

**CITY OF SHOREVIEW
MINUTES
REGULAR CITY COUNCIL MEETING
January 21, 2014**

CALL TO ORDER

Mayor Martin called the regular meeting of the Shoreview City Council to order at 7:00 p.m. on January 21, 2014.

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance.

ROLL CALL

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

APPROVAL OF AGENDA

MOTION: by Councilmember Wickstrom, seconded by Councilmember Johnson to approve the January 21, 2014 agenda as amended.

VOTE: Ayes - 5 Nays - 0

PROCLAMATIONS AND RECOGNITIONS

Recognition of Retiring Shoreview's Finance Director Jeanne Haapala

Mayor Martin stated that for the past 25 years Shoreview has been very fortunate to have Jeanne Haapala as Finance Director who will be retiring at the end of January. She has won many awards and brought recognition to the City. She has worked quietly to achieve the type of long-range planning that benefits every resident. The only time the public has contact with Ms. Haapala is during the truth and taxation hearings when she explains complex financial data in a way that people can understand and trust. In an era where there is often criticism of government workers, Ms. Haapala set goals for herself, the City and helped co-workers to achieve their goals. She has mentored and supported many.

With retirement in mind for the last few years, she has set the stage for Assistant Director Fred Espe to easily take over her work. Ms. Haapala has great pride in her work and leaves knowing that the policies she has established will continue. She has always been a long-range planner. For the City she has sought greater efficiency in the department for all workers. She has worked for greater accountability, shared knowledge, and constant improvement in the way business is conducted. Mayor Martin respects and trusts her judgment. She has personally helped her to

understand what can be done, what needs to wait and what the City can afford. She will be missed greatly as a colleague and as a personal friend.

Mayor Martin presented Ms. Haapala with a formal proclamation and gift recognizing her outstanding 25 years of service to the City:

WHEREAS, Jeanne Haapala was appointed Finance Director for the City of Shoreview in September 1988; and

WHEREAS, Jeanne has been responsible for the development and implementation of long-range financial planning tools including the Comprehensive Infrastructure Replacement Plan; the Five Year Operating Plan; and most recently our two-year budget that includes goals and performance measures for all of the City's operations and programs;

WHEREAS, the Comprehensive Infrastructure Replacement Plan received an Award of Excellence from the Government Finance Officers' Association in 1993; and the City has received the Certificate of Excellence in Financial Reporting for the annual Finance Report for 25 consecutive years; and

WHEREAS, the development of these long-range planning tools and focus on quality financial practices were instrumental in the City attaining a AAA bond rating, the highest rating possible from Standard and Poors; and

WHEREAS, during her tenure, Jeanne has served in several leadership positions including President of the Minnesota Chapter of the GFOA, and on national committees for the Government Finance Officers' Association; and

WHEREAS, throughout Jeanne's tenure with the City, she has been responsible for countless productivity, efficiency, and system improvements within the Finance Department; and

WHEREAS, in 2013, Jeanne received the League of Minnesota Cities Leadership Award which recognizes appointed officials who have made a significant improvement to municipal government due to the person's service and success in raising the prestige of local government service.

NOW, THEREFORE, BE IT RESOLVED, that I, Sandra C. Martin, Mayor, on behalf of the Shoreview City Council, do hereby recognize and thank Jeanne Haapala for more than 25 years of exceptional service

and numerous contributions to municipal finance and the City of Shoreview.

BE IT FURTHER RESOLVED that we wish Jeanne the very best as she retires from public service, including 25 years with the City of Shoreview, and also wish her health and happiness in all of her future endeavors.

Ms. Haapala expressed her pleasure to have served Shoreview, Mayor Martin and the City Council, and City departments. She thanked Mayor Martin and City Manager Terry Schwerm for the support and trust they have given her over the years. She expressed her appreciation and how proud she is of her department staff who were present for this presentation. They are not the people out front, but unbeknownst to the residents, are real problem solvers and work very hard. They have really risen to the challenge of constant improvement. She is very pleased that Fred Espe will take over as Finance Director and Debbie Maloney as Assistant Finance Director. They have both worked hard for these positions. Shoreview has been an extraordinary place to work. As Councilmember Quigley says, the Council governs from the ether, which is the place to be and she admires the Council for that. She thanked everyone for the opportunity to do this important work.

Ms. Haapala introduced her mother and noted that between the two of them they have over 60 years in municipal service. Her mother worked for the City of Fridley.

Mayor Martin thanked the Finance Department staff and Building and Grounds Superintendent Gary Chapman for attending this presentation, which is very meaningful to Ms. Haapala.

CITIZEN COMMENTS

There were none.

COUNCIL COMMENTS

Councilmember Withhart:

The *Taste of the Slice* fundraiser will be February 20, 2014, at the Community Center, from 5:00 to 7:30 p.m. This event supports the *Slice of Shoreview*.

He asked Mr. Schwerm to announce an event being sponsored by the Rotary Club. Mr. Schwerm stated that the Arden Hills/Shoreview Rotary Club will have its first Annual Rockin' Rotary Variety Night. There will be musical entertainment, a short play by the Lakeshore Players, a dancing group, and a comedian. It will be Friday, January 31, 2014. Tickets are available by going to the Rotary website, ardenhillsshoreviewrotary.org.

Councilmember Wickstrom:

On Wednesday, January 22, 2014, there will be an Open House in Arden Hills for the TCAAP redevelopment. The meeting will be from 5:30 to 7:30 p.m. at the Ramsey County Public Works Building.

The Shoreview Historical Society will meet Monday, January 27, 2014, at 7:00 p.m. at City Hall. The meeting will focus on the Kozlak property.

The next Environmental Quality Committee (EQC) program will be February 19, 2014, at 7:00 p.m. on a “Behind the Scenes Look at Storm Water,” presented by City Engineer Tom Wesolowski.

Councilmember Johnson:

There will be a dive-in movie on Friday, January 24, 2014. The movie is *The Planes*, beginning at 7:00 p.m.

Mayor Martin:

Congratulated City tobacco vendors who have achieved 100% compliance in the compliance checks in 2013. She commended them for their effort in preventing tobacco access by minors.

CONSENT AGENDA

MOTION: by Councilmember Wickstrom, seconded by Councilmember Withhart to adopt the Consent Agenda for January 21, 2014, and all relevant resolutions for item Nos. 1 through 12:

Discussion:

Councilmember Withhart referred to the farewell that Ms. Haapala wrote in the monthly Finance Report and requested that staff include it in the City’s newsletter, *ShoreViews*.

1. January 6, 2014 City Council Meeting Minutes
2. Receipt of Committee/Commission Minutes
 - Parks and Recreation Commission, December 4, 2013
 - Planning Commission, December 10, 2013
3. Monthly Reports:
 - Administration
 - Community Development
 - Finance
 - Public Works
 - Park and Recreation
4. Verified Claims in the Amount of \$1,287,801.18
5. Purchases

6. License Applications
7. Change Order #1 - 2013 Street Rehabilitation CP 13-02 and Gaston Grove/St. Albans Watermain Extension, CP 13-03
8. Developer Escrow Reduction
9. Change Order #2 - Red Fox Road Improvements, CP 12-04
10. Authorize Replacement Purchase of Unit 203 Single Axle Dump Truck
11. Acceptance of Quotes for Diseased Tree Removal Program
12. Approval of 2014 Insurance Coverage

VOTE: Ayes - 5 Nays - 0

PUBLIC HEARINGS

There were none.

GENERAL BUSINESS

AUTHORIZE AGREEMENTS - NORTH OAKS WATER CONNECTION AGREEMENTS

Presentation by Public Works Director Mark Maloney

Amendments are being considered for two water connection agreements with the city of North Oaks. Water connection agreements are required for extension of water outside the City corporate limits, which include North Oaks, Arden Hills and Vadnais Heights. There are utility connection agreements between the City and single properties, such as the church on Hodgson Road and the Army Reserve Center in Arden Hills. Joint Powers Agreements cover larger geographical areas.

Since 1991, the City has had a Joint Powers Agreement to provide water to the North Oaks commercial area, which consists of approximately 30 acres. This commercial area is recognized as a single user with one metered location. A 25% surcharge is applied over Shoreview water rates. The proposed amendment would reflect the many changes in City water rates over the years, which results in a higher billing at one location. Multiple meter locations would allocate water use more accurately and lower overall billing to the area, but since the beginning of this agreement, it has been clearly understood that Shoreview would not enter into any type of property management or plumbing inspection. What is proposed is that the billing be based on three commercial units. This would minimize Shoreview cost and effort and will somewhat reduce water billing to North Oaks to make it more equitable..

The second agreement is with Charley Lake Preserve, a residential development on the east side of Hodgson Road in North Oaks. The development consists of 63 residential units who pay the 25% surcharge to be connected to the Shoreview water system. North Oaks has recently requested an analysis based on 110 residential units to reduce rates. The analysis showed no adverse impact to the City's infrastructure or water users. The addition of the new area adjacent

to the Charley Lake Preserve would bring the basis of the agreement to 75 residential units, still below the 110 originally analyzed.

Shoreview built the water main along Hodgson Road. As developments come into the system, the City is able to recapture part of that infrastructure cost. This amounted to \$67,000 for the Charley Lake Preserve. Although there is one meter for the Charley Lake Preserve, the development is credited for the number of users. The developer has now requested that a 15-acre area known as Red Pine Farm be included in the Charley Lake Agreement. Red Pine Farm would add 12 single-family units to the Shoreview water system. The connection charge will be almost \$2,200 per lot. Staff is recommending approval of the two amendments.

Councilmember Withhart asked, because of a shared Fire Department with North Oaks, if there would be the required number of fire hydrants. Mr. Maloney responded that although this is private infrastructure, the design standards are municipal standards and were approved by the Lake Johanna Fire Department and include the required hydrants, valves and monitoring pressure zones with a commitment to regular inspections.

Councilmember Wickstrom asked how maintenance would be done and if there is any concern that somehow contamination could occur in Shoreview's water system. Mr. Maloney explained that the 1991 Agreement was careful to not make Shoreview liable for maintenance services. The Charley Lake Preserve Agreement includes that same condition. As for contamination, the City can simply close valves to shut off any contaminated water. The system is designed to the same standard that Shoreview would build, and there are not many ways that contamination could occur.

Councilmember Quigley asked if there are possible future development connections. Mr. Maloney noted the area north of Red Pine Farm is a question. The area north of that is Wildflower Way, which did seek connection to Shoreview's system but then built a large private well for that development. He is not aware of further such requests.

Councilmember Johnson asked if the stated 63 residential units could increase. Mr. Maloney responded that the 63 units are what was approved by the North Oaks Planning Commission and City Council and what was identified on the plat for the property. If an increase were proposed, a new approval process would be required.

Mayor Martin expressed some concern about the reduced revenue from this change. Mr. Maloney explained that the most recent water rate structure change amounted to a tremendous increase to their water rates. The City is making an effort to not unduly punish them for being one large water user. Mr. Schwerm added that the new rate will be at a level where there is still an incentive to conserve water.

Councilmember Withhart noted that Shoreview has the water capacity to provide these connections, and outside entities do pay a 25% surcharge above Shoreview rates. If there are further rate changes, the surcharge will be applied to these outside units.

MOTION: by Councilmember Withhart, seconded by Councilmember Wickstrom to adopt Resolution 14-07 Amending Shoreview/North Oaks Water Connection Agreement for North Oaks Commercial center and Resolution 14-08 Amending Shoreview/North Oaks Water Connection Agreement for Charley Lake Preserve subject to the final review and revisions by the Public Works Director and City Attorney.

Discussion:

City Manager Schwerm noted that one of the key reasons for these agreements is that the cost of providing water is relatively low and the income received helps subsidize rates for Shoreview residents.

Mayor Martin added that Shoreview and North Oaks are working well together. North Oaks has agreed to build the trail on the east side of Hodgson Road up to the Charley Lake Preserve.

Councilmember Withhart asked if the 1979 dollars spent have been adjusted for inflation. Mr. Maloney stated that the charges have never been indexed. These properties are being treated the same as other properties, but with a 25% surcharge on the connection charges.

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

ADJOURNMENT

MOTION: by Councilmember Quigley, seconded by Councilmember Johnson to adjourn the meeting at 7:45 p.m.

VOTE: Ayes - 5 Nays - 0

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE 3rd DAY OF FEBRUARY 2014.

Terry Schwerm
City Manager