

**CITY OF SHOREVIEW
MINUTES
REGULAR CITY COUNCIL MEETING
September 3, 2013**

CALL TO ORDER

Mayor Martin called the regular meeting of the Shoreview City Council to order at 7:00 p.m. on September 3, 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 September 3, 2013 agenda as submitted.

VOTE: Ayes - 5 Nays - 0

PROCLAMATIONS AND RECOGNITIONS

There were none.

CITIZEN COMMENTS

There were none.

COUNCIL COMMENTS

Mayor Martin:

Friday Night Flix on September 6th will feature *Mighty Ducks* at the pavilion in the Commons.

Saturday, October 5th, will be Cleanup Day in Shoreview.

There will be a TCAAP Review meeting on September 17, 2013, 5:30 to 7:30 p.m. It is an open house format. More information is available at the Ramsey County website.

Councilmember Wickstrom:

The trip to Einhausen with the Sister City Association was a great time with many planned excursions. Her host family added additional excursions that were not planned. Gifts will be presented to the City at the next Council meeting. The rooster, a gift from the Sister City Association, did not arrive, but it will be presented in October. A plaque from the City commemorating 10 years of the Sister City relationship was also presented.

October 5th is also the Fire Department Open House at Station No. 3.

Councilmember Johnson:

The Farmers' Market continues through October 25th.

Councilmember Quigley:

The Volunteer Recognition Day will be November 7, 2013, at the Shoreview Community Center.

The North Managed Lanes Study from the Department of Transportation regarding I 35W between County Roads I and J that shows the plans and time frame for the road work for anyone interested who would like to look it up on the website.

CONSENT AGENDA

The August 12, 2013 workshop meeting minutes were pulled and will be considered at the next Council meeting.

MOTION: by Councilmember Quigley, seconded by Councilmember Johnson to adopt the Consent Agenda for August 19, 2013, and all relevant resolutions for item Nos. 2 through 12:

2. August 19, 2013 City Council Meeting Minutes
3. Receipt of Committee/Commission Minutes:
 - Environmental Quality Committee, August 26, 2013
4. Verified Claims in the Amount of \$2,379,969.64
5. Purchases
6. Approval of Application for Lawful Gambling Permit - Emmet D. Williams Elementary PTA
7. Acceptance of Gifts for the *Slice of Shoreview*
8. Authorization to Trade-In/Purchase a Skidsteer Loader
9. Award of Bid - Bucher Park Tennis Resurfacing
10. Award of Quote - Highway 96 Landscaping
11. Developer Escrow Reduction

12. Approval of Revised Final Payment - 2013 Street Seal Coat, CP13-04

VOTE: Ayes - 4 Nays - 0

PUBLIC HEARINGS

There were none.

GENERAL BUSINESS**ITEMS RELATED TO 2014 TAX LEVY AND BUDGET****A. ADOPT PRELIMINARY TAX LEVY****B. ESTABLISH DATES FOR BUDGET HEARING****Presentation by Assistant Finance Director Fred Espe**

State law requires the city to certify a preliminary tax levy, establish a budget hearing date and certify an estimated sales tax expense from 2012 to Ramsey County by September 16th. This preliminary tax levy is used by the County to determine estimated tax statements. Between November 11 and November 23, the County mails estimated tax statements to property owners. The proposed date for the City's budget public hearing is December 2, 2013. The final budget and levy is scheduled for adoption at the December 16th Council meeting.

The proposed preliminary tax levy for 2014 maintains existing services and programs. It also provides funding for existing debt obligations, supports current capital costs and future replacements and meets the levy limit set by the State in the 2013 legislative session.

The proposed levy increases by slightly more than 3% due to levies that are outside the levy limit restrictions. Those include the debt levy and the HRA levy.

The City portion of the levy is proposed to increase 3.1%. The overall levy would increase 3.4% to include the HRA and EDA. The breakdown of the 3.4% increase is 2.09% for General Fund operations, 0.49% for debt payments, 0.52% for Capital funds, and 0.30% for the EDA/HRA levies.

One benchmark considered is the impact of the levy on a median valued home. The median value for a home in Shoreview in 2013 was \$222,200. The median value home for taxes payable in 2014 is \$224,500, which is an increase of 1%. This results in a City tax increase of \$16 for the year for a median valued home.

At the August workshop, the consensus was to certify a maximum levy of 3%. The General Fund levy is proposed to increase by \$202,587. That includes a \$28,000 contingency fund. Adopting the maximum raise of the levy limit allows the Council flexibility in upcoming budget review discussions in October and November. The preliminary levy sets a ceiling for the maximum levy. The final levy can be lower. A new capital acquisition fund for IT equipment is being established at a level of \$20,000, which is partially funded by the elimination of the

Capital Improvement Fund. Activity of the Capital Improvement Fund will be accounted for in a new Capital Investment Fund. Both the EDA and HRA levies are increasing by \$15,000. The total increase is \$329,587, or 3.4%.

As of January 1, 2014, the City was exempted from most sales taxes. The City is required to file the anticipated savings from that exemption by using what was paid in sales tax in 2012. The total estimated sales tax paid in 2012 is \$160,900. Of this total amount, the estimated sales tax paid from the General Fund is \$38,850.

Mayor Martin asked the reason for listing a breakdown of savings to the General Fund. Mr. Espe explained that the state wants to show the savings being given to cities. The \$38,850 is savings to the General Fund specifically and is included in the total \$160,900. Mr. Schwerm added that the savings have already been factored into the proposed budget.

The budget hearing date will appear on the truth and taxation statement sent out by the County. It is also published in the City's legal newspaper.

Mayor Martin noted that the preliminary levy is the maximum that can be adopted.

Councilmember Johnson noted that within nine years the City property values ranged from a +13% increase to a -4% decrease, and this year property values have increased 1%. Mr. Espe stated that the last time the City had a positive value increase was in 2008.

Mayor Martin noted that the value is based on a two-year lag, which means there is even more of a value increase, but that will not be known until next year.

Councilmember Quigley stated that the budget increases are due to contract costs that need to be sustained and for services residents want maintained. He is satisfied that the proposed increase is reasonable.

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to adopt resolution 13-76 establishing a preliminary City tax levy of \$9,919,154, and a preliminary HRA tax levy of \$90,000 for collection in 2014.

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

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to set a public budget hearing for Monday, December 2, 2013 at 7:00 p.m. to discuss the 2014 City budget, tax levy and capital improvement program.

Mayor Martin noted that the hearing on December 2nd may be extended should there be unanticipated questions to address further for residents.

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

AUTHORIZATION TO HIRE ARCHITECTURAL FIRM FOR COMMUNITY CENTER EXPANSION

Presentation by City Manager Terry Schwerm

A possible expansion of the Community Center is scheduled in the Capital Improvement Program at this time. The first step is to hire an architectural firm to assist with concept designs and cost estimates. A Request for Professional Services (RFPs) was reviewed by the Council at its June workshop meeting and then sent to a number of architectural firms. Areas being considered for expansion are: 1) the fitness center; 2) multi-purpose rooms; 3) indoor playground; 4) additional family locker rooms; and 5) replacement of outdoor wading pool.

Three proposals were received in response to the RFP. The proposals were from BWBR Architects, Pope Architects and Oertel Architects. Interviews were conducted with all three firms. Both BWBR and Pope submitted proposals that presented a good approach for this project. The BWBR proposal is for a lump sum fee of \$23,300; Pope had a not to exceed fee of \$28,500. After considerable discussion, staff is recommending hiring of BWBR Architects, the original architect of the design of the Community Center and the 2002 addition for this project.

Councilmember Wickstrom stated that due to BWBR's familiarity with the building, their participation in construction of the building and subsequent renovation, as well as their low bid, she believes they should be awarded the contract.

Councilmember Quigley stated that it is his hope the study will include identifying revenue streams to bring about a proposed expansion. He noted that in the RFP responses a group of five was identified. He asked if the group is included in the RFP response cost, even though the work is stipulated to an architect firm. Mr. Schwerm explained that each firm would subcontract with outside engineering firms regarding structural building issues. BWBR also has time allocated to hire an aquatics firm in regard to the outdoor wading pool.

Mayor Martin stated that while she would have supported a different firm, she is reassured to again be working with BWBR, a firm that understands Shoreview's philosophy and has done great work for the City in the past. BWBR has had extensive experience in the last few years with projects for municipalities, non-profits, Mayo Clinic and Hamline University.

Councilmember Johnson noted that BWBR has worked on projects from infant ages to seniors, which is what the Community Center does.

MOTION: by Councilmember Johnson, seconded by Councilmember Wickstrom to authorize the hiring of BWBR Architects for the Community Center expansion in the amount of \$23,300.

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

ADJOURNMENT

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

VOTE: Ayes - 4 Nays - 0

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE 16th DAY OF SEPTEMBER 2013.

Terry Schwerm
City Manager