

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

CALL TO ORDER

Acting Mayor Ady Wickstrom called the regular meeting of the Shoreview City Council to order at 7:00 p.m. on April 21, 2014.

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance.

ROLL CALL

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

Mayor Martin was absent.

APPROVAL OF AGENDA

MOTION: by Councilmember Johnson, seconded by Councilmember Withhart to approve the April 21, 2014 agenda as submitted.

VOTE: Ayes - 4 Nays - 0

PROCLAMATIONS AND RECOGNITIONS

Co-Chair Cory Springhorn, Shoreview Human Rights Commission, stated that each year the Commission participates in the League of Minnesota Human Rights Commission's statewide Essay Contest. This year sixth, seventh and eighth grade students were asked to write an essay based on the question "*Prejudice and Stereotypes Affect the Way We Perceive and Interact with Each Other Even When We Don't Know It, How Do Stereotypes Affect Our Society and How Do They Affect Human Rights*". Three students from Shoreview participated this year: Madeline West, who was not present; Lucy Chen, Honorable Mention Winner; and Kaitlin Manning, First Place Winner.

Commissioner Springhorn, Shoreview Human Rights Commission, introduced other attending Commission members: Sam Abdullai, Mary Yee Johnson, Julie B. Williams and Co-Chair Bob Minton.

Acting Mayor Wickstrom presented certificates of recognition to Lucy Chen and Kaitlin Manning for their achievement.

CITIZEN COMMENTS

There were none.

COUNCIL COMMENTS**Acting Mayor Wickstrom:**

The Shoreview Northern Lights Variety Band will hold their Spring Concert at North Heights Lutheran Church on Saturday, May 10, 2014, at 7:00 p.m. The theme is *A Tribute to Freedom*. Immediately prior to the concert, there will be *A Tribute to Women Veterans* from 5:30 to 7:00 p.m. More information can be found at nhlc.org.

Councilmember Johnson:

Tuesday, June 17, 2014 will be the first Farmers' Market for the season.

On Wednesday, June 18, 2014, the first Concert in the Commons will take place with the group *Divas through the Decades* performing.

CONSENT AGENDA

MOTION: by Councilmember Withhart, seconded by Councilmember Johnson to adopt the Consent Agenda for April 21, 2014, and all relevant resolutions for item Nos. 1 through 10, as submitted:

1. Approval of April 7, 2014 City Council Meeting Minutes
2. Receipt of Committee/Commission Minutes:
 - Economic Development Authority, March 3, 2014
 - Planning Commission, March 25, 2014
 - Human Rights Commission, March 26, 2014
 - Bikeways and Trails Committee, April 3, 2014
3. Monthly Reports:
 - Administration
 - Community Development
 - Finance
 - Public Works
 - Park and Recreation
4. Verified Claims in the Amount of \$1,334,289.63
5. Purchases
6. License Applications
7. Authorize Purchase of Street Light Materials for 2014 Street Light Replacements, CP 14-03 and Street Reconstruction, CP 14-01
8. Approval of Environmentally Preferable Purchasing Policy
9. Approval of Special Event Liquor License - Festa Italiana Minnesota

10. Approval of Application for Exempt Permit - Greyhound Pets of America

VOTE: Ayes - 4 Nays - 0

PUBLIC HEARINGS

There were none.

GENERAL BUSINESS

APPROVAL OF DECEMBER 31, 2013 INTERFUND TRANSFERS AND LOANS

Presentation by Finance Director Fred Espe

Mr. Espe reviewed General Fund activity for 2013 and reported final transfers and inter-fund loans. In 2013, revenues exceeded the budget by \$696,769 with the following categories exceeding projections: \$334,245 for license and permits; \$209,811 from intergovernmental revenue, most of which is related to State Fire Aid, which was previously reported in a separate agency fund. State law now requires reporting State Fire Aid as revenue and expenses in the General Fund. Also, charges for services reviewed exceeded projections by \$164,405. Earnings on investments fell short of projection because interest rates increased at the end of the year, lowering actual earnings at the time they needed to be reported. Expenditures for 2013 exceeded the budget by \$11,709.

The General Fund Balance Policy is to maintain a minimum balance of 50% of the ensuing year's general fund property tax levy and levy-based state aids. The City's main revenue source is property taxes, but payments are not received until June and December each year. To meet cash flow needs, 50% is needed to meet payments through June. An unanticipated expenditure allowance is designated as 10% of the ensuing year's general fund expenditures. The General Fund balance (50% of 2014 General Fund tax levy) is \$3,393,577. Unanticipated expenditures are \$910,029 (10% of the 2014 General Fund expenditures). After meeting the requirement of the fund balance policy, there is a surplus at the end of 2013 at \$417,963 which needs to be transferred out on approval of the City Council.

Staff is recommending this transfer be put in the Street Renewal Fund. In 2013, the City undertook improvements to Red Fox Road, which was a late addition to the City's CIP. This transfer will insure funding for future street construction costs, and it preserves the minimum \$2 million fund balance for that fund. Without this transfer, the minimum Street Renewal Fund balance would fall below the \$2 million. It also preserves balances projected in the 2014 to 2019 Capital Improvement Program (CIP).

The transfers planned are a result of fund closings, debt funding, capital funding, operating transfers and maintaining the General Fund balance policy. The Capital Improvement Fund is being closed and transferred to the Community Investment Fund. The capital funding transfer allows acquisition of capital assets from operating and capital project funds.

There are two interfund loans that provide funding for temporary cash deficits. This year, TIF District No. 1 owes \$147,829.20 to the Owasso Street Realignment. The loan will be paid from tax increment receipts from TIF District No. 8, Lakeview Terrace project. A second loan in the amount of \$369,131.31 was made from the MSA Fund for reconstruction on County Road D. The loans are repaid at the average rate of interest on the City's investment portfolio. These deficits occurred as a result of timing issues at the end of the year.

Councilmember Johnson drew attention to the areas that were under budget: general government, public works, parks and recreation and community development, which indicates the effort of staff to keep the budget in line. Mr. Schwerm stated that budgeting for revenues and expenses is done conservatively to insure existing operations are fully funded and to preserve fund balance policy requirements. The ability to maintain fund balances is important element in maintaining the City's AAA bond rating.

Councilmember Quigley noted that this report is a good picture of operations and staff planning to have financing in place for City needs. He is pleased the report was given in detail at this meeting.

MOTION: by Councilmember Quigley, seconded by Councilmember Johnson to approve the interfund transfers and inter-fund loans outlined in the attached report for the year ended December 31, 2013.

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

AWARD OF QUOTE - COURT RESURFACING AND PICKLEBALL CONVERSION

Presentation by City Manager Terry Schwerm

The Shoreview Area Pickleball Club has encouraged the City to consider converting two existing tennis courts to pickleball only courts, as a result of the fast growth in popularity for this sport. The Parks and Recreation Commission has recommended conversion at Bobby Theisen Park because there are four tennis courts at that park and, if two courts were converted to pickleball, two would still be available for tennis.

Bids were solicited for resurfacing and crack repair. One firm noted that the two interior courts at Bobby Theisen Park that were selected for resurfacing need extensive crack repair, which was budgeted for 2015. Staff is recommending the full mill and overlay, which was planned in 2015, be moved up to this year for the two interior courts in conjunction with the resurfacing for pickleball. The bid received from Lee Sports Surfacing includes a full mill overlay in the amount of \$52,000, which is close to the \$50,000 budgeted for this work. Also, a third court that has been used for roller hockey would be resurfaced and converted back to tennis as part of this bid project. Staff is recommending approval of the bid from Lee Sports Surfacing.

Councilmember Quigley stated that a number of sports, such as roller hockey and racquetball, come and go. He questioned the need for more available pickleball courts. Mr. Schwerm stated

that there a significant number of Shoreview residents participating in the sport, as evidenced by the increase in Community Center membership and activity. Pickleball is fast-growing and is expected to grow. Woodbury has also provided pickleball courts, and the sport has grown significantly. Designating these two courts for pickleball will expand the times for playing pickleball rather than the limited time offered at the Community Center.

Councilmember Withhart stated that the sport is growing nationally. The demographics of Shoreview show that a large part of the population would be interested. It is true that sports come and go, but he believes this would be a good investment.

Councilmember Johnson stated that youth are also interested. By opening courts in the parks, it will be more visible and will attract more youth. That is an added benefit.

MOTION: by Councilmember Withhart, seconded by Councilmember Quigley to award the bid for the resurfacing of the tennis courts and conversion to pickleball courts at Bobby Theisen Park to Lee Sports Surfacing in the amount of \$52,000.

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

ADJOURNMENT

MOTION: by Councilmember Johnson, seconded by Councilmember Quigley to adjourn the meeting at 7:32 p.m.

VOTE: Ayes - 5 Nays - 0

Acting Mayor Wickstrom declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE 5th DAY OF MAY 2014.

Terry Schwerm
City Manager