

**CITY OF SHOREVIEW
MINUTES
CITY COUNCIL WORKSHOP MEETING
August 8, 2016**

CALL TO ORDER

Mayor Martin called the workshop meeting of the Shoreview City Council to order at 7:00 p.m. on August 8, 2016.

ROLL CALL

The following attended the meeting:

City Council: Mayor Martin; Councilmembers Quigley, Springhorn and Wickstrom

Councilmember Johnson was absent.

Staff: Terry Schwerm, City Manager
Rebecca Olson, Assistant to City Manager
Mark Maloney, Public Works Director
Fred Espe, Finance Director

Mn/DOT: Sheila Kauppi, Mn/DOT North Metro Area Manager
Ramsey County: Beth Engum

**DISCUSSION REGARDING I-35W MANAGEMENT LANE/COUNTY ROAD I
ACCESS CHANGES**

Public Works Director Mark Maloney explained that as required by state law, a public hearing was held on July 18, 2016 by the City Council to consider proposed Mn/DOT improvements to I-35W. Mn/DOT seeks municipal support for the proposed improvements, which includes removal of the access from County Road I to northbound I-35W/T.H. 10. Considerable thought has been put into this decision and there will be an alternative access to northbound 35W from the TCAAP property.

Ramsey County has proposed putting in a round-about at County Road I, which staff believes would address all the traffic movements in that area as well as protect the residential character of Rice Creek Parkway. There will be a connector road (referred to as a thumb road) from County Road I to the roundabout that will be put in at the County Road H interchange. County Road H will access I-35W going north and south and westbound on Highway 10.

Mayor Martin asked if the thumb road will serve as an access to other development in that area or will be a closed access to get to County Road H. Ms. Beth Engum stated that the thumb road will be a county road and will provide access to other development.

Councilmember Quigley asked the role of the I-35W Coalition. Ms. Kauppi responded that the Coalition has been very supportive and has played a key role with the Managed Lanes study that has been done over the last two years. The Coalition has also identified opportunities for funding. Mobility dollars available in 2019/2020 as well as replacement and repair dollars provide an opportunity to consider a large project. The Managed Lanes study looked at operational issues and alternatives. One issue is how dangerous it is to access northbound I-35W from County Road I with the exit to westbound Highway 10 only 1200 feet from the County Road entrance. This is especially true during peak hours. The proposal would remove this County Road I access, add a managed lane on I-35W and have two lanes that merge into westbound Highway 10. Full interchange access will be available at County Road H.

Councilmember Wickstrom noted that the Fire Department favored an access to TCAAP from Shutta Lane to the south. Ms. Engum stated that road is not being considered because it would be difficult to build with the wetland and topography of the area. She added that the County has hired a master developer for the TCAAP property who has been working with the County for approximately two months. The main components of development being considered are a town center and residential development. It has been agreed that Mn/DOT will not remove the ramp at County Road I until the Managed Lanes project is implemented or the roundabout is built at County Road I.

Councilmember Wickstrom asked about access for people from the north. Even if the roundabout is completed at County Road I, how will drivers reach County Road H if the thumb road is not complete? It is critical that there be good access to County Road H for residents from the north. Ms. Engum agreed but stated that even though the thumb road will be under County jurisdiction, it will be up to the developer when it is built.

Councilmember Springhorn stated that he understands the safety reasons for closing the ramp at County Road I, but it will be inconvenient for drivers in that part of Shoreview to have to go south to County Road H in order to access I-35W going north. However, because of the safety issues, he supports the project.

Mayor Martin agreed that it will be annoying to have to go south in order to reach the access going north. She noted that it would make more sense for the thumb road to be further to the east rather to provide access to ongoing development rather than along I-35W as a frontage road.

Councilmember Wickstrom requested the specific numbers and percentages to be able to share with residents who are asking questions. Ms. Kauppi stated that the numbers to access I-35W from County Road I are low, but usage of the County Road I ramp to get to Highway 10 is high. She agreed to send specific data information.

City Manager Schwerm asked if it is cost effective to dedicate the County Road I access only to Highway 10 and not to I-35W without dramatically increasing costs, as he believes traffic will grow in that direction. Ms. Kauppi answered that the current modeling numbers show more traffic going north on I-35W than west on Highway 10. Mr. Maloney added that as traffic on Highway 10 increases, there will be a safer entrance from County Road J west of I-35W.

Councilmember Quigley stated that his concern was communication with residents about the lane changes that drivers will have to adjust to for either I-35W or Highway 10 in addition to using the roundabouts.

Mr. Schwerm agreed that moving access to I-35W and Highway 10 to County Road H creates a safer interchange than County Road I where drivers have to cross lanes of traffic quickly to access 35W. Timing will be critical. It will be important for the Managed Lanes project to not happen before the thumb road is complete.

Mayor Martin stated that she supports the plan, but continued to express concern if County Road I is closed off before the thumb road is in place.

Ms. Kauppi stated that funding is planned at earliest in 2019. It is a four-year construction project and is being treated as one complete project from Highway 36 to Lino Lakes. This is well within the two-year time frame of projected development of the TCAAP property. The County Road I and County Road H components can be staged to align well with development.

Mr. Maloney stated that using the design-build process over four years allows flexibility to move different parts of the project depending on development. However, this makes it harder to communicate changes to residents. He noted that the City Council has 90 days from the public hearing to act on Mn/DOT's request for municipal consent, which would be by the October 3rd Council meeting. If no action is taken, the plan is deemed approved.

Mr. Schwerm stated that while there is support for the project as a whole, the question of municipal consent raises an important issue of the timing of the completion of the thumb road.

Councilmember Wickstrom stated that she cannot support municipal consent without the thumb road being completed in the location as shown on the map design. She does not want to see a meandering road that creates more driving hazards. Mr. Schwerm stated that the thumb road location cannot be guaranteed, but a curvy road would not support development. Ms. Engum added that the thumb road will be a County road built to County standards. Ms. Kauppi added that if there is congestion on the thumb road because of development, cars can access I-35 W south to the roundabout at County Road H to come back north.

Councilmember Wickstrom stated that she would be more comfortable knowing that to go south on I-35W to the County Road H roundabout cars will be able to stay in one lane and not have to merge into the traffic lane.

Mayor Martin suggested that additional language be added to the resolution of municipal consent to address the Council's concern about completion of the thumb road. She stated as well that she does not want Shoreview to hold up this project in any way because it is so important. She has confidence in the work Public Works Director Maloney is doing and his understanding of Shoreview to work for the City's best interests.

REVIEW OF PRELIMINARY 2017 TAX LEVY

City Manager Schwerm explained that as 2017 will be the second year of the City's biennial budget, a full budget document is not submitted to the Council. Changes are approved by resolution. The proposed budget adopted last year anticipated a 3.8% increase in the City's property tax levy. The proposed levy now includes an increase of 3.92%, or approximately \$417,000. The City's taxable value is estimated to increase 4.3% that will result in a lower tax rate. Fiscal disparities are expected to remain the same. The median home value is estimated to increase 5.3% in Shoreview based on the assessor's preliminary report.

Mr. Schwerm described the major factors driving the levy increase--personnel costs, which are a 2% wage adjustment; a \$60 increase in the City's share of health insurance, which anticipates a 12% increase. Actual health insurance cost revisions are not generally received until October. Because of recent retirements and recent hires, many employees are getting step increases as well as the 2% wage adjustment which accounts for the cost of wages being somewhat higher in 2017. Approximately 40% of wage costs are covered in the General Fund. The remaining costs come from enterprise funds.

Mayor Martin asked the reason for the \$107,000 increase to Park and Recreation costs. Mr. Schwerm explained that part of the reason is reallocation from other funds to better align employees with actual job responsibilities. Some expenses are minimum wage issues. The increase in minimum wage impacts the Community Center and Recreation Program operations because some positions are paid at a little higher rate than minimum wage because of skills, such as a lifeguard. When minimum wage increases, wages of other positions have to be raised in order to maintain an appropriate separation in pay rates for positions with different skill levels. He added that two part-time positions were eliminated, which will help mitigate anticipated public safety increases. The Community Survey cost is included this year. Currently a survey is done every two years in odd numbered years.

Mayor Martin asked if the community survey is as valuable when it is done every two years. Mr. Schwerm stated that the reason for the survey to be done every two years is because the information gained is used for performance measures in the biennial budget. He acknowledged the survey cost may not be warranted every two years, and suggested further discussion by the Council.

Councilmember Quigley stated that he uses community survey information heavily in responding to residents. The survey is a tool to describe the overall corporate culture of the City. It is also important for the Council's goal setting to align with the survey information.

Mayor Martin stated that there is hardly a business that does not request a follow-up survey at the end of a transaction or event. There may be ways for the City to get survey information online. If other costs in the budget go above expectations, such as health care, she sees the survey as an option that could be altered in the budget.

Mr. Schwerm stated that police protection will increase 5.8%. One reason is a higher wage adjustment than in recent years. In addition, the investigative caseload over the last five or six years has increased from 800 to almost 1400, and the Sheriff's Department has the same number of investigators. Contract cities are being asked to fund another investigator position. A representative from the Sheriff's Department will be invited to an upcoming workshop to discuss increases with the Council.

Mr. Schwerm continued with other factors that drive the levy increase. The Fire Department duty crew is fully implemented. The budget for the Fire Department is increased by 3.7% for cost of living. At mid-year a deputy chief position will also be added. This person will be a full-time firefighter who will also oversee technology, computer maintenance and network support. It is funded in this year's Capital Improvement Program. The preliminary budget is the ceiling that can be levied. He recommended adoption of the preliminary levy with opportunity for further discussion on changes that reduce the levy.

Councilmember Wickstrom expressed concern that infrastructure with roads built in the 1980s will begin to break down, which means that street infrastructure costs could rise significantly. Mr. Schwerm responded that the \$2.5 million street rehabilitation bond issue will be paid in 2022. Those streets are holding up well. He would prefer to see that debt retired before new debt is taken on.

Councilmember Quigley stated that all cities are facing these same infrastructure issues. Yet, Shoreview's ranking is 5 or 6 down from the average in taxes. That is the tax level to maintain and tell residents.

Mr. Schwerm stated that Shoreview is still about 20% below the average. Mr. Espe noted that the school district has dropped. Mr. Schwerm explained that when the school district renews its levy, that levy is kept at the same level. Other districts have renewed levies at higher levels.

It was the consensus of the Council to move forward with adoption of the preliminary levy as presented.

OTHER ISSUES

TURTLE LAKE AUGMENTATION SURVEY

Mr. Schwerm stated that a question regarding the survey to be sent to property owners on Turtle Lake is to include an option to respond "not to proceed" and "not to proceed at this time." This would leave flexibility for addressing another period of low water levels. The costs presented are based on the feasibility study.

Councilmember Wickstrom requested that all costs be listed as estimated on the survey. She asked what level would trigger reconsideration of augmentation if an option were given for "not at this time." "Not at this time" is too open ended. There needs to be a defined circumstance to trigger looking into this issue again.

Mayor Martin stated that there is current proof that precipitation brings the lake level up. She supports the survey as presented.

TRAIL ON COUNTY ROAD J

Mr. Schwerm stated the Bikeways and Trailways Committee has recommended putting in a sidewalk on County Road J. There is limited right-of-way for a trail. A sidewalk raises the issue of accommodating different grades of driveways to meet ADA standards. Temporary construction easements will be needed from several property owners to rebuild driveways.

Mr. Maloney stated that even with a minimal plan, there are a number of driveways that will have to be significantly reconstructed, and there are a number of property owners adamantly opposed to any sidewalk. There is no acquisition of land, only rebuilding the driveway. To put a sidewalk in, there are trees that will have to come out or be heavily trimmed. Mr. Schwerm estimated \$100,000 to \$150,000 in cost.

Councilmember Wickstrom noted that there will be redevelopment in the area, and County Road J may eventually be a four-lane road.

Mayor Martin suggested that the response of the Council to the Bikeways and Trailways Committee is that the consensus of the Council is that the cost is more than anticipated at this time. It can be put in the budget and planned for the future. She would send the comments from this discussion to Bikeways and Trailways Committee and ask them to look at alternative projects.

Mr. Maloney suggested that one project the Committee may opt for would be a better crossing on Gramsie. Mr. Schwerm stated that he sees that option as positive and more pressing at this time.

CITIZEN OF THE YEAR

It was the consensus of the Council to go forward with advertisements for nominations for Citizen of the Year with an application deadline in early October so there is time to make a presentation at the November Volunteer Dinner.

LIGHTING CEREMONY

Ms. Olson noted scheduling conflicts for Turtle Lake School to sing for the traditional Lighting Ceremony. It was the consensus of the Council to move the Lighting Ceremony to Monday, November 14, 2016, when the school choir would be able to attend.

The meeting adjourned.