

**CITY OF SHOREVIEW
MINUTES
REGULAR CITY COUNCIL MEETING
September 8, 2009**

CALL TO ORDER

Pursuant to due call and notice thereof, a regular meeting of the Shoreview City Council was called to order by Mayor Martin on September 8, 2009, at 7:03 p.m.

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance to the flag.

ROLL CALL

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

APPROVAL OF AGENDA

Mayor Martin noted that under item No. 16 of the agenda five of the six weed abatements have been pulled because the work was done. The property at 4685 Kevin Lane remains to be considered.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Withhart to approve the September 8, 2009 agenda as revised.

ROLL CALL: Ayes - 5 Nays - 0

PROCLAMATIONS AND RECOGNITIONS

There were none.

CITIZEN COMMENTS

There were none.

COUNCIL COMMENTS

Mayor Martin:

The Community Center pool is shut down from today until September 25, 2009 for cleaning, a new floor and repairs. The Fitness Center and other parts of the Community Center remain open.

The Farmers' Market will continue through most of October.

On September 24, 2009, Northwest Youth and Family Services will host its annual fundraiser, Taste of the Northwest. Restaurant owners across the region will participate, and there will be a silent auction. Tickets are \$25.00. Call ahead to get tickets because they will be \$10.00 more at the door.

Councilmember Wickstrom:

The next meeting of the Ramsey County League of Local Governments will also be on September 24, 2009. The program will be a skill-building session to deal with conflict. Registration in advance is required. There will be a charge of \$20.00 per person or \$25.00 at the door. The program will start at 7:00 p.m. at the North St. Paul Community Center.

CONSENT AGENDA

MOTION: by Councilmember Withhart, seconded by Councilmember Wickstrom to adopt the consent agenda of September 8, 2009 approving the necessary motions and resolutions:

1. August 10, 2009 City Council Workshop Meeting Minutes as submitted
2. August 17, 2009 City Council Meeting Minutes as submitted
3. Receipt of Committee/Commission Minutes:
 - Human Rights Commission, June 24, 2009
 - Economic Development Commission, July 21, 2009
 - Planning Commission, July 28, 2009
 - Bikeways and Trails Committee, August 6, 2009
 - Environmental Quality Committee, August 24, 2009
4. Verified Claims in the Amount of \$1,085,630.92
5. Purchases
6. Acceptance of and Appreciation of Gifts - 500 Tournament
7. Developer Escrow Reduction
8. Amendment to Exhibit B, Administrative Fee Schedule - Filling Station Fee
9. Approve Final Payment, 2009 Street Light Replacements, Project 09-08
10. Parking Restrictions - Woodbridge Neighborhood, CP09-01
11. Approval of Change Order #1 - Sitzer Park Improvement Project

ROLL CALL: Ayes - 5 Nays - 0

PUBLIC HEARINGS

There were none.

GENERAL BUSINESS

**MINOR SUBDIVISION - 1345/1349 MEADOW AVENUE -
PETER AND PHYLLIS SCHMIT**

Presentation by City Planner Kathleen Nordine

This proposal would split the south 20 feet of the property at 1349 Meadow Avenue and combine it with the property at 1345 Meadow Avenue. The property at 1349 consists of over 7 acres with access from Meadow Avenue on a driveway easement along the property line of 1345. A similar subdivision was approved in 1993 for the properties immediately to the west. The application complies with the Development Code standards. Drainage and utility easements on 1345 will remain in place unless the property owner applies for a vacation. There is driveway access over the western portion of the 1345 easement, which would need to be extended to the subdivided piece.

The Planning Commission reviewed the application and unanimously recommended approval.

Property owners within 350 feet were notified. The only comment received is from the City of Circle Pines expressing no concerns. Staff is recommending approval with the conditions listed in the staff report.

Mayor Martin asked if the largest property is part of a PDA. Ms. Nordine answered that it is not. Its designation is for low density residential. There has been no discussion about future redevelopment, as the majority of 1349 is wetland.

MOTION: by Councilmember Withhart, seconded by Councilmember Quigley to approve the minor subdivision application submitted by Peter and Phyllis Schmit for 1349 and 1345 Meadow Avenue. The approvals are subject to the following conditions:

Minor Subdivision

1. Combining the split-off 20-foot wide parcel with the adjoining property at 1345 Meadow Avenue for property tax purposes.
2. Prior to submitting the deeds to the City for approval, the applicant shall submit a recordable easement approved by the City that grants the property at 1349 Meadow Avenue a 20-foot wide ingress/egress and utility easement along the western property line as identified on the submitted survey. This easement shall be recorded at Ramsey County.
3. Said subdivision shall become null and void if it is not recorded at Ramsey County within one year from the date of City Council approval.

The recommendation for approval of the minor subdivision is based on the following finding of fact:

1. The proposed lots conform to the adopted City standards and comprehensive plan policies for residential lots.

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

ITEMS RELATED TO 2010 TAX LEVY AND BUDGET

- A. ADOPT PRELIMINARY TAX LEVY**
- B. ESTABLISH DATES FOR BUDGET HEARING**

Presentation by Finance Director Jeanne Haapala

By September 15, 2009, the City is required by state law to certify to Ramsey County the preliminary 2010 levy and the budget hearing date. The final levy cannot exceed the preliminary levy amount. The County uses the preliminary levy to calculate tax statements that will be mailed to property owners between November 10 and November 22, 2009. The proposed date for the 2010 budget hearing is December 7, 2009, with adoption of the final budget and tax levy at the December 21st Council meeting.

The objectives of the budget are to maintain existing services, programs and infrastructure; meet existing debt; and support capital replacements. A contingency allowance is provided at the direction of the Council. The levy, as proposed, is an increase of 5.8%, or \$9.1 million. It must be noted, however, that the City will lose approximately \$310,000 in market value homestead credit that the state does not reimburse to the City. Therefore, the City will actually collect approximately \$8.8 million in tax revenue.

The biggest factor that is driving the levy is the loss of revenue. There have been drops in building permit revenue, interest earning and increased losses of aid from the state in market value homestead credit. Other significant factors include police and fire service, debt payments, capital replacement funds, and the Capital Improvement Fund. Revenue enhancements to offset the revenue losses include engineering charges, administrative charges paid by other funds for the allocated share of administrative cost, and transfers from utility funds for the value of utility for payments in lieu of property taxes for the value of the utility system costs. A cost of living adjustment for employees is not included in the budget. However, at the Council's direction \$90,000 is set aside as a contingency for the Council to consider wage and benefit adjustments.

Some tax information has been received from the County, but not specific information to Shoreview and there is no information about other jurisdiction levies of the school district and county. The majority of home values in suburban Ramsey County are decreasing in value. Differing changes in value have differing impacts on the City share of the tax bill. For 2010, the median Shoreview home value is \$262,000, a drop of 4.9% from the median value in 2009 of \$275,600. Examples of how City taxes are impacted:

- Median home with 10.5% value decrease = City taxes are the same for the year
- Median home with 8% value decrease = City taxes increase by \$19.79 for the year
- Median home with 4.9% value decrease = City taxes increase by \$43.41 for the year
- Median home with 2.5% value decrease = City taxes increase by \$60.00 for the year
- Median home with no change in value = City taxes increase by \$77.09 for the year

Total City taxes for the market value home are approximately \$736 per year, or \$71.00 per month.

In comparing Shoreview to 29 other like metro area cities, Shoreview ranks 5th lowest in per capita spending with \$332 per capita, 21% below the average of \$422 per capita. For property taxes on a median valued home, Shoreview places 4th lowest at \$619, more than 30% below the average of \$896.

Councilmember Huffman noted that this preliminary levy is a not-to-exceed number. He would like to put money in for employee benefit adjustments, although he believes the levy is high. He asked what the impact would be if the \$100,000 designated for the Street Renewal Fund were not put in. Ms. Haapala responded that if that fund is not increased, the fund balance will drop below the level set by the City Council and would not be adequate to cover another project next year.

Councilmember Wickstrom noted that it is important to keep an adequate Street Renewal Fund. The fund balance helps when bonds are used to pay for some construction projects. Savings can be gained.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Withhart to adopt resolution number 09-72 establishing a preliminary tax levy of \$9,144,700 for collection in 2010.

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

ADOPTION OF A 2010 PRELIMINARY HRA TAX LEVY FOR ECONOMIC DEVELOPMENT AUTHORITY OPERATIONS AND ADMINISTRATION

Presentation by Asst. City Manager/Community Development Director Tom Simonson

Similar to the City’s levy process, the preliminary HRA tax levy must be set and submitted to the County by September 15th. The Economic Development Authority (EDA) was established a year ago as a separate legal entity, although the City Council retains financial and budgetary authority, including any special tax levy. Three of the five EDA board members are City Councilmembers. The EDA is recommending an HRA levy for 2010 in the amount of \$50,000.

The EDA is in the process of developing a financial strategy for housing programs that address foreclosed and vacant properties, programs that would assist home ownership, attract new families, and promote life cycle housing. One source being considered is TIF District funds for housing programs. Focus is being given to “opportunity” properties that are foreclosed, vacant, or blighted. The EDA is working with Ramsey County to develop a database and communication with townhouse/condominium associations to address maintenance issues and reinvestment. The EDA is also looking at resources used by other cities.

Under state law, a maximum HRA levy of \$400,000 could be generated. A modest levy of \$50,000 is proposed to support operations and administration. The impact of this levy on a median valued home in Shoreview (\$262,000) would be \$4.43 per year. The EDA unanimously recommends adoption of the HRA levy in the amount of \$50,000. This funding will not support new housing initiatives or property acquisitions.

Councilmember Huffman stated that he is President of the EDA and generally would not support a levy outside the budget, but there are roughly 100 foreclosures in Shoreview in various states of disrepair. EDA funding to facilitate addressing the condition of one home will more than pay back the levy.

Mayor Martin opened the discussion to public comment.

Mr. Ben Stephens, 4151 Rice Street, stated that he does not like this additional tax on City residents. He has been a member of the Economic Development Commission for five or six years and has seen many good proposals that did not happen, although City staff did a good job of helping PaR Systems. The amount of \$50,000 is not much at this time, but what will happen next year, and the next? These taxes won't go away. If studies are funded, something needs to be done with them. He is totally opposed to this tax.

Mayor Martin stated that housing is critical in Shoreview. It affects everyone in the neighborhoods, and when property deteriorates, it costs everyone for the cleanup. The City is trying to track these properties and control deterioration. That also costs money. This levy is modest and a proactive approach to aging housing stock.

Councilmember Wickstrom stated that she supports the HRA levy but would like to be sure that EDA expenses are coming from the HRA levy and not from the City's General Fund.

Councilmember Quigley stated that Shoreview is late in developing an HRA levy. Surrounding communities already have this in place. Tools/funding are needed to deal with housing issues.

Councilmember Withhart supported Councilmember Huffman's statement and stated that many studies have been reviewed and used to frame the work of the EDA.

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to approve Resolution No. 09-73, adopting a preliminary HRA Levy in the recommended amount of \$50,000 to support the operating and administration of the Shoreview Economic Development Authority for the year 2010.

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

REVOCAION OF RENTAL LICENSE - 5590 ST. ALBANS STREET, DANIEL BUSSE

Presentation by City Planner Kathleen Nordine

Section 714 in the ordinance requires a rental license to rent property. The rental property must comply with stipulations in the ordinance, as well as maintenance requirements in Section 211. In the last year, there have been ongoing problems with maintenance and conduct on the property at 5990 St. Albans Street. Non-compliance can result in revocation of the rental license. A certified notice was mailed to the property owner regarding revocation of the rental license on August 19, 2009. A voicemail message was also left for the owner. There has been no response. Maintenance issues include refuse and outside storage, garbage cans not stored properly and parking on the front lawn. Also, the utility bill is outstanding.

A notice was also sent to Mr. Busse on July 9, 2009 regarding tenant conduct violations. A Plan of Mitigation was requested by the City, but none was received, nor did Mr. Busse contact the City about this matter. There continues to be noise and disorderly conduct on the property, and the Sheriff's Department and City Attorney's office are in the process of filing charges against the tenants. Staff recommends revocation of the rental license based on non-compliance. Should the utility bill remain unpaid, the City has authority to shut off the water after holding a hearing.

Councilmember Huffman asked what further steps could be taken with the current tenant if the rental license is revoked. Ms. Nordine stated that the City does not have the authority to evict tenants.

Mr. Daniel Busse, Owner of 5990 St. Albans Street, explained a business change of address as the reason he did not receive the July notice regarding tenant issues. The signed certified letter was not signed by him. In February, when he received notices, he immediately addressed the litter issue and the tenants agreed to keep the yard and garbage area free of litter. He seeks only to be cooperative with all rental license requirements. He received a voicemail message today and a notice postmarked September 4, 2009, regarding possible City Council action. He is not denying the problem. He has requested the tenants numerous times to discontinue parking on the front lawn. His long-term goal is to sell the property. Unpaid bills become his responsibility and he is losing money. The house was empty in 2008 for months and when it did not sell, he rented it because he cannot afford to let it sit empty. He would like to fully cooperate and has no problems evicting the current tenants. He would not oppose shutting off the water for the tenants to leave. He requested time to work with staff on a plan acceptable to the City.

Mayor Martin thanked Mr. Busse for coming in to talk to the Council. She stated that whether or not he is receiving the notices, he is the landlord. By driving by and visiting the property, he would see there is a problem. She opened the discussion to public comment.

Chris and Mary Maas stated that they live next door to the subject property. The tenants burn garbage in the yard. This morning another vehicle was parked on the front lawn. There is a big truck with no muffler. A three-wheeler is ridden down the street and through the yard. There are ongoing parties. The main person who rented the house was arrested. They are afraid to go outside and do not let their children play outside. There is also negligence on repairs. The house would have to be gutted to live in it.

Mr. Craig Peterson, 5976 St. Albans, stated that he is three doors from the subject property. All back yards look down to both ends of the block. He, too, has noticed fires in the back yard of 5990 and contacted the Fire Department on one occasion. He would attest to everything that has been said. He has been wakened by people fighting and there are fist fights in the street. Music is played loud at night but not every night. The three-wheeler on the street is dangerous. There are many families in the neighborhood with children playing. He has not seen a license on the three-wheeler.

Councilmember Wickstrom noted many police reports from this year. Councilmember Withhart stated this is not a normal state of residency and is not normal in Shoreview. He would like the Council to send a strong message with respect to the conduct on this property. There have been repeated violations whether the property was cleaned up in February or not. He urged the Council to take action to revoke the rental license.

Mr. Busse responded that he is not condoning the tenants' behavior and acknowledged his responsibility. He agreed the best solution would be to remove them from the property and he is willing to do what the City requests. He requested two weeks to work on these issues. He would meet with staff and put a plan in place. To use the court process and evict the tenants will take time. It will take 14 days to get the matter to court.

Councilmember Huffman suggested that the rental license be revoked. If Mr. Busse wants to address these issues, then he can reapply after all problems have been resolved.

Mayor Martin asked how long it takes to evict tenants. City Attorney Filla stated that it would make no difference with or without a rental license. Not knowing what the lease states, he would estimate that eviction would take at least two weeks to get to court. Notice is required and the tenants will have six weeks to vacate the property even with cooperation.

Councilmember Withhart asked what would happen if the City shuts off the water making the property uninhabitable. City Attorney Filla stated that may facilitate the tenants moving, but they would have to move voluntarily. A hearing is required to shut off the water.

Mr. Busse agreed to have the water shut off. He asked if the property could be legally rented if the rental license is revoked. City Attorney Filla requested Mr. Busse to contact him.

Councilmember Quigley stated that he supports the staff recommendation as the most efficient way to deal with the situation as quickly as possible.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Withhart to authorize revocation of the general dwelling unit rental license at the property located at 5990 Albans Street.

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

Councilmember Huffman stated that he would support a hearing for the water shutoff to this property. Mr. Schwerm stated that the required 5-day notice will be sent prior to the next Council meeting.

WEED ABATEMENT - 4685 KEVIN LANE, MICHAEL BARTELL

Presentation by City Planner Kathleen Nordine

Notice was sent to the property owner regarding abatement of vegetative growth and tall grass. The notice was posted on the property August 17, 2009, requiring compliance by August 25, 2009. An inspection earlier today showed that the violations continue to exist. The City can abate the nuisance and charge the property owner. Costs not paid can be certified to property taxes. Staff is recommending the Council hold a hearing and adopt the resolution to order abatement.

Councilmember Withhart noted there are other negligence issues with the property and expressed a desire for the Council to revisit maintenance and repair issues. Mr. Schwerm responded that property maintenance items would require the Council to take action similar to the action just taken on the rental license. There is not a clear abatement process for maintenance.

Mayor Martin opened the hearing at 8:58 p.m.

Mr. Michael Bartell, property owner at 4685 Kevin Lane, referred to an editorial in the St. Paul paper about property rights and expressed his opinion that this process is denying property rights. He stated that it is not clear to him what work needs to be done. Ms. Nordine agreed that some parts of the yard are maintained. Other parts have long weeds and grass. There is also overgrown vegetation that is not maintained. Mr. Simonson added that staff would be willing to meet with Mr. Bartell to show him the specific areas that are in violation.

Mayor Martin noted that there have been complaints about the lawn. She would be willing to allow Mr. Bartell time to work with staff before ordering abatement.

Councilmember Wickstrom stated that when people do not maintain their properties, it also impacts neighboring properties. She also would be willing to give staff time to work with Mr. Bartell.

Councilmember Withhart stated that he accepts the staff's recommendation to order abatement. If staff is able to work with the property owner to bring the property into compliance in a short period of time, abatement will not be necessary. Otherwise, staff has the tools to order abatement if necessary.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Withhart to adopt Resolution 09-74 approving the abatement of vegetative growth for the property located at 4685 Kevin Lane per Section 210.020(A), and to charge the property owner for the cost of the abatement, including administrative costs. The City Manager is authorized to monitor the property throughout the 2009 and 2010 growing seasons and to abate any vegetative growth on the property that does not comply with City regulations. The Council supports the intent of staff to work with the property owner on the violations before the next Council meeting.

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

ADJOURNMENT

MOTION: by Councilmember Withhart to adjourn the meeting at 9:28 p.m.

ROLL CALL: Ayes - 5 Nays - 0

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE 21st DAY OF SEPTEMBER, 2009.

Terry C. Schwerm
City Manager