	Interest	Governmental Activities Principal	Interest	Governmental Activities Principal	Interest	Governmental Activities Principal	Interest
2013	\$ 160,000	\$ 35,730	\$ 630,000	\$ 44,290	\$ 505,000	\$ 352,550	\$ 345,000	\$ 124,215
2014	160,000	30,338	340,000	27,600	515,000	337,743	350,000	117,315
2015	125,000	25,520	350,000	14,000	550,000	321,244	360,000	110,315
2016	115,000	21,471	-	-	550,000	302,925	365,000	102,935
2017	80,000	18,139	-	-	565,000	282,995	375,000	94,540
2018	70,000	15,513	-	-	590,000	261,080	390,000	84,978
2019	70,000	12,986	-	-	610,000	236,972	400,000	74,058
2020	75,000	10,229	-	-	630,000	211,124	415,000	62,057
2021	75,000	7,248	-	-	510,000	186,552	430,000	48,155
2022	50,000	4,719	-	-	530,000	163,360	440,000	33,750
2023	25,000	3,156	-	-	315,000	143,908	460,000	17,250
2024	30,000	1,969	-	-	325,000	128,385	-	-
2025	30,000	656	-	-	335,000	112,047	-	-
2026	-	-	-	-	345,000	94,530	-	-
2027	-	-	-	-	355,000	75,625	-	-
2028	-	-	-	-	370,000	55,410	-	-
2029	-	-	-	-	380,000	34,033	-	-
2030	-	-	-	-	395,000	11,554	-	-
<b>Total</b>	<b>\$1,065,000</b>	<b>\$ 187,674</b>	<b>\$1,320,000</b>	<b>\$ 85,890</b>	<b>\$8,355,000</b>	<b>\$3,212,037</b>	<b>\$4,330,000</b>	<b>\$ 869,568</b>

It is not practical to determine the specific year for payment of long-term accrued compensated absences.

The Metropolitan Right-of-Way Acquisition Loan Fund loan payable repayment is subject to conveyance of the property purchased with the loan to the Minnesota Department of Transportation and the timing of highway improvements is currently not known; therefore, it is not practical to determine the annual requirements to amortize this non-interest bearing note.

**CHANGE IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2012, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Bonds payable					
G.O. improvement bonds	\$ 1,350,000	\$ -	\$ 285,000	\$ 1,065,000	\$ 160,000
G.O. tax increment bonds	1,830,000	-	510,000	1,320,000	630,000
Other G.O. improvement bonds	8,705,000	-	350,000	8,355,000	505,000
Total bonds payable	11,885,000	-	1,145,000	10,740,000	1,295,000
Loans payable	6,000,000	-	-	6,000,000	-
Certificates of participation	4,620,000	-	290,000	4,330,000	345,000
Compensated absences	2,349,200	345,470	338,159	2,622,311	29,309
Total governmental activity long-term liabilities	\$ 22,759,200	\$ 345,470	\$ 1,773,159	\$ 21,332,231	\$ 1,669,309
<b>Business-type activities</b>					
G.O. revenue bonds	\$ 9,935,000	\$ -	\$ 950,000	\$ 8,985,000	\$ 780,000
Compensated absences	82,479	98,505	101,923	79,061	8,834
Total business-type activity long-term liabilities	\$ 10,017,479	\$ 98,505	\$ 1,051,923	\$ 9,064,061	\$ 788,834

The governmental activities loans payable and compensated absences are generally liquidated by the General Fund, special revenue funds, and capital project funds.

Financing of the certificates of participation will be provided from the General Fund, General Fixed Asset Replacement Fund, and Capital Improvement Fund.

All general obligation indebtedness outstanding at December 31, 2012 is backed by the full faith and credit of the City, including improvement, tax increment, other improvement, and revenue bonds. Delinquent assessments receivable at December 31, 2012 totaled \$3,323.

In 2010, the City issued taxable "Build America Bonds," and will receive direct payment from the federal government of an amount equal to 35 percent of the amount of interest payable on each interest payment date.

**A. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) – DEFINED BENEFIT**

**PLAN DESCRIPTION**

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statutes, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For all GERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 65 for Basic and Coordinated Plan members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated Plan members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree—no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

**Note 8 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS**

Interfund receivable and payable balances at December 31, 2012 are as follows:

Fund	Receivable	Payable
Nonmajor governmental funds	\$ 222,690	\$ 222,690

Interfund receivables/payables are used for temporary cash deficits. These balances will be eliminated by future tax receipts, intergovernmental revenue and grants.

Interfund transfers:

	Transfer to							Total
	General Fund	Community Center Operation Fund	Recreation Programs Fund	Street Renewal Fund	General Fixed Asset Replacement Fund	Nonmajor Governmental Funds	Internal Service Funds	
Transfers out	\$ -	\$ 235,000	\$ 65,000	\$ -	\$ 207,403	\$ 110,427	\$ -	\$ 607,830
General Fund	\$ -	-	-	-	-	-	-	\$ 74,800
Recreation Programs Fund	-	-	-	-	-	-	-	38,775
Municipal State Aid Fund	-	75,000	-	-	-	36,775	-	111,775
Street Renewal Fund	-	-	-	-	-	623,536	-	623,536
General Fixed Asset Replacement Fund	-	-	-	-	-	293,517	-	293,517
Capital Improvement Fund	-	-	-	-	-	185,561	-	185,561
Nonmajor governmental funds	111,000	-	-	6,276	-	729,363	-	846,639
Water Fund	175,000	-	-	-	-	-	65,000	240,000
Sanitary Water Fund	123,000	-	-	-	-	-	65,000	188,000
Street Lights Fund	12,000	-	-	-	-	-	3,000	15,000
Internal Service Funds	-	-	-	-	-	3,729	-	3,729
Total transfers out	\$ 481,000	\$ 300,000	\$ 65,000	\$ 6,276	\$ 207,403	\$ 1,986,908	\$ 180,600	\$ 3,227,187

Interfund transfers allow the City to allocate financial resources to the funds that receive benefits from services provided by another fund. All of the City's interfund transfers fall under that category. All of the 2012 transfers are considered routine and consistent with previous practices.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERS. That report may be obtained on the web at [www.mnpera.org](http://www.mnpera.org); by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-7460 or (800) 652-9026.

**FUNDING POLICY**

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the State Legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERS Basic Plan members and Coordinated Plan members were required to contribute 9.1 percent and 6.25 percent, respectively, of their annual covered salary in 2012. In 2012, the City was required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan members and 7.25 percent for Coordinated Plan members. The City's contributions for the years 2012, 2011, and 2010 were \$387,654, \$383,811 and \$366,692 respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statutes.

**B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) – DEFINED CONTRIBUTION**

Four councilmembers and the mayor of the City are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. The plan provisions are established and administered in accordance with Minnesota Statutes, Chapter 353D.03, which may be amended by the State Legislature and specifies the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of one percent of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2012 were:

	Amount		Percentage of Covered Payroll		Required Rates	
	Employer	Employee	Employer	Employee	Employer	Employee
PEDCP	\$ 1,461	\$ 1,461	5.00%	5.00%	5.00%	5.00%

**Note 9 CAPITAL LEASE**

In 2011, the City issued refunding certificates of participation for the lease of the community center expansion area. The lease is paid in semi-annual installments, and final payment is due August 1, 2023. Depreciation in the amount of \$75,598 has been recorded as depreciation expense during 2012.

The net book value of assets under capital lease at December 31, 2012 is as follows:

	December 31, 2012
Building and structures	\$ 5,359,094
Accumulated depreciation	718,179
Net	<u>\$ 4,640,915</u>

The following is a schedule of future minimum lease payments under the capital lease:

Year	Community Center Expansion
2013	\$ 469,215
2014	467,315
2015	470,315
2016	467,935
2017	469,540
2018	474,978
2019	474,058
2020	477,057
2021	478,155
2022	473,750
2023	477,250
Total	<u>5,199,568</u>
	Less amount representing interest
	(869,568)
	<u>Present value of minimum lease payments</u>
	<u>\$ 4,330,000</u>

**Note 10 OPERATING LEASE PAYABLE**

During 2012 the City leased eight copier machines under four separate lease agreements. Two leases expired in December 2012, with the others expiring January 2013, and May 2015; and call for monthly lease payments of \$862, \$183, \$78 and \$2,054 respectively. The City leases eight treadmills, eight elliptical machines, and four adaptive motion trainers under three separate lease agreements for the community center. One lease expires in February 2015, the others expire in September and October 2013; and call for monthly lease payments of \$1,089, \$1,066 and \$1,445 respectively. Lease expenditures for the year ended December 31, 2012 amounted to \$79,413.

Future minimum annual lease payments at December 31, 2012 are as follows:

	Year Ended December 31,	Exercise		Total
		Copiers	Equipment	
	2013	\$ 24,721	\$ 37,115	\$ 61,836
	2014	24,643	13,068	37,711
	2015	<u>8,214</u>	<u>1,089</u>	<u>9,303</u>
Total		<u>\$ 57,578</u>	<u>\$ 51,272</u>	<u>\$ 108,850</u>

**Note 11 COMMITMENTS AND CONTINGENCIES**

**A. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Workers' compensation coverage for City employees and councilmembers is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers' Compensation Reinsurance Association (WCRA) as required by law. For workers' compensation, the City is not subject to a deductible. The City's workers' compensation coverage prior to December 1, 2004 is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Other insurance coverage is provided through a pooled self-insurance program through LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for deductible portions. These deductibles are considered immaterial to the financial statements.

The City continues to carry commercial insurance for other risks of loss, including disability insurance. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

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The City established the Short-Term Disability Self Insurance Fund to account for the receipt of monthly premiums paid by employees and costs incurred in providing short-term disability insurance to employees on a self-insured basis. Under this program, the Short-Term Disability Self Insurance Fund provides coverage for losses up to two-thirds of any employees' gross wages. Benefits begin on the sixteenth working day and cover up to three calendar months. The City purchases commercial insurance for long-term disability for claims which exceed three months.

The City established the Liability Claims Fund to account for losses in the City's general package insurance. Under this program, the Liability Claims Fund provides coverage for losses up to \$25,000 for each claim (annual aggregate is \$75,000).

All funds of the City participate in these two programs and make payments to these funds based on historical cost information. GASB Statement No. 10 requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. As of the date of the report, liabilities that have occurred are immaterial.

**B. LITIGATION**

The City attorney has indicated that existing and pending lawsuits, claims, and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of the City attorney, remotely recoverable by plaintiffs.

**C. FEDERAL AND STATE FUNDS**

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2012.

**D. TAX INCREMENT DISTRICTS**

The City's tax increment districts are subject to review by the state of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

**Note 12. DEFERRED AD VALOREM TAX LEVIES – BONDED DEBT**

General obligation bond issues sold by the City are financed by ad valorem tax levies. General obligation improvement bond issues sold by the City are partially financed by ad valorem tax levies in addition to special assessments levied against the benefiting properties. When a bond issue is to be financed partially or completely by ad valorem tax levies is sold, specific annual amounts of such tax levies are stated in the bond resolution and the county auditor is notified and instructed to levy these taxes over the appropriate years. The future tax levies are subject to cancellation when and if the City has provided alternative sources of financing. The City Council is required to levy any additional taxes found necessary for full payment of principal and interest. These future scheduled tax levies are

**CITY OF SHOREVIEW**  
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not shown as assets in the accompanying financial statements at December 31, 2012. Future scheduled tax levies for all bonds outstanding at December 31, 2012 totaled \$10,915,270.

**Note 13. FUND BALANCES**

**A. CLASSIFICATIONS**

At December 31, 2012, a summary of the governmental fund balance classifications are as follows:

	Major				Total
	General Fund	Special Revenue Funds Community Center Operations	Recreation Programs	Major Capital Project Funds	
Nonassignable	\$ 69,213	\$ 3,643	\$ 4,855	\$ -	\$ 182
Prepaid items	-	-	-	-	-
Restricted for:					
Business loan program	-	-	-	-	165,777
Cable Television	-	-	-	-	92,886
Debt service	-	-	-	-	1,423,875
Economic development	-	-	-	-	24,682
Housing and re-development	-	-	-	-	62,127
Recycling	-	-	-	-	162,122
Tax increment purposes	-	-	-	-	3,174,411
Total restricted	-	-	-	-	5,105,880
Committed to:					
Community Center operations	-	985,693	-	-	985,693
Recreation programs	-	-	643,784	-	643,784
Street improvements	-	-	-	2,235,008	2,235,008
Fixed asset replacements	-	-	-	758,045	758,045
Park improvements	-	-	-	720,226	720,226
Cable TV	-	-	-	-	157,684
Slice of Shore-view event	-	-	-	-	62,110
Total committed	-	985,693	643,784	3,713,279	5,362,550
Assigned to:					
Debt service	-	-	-	-	755,881
Street improvements	-	-	-	1,061,666	1,061,666
Computer systems	-	-	-	-	41,047
Total assigned	-	-	-	1,061,666	1,858,594
Unassigned	4,066,796	-	-	-	(222,622)
Total	\$ 4,136,009	\$ 989,336	\$ 648,639	\$ 4,774,945	\$ 5,900,162
					\$ 16,449,091

**B. MINIMUM UNASSIGNED FUND BALANCE POLICY**

The City Council has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The most significant revenue source of the General Fund is property taxes. This revenue source is received in two installments during the year – June and December. As such, it is the City's goal to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes. The policy also addresses the potential for unanticipated events.

The policy establishes a year-end targeted unassigned fund balance for working capital needs at fifty percent of the ensuing years General Fund tax levy, and levy-based state aids. The working capital allocation shall be reduced by the balance of any prepaid items at year-end. The unassigned unanticipated event fund balance is established at ten percent of the ensuing years budgeted General Fund expenditures. At December 31, 2012, the unassigned working capital fund balance was fifty percent of the ensuing years General Fund tax levy, and levy based aids. The unassigned unanticipated event fund balance was ten percent of the ensuing years budgeted General Fund Expenditures.

**C. DEFICIT FUND BALANCES**

The City had deficit fund balances at December 31, 2012 as follows:

	<u>Amount</u>
Nonmajor Funds	
Capital Project	
Owasso Street Realignment	\$ 222,622

The Owasso Street Realignment deficit will be eliminated through future grants, intergovernmental revenue and tax increment revenue.

**Note 14. HOME ENERGY IMPROVEMENT LOAN RECEIVABLE**

In 2010, the Economic Development Authority (EDA) started a home energy improvement loan program. As of December 31, 2012 the EDA issued ten loans with interest rates of 5.25%. The terms range from 96 to 120 months and call for monthly payments.

Future minimum loan receipts at December 31, 2012 are as follows:

<u>Year</u>	<u>Home Energy Improvement Loan Program</u>
2013	\$ 16,077
2014	16,077
2015	16,077
2016	16,077
2017	16,077
2018	15,981
2019	14,917
2020	14,521
2021	6,697
2022	751
Total	<u>133,252</u>
Less amount representing interest	<u>(24,446)</u>
Total loan receivable	<u>\$ 108,806</u>

**Note 15. CONDUIT DEBT OBLIGATIONS**

From time to time, the City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Not the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2012, there were four series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$10,795,432.

**Note 16. CONTINGENT NOTE PAYABLE**

The City has issued several tax increment pay-as-you-go revenue notes. These notes are not a general obligation of the City and are payable solely from available tax increments. Accordingly, these notes are not reflected in the financial statements of the City. Details of the pay-as-you-go revenue notes are as follows:

**TIF District #4**

Within TIF District #4, there is a pay-as-you-go agreement. As of December 31, 2012, future tax increment flow will be used to pay Tax Increment Agreement (Series 1996) up to a maximum amount of \$1,022,535.

**TIF District #6**

Within TIF District #6, there are two pay-as-you-go agreements. As of December 31, 2012, future tax increment flow will be used to pay Tax Increment Agreement #1 (Series 2001) up to a maximum amount of \$1,376,129, and to pay Tax Increment Agreement #2 (Series 2001) up to a maximum amount of \$527,000.

**CITY OF SHOREVIEW**  
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**Note 17. PLEDGED REVENUE**

The City has issued Certificates of Participation, Tax Increment, Capital Improvement, and Utility Improvement bonds for community development expenditures, and the construction of buildings, public works infrastructure, and park and recreation facilities. Specific revenues are pledged for the payments of interest and future retirement of the obligations. As of December 31, 2012 the following pledges were in place:

G.O. Refunding Tax Increment Bonds of 2004

The City pledged \$389,000 of tax increment collections to meet the debt service commitment on the bonds. The debt was originally issued in 2004 to refund the 1997A Tax Increment Bonds, which financed community development expenditures and public works infrastructure, it has a final maturity date of February 1, 2013. The pledged revenues represent 100 percent of the revenue stream, and \$376,290 of the pledge commitment remains outstanding.

G.O. Refunding Tax Increment Bonds of 2007

The City pledged \$184,000 of tax increment collections to meet the debt service commitment on the bonds. The debt was originally issued in 2007 to refund the 1999C Tax Increment Bonds, which financed park and recreation building and structures and public works infrastructure, it has a final maturity date of December 1, 2015. The pledged revenues represent 100 percent of the revenue stream, and \$1,029,600 of the pledge commitment remains outstanding.

G.O. Capital Improvement Plan Bonds of 2010

The City pledged \$1,107,284 of Central Garage charges, property tax collections, earnings on investments, Federal Build America Bond credit, capital contributions and transfers from utility funds to meet the debt service commitment on the bonds. The debt was originally issued in 2010 to finance the Central Garage building renovation, it has a final maturity date of February 1, 2030. The pledged revenues represent 67 percent of the revenue stream, and \$8,256,602 of the pledge commitment remains outstanding.

G.O. Water Revenue Bonds

The City pledged \$1,592,861 of operating revenue, earnings on investments and Federal Build America Bond credits to meet the debt service commitment on the bonds. The debt was originally issued in years 2002 - 2010 to finance water system infrastructure improvements, it has a final maturity date of years 2014 - 2026. The pledged revenues represent 53 percent of the revenue stream, and \$5,940,759 of the pledge commitment remains outstanding.

G.O. Sewer Revenue Bonds

The City pledged \$735,658 of operating revenue, earnings on investments and Federal Build America Bond credits to meet the debt service commitment on the bonds. The debt was originally issued in years 2004 - 2010 to finance sewer system infrastructure improvements, it has a final maturity date of years 2016 - 2026. The pledged revenues represent 20 percent of the revenue stream, and \$2,498,974 of the pledge commitment remains outstanding.

**CITY OF SHOREVIEW**  
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G.O. Surface Water Revenue Bonds

The City pledged \$542,755 of operating revenue, earnings on investments, capital contributions and Federal Build America Bond credits to meet the debt service commitment on the bonds. The debt was originally issued in years 2002 - 2010 to finance surface water system infrastructure improvements, it has a final maturity date of years 2014 - 2026. The pledged revenues represent 43 percent of the revenue stream, and \$2,752,997 of the pledge commitment remains outstanding.

Refunding Certificates of Participation of 2011

The City pledged \$466,828 of earnings on investments, other revenue and transfers from other funds to meet the debt service commitment on the certificates. The certificates were issued in 2011 to refund the Certificates of Participation of 2002 which financed the community center expansion, it has a final maturity date of August 1, 2023. The pledged revenues represent 100 percent of the revenue stream, and \$5,199,568 of the pledge commitment remains outstanding.

Revenue available to meet debt service requirements is shown in the following table:

Bond Issue	Gross Revenue	Direct Operating Expenses	Available Net Revenue	Debt Service Requirements	
				Principal	Interest and Paying Agent Fees
G.O. Refunding Tax Increment Bonds of 2004	\$ 389,000	\$ -	\$ 389,000	\$ 370,000	\$ 19,024
G.O. Refunding Tax Increment Bonds of 2007	184,000	-	184,000	140,000	44,475
G.O. Capital Improvement Plan Bonds of 2010	1,657,943	550,659	1,107,284	100,000	247,157
G.O. Water Revenue Bonds	2,998,120	1,405,239	1,592,881	550,000	183,921
G.O. Sewer Revenue Bonds	3,629,325	2,893,667	735,658	145,000	72,489
G.O. Surface Water Revenue Bonds	1,252,809	710,054	542,755	255,000	84,797
Refunding Certificates of Participation of 2011	466,828	-	466,828	290,000	175,353
	\$ 10,578,025	\$ 5,559,639	\$ 5,018,386	\$ 1,850,000	\$ 827,216
					\$ 2,672,216

\* Direct Operating expenses exclude Depreciation expense

**Note 18. SUBSEQUENT EVENTS**

The City issued the \$4,150,000 General Obligation Bonds, Series 2013A, and the \$3,415,000 General Obligation Refunding Bonds, Series 2013B dated March 6, 2013.

**CITY OF SHOREVIEW, MINNESOTA**  
 Required Supplementary Information  
 Budgetary Comparison Schedule - General Fund  
 For The Year Ended December 31, 2012

**CITY OF SHOREVIEW, MINNESOTA**  
 Required Supplementary Information  
 Budgetary Comparison Schedule - General Fund  
 For The Year Ended December 31, 2012

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
General property taxes	\$ 6,467,060	\$ 6,370,039	\$ (97,021)
Current	-	4,930	4,930
Other	6,467,060	6,374,969	(92,091)
<b>Total general property taxes</b>			
Licenses and permits	36,350	44,940	8,590
Business	256,400	495,815	239,415
Non-business	292,750	540,755	248,005
<b>Total licenses and permits</b>			
Intergovernmental	158,700	164,463	5,763
State	3,200	56	(3,144)
Road maintenance	20,122	20,122	-
Market value homestead credit	-	673	673
PERA aid	500	1,835	1,335
Emerald Ash Borer	480	-	(480)
Local	183,002	187,149	4,147
<b>Total intergovernmental</b>			
Charges for services	600	831	231
General government	323,000	364,506	41,506
Public works	6,500	12,829	6,329
Parks and recreation	55,000	123,736	68,736
Community development	85,670	85,670	-
Administrative charges	70,000	50,836	(19,164)
Special revenue funds	623,680	623,680	-
Capital project funds	1,164,450	1,262,088	97,638
Enterprise funds	62,000	67,000	5,000
<b>Total charges for services</b>			
Fines and forfeits	45,000	47,253	2,253
Earnings on investments	35,160	52,529	17,369
Other	8,249,422	8,531,743	282,321
<b>Total revenues</b>			
<b>Expenditures</b>			
General government	140,231	142,559	(2,328)
Current	537,154	529,835	7,619
Council and Commissions	248,382	221,451	26,931
Administration	34,453	33,194	1,259
Human resources	171,288	141,999	29,289
Elections	541,508	533,464	8,044
Communications	312,594	264,128	48,466
Finance and accounting	100,000	90,207	9,793
Information systems	-	54,780	(54,780)
Legal	-	26,533	(26,533)
Capital outlay	2,085,610	2,107,850	(22,240)
Communications	-	54,780	(54,780)
Information systems	-	26,533	(26,533)
<b>Total general government</b>			
Public works	433,056	429,014	4,042
Current	769,973	767,986	1,987
Streets	121,384	113,786	7,598
Trail management	75,596	78,327	(2,731)
Forestry	1,400,009	1,389,113	10,896
<b>Total public works</b>			
Parks and recreation	345,201	337,545	7,656
Current	126,119	125,612	507
Parks and recreation administration	1,117,133	1,130,995	(13,862)
Municipal buildings	1,588,453	1,594,152	(5,699)
<b>Total parks and recreation</b>			
Community development	382,837	347,568	35,269
Current	151,486	170,209	(18,723)
Planning and zoning administration	534,323	517,777	16,546
Building inspection	8,329,622	8,245,316	84,306
<b>Total community development</b>			
Total expenditures	(80,200)	286,427	366,627
Revenues over (under) expenditures	481,000	481,000	-
Other financing sources (uses)	(400,800)	(607,830)	(207,030)
Transfers in	80,200	(126,830)	(207,030)
Transfers out	-	159,597	159,597
<b>Total other financing sources (uses)</b>			
Net change in fund balance	-	3,976,412	3,976,412
Fund balance - January 1	-	-	-
<b>Fund balance - December 31</b>			
		\$ 4,136,009	

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Expenditures (continued)</b>			
Public safety	1,858,994	1,838,635	20,359
Current	854,900	861,450	(6,550)
Police	7,333	6,339	994
Fire	2,721,227	2,706,424	14,803
Emergency services			
<b>Total public safety</b>			
Public works	433,056	429,014	4,042
Current	769,973	767,986	1,987
Streets	121,384	113,786	7,598
Trail management	75,596	78,327	(2,731)
Forestry	1,400,009	1,389,113	10,896
<b>Total public works</b>			
Parks and recreation	345,201	337,545	7,656
Current	126,119	125,612	507
Parks and recreation administration	1,117,133	1,130,995	(13,862)
Municipal buildings	1,588,453	1,594,152	(5,699)
<b>Total parks and recreation</b>			
Community development	382,837	347,568	35,269
Current	151,486	170,209	(18,723)
Planning and zoning administration	534,323	517,777	16,546
Building inspection	8,329,622	8,245,316	84,306
<b>Total community development</b>			
Total expenditures	(80,200)	286,427	366,627
Revenues over (under) expenditures	481,000	481,000	-
Other financing sources (uses)	(400,800)	(607,830)	(207,030)
Transfers in	80,200	(126,830)	(207,030)
Transfers out	-	159,597	159,597
<b>Total other financing sources (uses)</b>			
Net change in fund balance	-	3,976,412	3,976,412
Fund balance - January 1	-	-	-
<b>Fund balance - December 31</b>			
		\$ 4,136,009	

**CITY OF SHOREVIEW, MINNESOTA**  
 Required Supplementary Information  
 Budgetary Comparison Schedule - Community Center Operations Fund  
 For The Year Ended December 31, 2012

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Charges for services	\$ 2,269,985	\$ 2,298,345	\$ 28,360
Earnings on investments	8,000	14,100	6,100
Other	-	60	60
<b>Total revenues</b>	<u>2,277,985</u>	<u>2,312,505</u>	<u>34,520</u>
<b>Expenditures</b>			
<b>Parks and recreation</b>			
Current			
Personal services	1,415,659	1,398,967	15,692
Materials and supplies	461,760	446,077	15,683
Contractual services	568,570	598,685	(31,115)
Capital outlay	12,930	5,727	7,203
<b>Total expenditures</b>	<u>2,458,919</u>	<u>2,451,456</u>	<u>7,463</u>
Revenues over (under) expenditures	<u>(180,934)</u>	<u>(138,951)</u>	<u>41,983</u>
<b>Other financing sources (uses)</b>			
Transfers in	300,000	300,000	-
Transfers out	(75,000)	(75,000)	-
<b>Net change in fund balance</b>	<u>225,000</u>	<u>225,000</u>	<u>0</u>
Fund balance - January 1	\$ 119,066	161,049	\$ 41,983
Fund balance - December 31		<u>828,287</u>	
		<u>\$ 989,336</u>	

**CITY OF SHOREVIEW, MINNESOTA**  
 Required Supplementary Information  
 Budgetary Comparison Schedule - Recreation Programs Fund  
 For The Year Ended December 31, 2012

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Charges for services	\$ 1,277,740	\$ 1,340,831	\$ 63,091
Earnings on investments	4,600	8,388	3,788
Other	-	972	972
<b>Total revenues</b>	<u>1,282,340</u>	<u>1,350,191</u>	<u>67,851</u>
<b>Expenditures</b>			
<b>Parks and recreation</b>			
Current			
Personal services	921,325	911,597	9,728
Materials and supplies	81,141	80,447	694
Contractual services	244,336	244,713	(377)
<b>Total expenditures</b>	<u>1,246,802</u>	<u>1,236,757</u>	<u>10,045</u>
Revenues over (under) expenditures	<u>35,538</u>	<u>113,434</u>	<u>77,896</u>
<b>Other financing sources (uses)</b>			
Transfers in	65,000	65,000	-
Transfers out	(75,000)	(75,000)	-
<b>Total other financing sources (uses)</b>	<u>(10,000)</u>	<u>(10,000)</u>	<u>0</u>
<b>Net change in fund balance</b>	<u>25,538</u>	<u>103,434</u>	<u>77,896</u>
Fund balance - January 1		545,205	
Fund balance - December 31		<u>\$ 648,639</u>	

**CITY OF SHOREVIEW, MINNESOTA**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to RSI  
 December 31, 2012

**Note A LEGAL COMPLIANCE – BUDGETS**

The General Fund, Community Center Operations Fund, and Recreation Programs Fund budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level (general government, public safety, public works, parks and recreation, community development, and miscellaneous) for all funds. For the year ended December 31, 2012, the following is a list of funds whose departments exceeded budgeted appropriations:

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Major funds			
General Fund			
Parks and recreation	\$ 1,588,453	\$ 1,594,152	\$ 5,699

The General Fund over expenditures were funded by greater than anticipated revenues.

**PROPOSAL**

**SALE DATE: November 4, 2013**

**TO:** Ms. Jeanne Haapala, Finance Director/Treasurer  
City of Shoreview, Minnesota  
c/o Springsted Incorporated  
380 Jackson Street, Suite 300  
St. Paul, MN 55101-2887  
Phone: (651) 223-3000  
Fax: (651) 223-3046

**RE:** \$2,270,000\* General Obligation Bonds, Series 2013C

For the Bonds of this Issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of \$\_\_\_\_\_ (which may not be less than \$2,242,760) plus accrued interest, if any, to the date of delivery.

<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>	<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>
2015	_____%	_____%	_____%	2026	_____%	_____%	_____%
2016	_____%	_____%	_____%	2027	_____%	_____%	_____%
2017	_____%	_____%	_____%	2028	_____%	_____%	_____%
2018	_____%	_____%	_____%	2029	_____%	_____%	_____%
2019	_____%	_____%	_____%	2030	_____%	_____%	_____%
2020	_____%	_____%	_____%	2031	_____%	_____%	_____%
2021	_____%	_____%	_____%	2032	_____%	_____%	_____%
2022	_____%	_____%	_____%	2033	_____%	_____%	_____%
2023	_____%	_____%	_____%	2034	_____%	_____%	_____%
2024	_____%	_____%	_____%	2035	_____%	_____%	_____%
2025	_____%	_____%	_____%				

**Designation of Term Maturities**

Years of Term Maturities \_\_\_\_\_

\* *The City reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Bonds or the amount of any maturity in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Bonds as that of the original proposal. Gross spread is the differential between the price paid to the City for the new issue and the prices at which the securities are initially offered to the investing public.*

In making this offer we accept all of the terms and conditions of the Terms of Proposal published in the Official Statement dated October 15, 2013. In the event of failure to deliver these Bonds in accordance with the Terms of Proposal as printed in the Official Statement and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ \_\_\_\_\_

TRUE INTEREST RATE: \_\_\_\_\_ %

The Bidder  will not  will purchase municipal bond insurance from \_\_\_\_\_.

Account Members

\_\_\_\_\_ Account Manager

By: \_\_\_\_\_

Phone: \_\_\_\_\_

.....  
The foregoing proposal has been accepted by the City.

Attest: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_ SURE-BID

\_\_\_\_\_ Wire Transfer

\_\_\_\_\_ Good Faith Check

## PROPOSED MOTION

**MOVED BY COUNCIL MEMBER:** \_\_\_\_\_

**SECONDED BY COUNCIL MEMBER:** \_\_\_\_\_

To adopt Resolution # 13-96 approving the Conditional Use Permit submitted by Matthew and Rachel Karel, 863 Tanglewood Drive, to construct a detached accessory structure on the property, subject to the following conditions:

1. The project must be completed in accordance with the plans submitted with the application. Any significant changes to these plans, as determined by the City Planner, will require review and approval by the Planning Commission.
2. The exterior design and finish of the structure shall be compatible with the dwelling.
3. A minimum setback of 10-feet is required from the private driveway easement line.
4. The structure shall not interfere with the septic system located on the property.
5. The applicant shall obtain a building permit for the structure.
6. The structure shall be used for the hot tub and other related household items and equipment.
7. The structure shall not be used in any way for commercial purposes.
8. Non-deciduous vegetation shall be added along the west side of the driveway to screen the structure.

Said approval is based on the following findings of fact:

1. The proposed accessory structure will maintain the residential use and character of the property and is therefore in harmony with the general purposes and intent of the Development Ordinance.
2. The primary use of the property will remain residential and is in harmony with the policies of the Comprehensive Guide Plan.
3. The conditional use permit standards as detailed in the Development Ordinance for a residential accessory structure are met.
4. The structure and/or land use conform to the Land Use Chapter of the Comprehensive Guide Plan and are compatible with the existing neighborhood.

**ROLL CALL:    AYES \_\_\_\_\_    NAYS \_\_\_\_\_**

Johnson	_____	_____
Quigley	_____	_____
Wickstrom	_____	_____
Withhart	_____	_____
Martin	_____	_____

***Regular City Council Meeting***

November 4, 2013

**TO:** Mayor, City Council, City Manager  
**FROM:** Niki Hill, Economic Development and Planning Technician  
**DATE:** November 1, 2013  
**SUBJECT:** File No. 2499-13-26, Conditional Use Permit – Matthew and Rachel Karel, 863 Tanglewood

### **INTRODUCTION**

Matthew and Rachel Karel, submitted a Conditional Use Permit (CUP) application to construct a detached accessory structure on their property. On single-family residential parcels one acre or larger in size, accessory structures that exceed the maximum allowable square footage are permitted with a CUP. The intent of the CUP process is to review the proposal in terms of the Development Code standards and consistency with the Comprehensive Plan.

### **PROJECT DESCRIPTION**

The property is land locked without any public right of way frontage, and has access to Tanglewood Drive via a private driveway easement. It is located to the south of a property that abuts Turtle Lake and north of a property along Tanglewood. The property is zoned RE, Residential Estate, as are the adjacent properties. The adjoining riparian parcels are part of the Shoreland Management District of Turtle Lake.

The property is 1.77 acres and has a width of 110 feet, and a depth of 700 feet. The property is developed with a single family home that has a foundation area of 1,164 square feet and a 506 square foot attached garage. The house and attached garage are located 79.2 feet from the southern property line, and over 580 feet from the northern property line. The property shares the long driveway with the adjoining lot to the north and the south via a 25 foot wide private driveway easement that parallels the east property line. The applicant proposes to construct a 20 foot by 20-foot (400 square foot) accessory structure with a peak height of just over 10 feet. The structure location will be approximately 80 feet north of the house, over 190 feet from the south lot line, and 39 feet from the east side lot line, over 10 feet from the private driveway easement. On lots over 1 acre, a CUP is required to construct anything over 288 square feet. The applicant has submitted an application for this, and that will be reviewed administratively upon conclusion of the CUP review process. Please see the attached plans.

### **DEVELOPMENT CODE**

The accessory structure regulations were revised in 2006 and stricter standards were created to ensure the compatibility of these structures with surrounding residential uses. The maximum area permitted for a detached accessory structure is 150 square feet and the total of all detached accessory structures is 288 square feet since there is an attached 2 plus car garage on the property. The combined area of all accessory structures cannot exceed 90% of the dwelling unit foundation area or 1,200 square feet, whichever is more restrictive. On parcels 1 acre or larger in size, accessory structures may exceed the

maximum allowable square footage permitted by Code with a CUP provided certain standards are met.

Accessory structures must be setback a minimum of 5 feet from a side lot line, 10 feet from a rear lot line, and 10 feet from any private easements. The maximum height permitted for detached accessory structures is 18 feet as measured from the roof peak to the lowest finished grade; however in no case shall the height of the structure exceed the height of the dwelling unit. In addition, sidewalls cannot exceed 10 feet and interior storage areas above the main floor cannot exceed an interior height of 6 feet.

The exterior design of the structure must be compatible with the dwelling and be similar in appearance from an aesthetic, building material and architectural standpoint. The proposed design, scale, height and other aspects related to the accessory structure are evaluated to determine the impact on the surrounding area. Building permits may be issued upon the finding that the appearance of the structure is compatible with the structures and properties in the surrounding area and does not detract from the area. The intent of these regulations and the City's Comprehensive Plan's policies is to ensure that the residential character of the property and neighborhood is maintained and that dwelling unit remains the primary feature and use of the property.

### ***Conditional Use Permit***

Attachment A summarizes the standards which must be met for the CUP to be granted. These standards address location, structure setbacks, screening, and exterior design. In addition, a CUP can only be granted upon the finding that the proposed use is in harmony with and conforms to the Comprehensive Plan policies and Development Code standards.

### **APPLICANT'S STATEMENT**

The applicant states that the detached garage will be used as a 4 season structure to house their hot-tub. See attached statement.

### **STAFF REVIEW**

The proposal was reviewed in accordance with the standards specified in the Development Code. The proposed accessory structure complies with the location, height, design and setback requirements for a detached accessory structure. Existing vegetation, size of the property and location minimize the visual impacts on adjoining properties.

The proximity of the structure to the existing shared driveway means the neighbor to the north will drive past the structure when using the private drive. Staff considers this a difficult view to mitigate since the driveway will be separated by the 10 foot setback requirement.

The following table summarizes the proposal in terms of the Development Code standards.

	Existing	Proposed	Development Code Standard
<b>Area</b>			
<b>Detached Accessory Structures</b>	506	400 sf	*288 sf
<b>All Accessory Structures</b>	506	906 sf	*1,200 sf or 90% of the dwelling unit foundation area (1047 sq ft) – whichever is more restrictive
<b>Setback</b>			
<b>Side lot line</b>	NA	38 ft	10 ft
<b>Private Drive</b>	NA	10 ft	10 ft
<b>Height</b>			
<b>Roof Peak</b>	NA	10 ft	18 ft
<b>Sidewall</b>		8 ft	10 ft
<b>Exterior Design</b>		Comply with standards	Compatible with the residence and be similar in appearance
<b>Screening</b>		Retain existing vegetation	Structure shall be screened from view of public streets.

\*Standard may be exceeded with a CUP

The proposed structure complies with the City's standards regarding setbacks, height, exterior design and screening from adjoining properties.

In Staff's opinion the proposed structure is also in harmony with general purpose of the Development Code and Comprehensive Plan policies. While the proposed area of the detached structure exceeds that which is permitted by right, the structure meets the CUP standards. The total floor area of accessory structures will be 77.8% of the dwelling unit foundation area. Staff believes that the 80 foot separation between the structures and the house with attached garage will not visually tie the two accessory structures together and that the dwelling unit will remain the primary feature and use of the property.

The applicant indicated that the structure will be used for a 4 season hot tub room shelter. This use is consistent with the residential use of the property and neighborhood.

### **PUBLIC COMMENT**

Property owners within 350' of the property were notified of the application. Two comments were received, one with no issues with the proposed project, and the second with concerns about the location of the project relative to the driveway easement on the east portion of the property.

## **PLANNING COMMISSION**

The Planning Commission reviewed the CUP at their October 22<sup>nd</sup> meeting. The Commission also concluded that the structure was consistent with the purpose and intent of the Comprehensive Plan and met the CUP standards per the Development Code. The commission did require additional screening to lessen the impact on the driveway to the east.

## **RECOMMENDATION**

A CUP may be granted provided the proposed use is listed as a conditional use for the district in which it is located and upon showing that the standards and criteria of the Development Code are satisfied. The criteria for a CUP includes that the use is in harmony with the general purposes and intent of the Development Code and Comprehensive Plan and that the structure/land use conforms with the Comprehensive Plan and are compatible with the existing neighborhood. In staff's opinion, these criteria are met. An accessory structure of this size is compatible with the neighborhood provided the project adheres to the CUP standards. Staff is recommending the Planning Commission recommend the City Council approve the CUP subject to the following:

1. The project must be completed in accordance with the plans submitted with the application. Any significant changes to these plans, as determined by the City Planner, will require review and approval by the Planning Commission.
2. The exterior design and finish of the structure shall be compatible with the dwelling.
3. A minimum setback of 10-feet is required from the private driveway easement line.
4. The structure shall not interfere with the septic system located on the property.
5. The applicant shall obtain a building permit for the structure.
6. The structure shall be used for the hot tub and other related household items and equipment.
7. The structure shall not be used in any way for commercial purposes.
8. Non-deciduous vegetation shall be added along the west side of the driveway to screen the structure.

### Attachments:

1. Attachment A – Conditional Use Permit, Standards for Detached Accessory Structures
2. Resolution 13-96
3. October 22, 2013 Planning Commission Minutes
4. Location Map
5. Applicant's Statement and Submitted Plans
6. Comments
7. Motion Sheet

# ATTACHMENT A

- (1) The accessory structure shall be located in the rear yard of the property except as otherwise permitted by this ordinance.
- (2) The accessory structure shall be setback a minimum of 10 feet from the side property line and 10 feet from the rear property line; however, the City may require greater setbacks to mitigate impacts on adjoining properties.
- (3) For parcels 1 acre or larger in size, the lot shall have a minimum area of 1 acre above the ordinary high water line of a lake, ponding area or wetland on the property.
- (4) The accessory structure shall be screened from view of adjacent properties and public streets through the use of landscaping, berming, fencing or a combination thereof.
- (5) The structure shall comply with the standards of Section 205.082(D)(5) of this ordinance.

## ***Conditional Use Permit Criteria***

Certain land uses are designated as a conditional use because they may not be suitable in a particular zoning district unless conditions are attached. In those circumstances, conditions may be imposed to protect the health, safety and welfare and to insure harmony with the Comprehensive Plan.

In addition to the standards identified above, the City Council must find that the use complies with the following criteria.

- (1) The use is in harmony with the general purposes and intent of the Development Ordinance.
- (2) The use is in harmony with the policies of the Comprehensive Guide Plan.
- (3) Certain conditions as detailed in the Development Ordinance exist.
- (4) The structure and/or land use conform to the Land Use Chapter of the Comprehensive Guide Plan and are compatible with the existing neighborhood.

**EXTRACT OF MINUTES OF MEETING OF THE  
CITY COUNCIL OF SHOREVIEW, MINNESOTA  
HELD NOVEMBER 4, 2013**

\* \* \* \* \*

Pursuant to due call and notice thereof, a meeting of the City Council of the City of Shoreview, Minnesota was duly called and held at the Shoreview City Hall in said City at 7:00 PM.

The following members were present:

And the following members were absent:

Member \_\_\_\_\_ introduced the following resolution and moved its adoption.

**RESOLUTION NO. 13-96  
CONDITIONAL USE PERMIT**

**WHEREAS**, Matthew and Rachel Karel, has applied for a conditional use permit to construct a detached accessory structure on their property, legally described as:

The north 700.00 feet of the south 943.00 feet of the east 110.00 feet of Government Lot 2,  
Section 14, Township 30, Range 23.

*(This property is commonly known as 863 Tanglewood Drive, Shoreview, Minnesota.)*

**WHEREAS**, in accordance with the Development Code, on lots larger than one acre, accessory structures may exceed the maximum allowable square footage permitted as a Conditional Use Permit provided certain standards are met and,

**WHEREAS**, the maximum area permitted for a detached accessory structures is 288 square feet. The combined area of all accessory structures cannot exceed 90% of the dwelling unit foundation area or 1,200 square feet, whichever is more restrictive; and,

**WHEREAS**, the property has a lot area of 1.77 acres and is within the RE, Residential Estate Zoning District; and

**WHEREAS**, the detached structure will have a floor area of 400 square feet, increasing the total floor area of accessory buildings to 906 square feet, as detailed in the submitted plans; and

**WHEREAS**, the Planning Commission held a public hearing on the proposal and found that the proposed use was consistent with the Comprehensive Plan and that the proposed use would not have a detrimental effect on the character and development of the neighborhood; and

**WHEREAS**, the City Council is authorized by state law and the City of Shoreview Development Code to make final decisions on conditional use permit requests.

**NOW, THEREFORE, BE IT RESOLVED BY THE SHOREVIEW CITY COUNCIL**, that the above-described conditional use permit be approved on the basis of the following findings of fact:

1. The proposed accessory structure will maintain the residential use and character of the property and is therefore in harmony with the general purposes and intent of the Development Ordinance.
2. The primary use of the property will remain residential and is in harmony with the policies of the Comprehensive Guide Plan.
3. The conditional use permit standards as detailed in the Development Ordinance for a residential accessory structure are met.
4. The structure and/or land use conform to the Land Use Chapter of the Comprehensive Guide Plan and are compatible with the existing neighborhood.

**NOW, THEREFORE, BE IT FURTHER RESOLVED BY THE SHOREVIEW CITY COUNCIL** that a Conditional Use Permit allowing the construction of the 400 square foot structure is hereby approved, subject to the following conditions:

1. The project must be completed in accordance with the plans submitted with the application. Any significant changes to these plans, as determined by the City Planner, will require review and approval by the Planning Commission.
2. The exterior design and finish of the structure shall be compatible with the dwelling.
3. A minimum setback of 10-feet is required from the private driveway easement line.
4. The structure shall not interfere with the septic system located on the property.
5. The applicant shall obtain a building permit for the structure.
6. The structure shall be used for the hot tub and other related household items and equipment.
7. The structure shall not be used in any way for commercial purposes.
8. Non-deciduous vegetation shall be added along the west side of the driveway to screen the structure.

The motion was duly seconded by Council Member \_\_\_\_\_ and upon a vote being taken thereon, the following voted in favor thereof:

And the following voted against the same:

Adopted this 4th day of November, 2013

\_\_\_\_\_  
Sandra C. Martin, Mayor  
Shoreview City Council

ATTEST:

\_\_\_\_\_  
Terry Schwerm, City Manager

ACCEPTANCE OF CONDITIONS:

\_\_\_\_\_  
Matthew Karel

\_\_\_\_\_  
Rachel Karel

SEAL



**DRAFT**

October 22, 2013 Planning Commission Minutes

**SHOREVIEW PLANNING COMMISSION  
MEETING MINUTES  
October 22, 2013**

**CALL TO ORDER**

Chair Solomonson called the October 22, 2013 Shoreview Planning Commission meeting to order at 7:00 p.m.

**ROLL CALL**

The following Commissioners were present: Chair Solomonson, Commissioners, Ferrington, McCool, Proud, Schumer, Thompson and Wenner.

Commissioners Proud and Thompson were absent.

**APPROVAL OF AGENDA**

MOTION: by Commissioner Wenner, seconded by Commissioner Schumer to approve the October 22, 2013 Planning Commission meeting agenda as submitted.

VOTE: Ayes - 5 Nays - 0

**APPROVAL OF MINUTES**

A correction to the vote on page 7 should be Ayes - 5, Nays - 0 (not 7).

MOTION: by Commissioner Schumer, seconded by Commissioner Wenner to approve the September 24, 2013 Planning Commission meeting minutes, as amended.

VOTE: Ayes - 3 Nays - 0 Abstain - 2 (Ferrington, McCool)

**REPORT ON CITY COUNCIL ACTIONS:**

**Presentation by City Planner Kathleen Castle**

The City Council approved the minor subdivision at 5107 Alameda Street and the site and building plan review for the Lakeshore Oaks Apartments at 505, 525, 555, 585, and 605 Harriet Avenue, as recommended by the Planning Commission. Language regarding future development and recreational needs for the property were put into the Development Agreement.

**DRAFT**

October 22, 2013 Planning Commission Minutes

**NEW BUSINESS**

**PUBLIC HEARING - CONDITIONAL USE PERMIT**

**FILE NO:** 2499-13-26  
**APPLICANT:** MATTHEW & RACHEL KAREL  
**LOCATION:** 863 TANGLEWOOD DRIVE

**Presentation by City Planner Kathleen Castle**

This application is for a Conditional Use Permit to build a 400 square foot accessory structure to house a hot tub. The property is 1.77 acres and zoned RE. The proposed detached requires a Conditional Use Permit due to its size.

The proposed structure would be located 10 feet from the driveway easement and 38 feet from the east lot line. It would be in the rear yard and not in view from adjacent homes. The proposed structure does conform to the City's height, screening and design standards. The height of the roof peak is 10 feet, less than the 18 feet permitted.

Property owners within 350 feet were notified of the proposal. One response was received in support of the project. One response opposes the project because of the proximity to the driveway. Staff finds the application to be in compliance with City standards and recommends the application be forwarded to the City Council with a recommendation for approval.

Commissioner Wenner asked if staff has had any discussion with the applicants regarding the email from adjacent neighbors regarding the best location for the proposed structure. Ms. Castle stated that she has not discussed the email with the applicants.

Commissioner McCool asked if there have been any enforcement issues regarding debris on the property. Ms. Castle responded that the City's Code Enforcement Officer will be following up regarding any enforcement issues.

Commissioner Ferrington asked if the matter should be tabled to give the neighbors an opportunity to further discuss the proposal with the applicants. Ms. Castle noted that the application complies with City standards including the location. She deferred to City Attorney Kelly stated the Commission could continue with the public hearing and consider the matter in light of testimony and the staff report.

Commissioner Ferrington asked if the location could be changed if this application is approved at this meeting. Ms. Castle stated that minor changes would be permitted. If the change is small, one or two feet and not closer to the driveway, it would be permitted administratively. She noted that the next Planning Commission meeting is December 3, 2013, which would be 60 days after the review period allowed for the application.

City Attorney Kelly stated that proper notice has been given for the public hearing at this meeting.

**DRAFT**

October 22, 2013 Planning Commission Minutes

Chair Solomonson opened the public hearing.

**Mr. Stephen Hoffman**, 859 Tanglewood Drive, stated that he wrote the email in question and does not want to delay the project. The concern is that there will be two points along the driveway cluttered with outside storage and now this new structure. If there is any way to address, this they would like to work with the applicant and not stop the project. On a 1.7 acre lot there must be another location other than as close as possible to the driveway, although he understands there is a septic drain field to avoid. In discussing this with the applicant, he learned that it is more expensive to run electricity and utilities to the structure further into the lot. He offered to participate financially with some of the extra costs because it would benefit him. If there is no other location, he would like to see landscaped screening planted so they do not see a gazebo and items stored outside along the driveway.

Chair Solomonson asked what location Mr. Hoffman would like to see. **Mr. Hoffman** stated that he would like to see it off the deck or further into the middle of the lot. Either place would be more private. Moving further is more cost and that is what he is willing to help with. He would also be willing to help with screening costs.

**Rachel and Matt Karel**, Applicants, stated the application is for the location stated in the submittal, which meets setback requirements. They would be willing to discuss a fence. It would have to be moved more than 100 feet because of the septic drain field.

Commissioner Ferrington asked if evergreens would be considered instead of a fence. The applicants answered that they would prefer trees.

Commissioner McCool asked if the structure could be moved further from the driveway. **Mr. Karel** responded that it could possibly be moved a couple of feet only. They are trying to stay as far from the drain field as possible.

Commissioner Schumer asked if the hot tub could be put on the deck. The applicants stated that because they want to build a structure around it they do not want it on the deck. It cannot be put on the other side of the property because of the septic tank.

MOTION: by Commissioner Wenner, seconded by Commissioner Schumer to close the public hearing.

VOTE: Ayes - 5 Nays - 0

Commissioners expressed appreciation for the willingness of the applicant and neighbor to work together. It was the consensus of the Commission to add a condition of screening with non-deciduous vegetation.

MOTION: by Commissioner Schumer, seconded by Commissioner Wenner to recommend the City Council approve the Conditional Use Permit submitted by Matthew and

**DRAFT**

**October 22, 2013 Planning Commission Minutes**

Rachel Karel, 863 Tanglewood Drive, to construct a detached accessory structure on their property, subject to the following conditions with an eighth condition to provide non-deciduous vegetation to provide screening from the road.

1. The project must be completed in accordance with the plans submitted with the application. Any significant changes to these plans, as determined by the City Planner, will require review and approval by the Planning Commission.
2. The exterior design and finish of the structure shall be compatible with the dwelling.
3. A minimum setback of 10-feet is required from the private driveway easement line.
4. The structure shall not interfere with the septic system located on the property.
5. The applicant shall obtain a building permit for the structure.
6. The structure shall be used for the hot tub and other related household items and equipment.
7. The structure shall not be used in any way for commercial purposes.

Said approval is based on the following findings of fact:

1. The proposed accessory structure will be maintain the residential use and character of the property and is therefore in harmony with the general purposes and intent of the Development Ordinance.
2. The primary use of the property will remain residential and is in harmony with the policies of the Comprehensive Guide Plan.
3. The conditional use permit standards as detailed in the Development Ordinance for residential accessory are met.
4. The structure and/or land use conform to the Land Use Chapter of the Comprehensive Guide Plan and are compatible with the existing neighborhood.

VOTE:           Ayes - 5                           Nays - 0

**PUBLIC HEARING - CONDITIONAL USE PERMIT**

**FILE NO.:**               **2504-13-31**  
**APPLICANT:**       **THOMAS & SUSAN WALGREN**  
**LOCATION:**           **212 BRIDGE STREET**

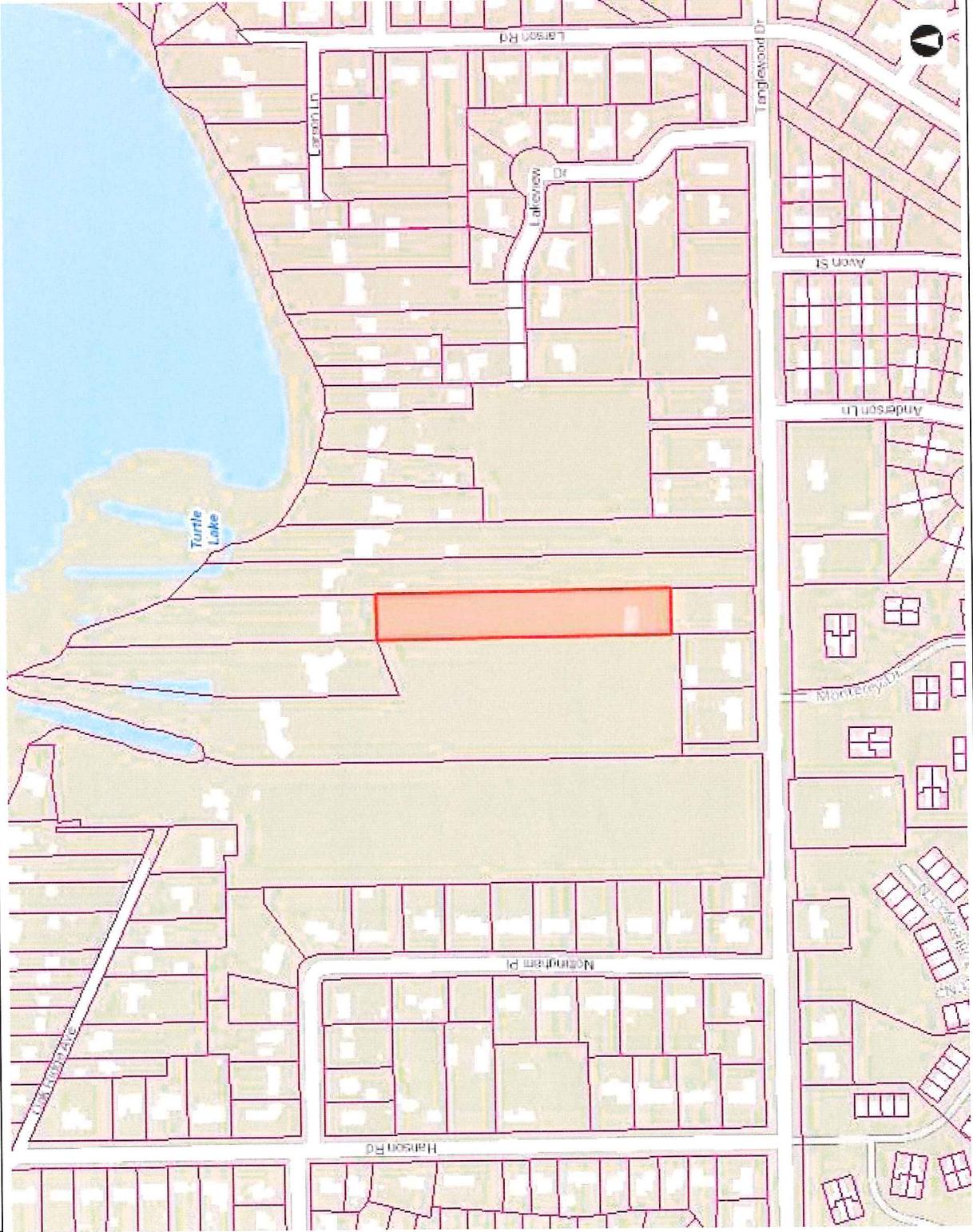
**Presentation by City Planner Kathleen Castle**

This application is a proposal to build a 175-foot gazebo, a detached accessory structure larger than 150 square feet, which requires a Conditional Use Permit. The property consists of 10,720 square feet with an 80-foot width. It is developed with a single family home with a 3-car attached garage.

The rear yard is being re-landscaped and includes a patio, gazebo, hot tub and storm water management improvements. The gazebo would be 12 feet from the property line, and there is



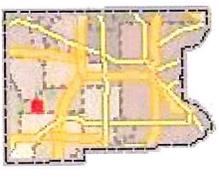
# 863 Tanglewood Location Map



This map is a user generated static output from an internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.  
 THIS MAP IS NOT TO BE USED FOR NAVIGATION

696.0  
 348.01  
 0  
 696.0 Feet  
 NAD\_1983\_HARN\_Adj\_MN\_Ramsey\_Feet  
 © Ramsey County Enterprise GIS Division

## Legend



- City Halls
- Schools
- Hospitals
- Fire Stations
- Police Stations
- Recreational Centers
- Parcel Points
- Parcel Boundaries

## Notes



# 863 Tanglewood - Aerial



773.1 0 386.57 773.1 Feet

NAD\_1983\_HARN\_Adj\_MN\_Ramsey\_Feet  
© Ramsey County Enterprise GIS Division

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.  
THIS MAP IS NOT TO BE USED FOR NAVIGATION

## Legend

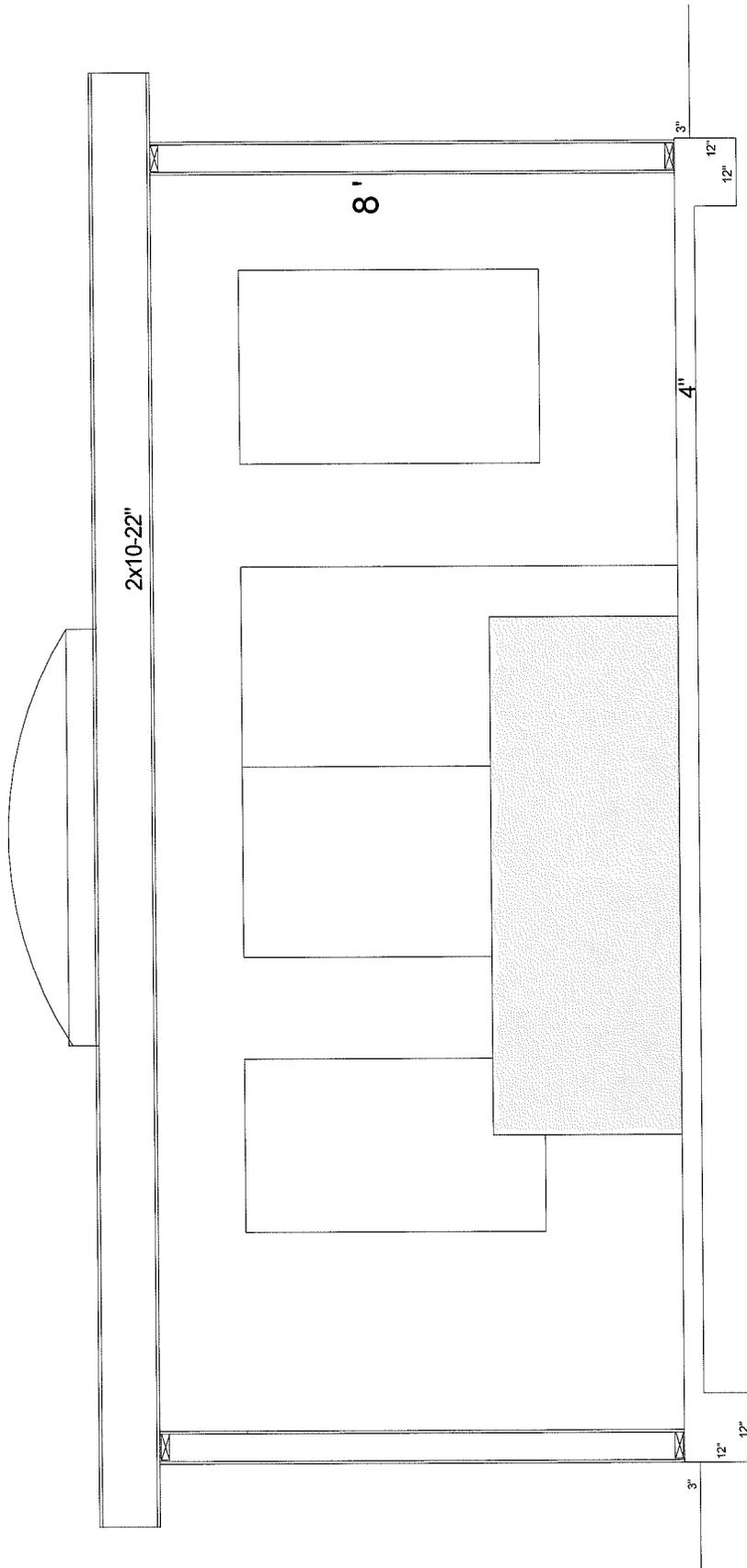


- City Halls
- Schools
- Hospitals
- Fire Stations
- Police Stations
- Recreational Centers
- Parcel Points
- Parcel Boundaries

## Notes

Enter Map Description

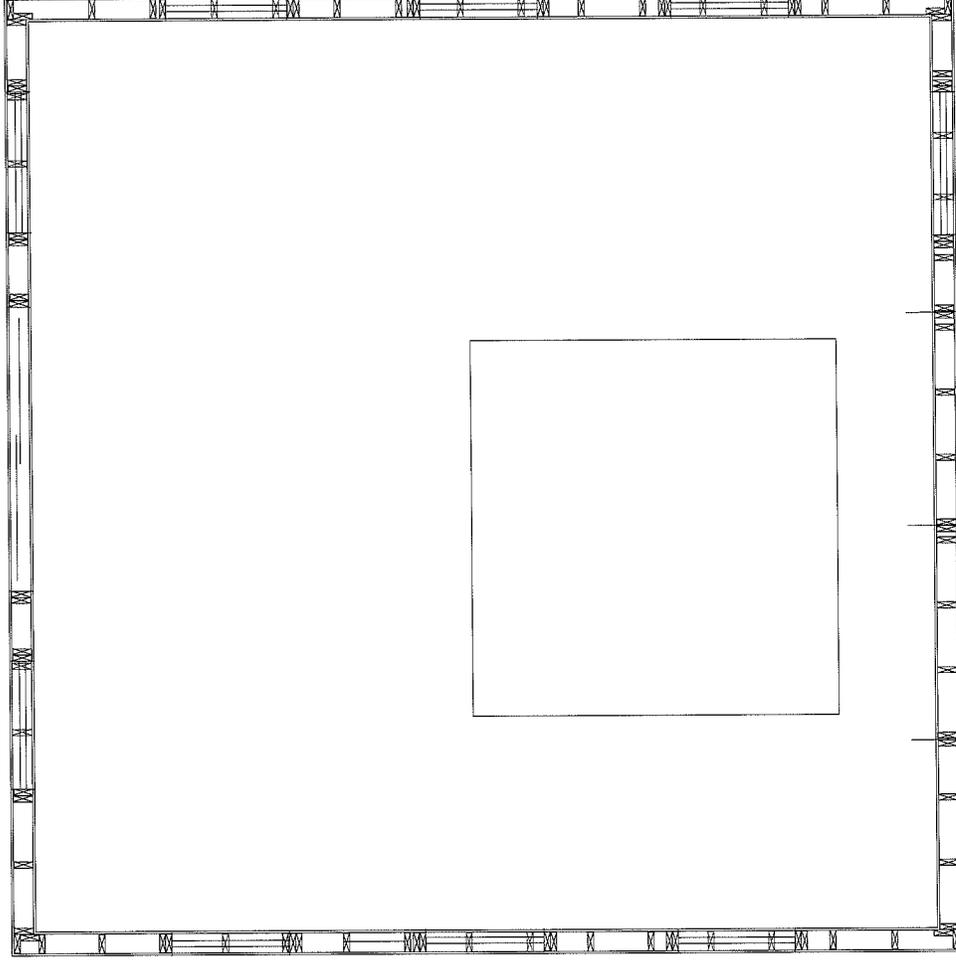
We would like to build this structure to house a hot tub for 4-season use. It will be used for accessory residential purposes only. All nearby areas are residential use as well so this structure will not adversely impact nearby planned uses. Since this structure exceeds the maximum allowable square footage as permitted, it will be located in the rear yard of the property. It will be setback 38 feet from the property line and 10 feet from the edge of our driveway easement. The accessory structure is not in view of any adjacent home or public street. The structure will comply with all height and design standards.



Matthew & Rachel Karel  
 863 Tanglewood

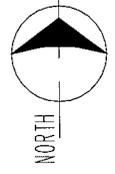
Building cross section

3/8"=1'-0"

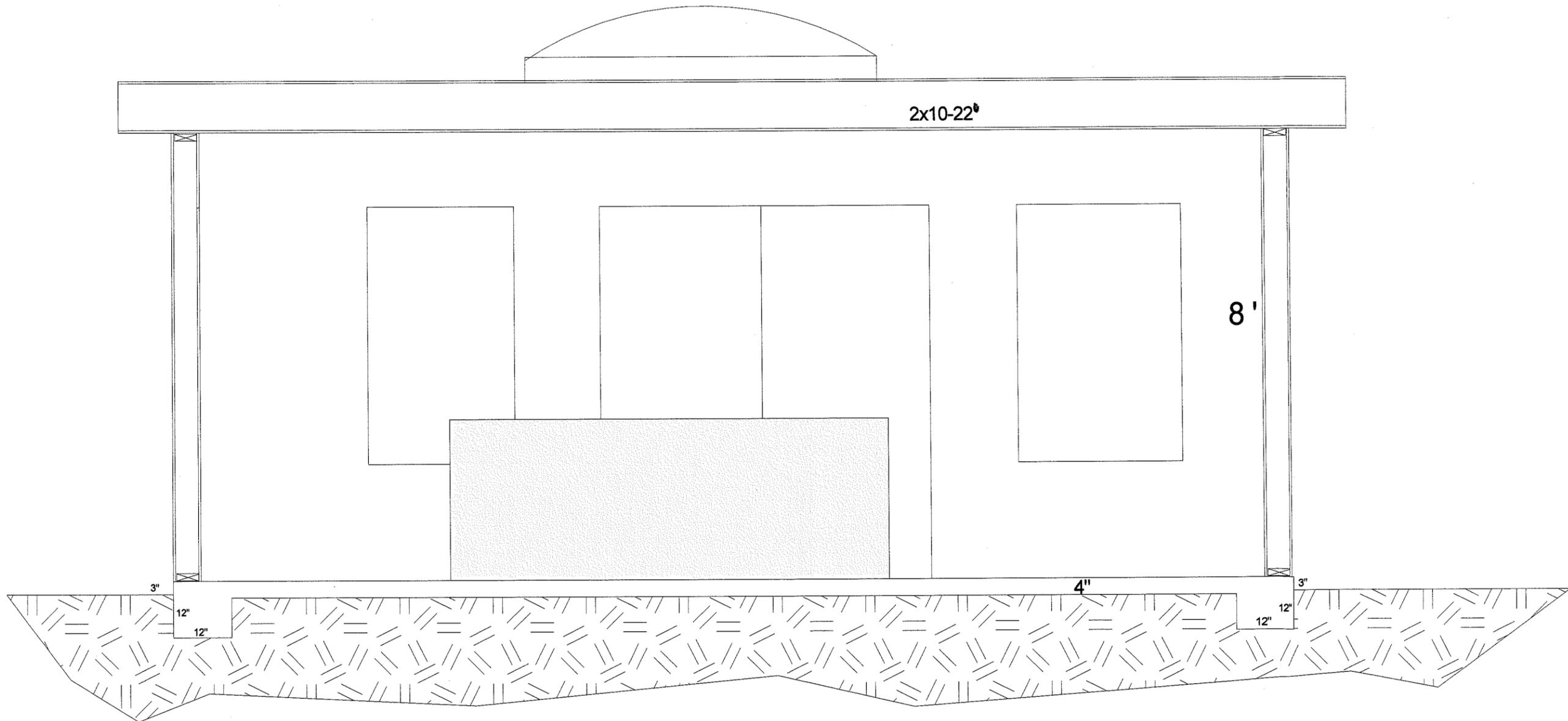


**Matthew & Rachel Karel**  
**863 Tanglewood Dr**

**Floor Plan**



**1/4" = 1'-0"**



Matthew & Rachel Karel  
863 Tanglewood Dr.

Building Cross section



1/2"=1'-0"

# CERTIFICATE OF SURVEY

FOR: MATT KAREL

## LEGEND

- DENOTES IRON MONUMENT FOUND
- DENOTES 12 INCH METAL SPIKE SET (UNLESS OTHERWISE NOTED)

## EXISTING PROPERTY DESCRIPTION

The north 700.00 feet of the south 943.00 feet of the east 110.00 feet of Government Lot 2, Section 14, Township 30, Range 23.

This survey was prepared without the benefit of titlework. Easement, appurtenances and encumbrances may exist in addition to those shown hereon. This survey is subject to revision upon receipt of a title insurance commitment or attorneys title opinion.

## NOTES

- Bearing's shown are on assumed datum.
- Field survey conducted on March 17th, 2008.

## GRAPHIC SCALE



( IN FEET )  
1 inch = 60ft.

NORTH

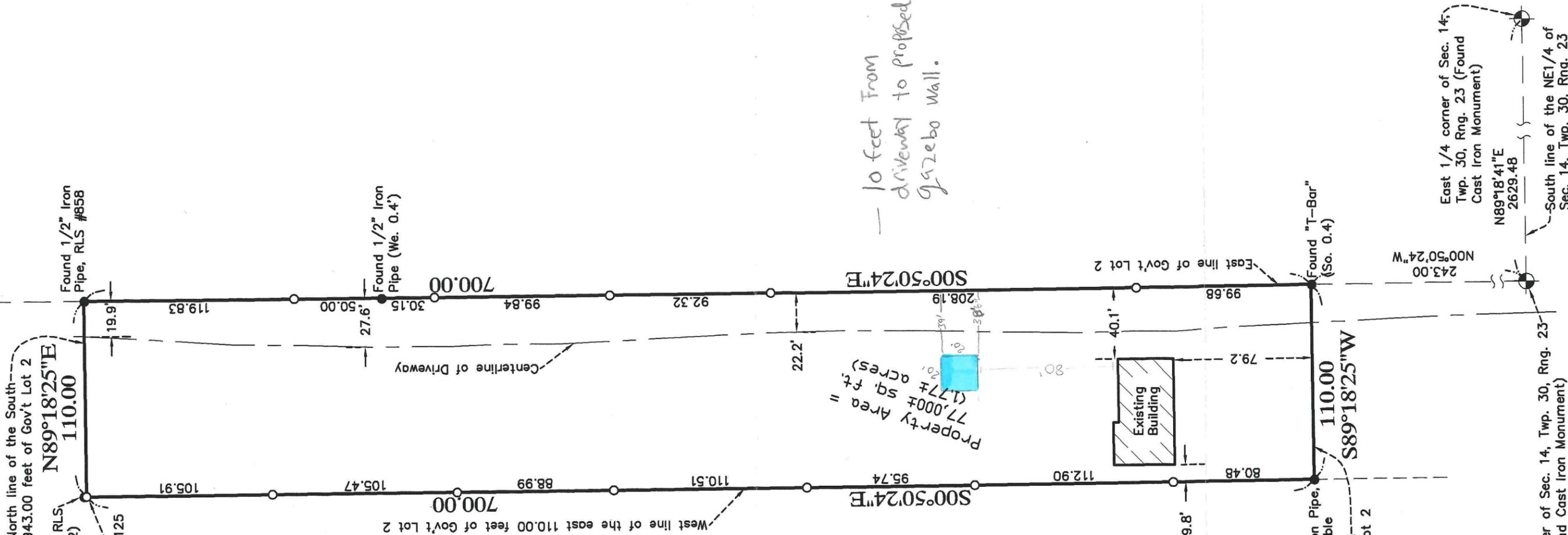


I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly Registered Land Surveyor under the laws of the State of Minnesota.

*Eric R. Vickaryous*  
ERIC R. VICKARYOUS

Date: *March 17th 08* Reg. No. 44125

**ACRE LAND SURVEYING**  
Ham Lake, MN 55304  
763-458-2997 acrelandsurvey@gmail.com



# ATTACHMENT A

- (1) The accessory structure shall be located in the rear yard of the property except as otherwise permitted by this ordinance.
- (2) The accessory structure shall be setback a minimum of 10 feet from the side property line and 10 feet from the rear property line; however, the City may require greater setbacks to mitigate impacts on adjoining properties.
- (3) For parcels 1 acre or larger in size, the lot shall have a minimum area of 1 acre above the ordinary high water line of a lake, ponding area or wetland on the property.
- (4) The accessory structure shall be screened from view of adjacent properties and public streets through the use of landscaping, berming, fencing or a combination thereof.
- (5) The structure shall comply with the standards of Section 205.082(D)(5) of this ordinance.

## ***Conditional Use Permit Criteria***

Certain land uses are designated as a conditional use because they may not be suitable in a particular zoning district unless conditions are attached. In those circumstances, conditions may be imposed to protect the health, safety and welfare and to insure harmony with the Comprehensive Plan.

In addition to the standards identified above, the City Council must find that the use complies with the following criteria.

- (1) The use is in harmony with the general purposes and intent of the Development Ordinance.
- (2) The use is in harmony with the policies of the Comprehensive Guide Plan.
- (3) Certain conditions as detailed in the Development Ordinance exist.
- (4) The structure and/or land use conform to the Land Use Chapter of the Comprehensive Guide Plan and are compatible with the existing neighborhood.

Comments:

To City Council

I have no issues with this structure. It is OK with us.

Name:

Address:

Scott Clemens  
821 Tanglewood Dr



Kathleen Castle &lt;kcastle@shoreviewmn.gov&gt;

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## Response to Matthew Karel's Proposed Conditional Use Permit

1 message

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**Stephen Hoffman** <steve.j.hoffman@comcast.net>

Mon, Oct 21, 2013 at 6:10 PM

To: kcastle@shoreviewmn.gov, rwarwick@ci.shoreview.mn.us, rwarwick@shoreviewmn.gov

Cc: maryjo.hoffman@comcast.net, steve.j.hoffman@comcast.net, hoffmans.france@gmail.com

Hi Rob and Kathleen,

This is Steve and Mary Jo Hoffman. We live at 859 Tanglewood Drive. We have been out of town, and unable to reply to our neighbor Matt Karel's proposed conditional use permit for construction of a hot tub and gazebo next to our driveway. We received your notice in the mail, and hope that an email reply will be considered, since we will not be able to submit the paper reply form by today's deadline.

Our major concern about the project is that the Karels have a two-acre lot to work with, but the hot tub and gazebo are plotted to be as close to our driveway, and as visually intrusive, as it is possible to be. In fact, for what it's worth, we don't entirely understand why anyone would want something as private as a hot tub located as close to someone else's driveway as the zoning rules allow.

I spoke to Matt about our concerns, and he explained that this location is near the bottom of his list of preferred locations as well. He said he would prefer to have the hot tub on his deck (and so would we), but his wife does not want it there, which we understand. But he told me he would also prefer, over the current proposed location, that the structure be located in a more private location in his woods away from the septic drain field. We would also prefer this to the current solution. Matt's reason for rejecting this possibility is that it would cost too much to run the electrical system and other systems out to another location. We have not had a chance to talk to the Karels about this, and will try to do so, but we would like to make sure that you and the Karels both understand that **we would be willing to split the extra cost involved in moving the structure to any other location on their lot, other than 10 feet from our driveway.**

Since we moved into our house in 2005, we have watched Matt cut a sizeable horseshoe into the woods along our driveway in order to store 4 boats and boat trailers there, all year long. We have watched his various projects end with piles of debris next to his house and along our driveway—an overhead garage door, the remnants of a multi-year old oil change, the end cuts from his new deck, folding lawn chairs sitting in the middle of the woods, a pile of gravel that sat unused for years, and more recently, the stumps he pulled up in order to clear the space to pour a slab for his new gazebo. Many of those items have been removed very recently, but several of them remain to this day. We bought our house in part because of the peaceful wooded approach down our gravel two-track driveway. That approach has been increasingly visually cluttered since we bought the house, and this new project proposes to clutter that view even more, and in fact, more than all of the other sources of clutter before it. We know that the land belongs to the Karels and not to us, but if there is a way that we can work with them and with you to find a new location on the other side of their back yard, or in a more discreet location on their lot, we would be open to helping in any way we can, including financially.

If there is simply no other way to do this project, and no other possible location, first of all we would argue at that

point that the project is simply ill-conceived and should possibly not receive a conditional use permit. But if the project goes ahead based on the current proposal, we would insist, to the extent that we have any standing to insist, that, 1) There is no infringement whatsoever on our 25 foot driveway easement, **plus** all applicable setbacks. If the conditional use permit involves any infringement on those distances, we will fight them in any way we legally can. 2) We would also insist that some vegetative visual screen be planted between our driveway and the finished gazebo, to reduce the visual impact of the gazebo to the fullest extent possible—whether this is a row of evergreen trees, or arbor vitae, or other non-deciduous greenery.

Thank you for taking the time to consider our response.

Steve and Mary Jo Hoffman

612-250-6625

Steve.j.hoffman@comcast.net