



**CITY COUNCIL AGENDA  
MONDAY, AUGUST 5, 2019  
7:00 P.M.**

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. ADDITIONS OR CORRECTIONS TO AGENDA
5. DISCUSSION FROM THE FLOOR
6. **CONSENT AGENDA:**
  - A. Approval of Minutes – July 15, 2019
  - B. Contractor’s Request for Payment No.4 and Final – 2018 Sewer Lining Project
  - C. Approval of Right of Way Application – CenterPoint Energy
  - D. Resolution 19-23, A Resolution Accepting Donation to City from Spring Lake Park Lions Club
  - E. Contractor’s Licenses
  - F. Correspondence
7. PUBLIC WORKS REPORT
8. ORDINANCES AND/OR RESOLUTIONS
  - A. Resolution 19-21, A Resolution Approving Conditional Use Permit for an Auto Repair/Transportation Company at 8302 Highway 65 NE
  - B. Resolution 19-22, A Resolution Approving a Variance to Allow Construction of a Garage Addition/Extension at 416 Ballantyne Lane NE
9. NEW BUSINESS
  - A. Approval of 2018 Audited Financial Statements
  - B. Authorization to Purchase Attachments for 2019 Mach Truck
  - C. Authorization to Purchase Woodchipper
  - D. Appoint Acting Mayor
10. ENGINEER’S REPORT
11. ATTORNEY’S REPORT
12. REPORTS
  - A. Beyond the Yellow Ribbon Report
13. OTHER
  - A. Administrator Reports
    - i. Night to Unite – August 6, 2019 – various locations around the city.
    - ii. Council Workshop – August 12, 2019 at 5:30pm, City Hall
14. ADJOURN

**SEE REVERSE SIDE FOR RULES FOR PUBLIC HEARINGS AND  
DISCUSSION FROM THE FLOOR**

## RULES FOR PUBLIC HEARINGS AND DISCUSSION FROM THE FLOOR

### DISCUSSION FROM THE FLOOR

\*\*Limited to 3 minutes per person to state their concern.

\*\*Action: Council direction to staff for resolution or take this matter under advisement for action at the next regularly scheduled meeting.

### PUBLIC HEARINGS

Advise audience that the purpose of the public hearing is to receive citizen input on the proposal to (name of project). (This is not a time to debate the issue.)

The following format will be used to conduct the hearing:

\*\* The presenter will have a maximum of 10 minutes to explain the project as proposed.

\*\* Councilmembers will have an opportunity to ask questions or comment on the proposal.

\*\* Citizens will then have an opportunity to ask questions and/or comment on the project. Those wishing to comment are asked to limit their comments to 3 minutes, except in cases where there is a spokesperson representing a group wishing to have their collective opinions voiced. The spokesperson should identify the audience group her/she is representing and may have a maximum of 10 minutes to express the views of the group.

\*\*People wishing to comment are asked to state any new facts they may have within the 3 minutes allotted. Please be specific and to the point.

\*\* Everyone will be given the opportunity to express their agreement or disagreement even if they have no new points to make. (This is not a time to debate the issue.)

\*\* People wishing to speak twice will be given 2 minutes to comment on any new facts brought forward since the last time they spoke.

Following public input, the Council will have a second opportunity to ask questions of the presenter and/or citizens.

The public hearing will then be adjourned with the Council taking the matter under advisement until the next regularly scheduled Council meeting. At the next regular meeting, the Council will debate the issue, if necessary, state their positions and make a decision. NO further public input will be received at that time.

## OFFICIAL PROCEEDINGS

Pursuant to due call and notice thereof, the regularly scheduled meeting of the Spring Lake Park City Council was held on July 15, 2019 at the Spring Lake Park Community Center, 1301 81st Avenue N.E., at 7:00 P.M.

### 1. Call to Order

Acting Mayor Nelson called the meeting to order at 7:00 P.M.

### 2. Roll Call

Members Present: Councilmembers Wendling, Delfs and Goodboe-Bisschoff and Acting Mayor Nelson

Members Absent: None

Staff Present: Public Works Director Randall; Police Sergeant Antoine; Engineer Gravel; Parks and Recreation Director Rygwall; Administrator Buchholtz and Executive Assistant Gooden

Visitors: Legends of Spring Lake Park Residents (1066 County Road 10 NE)  
Joan Morpew Apt. #145  
Jo Reger (unknown)  
Tina Baker (unknown)  
Mary Andersohn Apt. #321  
Karen Westheld Apt. #212  
Paddy Jones, Ham Lake  
Paige Kieffer, ABC Newspapers  
Jeff Baker, Blaine

### 3. Pledge of Allegiance

### 4. Additions or Corrections to Agenda - None

### 5. Discussion From The Floor - None

### 6. Consent Agenda:

Acting Mayor Nelson reviewed the following Consent Agenda items:

- A. Approval of Minutes – July 1, 2019
- B. Disbursements
  - 1. General Fund Disbursement Claim No. 19-11 -- \$307,600.49
- C. Approval of Right of Way Application – Xcel Energy
- D. Approval of Right of Way Application – Verizon Access Transmission
- E. Approval of MNSPECT Invoice
- F. Contractor's Licenses
- G. Correspondence

MOTION BY COUNCILMEMBER WENDLING APPROVING THE CONSENT AGENDA. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

## 7. Police Report

Police Sergeant Antoine reviewed the June 2019 department statistics.

Sergeant Antoine reported that the Police Department responded to six hundred fifty one calls for service for the month of June 2019 compared to six hundred twenty one calls for service in June 2018.

Sergeant Antoine reported that Investigator Bennek is into his second month in the Investigator position. He reports to handling a caseload of 44 cases for the month of June 2019. He stated that Investigator Bennek noted having 13 active forfeiture cases. He noted that Investigator Bennek reported that the City as well as other cities across the metro area are seeing an increase in theft from motor vehicles.

Sergeant Antoine reported that School Resource Officer Chlebeck concluded the 2018-2019 school year in June. He stated that the Spring Lake Park Police Department would like to wish the 2018-2019 seniors at Spring Lake Park High School congratulations and wish them good luck in their future endeavors.

Sergeant Antoine stated that Officer Chlebeck reported handling five calls for service at the local schools, along with conducting 59 student contacts, 35 escorts and 38 follow up investigations into school related incidents. He reported that Officer Chlebeck noted that this year was his third and final year as a School Resource Officer and that he has thoroughly enjoyed working in the school system with the staff and students.

Sergeant Antoine reported, in addition to addressing the day-to-day operations of the Department, Director of Public Safety/Chief of Police Ebeltoft attended numerous meetings throughout the month representing Spring Lake Park Police Department and the City of Spring Lake Park.

## 9. Parks and Recreation Report

Parks and Recreation Director Rygwall reported that the Parks and Recreation Commission met and discussed their Tower Day involvement, the Beyond the Yellow Ribbon assistance with softball tournament concessions and reported on financials.

Ms. Rygwall thanked the Public Works and Police Department staff for their assistance with the Tower Days celebration. She reported that the Tower Days committee met and discussed ideas and contracts for 2020.

Ms. Rygwall reported that the Music in the Park has been very successful at Lakeside Park. She reported that a few Wednesday evening events remain. She provided the monthly program statistics and a recap of the day trips that were offered.

## 9. Ordinances And/Or Resolutions

### A. Ordinance 454 Amending Section 115 of the Spring Lake Park City Code Relating to Amusements (Lawful Gambling)

Administrator Buchholtz reported that the City of Spring Lake Park received a request for the Spring Lake Park Lions to amend Chapter 115 of the Spring Lake Park City Code which limits organizations to conduct lawful gambling at no more than three locations within the City.



Administrator Buchholtz reported that the Spring Lake Park Lions currently conducts lawful gambling at Biffs, Monte's and Sunset Grill. He stated that the Lions have received a request to conduct lawful gambling at Torg Brewery. He stated that this would not be possible without an amendment to the City Code.

Administrator Buchholtz reported that Ordinance 454 amends Section 115.03 of the City Code to strike (C). He stated that this would mean that any organization that qualifies to conduct lawful gambling under the Code can operate at unlimited locations within the City. He stated that the restriction that an organization must maintain an address within the City for three years prior to the application or that it owns a commercial building within the city from which it operates still stands.

Administrator Buchholtz reported that staff has no objection to the proposed amendment. He stated that it will provide bar owners the freedom to select the organization they wish to work with.

Administrator Buchholtz stated that a premise permit will be submitted to the City Council soon for Torg Brewery.

Acting Mayor Nelson stated that at one time there were so many organizations competing for gambling premises, he feels it is important to remain viable and allow few organizations for charitable gaming.

MOTION MADE BY ACTING MAYOR NELSON TO APPROVE ORDINANCE 454 AMENDING SECTION 115 OF THE SPRING LAKE PARK CITY CODE RELATING TO AMUSEMENTS. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

B. Resolution 19-15 Accepting Resignation of Cindy Hansen and Declaring a Vacancy For The Office of Mayor

Administrator Buchholtz reported that Cindy Hansen submitted her resignation from the office of Mayor effective at 11:59 PM on July 2, 2019. He stated that Councilmember Bob Nelson become Acting Mayor, pursuant to the appointments the City Council made at its annual meeting.

Administrator Buchholtz reported that State law allows the City Council to appoint an individual to fill the vacancy. He stated that however, due to fact that there is more than two years remaining in the unexpired term, the City will need to hold a special election in conjunction with the next City election on November 3, 2020. He stated that the individual appointed to fill the vacancy will serve as Mayor until the winner of that special election is certified and receives his/her "Certificate of Election". He stated that the individual appointed as Mayor is free to stand for election in this special election.

Administrator Buchholtz reported that staff is recommending the City Council begin the process of filling the vacant Mayor position. He presented Resolution 19-15 that declares a vacancy in the Office of Mayor. He reported that in the past, the City Council has appointed one of its members to serve as Mayor and Resolution 19-16 would make that appointment.

Administrator Buchholtz stated that the appointment of a Councilmember to Mayor would leave a City Council vacancy as the offices of Mayor and Councilmember are incompatible offices. He stated that Resolution 19-17 would declare that vacancy and authorize staff to begin the appointment process to fill that vacancy. He stated that the process would be to solicit applications from residents in the community and select candidates to interview. He stated that this process has worked well in the past.

MOTION MADE BY COUNCILMEMBER DELFS TO APPROVE RESOLUTION 19-15 ACCEPTING

RESIGNATION OF CINDY HANSEN AND DECLARING A VACANCY FOR THE OFFICE OF MAYOR. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

C. Resolution 19-16 Appointing A Mayor

Acting Mayor Nelson asked for nominations for appointment of Mayor and the calling for a special election to fill the unexpired portion of term.

Councilmember Wendling nominated Acting Mayor Nelson for the Mayor position.

Councilmember Goodboe-Bisschoff nominated herself for the position of Mayor.

The City Council voted on the nomination of Acting Mayor Nelson first. Acting Mayor Nelson's nomination was approved with Councilmembers Wendling and Delfs voting in favor and Councilmember Goodboe-Bisschoff in opposition. Acting Mayor Nelson abstained. No action was taken on Councilmember Goodboe-Bisschoff's nomination.

Councilmember Goodboe-Bisschoff asked that the resolution be split into two resolutions. She asked that Resolution 19-16 appoint the mayor for the remaining term and Resolution 19-17 be written to call for a special election to fill the unexpired portion of the mayor term.

MOTION MADE BY COUNCILMEMBER WENDLING TO APPROVE RESOLUTION 19-16 APPROVING ROBERT NELSON AS MAYOR. ROLL CALL VOTE: COUNCILMEMBERS WENDLING AND DELFS – AYES; COUNCILMEMBER GOODBOE-BISSCHOFF – NAY. MOTION CARRIED.

D. Resolution- 19- 17 Calling for a Special Election to Fill Unexpired Portion of Term

MOTION MADE BY COUNCILMEMBER WENDLING TO APPROVE RESOLUTION 19-17 CALLING FOR A SPECIAL ELECTION ON NOVEMBER 3, 2020 TO FILL UNEXPIRED PORTION OF MAYOR TERM. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

E. Resolution 19-18 Accepting Resignation of Councilmember Robert Nelson and Declaring A Vacancy For Office Of Councilmember

MOTION MADE BY MAYOR NELSON TO ACCEPT RESIGNATION OF COUNCILMEMBER ROBERT NELSON AND DECLARE A VACANCY FOR THE OFFICE OF COUNCILMEMBER. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

F. Resolution 19-19 Conditionally Granting Site Plan Approval for Construction of Utility Shed at 1001 County Road 10 NE

Administrator Buchholtz reported that the City has received an application for site plan review from Cinmar LLC (Quick Lube). He stated that they are proposing to build a 14 foot (wide) by 14 foot (long) by nine-foot tall utility shed on their property. He stated that the proposed building will be built near the existing dumpster enclosure. He stated that the shed will be used to store a bobcat, which is used in the winter for snow removal, along with a lawn mower and snow blower.

Administrator Buchholtz stated that staff has reviewed the proposed improvements and recommends approval

of the site plan with the following conditions:

1. Applicant shall obtain all necessary building permits prior to construction and occupancy of proposed improvements.

MOTION MADE BY COUNCILMEMBER DELFS TO APPROVE RESOLUTION 19-19 CONDITIONALLY GRANTING SITE PLAN APPROVAL FOR CONSTRUCTION OF UTILITY SHED AT 1001 COUNTY ROAD 10 NE. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

G. Resolution 19-20 Authorizing Summary Publication of Ordinance 454

MOTION MADE BY ACTING MAYOR NELSON TO APPROVE RESOLUTION 19-20 AUTHORIZING PUBLICATION OF TITLE AND SUMMARY OF ORDINANCE 454, AN ORDINANCE AMENDING CHAPTER 115 OF THE SPRING LAKE PARK CITY CODE RELATING TO AMUSEMENTS. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

10. New Business

A. Amendment to Personnel Policy Regarding Cellphone Use

Administrator Buchholtz reported that staff is seeking authority to amend the City's Cellular Phone Use Policy due to the changes in the State Law requiring the hands-free use of cellular phones while driving.

Administrator Buchholtz provided the changes to the City Council. He stated that a Department Head may authorize an employee to use his/her own personal phone for city business and be reimbursed by the city for those calls. He stated that an employee will not be reimbursed for business-related calls without prior authorization from his/her supervisor. He stated that Supervisors may also prohibit employees from carrying their own personal cell phones during working hours if it interferes with the performance of their job duties.

Administrator Buchholtz reported that use of public resources by city employees for personal gain and/or private use including, but not limited to, outside employment or political campaign purposes, is prohibited and subject to disciplinary action which may include termination and/or criminal prosecution, depending on the circumstances. He stated that incidental and occasional personal use may be permitted with the consent of the supervisor.

Administrator Buchholtz reported that all personal calls made by employees on a City-provided cellular phone which exceed the minimum month charge for that phone must be paid for by the employee through reimbursement to the City based on actual cost listed on the City's phone bill.

Mayor Nelson inquired if the Bluetooth technology will be available in the new vehicles that are being purchased for Public Works. Mr. Randall stated that all the new trucks do have the hands-free technology.

Administrator Buchholtz stated that the new vehicle that will be purchased for the Building Inspector will have hands free technology as well.

Councilmember Goodboe-Bisschoff inquired as to how many vehicles are not equipped with Bluetooth technology currently. Mr., Randall stated that three city vehicles are not equipped.

MOTION MADE BY COUNCILMEMBER WENDLING TO APPROVE AMENDMENT TO

PERSONNEL POLICY REGARDING CELL PHONE USE. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

B. Authorization to Conditionally Hire Building Inspector – Jeff Baker

Administrator Buchholtz reported that City staff is seeking authority from the City Council to make a conditional job offer to Jeff Baker for the Building Inspector position.

Administrator Buchholtz reported that the City advertised the Building Inspector position on May 22, 2019, and applications were due on June 11, 2019. He reported that nine applications were received and Executive Assistant Gooden and himself reviewed and scored each application. He stated that based on the application scoring, six applicants were selected for interviews. He reported that interviews were held on June 24, 2019 with the interview panel consisting of Executive Assistant Gooden, Public Works Director Randall and himself.

Administrator Buchholtz reported that at the conclusion of the interviews, the interview panel agreed that one candidate rose to the top based on experience – Jeff Baker. He reported that that Mr. Baker graduated from Spring Lake Park, has served as a Fire Inspector II/Firefighter for the City of Blaine for six years and is currently a Fire Inspector II for the City of St. Paul. He stated that in these Fire Inspector roles, Mr. Baker has conducted fire inspections on commercial properties, conducted plan reviews for renovations and construction projects, conducted residential rental housing inspections, and responded to citizen housing and code enforcement complaints. He noted that Mr. Baker also serves as a volunteer firefighter on the SBM Fire Department for over 14 years currently ranked as Lieutenant.

Administrator Buchholtz reported that Mr. Baker has qualified to take the Limited Certified Building Official Exam in October, which would allow him to do building inspections on one and two-family residential structures. He stated that he anticipates earning his full Certified Building Official license by October 2020. He stated that he will be able to immediately begin work on rental housing inspections and annual fire inspections.

Administrator Buchholtz stated that staff is recommending the City Council offer the Building Inspection position to Jeff Baker, conditioned on passing a drug test. He stated that staff recommends starting Mr. Baker at \$27.59/hour (\$57,387.20/year). He stated that staff is also recommending that Mr. Baker be allowed the ability to immediately have access to his vacation accrual. He stated his start date would be August 5, 2019.

Councilmember Wendling inquired on how long it would take Mr. Baker to get his limited license. Mr. Baker stated that he currently has enough points to take the test at the end of October this year. He stated that once he has the limited license, he will be eligible to take the Building Official test.

Councilmember Goodboe-Bisschoff inquired as to why the City Council did not review the applications.

Administrator Buchholtz stated that the City Council has delegated authority to him to hire employees. He stated that the state law requires formal approval of the City Council for new employees. He stated that independent contractors such as Engineering or Attorney would be actively reviewed by the City Council. He stated that employment is different and staff reviews the applications and presents the candidate for formal consideration.

MOTION MADE BY COUNCILMEMBER DELFS TO AUTHORIZE CONDITIONAL OFFER TO HIRE JEFF BAKER AS BUILDING INSPECTOR. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

C. Authorization to Purchase 2020 Dump Truck

Public Works Director Randall reported that he was seeking authorization to purchase a new 2020 Mack Dump truck. He stated that the truck that it will replace is a 1998 Ford. He reported that it has become very hard to find parts for the Ford and it is used heavily in the winter for plowing and sanding as well as on water main breaks. He stated that the truck has 41,000 miles on it and 4,800 hours.

Mr. Randall reported that the truck that he would like approval for is a 2020 Mack Truck and it is on the state contract and does include motor vehicle sales tax. He stated that the new dump truck proposal does not include the box, plow, sander or under belly-plow as those items will need to be purchased from another vendor.

Mr. Randall stated that he was requesting that the truck be purchased from Nuss Truck and Equipment in amount of \$99,533.84 with funds from the 2018 Equipment Replacement Certificate. He stated that the truck would be built in November with anticipated delivery in January 2020.

Councilmember Nelson inquired if the vehicle accessories would be similar to those on the existing trucks and installed with a local vendor. Mr. Randall stated that it would-be stainless-steel boxes and a quote for the accessory items would be forwarded to the Council at the next City Council meeting.

Councilmember Goodboe-Bisschoff inquired how much the completed vehicle would cost and if there was funding available for the accessories. Mr. Randall stated that he estimated the cost to be \$210,000 for the completed vehicle and there is over \$100,000 remaining in the Equipment Certificate for accessories.

**MOTION MADE BY COUNCILMEMBER WENDLING TO PURCHASE 2020 MACK DUMP TRUCK IN THE AMOUNT OF \$99,533.84 FROM NUSS TRUCK AND EQUIPMENT. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.**

11. Engineer's Report

Engineer Gravel reported that the 2019 Street Seal Coat and Crack Fill Project is scheduled to begin. He reported that crack repair construction is scheduled for the week July 23, 2019, and seal coat work is scheduled for the week of July 31, 2019, depending on the weather. He stated that information will be posted on the City website.

12. Attorney's Report – None13. ReportsA. Administrator Reports - None14. Other

Mayor Nelson reported the Beyond the Yellow Ribbon car show was a success. He reported that 28 vehicles were on display for the car show and concession sales were successful.

15. Adjourn

MOTION BY COUNCILMEMBER WENDLING TO ADJOURN. VOICE VOTE: ALL AYES. MOTION CARRIED.

The meeting was adjourned at 7:55 PM.

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Cindy Hansen, Mayor

Attest:

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Daniel R. Buchholtz, Administrator, Clerk/Treasurer



**Stantec Consulting Services Inc.**  
733 Marquette Avenue, Suite 1000  
Minneapolis, MN 55402  
Tel: (612) 712-2000

July 30, 2019

Mr. Daniel Buchholtz, Administrator  
City of Spring Lake Park  
1301 81st Avenue NE  
Spring Lake Park, MN 55432

Re: 2018 Sanitary Sewer Lining Project  
Project No. 193804547  
**Contractor's Request for Payment No. 4-FINAL**

Dear Dan:

Attached for city approval is Contractor's Request for Payment No. 4-FINAL for the 2018 Sanitary Sewer Lining Project. The prime Contractor on this project was Insituform Technologies.

This request releases the remaining project retainage. This request also reflects a credit for city time spent on the Arthur Street sewer blockage event. This request is the final payment to the Contractor. Project close-out documents are attached to the request.

We have reviewed the contractor's payment request and found it to be in order. We recommend approval. **If the City wishes to approve this request, then payment should be made to Insituform Technologies in the amount of \$19,235.70.**

Please execute the payment request documents. Keep one copy for your records, forward two copies to Insituform Technologies (one for them and one for their bond company), and return one copy to me.

Feel free to contact me if you have any questions.

Regards,  
**STANTEC**

A handwritten signature in black ink that reads "Phil Gravel".

Phil Gravel  
City Engineer

Enclosures

cc: Terry Randall, Public Works Director



Owner: City of Spring Lake Park, 1301 81st Ave. NE, Spring Lake Park, MN 55432	Date: July 30, 2019
For Period: 6/15/2019 to 7/30/2019	Request No: 4/Final
Contractor: Insituform Technologies USA, LLC, 17988 Edison Ave., Chesterfield, MO 63005	

**CONTRACTOR'S REQUEST FOR PAYMENT**  
2018 SANITARY SEWER IMPROVEMENTS  
STANTEC PROJECT NO. 193804547

SUMMARY

1	Original Contract Amount		\$	326,758.40
2	Change Order - Addition	\$	49,348.70	
3	Change Order - Deduction	\$	-9,545.00	
4	Revised Contract Amount		\$	366,562.10
5	Value Completed to Date		\$	384,714.10
6	Material on Hand		\$	0.00
7	Amount Earned		\$	384,714.10
8	Less Retainage 0%		\$	0.00
9	Subtotal		\$	384,714.10
10	Less Amount Paid Previously		\$	365,478.40
11	Liquidated damages -		\$	0.00
12	AMOUNT DUE THIS REQUEST FOR PAYMENT NO. 4/Final		\$	19,235.70

Recommended for Approval by:  
**STANTEC**

 7/30/19

Approved by Contractor:  
**INSITUFORM TECHNOLOGIES USA, LLC**

Per Invoices 105483 - 6/18/19

Approved by Owner:  
**CITY OF SPRING LAKE PARK**

Specified Contract Completion Date:

Date:



No.	Item	Unit	Contract Quantity	Unit Price	Current Quantity	Quantity to Date	Amount to Date
<b>BASE BID</b>							
1	MOBILIZATION	LS	1	5853.00		1	5,853.00
2	TRAFFIC CONTROL	LS	1	8918.50		1	8,918.50
3	SEWER REHABILITATION, 8 or 9-INCH CIPP	LF	12450	21.90		12406	271,691.40
4	HYDROPHILIC END SEAL	EA	89	112.10		89	9,976.90
5	CLEAN AND INSPECT SERVICE LATERAL CONNECTION	EA	10	317.40	60	60	19,044.00
6	GROUT SERVICE LATERAL CONNECTION	EA	90	290.90	72	72	20,944.80
7	PIPE GRADING (C.O. 2)	LS	1	8000.00		1	8,000.00
	TOTAL BASE BID						344,428.60
<b>CHANGE ORDER NO. 1</b>							
8	MOBILIZATION	LS	1	1100.00		1	1,100.00
9	TRAFFIC CONTROL	LS	1	660.00		1	660.00
10	SEWER REHABILITATION, 8 OR 9-INCH CIPP	LF	2173	21.90		2195	48,070.50
	TOTAL CHANGE ORDER NO. 1						49,830.50
<b>DEDUCT</b>							
11	ARTHUR ST. SEWER PLUG (DEDUCT)	LS	1	-9545.00		1	(9,545.00)
	TOTAL DEDUCT						(9,545.00)
	TOTAL BASE BID						344,428.60
	TOTAL CHANGE ORDER NO. 1						49,830.50
	TOTAL DEDUCT						(9,545.00)
	<b>WORK COMPLETED TO DATE:</b>						<b>384,714.10</b>

**PROJECT PAYMENT STATUS**

OWNER CITY OF SPRING LAKE PARK  
STANTEC PROJECT NO. 193804547  
CONTRACTOR INSITUFORM TECHNOLOGIES USA, LLC

**CHANGE ORDERS**

No.	Date	Description	Amount
1	8/8/2018	This Change Order provides for additional work on this project. See Change Order.	\$49,348.70
Total Change Orders			\$49,348.70

**PAYMENT SUMMARY**

No.	From	To	Payment	Retainage	Completed
1	10/01/2018	11/07/2018	185,515.96	9,763.99	195,279.95
2	11/08/2018	02/05/2019	151,040.83	17,713.51	354,270.30
3	02/05/2019	06/14/2019	28,921.61	19,235.70	384,714.10
4/Final	06/15/2019	07/30/2019	19,235.70		384,714.10

**Material on Hand**

Total Payment to Date		\$384,714.10	Original Contract	\$326,758.40
Retainage Pay No. 4/Final			Change Orders	\$39,803.70
Total Amount Earned		\$384,714.10	Revised Contract	\$366,562.10



**Insituform**  
Technologies USA, LLC

TO: City of Spring Lake Park  
1301 81st Avenue Northeast  
Spring Lake Park, MN 55432

Make Checks Payable to:

**INSITUFORM TECHNOLOGIES US**

PLEASE REMIT PAYMENT TO:

Insituform Technologies USA, LLC

Post Office Box 674060

Dallas, Texas 75267-4060

PROJECT: 2018 Sanitary Sewer Lining  
Stantec#193804547, Anoka County

Final Ret  
102483  
WORK COMPLETED THRU: 06/14/19  
INVOICE DATE: 06/18/19

ITEM NO	DESCRIPTION	CONTRACT			COMPLETED THIS PERIOD			COMPLETED-TO-DATE		
		QUANTITY	UNIT	PRICE	QUANTITY	%	AMOUNT	QUANTITY	%	AMOUNT
1	Mobilization	1	LS	\$5,853.00	0.0	LS	0%	1.0	LS	100%
2	Traffic Control	1	LS	\$8,918.50	0.0	LS	0%	1.0	LS	100%
3	Sewer Rehabilitation 8" or 9" CIPP	7,931	EA	\$21.90	0.0	EA	0%	12,406.0	EA	156%
4	Hydrophilic End Seal	55	EA	\$112.10	0.0	EA	0%	89.0	EA	162%
5	Clean and Inspect Service Lateral Connection	6	LS	\$317.40	0.0	LS	0%	60.0	LS	#####
6	Grout Service Lateral Connection	60	LS	\$290.90	0.0	LS	0%	72.0	LS	120%
7	CO 1 Mobilization	1	LS	\$1,100.00	0.0	LS	50%	1.0	LS	100%
8	CO 1 Traffic Control	1	LS	\$660.00	0.0	LS	0%	1	LS	100%
9	CO 1 Sewer Rehab 8" or 9" CIPP	2173	LF	\$21.90	0.0	LF	0%	2195	LF	101%
10	CO 2 Am Environ Mobilization	1	LS	\$4,500.00	0.0	LS	0%	1	LS	100%
11	CO 2 Grout Joints	2	EA	\$800.00	0.0	EA	0%	2	EA	100%
12	CO 2 Grout	20	GAL	\$35.00	0.0	GAL	0%	20	GAL	100%
13	CO 2 Jetting	1	LS	\$1,200.00	0.0	LS	0%	1	LS	100%
14	CO Arthur St Plug	1	LS	-\$9,545.00	0.0	LS	0%	1	LS	100%
TOTAL CONTRACT:		\$271,333.00			EARNED THIS PERIOD:			EARNED TO DATE:		
					\$0.00			\$384,714.10		

Month Gross	\$0.00	Less: Retainage @	0%		0.00
Month Retention	\$0.00	Previous Estimates			384,714.10
Month Open	\$0.00	Other			
Customer Number:		Payments Applied			0
		to Date			365,478.40

FINAL RET DUE  
THIS ESTIMATE: \$19,235.70



## Contractor Affidavit Submitted

Thank you, your Contractor Affidavit has been approved.

### Confirmation Summary

Confirmation Number: 0-793-993-248  
 Submitted Date and Time: 16-Jul-2019 4:36:06 PM  
 Legal Name: INSITUFORM TECHNOLOGIES USA LLC  
 Federal Employer ID: 43-1319597  
 User Who Submitted: MN-ITU  
 Type of Request Submitted: Contractor Affidavit

### Affidavit Summary

**Affidavit Number:** 1406377984  
 Minnesota ID: 3560426  
 Project Owner: CITY OF SPRING LAKE PARK  
 Project Number: 193804547 102483  
 Project Begin Date: 01-Dec-2018  
 Project End Date: 14-May-2019  
 Project Location: 2018 SANITARY SEWER LINING  
 Project Amount: \$384,714.10

### Subcontractor Summary

Name	ID	Affidavit Number
AMERICAN ENVIRONMENTAL, LLC	1250560	186966016
RITTER & RITTER SEWER SERVICE, INC.	2825000	349331456

### Important Messages

A copy of this page must be provided to the contractor or government agency that hired you.

### Contact Us

If you need further assistance, contact our Withholding Tax Division at 651-282-9999, (toll-free) 800-657-3594, or (email) [withholding.tax@state.mn.us](mailto:withholding.tax@state.mn.us). Business hours are 8:00 a.m. - 4:30 p.m. Monday - Friday.

Please [print this page](#) for your records using the print or save functionality built into your browser.

American Environmental, LLC  
3086 Walden Drive  
Chaska, MN 55318

# FINAL LIEN WAIVER

Reference that certain Agreement between American Environmental, LLC as Subcontractor and Insituform Technologies USA, LLC as Contractor, on Project known as: City of Spring Lake Park Minnesota 2018 Sanitary Sewer Lining, Stantec#193804547, Anoka County, for work to be performed by said Subcontractor. Reference also that certain Invoice No(s) of Subcontractor to said Contractor in the amount of \$82,410.00 for work, labor and materials installed in or furnished for said Project by and through Insituform Technologies USA, LLC, of which Contractor has made payment in the amount of \$82,410.00, leaving an unpaid balance in the amount of \$0.00.

Subcontractor acknowledges receipt of Contractors remittance for the amount of \$82,410.00 as final payment and contingent upon the final clearance and payment of said remittance, and further Subcontractor agrees to and does hereby waive and release said Property, Project, Owner and Contractor from any and all liens, statutory or otherwise, for any and all work, labor and materials furnished by or through Insituform Technologies on said project to and including the work, labor and materials to the extent of payment in the amount of \$82,410.00.

The remittance of Contractor identified as payment of \$82,410.00 marked "paid" or otherwise canceled by the bank against which said remittance was drawn shall constitute conclusive proof that amount was paid and that said payment thereof was received by Subcontractor and this Lien Waiver shall become effective automatically and without requirement of any further act, acknowledgement or receipt on the part of the Subcontractor named herein.

Dated this 11th day of July, 2019

American Environmental, LLC

By: [Signature]

Title: OWNER

Subscribed and sworn to before me, the undersigned Notary Public within and for the State of MINNESOTA, and the County of SCOTT, this 11th day of July, 2019 in the City of BELLE PLAINE.

[Signature: Katerina Hooker]  
Notary Public within and for said County and State:

My commission expires: January 31, 2023





## Contractor Affidavit Submitted

Thank you, your Contractor Affidavit has been approved.

### Confirmation Summary

Confirmation Number:	0-913-604-640
Submitted Date and Time:	11-Jul-2019 4:44:27 PM
Legal Name:	AMERICAN ENVIRONMENTAL LLC
Federal Employer ID:	27-0776037
User Who Submitted:	americanenviro
Type of Request Submitted:	Contractor Affidavit

### Affidavit Summary

<b>Affidavit Number:</b>	<b>186966016</b>
Minnesota ID:	1250560
Project Owner:	CITY OF SPRING LAKE PARK
Project Number:	193804547 102483
Project Begin Date:	01-Sep-2018
Project End Date:	14-May-2019
Project Location:	2018 SANITARY SEWER LINING
Project Amount:	\$82,410.00
Subcontractors:	No Subcontractors

### Important Messages

A copy of this page must be provided to the contractor or government agency that hired you.

### Contact Us

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Please [print this page](#) for your records using the print or save functionality built into your browser.



## Contractor Affidavit Submitted

Thank you, your Contractor Affidavit has been approved.

### Confirmation Summary

Confirmation Number:	0-172-417-056
Submitted Date and Time:	16-Jul-2019 4:12:52 PM
Legal Name:	RITTER & RITTER SEWER SERVICE INC
Federal Employer ID:	41-1847429
User Who Submitted:	rittersewer
Type of Request Submitted:	Contractor Affidavit

### Affidavit Summary

Affidavit Number:	349331456
Minnesota ID:	2825000
Project Owner:	CITY OF SPRING LAKE PARK
Project Number:	193704547 102483
Project Begin Date:	17-Dec-2018
Project End Date:	17-Dec-2018
Project Location:	2018 SANITARY SEWER LINING
Project Amount:	\$2,375.00
Subcontractors:	No Subcontractors

### Important Messages

A copy of this page must be provided to the contractor or government agency that hired you.

### Contact Us

If you need further assistance, contact our Withholding Tax Division at 651-282-9999, (toll-free) 800-657-3594, or (email) [withholding.tax@state.mn.us](mailto:withholding.tax@state.mn.us). Business hours are 8:00 a.m. - 4:30 p.m. Monday - Friday.

Please [print this page](#) for your records using the print or save functionality built into your browser.



Ritter & Ritter Sewer Service, Inc.  
1630 - 91st Avenue NE, Suite 110  
Blaine MN 55449

## FINAL LIEN WAIVER

Reference that certain Agreement between Ritter & Ritter Sewer Service, Inc. as Subcontractor and Insituform Technologies USA, LLC as Contractor, on Project known as: City of Spring Lake Park Minnesota 2018 Sanitary Sewer Lining, Stantec#193804547, Anoka County, for work to be performed by said Subcontractor. Reference also that certain Invoice No(s) of Subcontractor to said Contractor in the amount of \$2,375.00 for work, labor and materials installed in or furnished for said Project by and through Insituform Technologies USA, LLC, of which Contractor has made payment in the amount of \$2,375.00, leaving an unpaid balance in the amount of \$0.00.

Subcontractor acknowledges receipt of Contractors remittance for the amount of \$2,375.00 as final payment and contingent upon the final clearance and payment of said remittance, and further Subcontractor agrees to and does hereby waive and release said Property, Project, Owner and Contractor from any and all liens, statutory or otherwise, for any and all work, labor and materials furnished by or through Insituform Technologies on said project to and including the work, labor and materials to the extent of payment in the amount of \$2,375.00.

The remittance of Contractor identified as payment of \$2,375.00 marked "paid" or otherwise canceled by the bank against which said remittance was drawn shall constitute conclusive proof that amount was paid and that said payment thereof was received by Subcontractor and this Lien Waiver shall become effective automatically and without requirement of any further act, acknowledgement or receipt on the part of the Subcontractor named herein.

Dated this 16 day of July, 2019

Ritter & Ritter Sewer Service, Inc

By: [Signature]

Title: CEO

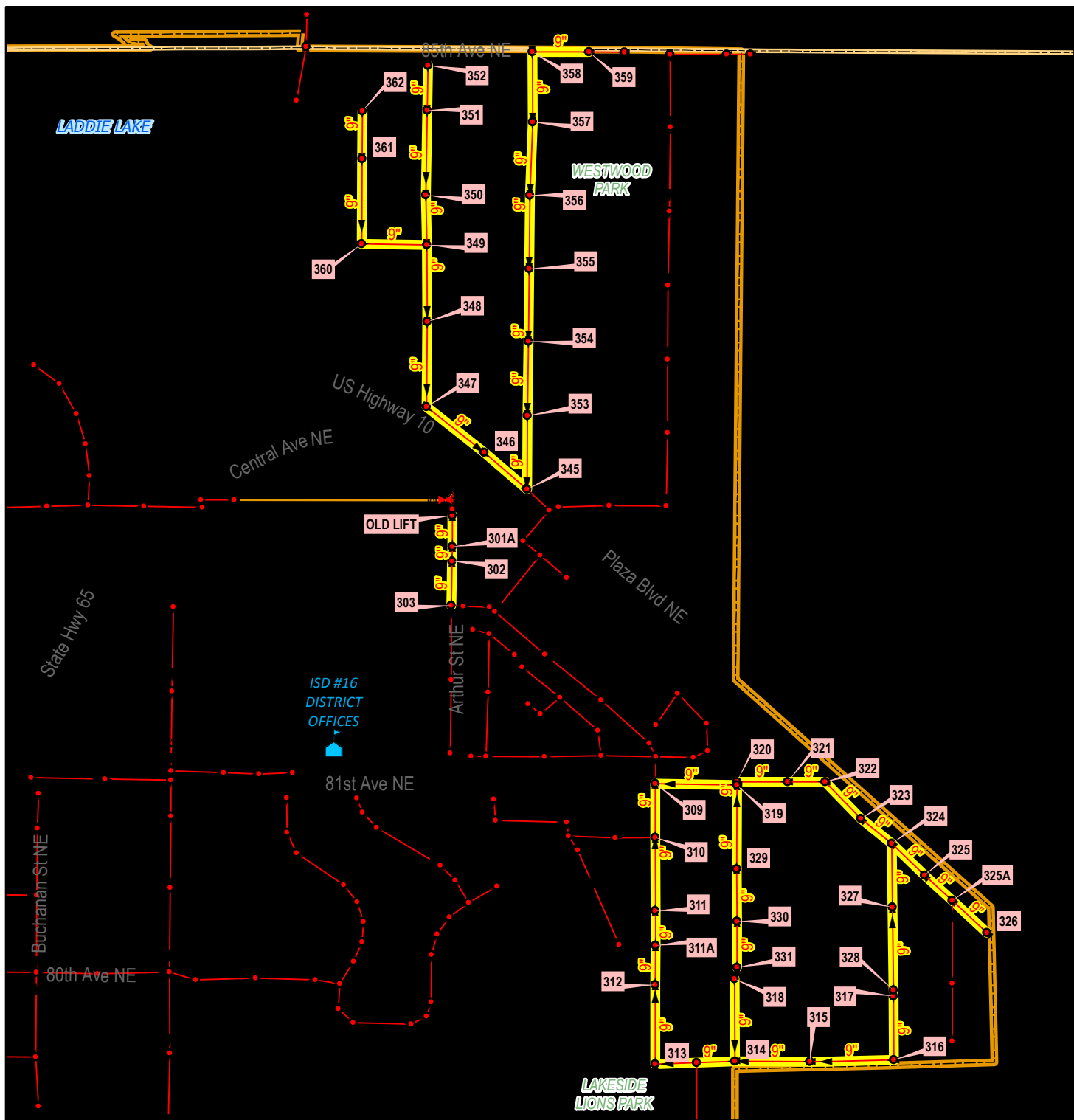
Subscribed and sworn to before me, the undersigned Notary Public within and for the State of Minnesota, and the County of Shuburne, this 16th day of July, 2019 in the City of Blaine.

[Signature]  
Notary Public within and for said County and State:










My commission expires: 1-31-22

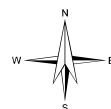




0 100 200 400 600 800 1,000 Feet

### Legend

-  Lift Station
-  Manhole
-  Valve
-  Gravity Sewer
-  FM Forcemain
-  Project Location
-  Spring Lake Park Boundary



2335 Highway 36 West  
St. Paul, MN 55113

## City of Spring Lake Park

2018 Sewer Lining Project

## Proposed Improvements

Figure 1

Date  
03/16/2018

Job No.  
193804547

Scale  
See Above





CITY OF SPRING LAKE PARK  
1301 Eighty-First Avenue N.E.  
Spring Lake Park, MN 55432  
Ph: 763-784-6491 Fax: 763-792-7257

# PUBLIC RIGHT-OF-WAY APPLICATION

SAP# 9088 9436 MGC# 19-3498

NAME/COMPANY: CENTERPOINT ENERGY

GOPHER 1-CALL REG. NO.: 0029

ADDRESS: 700 LINDEN AVE W, MINNEAPOLIS, MN 55403

PHONE: 612-321-5532

FAX: 612-321-5480

E-MAIL ADDRESS: jodell.cox@centerpointenergy.com

NAME OF REPRESENTATIVE: JODY COX

REPRESENTATIVE PHONE NO'S.: 612-321-5532

DESCRIPTION OF PROPOSED WORK: including a start date and completion date:

INSTALL A NEW GAS SERVICE

TO: 8050 MCKinley ST NE

START DATE: 8/5/19

COMPLETION DATE: 11/30/19

The City of Spring Lake Park reserves the right to modify the schedule as necessary in the issuance of the permit. Therefore, the dates stated on this application may not necessarily match actual approved dates.

EXPLANATION OF RESTORATION:

*Jody Cox*

Authorized Representative Signature

Please waive permit  
fees per franchise  
agreement

7/25/19

Date

## FOR OFFICE USE ONLY

- ☐ PROOF OF CERTIFICATE OF INSURANCE:  
☐ SCALED DRAWING SHOWING LOCATION  
☐ COPY OF INSURANCE POLICIES  
(If Corporation; from Secretary of State)

VERIFICATION DATE: \_\_\_\_\_

- ☐ LETTER OF CREDIT OR CONST. BOND  
☐ COPY OF CERTIFICATE OF AUTHORITY  
(From M.P.U.C., State, or Federal Agency)

PERMIT FEES: ☐ Excavation Hole - \$150.00  
☐ Trench - \$70.00/100'+Hole fee

☐ Emergency Hole - \$55.00  
☐ Obstruction Fee - \$50.00+.05/Ft.



Receipt No.:



Date:



Initials:



APPLICANT MUST CONTACT THE SPRING LAKE PARK PUBLIC WORKS DIRECTOR AT 763-792-7227  
48 HOURS PRIOR TO COMMENCING WORK

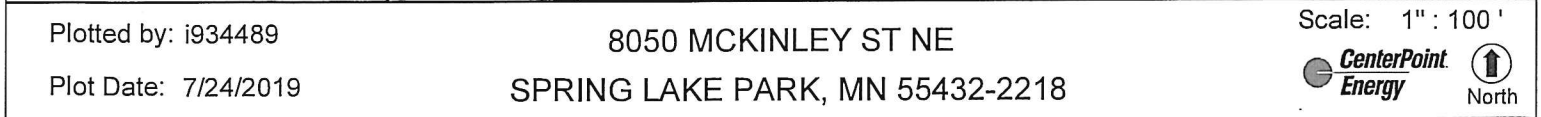


Plotted by: i934489  
 Plot Date: 7/24/2019  
 8050 MCKINLEY ST NE  
 SPRING LAKE PARK, MN 55432-2218  
 Scale: 1" = 100'  
 CenterPoint Energy  
 North

Plotted by: i934489  
 Plot Date: 7/24/2019  
 8050 MCKINLEY ST NE  
 SPRING LAKE PARK, MN 55432-2218  
 Scale: 1" = 100'  
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 North

Plotted by: i934489  
 Plot Date: 7/24/2019  
 8050 MCKINLEY ST NE  
 SPRING LAKE PARK, MN 55432-2218  
 Scale: 1" = 100'  
 CenterPoint Energy  
 North





**RESOLUTION NO. 19-23**

**A RESOLUTION ACCEPTING A DONATION TO THE CITY FROM THE SPRING LAKE PARK LIONS CLUB**

**WHEREAS**, the City of Spring Lake Park is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 for the benefit of its citizens, and is specifically authorized to accept gifts; and

**WHEREAS**, the Spring Lake Park Lions Club has offered to contribute \$10,000 to the city; and

**WHEREAS**, the Spring Lake Park Lions Club's donation is to be applied toward the purchase of a new wood chipper; and

**WHEREAS**, all such donations have been contributed to the city for the benefit of its citizens, as allowed by law; and

**WHEREAS**, the City Council finds that it is appropriate to accept the donations offered.

**NOW THEREFORE**, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SPRING LAKE PARK, MINNESOTA AS FOLLOWS:

1. The donations described above are accepted with gratitude and shall be used to establish and/or operate services either alone or in cooperation with others, as allowed by law.
2. The city clerk is hereby directed to issue receipts to the donor acknowledging the city's receipt of the donation.

The foregoing resolution was moved for adoption by Councilmember .

Upon roll call, the following voted aye: Councilmembers

And the following voted nay:

Whereupon the Mayor declared said resolution duly passed and adopted this 5th day of August, 2019.

---

Robert Nelson, Mayor

ATTEST:

---

Daniel R. Buchholtz, Administrator, Clerk/Treasurer

State of Minnesota )  
 Counties of Anoka and Ramsey )ss  
 City of Spring Lake Park )

I, Daniel R. Buchholtz, duly appointed and qualified Administrator, Clerk/Treasurer in and for the City of Spring Lake Park, Anoka and Ramsey Counties, Minnesota, do hereby certify that the foregoing is a true and correct copy of Resolution No. 19-23, A Resolution Accepting a Donation to the City from the Spring Lake Park Lions Club, adopted by the Spring Lake Park City Council at their regular meeting on the 5<sup>th</sup> day of August 2019.

Daniel R. Buchholtz  
Administrator, Clerk/Treasurer

(SEAL)

Dated: \_\_\_\_\_



City of Spring Lake Park  
1301 81st Avenue NE  
Spring Lake Park, MN 55432

Contractor's Licenses

August 5, 2019

General Contractor

Anthony Mezzenga, Inc.	All Energy Solar
------------------------	------------------

Mechanical Contractor

Air Comfort Heating and Air	Boys Mechanical, Inc.
Cool Air Mechanical, Inc.	Custom Chimney Care, LLC
Freedom Heating and Air Conditioning	K & S Heating, A/C and Plumbing, Inc.
Lee's Heating & Air, LLC.	Midland HVAC

Plumbing Contractor

Boys Mechanical, Inc.	Cool Mechanical, Inc.
Farr Plumbing & Heating, LLC.	Voda Plumbing, Inc.



## **RESOLUTION NO. 19-21**

### **A RESOLUTION APPROVING CONDITIONAL USE PERMIT FOR AN AUTO REPAIR/TRANSPORTATION COMPANY AT 8302 HIGHWAY 65 NE**

**WHEREAS**, Kamaal Seeroo has made application for a conditional use permit to allow for a Type III Transportation Company, with auto repair as a use, at 8302 Highway 65 NE; and

**WHEREAS**, the property is zoned C-2, Neighborhood & Service Center Commercial, and is legally described as follows:

The South 100 feet of the following 2 parcels in Government Lot 2, Section 1, Township 30, Range 24:

Parcel 1: Beginning at the point of intersection of the South line of Government Lot 2, with the Westerly line of the right-of-way of Trunk Highway No. 65 formerly known as Highway No. 5; thence West along the said South line a distance of 457.5 feet; thence at right angles Northerly a distance of 250 feet; thence Easterly and parallel with the South line of said Government Lot 2, a distance of 50 feet; thence at right angles Northerly to the Southerly line of the right-of-way of Trunk Highway No. 10; thence Southeasterly along the Southerly line of said Highway to the point of beginning.

Parcel 2: That part of Government Lot 2, Section I, Township 30 North, Range 24 West, Anoka County, Minnesota described as follows: Commencing at a point on the South line thereof distant 569.6 feet East of the Southwest corner of said Government Lot 2; thence East along the South line thereof 200 feet; thence North at right angles 220 feet; thence West at right angles a distance of 203.4 feet more or less to a point on a line drawn North from the point of beginning parallel with the West line of Government Lot 2; thence South parallel with the West line of said Government Lot 2 a distance of 220 feet more or less to the point of beginning.

**WHEREAS**, mailed and published notice of a public hearing to consider the proposed conditional use permit was given; and

**WHEREAS**, a public hearing to consider the proposed conditional use permit was held by the Planning Commission on July 22, 2019; and

**WHEREAS**, the Planning Commission has recommended approval of the conditional use permit amendment, subject to conditions.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Spring Lake Park, Minnesota that the City Council hereby approves an amendment to the conditional use permit at 8302 Highway 65 NE to permit an auto repair business/transportation company, subject to the following conditions:

1. Applicant shall install additional trees on the southern half of the west property line to provide additional screening to adjacent single-family residential property, to the satisfaction of the Zoning Administrator.
2. Applicant shall install a six-foot fence made of wood or other maintenance free material to the satisfaction of the Zoning Administrator as specified in the landscape plan.
3. Applicant shall replace the existing fence on the west property line with a six-foot high fence made of wood or other maintenance free material in the same style as the fence constructed for parking lot screening.
4. Hours of operation will be from 6:00am to 7:00pm; with vehicle maintenance activities only done between 7:00am and 7:00pm with the doors closed.
5. Applicant shall apply for and receive all applicable building permits prior to beginning work.
6. Photometric plan of exterior lighting changes must be submitted to the Zoning Administrator for approval by the City Engineer.
7. Applicant shall either trim or remove trees to prevent their interference with the Xcel power lines at the rear of the property.
8. Applicant shall obtain a certificate of occupancy from the City prior to the start of operations.
9. Applicant shall comply with all Federal and State statutes, laws, rules, and regulations, as well as all City codes, ordinances, rules and regulations.

The foregoing Resolution was moved for adoption by Councilmember .

Upon Vote being taken thereon, the following voted in favor thereof:.

And the following voted against the same: .

Whereon the Mayor declared said Resolution duly passed and adopted the 5<sup>th</sup> day of August, 2019.

APPROVED BY:

---

Robert Nelson, Mayor

ATTEST:

---

Daniel R. Buchholtz, Administrator, Clerk/Treasurer

To: Planning Commission  
City of Spring Lake Park  
File: Efficient School Transportation –  
Conditional Use Permit

From: Phil Carlson, Lauren Walburg,  
Stantec  
Date: July 22, 2019

Re: **Efficient School Transportation CUP | 8302 Hwy 65 NE**

## BACKGROUND

Efficient School Transportation proposes to open a Type III transportation services company on the site that currently houses Brew & Grow Minnesota Retail Store located at 8302 Hwy 65 NE. The property is guided Commercial and zoned C-2: Neighborhood and Service Center Commercial. Auto sales, leasing and rental are considered a Conditional Use in this zoning district.

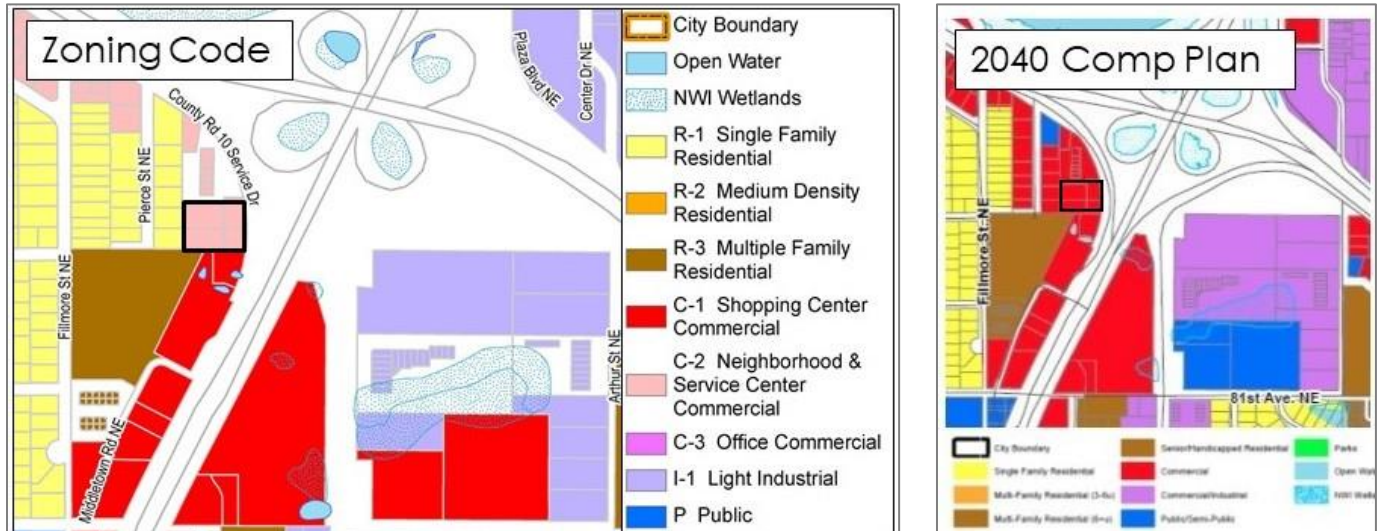
The site is located on the west side of Highway 65 NE and south west of the County Highway 10/Central Avenue NE interchange. The site is accessible by County 10 Service Drive and the adjacent uses are commercial to the north and south, single-family residential to the west and townhomes near the south west corner of the site.



## PLANNING ISSUES DISCUSSION

- 1) **Comprehensive Plan and Zoning.** The property is guided Commercial in the 2040 Comprehensive Plan. The zoning is C-2: Neighborhood and Service Center Commercial which is intended as a business district which may be located in close proximity to a major thoroughfare or highway in order that highway service types of land can be provided.

**Reference: Efficient School Transportation CUP | 8302 Hwy 65 NE**



Other requirements for property in the C-2 district include:

- If any yards are to be landscaped, they shall be landscaped attractively with lawns, trees, shrubs, and the like. Any areas left in a natural state shall be properly maintained in a sightly and well-kept condition (§153.058).
- Where any business or industrial use (i.e., structure, parking or storage) abuts a residential zone or use, such business or industry shall provide a buffer yard and screening along the boundary of the residential property. The buffer area and screening shall also be provided where a business or industry is across the street from a residential zone or use, but not on that side of a business or industry considered to be the front as defined by the city. (§153.064)
- All materials, supplies, merchandise, or other similar matter not on display for direct sale, rental, or lease to the ultimate consumer or user shall be stored within a completely enclosed building within the commercial and industrial districts or within the confines of an opaque wall or fence not less than six feet high. (§153.064)

Performance standards apply to buildings within the C-2 Commercial district, as guided in §153.100. These standards regulate noise, odor, exterior lighting, glare, vibration, fumes and gases, smoke, dust, hazards, and visual impacts. The site plan review process implements these regulations to ensure that development is compatible with neighboring properties and that negative external impacts are minimized.

- 2) **Application Request.** The site is the current location of Brew & Grow Minnesota Retail Store and is comprised of two (2) warehouse storage structures, and a paved surface parking lot. The request is to change the use of the property to a Type III transportation company, which means that the vehicles must have capacity for ten or fewer people including the driver. The applicant proposes that the company will provide Minivan service to local schools and students. The applicant proposes the site will be used for offices, a driver room, service garage for company vehicles and parking for company and employee vehicles. The attached parking plan shows 41 parking spaces on the north side of the building. The applicant is proposing to store company vehicles outdoors, and to provide service to vehicles within the enclosed warehouse space. As mentioned above, the city code requires

**Reference:** Efficient School Transportation CUP | 8302 Hwy 65 NE

vehicles stored outside to either be stored within a completely enclosed building, or within the confines of an opaque wall or fence not less than six (6) feet high.

- 3) **Landscaping Plan.** The Landscaping plan shows two (2) Dogwood trees, or trees of similar variety in the front yard on the northeast corner of the property near the entrance from County 10 Service Drive. The plan also shows six (6) American Arborvitae or trees of similar variety to the east of the parking lot, providing additional screening from County 10 Service Drive. Existing trees line most of the length of the south property line and the northern half of the west property line – the plans show these maintained. Finally, the plan proposes three (3) American Arborvitae trees along the south property line to fill the gap in existing trees. Staff has recommended that the applicant plant additional trees along the southern half of the west property line to provide additional screening to the single-family residential properties to the west. The applicant is amenable to this recommendation.
- 4) **Fence Plan.** The applicant proposes to install a fence surrounding the parking lot where the vehicles will be stored. The fence plan shows a 6-foot chain-link fence with privacy slats and two gates at the entrance to the main parking area. Staff recommends the applicant change the material of the fence to either be wooden or some other maintenance-free material to be more aesthetically compatible with surrounding uses. The fence plan also shows that the fence does not extend to the property line on the west side of the property, and instead cuts off a portion of the property creating an unusable space. Staff has recommended that the applicant use the existing fence on the west property line and extend the new fence to the west property line. The applicant is amenable to both staff recommendations.
- 5) **Hours of Operation.** As of this writing we do not know the hours of operation of the proposed facility, but we expect that as a business serving school schedules the vans will be moving early in the morning. This is an unavoidable part of this use. Vehicle maintenance on the other hand might involve noise and additional activity and should be done within reasonable hours. We recommend vehicle maintenance be limited to the hours of 7 am to 10 pm.
- 6) **Conditional Use Permit.** Section §153.202 of the City of Spring Lake Park's zoning code outlines the requirements to approve a conditional use permit. This application has been analyzed with respect to those requirements, listed below. The City Council may then authorize the conditional use permit, provided the applicant has provided evidence establishing the following:

**(a) The proposed use at the particular location requested is necessary or desirable to provide a service or a facility which is in the interest of public convenience and will contribute to the general welfare of the neighborhood or community;**

Efficient Transportation will provide Type III transportation service to local schools and will additionally provide jobs for the community.

**(b) The use will not, under the circumstances of the particular case, be detrimental to the health, safety, morals, or general welfare of persons residing or working in the vicinity or injurious to property values or improvements in the vicinity;**

As a Type III transportation company, the business will use minivans as their company vehicles. The business will be accessed from County 10 Service Drive and is located adjacent to Highway 65 and the Highway 10/Central Ave NE interchange. Given the extensive screening required for the outdoor storage of vehicles, the proposed use is an improvement to the existing surface parking lot and warehouse building.

**Reference:** Efficient School Transportation CUP | 8302 Hwy 65 NE

**(c) The proposed use will comply with the regulations specified in this chapter for the district in which the proposed use is to be located;**

The proposed use is compliant with all applicable standards in the C-2 Neighborhood and Service Center Commercial district.

**(d) The use is one of the conditional uses specifically listed for the district in which it is to be located;**

Auto and marine; sales, leasing and rental are considered a Conditional Use in the C-2 Neighborhood and Service Center Commercial district. The transportation business will rent or lease their minivans to the end user, schools and students, and therefore is categorized under this use.

**(e) The proposed use shall not have a detrimental effect on the use and enjoyment of other property in the immediate vicinity;**

The extensive screening required for the outdoor storage of vehicles including a 6-foot fence and additional landscaping will provide a buffer to surrounding properties. In addition, the hours of operation for vehicle maintenance will be limited to reasonable hours.

**(f) The use will not lower property values or impact scenic views in the surrounding area;**

The surrounding properties to the north and south are zoned C-2 Neighborhood and Service Center Commercial and are therefore compatible uses. The properties to the east and south east are both zoned as residential uses and will be screened by both trees and a 6-foot fence.

**(g) Existing streets and highways and proposed access roads will be adequate to accommodate anticipated traffic;**

This property can be accessed from Highway 65 NE and Highway 10 using the County 10 Service Road. Highway 65 NE is a principal arterial, and Highway 10 is categorized as an A-minor Reliever road, which are both adequate to accommodate anticipated traffic. County 10 Service Road is considered a local road and is adequate to accommodate the minimal increase in traffic caused by the minivan transportation service.

**(h) Sufficient off-street parking and loading space will be provided to serve the proposed use;**

The applicant is supplying adequate parking for employees and company vehicles.

**(i) The use includes adequate protection for the natural drainage system and natural topography;**

The applicant does not propose any changes to the property other than installing a fence and additional landscaping, therefore the natural drainage system and natural topography will not be affected.

**(j) The proposed use includes adequate measures to prevent or control offensive odor, fumes, dust, noise, or vibration so that none of these will constitute a nuisance; and**

Efficient Transportation is a transportation service. It will not require measures to mitigate odor, fumes, dust, noise, and vibrations.

**(k) The proposed use will not stimulate growth incompatible with prevailing density standards.**

The applicant is not proposing any residential units as part of the project.



**Reference:** Efficient School Transportation CUP | 8302 Hwy 65 NE

## **ISSUES AND CONCERNS**

The main issue is the need for screening and buffering of neighboring residential properties, given the proposed outdoor storage of vehicles. The applicant has provided both a landscaping and fence plan that addresses these issues. Vehicle maintenance will happen within the enclosed building but should be limited to reasonable hours to reduce noise and activity.

## **RECOMMENDATIONS**

We recommend that the Planning Commission recommend approval of the Conditional Use Permit for 8302 Hwy 65 NE with the following conditions, based on the analysis provided by Planning staff and the City Engineer:

- 1) The applicant shall install additional trees on the southern half of the west property line to provide additional screening to adjacent single-family residential property to the satisfaction of the Zoning Administrator.
- 2) The applicant shall install a 6-foot fence made of wood or other maintenance free material to the satisfaction of the Zoning Administrator.
- 3) Vehicle maintenance shall only be done between the hours of 7 am and 10 pm, with doors closed.
- 4) The applicant shall apply for and receive all applicable building permits prior to beginning work.

## **FINDINGS OF FACT**

We recommend the following findings of fact for approval of the Conditional Use Permit:

- 1) The proposed use is a reasonable use of the property, anticipated as a Conditional Use in the C-2 zoning district.
- 2) The uses will be screened by fence and landscaping from adjacent residential uses and is therefore not expected to have a detrimental effect on surrounding properties or lower property values.
- 3) Adjacent roadways and the existing parking lot are adequate to handle anticipated traffic and vehicles using the site.
- 4) No changes are proposed to site grading and drainage and therefore stormwater management should be adequate as it exists now.
- 5) There are no unusual odors, fumes, dust, noise or vibration associated with the use, other than what might be involved in vehicle maintenance. All maintenance will take place within the enclosed building with doors closed and hours for vehicle maintenance will be limited to 7 am to 10 pm.
- 6) No residential use is proposed on the site and therefore incompatible growth in that regard is not an issue with this use.





**City of Spring Lake Park**  
1301 81<sup>st</sup> Avenue NE  
Spring Lake Park, MN 55432  
763-784-6491 (p) 763-792-7257 (f)  
[info@slpmn.org](mailto:info@slpmn.org)

**For Office Use Only**

Case Number: \_\_\_\_\_

Fee Paid: \_\_\_\_\_

Received by: \_\_\_\_\_

Date Filed: \_\_\_\_\_

Date Complete: \_\_\_\_\_

Base Fee: \_\_\_\_\_ Escrow: \_\_\_\_\_

**DEVELOPMENT APPLICATION****TYPE OF APPLICATION** (Check All That Apply)

<input type="checkbox"/> Appeal	<input type="checkbox"/> Site Plan/Building Plan Review	<input type="checkbox"/> Minor Subdivision
<input type="checkbox"/> Comprehensive Plan Amendment	<input type="checkbox"/> Conceptual Plan Review	<input type="checkbox"/> Lot Combination
<input type="checkbox"/> Ordinance Amendment (Text)	<input checked="" type="checkbox"/> Conditional Use Permit	<input type="checkbox"/> Preliminary Plat
<input type="checkbox"/> Rezoning	<input type="checkbox"/> Variance	<input type="checkbox"/> Final Plat
<input type="checkbox"/> Planned Unit Development	<input type="checkbox"/> Street or Easement Vacation	<input type="checkbox"/> Other _____

**PROPERTY INFORMATION**

Street Address: 8302 Highway 65 NE Spring Lake Park, MN 55432

Property Identification Number (PIN#): 01-30-24-21-0036; 01-30-24-21-0038; 01-30-24-0046; 01-30-24-21-0039 Current Zoning: C-2

Legal Description

(Attach if necessary):

**APPLICANT INFORMATION**

Name: Kamaal Seeroo

Business Name: e-FICIENT SCHOOL TRANSPORTATION

Address: 422 84th Lane NW

City: Coon Rapids

State: MN

Zip Code: 55433

Telephone: 612--242-1903

Fax: 763-251-8102

E-mail: [kamaal@e-fficient.org](mailto:kamaal@e-fficient.org)

Contact: Kamaal Seeroo

Title: OWNER

**OWNER INFORMATION** (if different from applicant)

Name:

Business Name:

Address:

City:

State:

Zip Code:

Telephone:

Fax:

E-mail:

Contact:

Title:

**DESCRIPTION OF REQUEST** (attach additional information if needed)Existing Use  
of Property:**Brew & Grow Minnesota Retail Store**

Nature of

Proposed Use:

Offices, driver room, service garage for company vehicles, parking for company and employee vehicle

Reason(s) to

Approve Request:

My business will provide employments to people in the community, In addition I live in the nearby community of Coon Rapids.

**PREVIOUS APPLICATIONS PERTAINING TO THE SUBJECT SITE**

Project Name:

Date of Application:

Nature of

Request:

**NOTE:** Applications only accepted with ALL required support documents.  
See City Code



## APPLICATION FEES AND EXPENSES:

The City of Spring Lake Park required all applicants to reimburse the City for any and all costs incurred by the City to review and act upon applications.

The application fee includes administrative costs which are necessary to process the application. The escrow fee will include all charges for staff time by the City Planner, City Engineer, City Attorney, and/or any other consultants as needed to process the application.

The City will track all consultant costs associated with the application. If these costs are projected to exceed the money initially deposited to your escrow account, you will be notified in the manner that you have identified below that additional monies are required in order for your application process to continue. If you choose to terminate the application (notice must be in writing), you will be responsible for all costs incurred to that point. If you choose to continue the process you will be billed for the additional monies and an explanation of expenses will be furnished. Remittance of these additional fees will be due within thirty (30) days from the date the invoice is mailed. If payment is not received as required by this agreement, the City may approve a special assessment for which the property owner specifically agrees to be assessed for 100 percent per annum and waives any and all appeals under Minnesota Statutes Section 429.081 as amended. **All fees and expenses are due whether the application is approved or denied.**

With my signature below, I hereby acknowledge that I have read this agreement in its entirety and understand the terms herein. **I agree to pay to the City all costs incurred during the review process as set forth in this Agreement.** This includes any and all expenses that exceed the initial Escrow Deposit to be paid within 30 days of billing notification. I further understand that the application process will be terminated if payment is not made and application may be denied for failure to reimburse City for costs. I further understand that the City may approve a special assessment against my property for any unpaid escrows and that I specifically waive any and all appeals under Minnesota Statutes 429.081, as amended.

I wish to be notified of additional costs in the following manner (select one):

☒ E-mail kamaal@e-efficient.org ☒ Fax 763-251-8102 ☐ USPS – Certified Mail

I, the undersigned, hereby apply for the considerations described above and declare that the information and materials submitted in support of this application are in compliance with adopted City policy and ordinance requirements are complete to the best of my knowledge.

I acknowledge that I have read the statement entitled "Application Fees and Expenses" as listed above.

I understand that this application will be processed in accordance with established City review procedures and Minnesota Statutes Section 15.99 as amended, at such time as it is determined to be complete. Pursuant to Minnesota Statutes Section 15.99, the City will notify the applicant within fifteen (15) business days from the filing date of any incomplete or other information necessary to complete the application. Failure on my part to supply all necessary information as requested by the City may be cause for denying this application.

Applicant: Kamaal Seeroo

Digitally signed by Kamaal Seeroo  
Date: 2019.07.01 13:45:02 -05'00'

Date: 07/01/2019

Owner: Kamaal Seeroo

Digitally signed by Kamaal Seeroo  
Date: 2019.07.01 13:45:36 -05'00'

Date: 07/01/2019

**NOTE:** Applications only accepted with ALL required support documents.  
See City Code

## City of Spring Lake Park Conditional Use Permit Worksheet

A conditional use permit cannot be approved unless the Planning and Zoning Commission and the City Council make certain findings and recommendations. Please provide a response on how/why your project meets the below stated criteria. Use additional sheets if necessary. If some items are not applicable for your project, write N/A. Contact the Zoning Administrator with any questions.

1. That the proposed use at the particular location requested is necessary or desirable to provide a service or a facility which is in the interest of public convenience and will contribute to the general welfare of the neighborhood or community. \_\_\_\_\_

**TRANSPORTATION COMPANY (TYPE III SCHOOL BUS) THAT WILL PROVIDE JOBS  
OPPORTUNITY TO THE COMMUNITY.**

2. That the use will not be detrimental to the health, safety, morals, or general welfare of persons residing or working in the vicinity of the use or injurious to property values/improvements within the vicinity of the use. \_\_\_\_\_

**NO! THE HEALTH, SAFETY, MORALS AND THE GENERAL PUBLIC WILL  
BE PROTECTED. I WILL DO ALL THE NECESSARY IMPROVEMENTS THAT IS  
REQUIRED**

3. That the proposed use will comply with the regulations specified in Chapter 153 of the Zoning Code. \_\_\_\_\_

**YES I WILL COMPLY WITH THE CHAPTER 153 ZONING CODE**

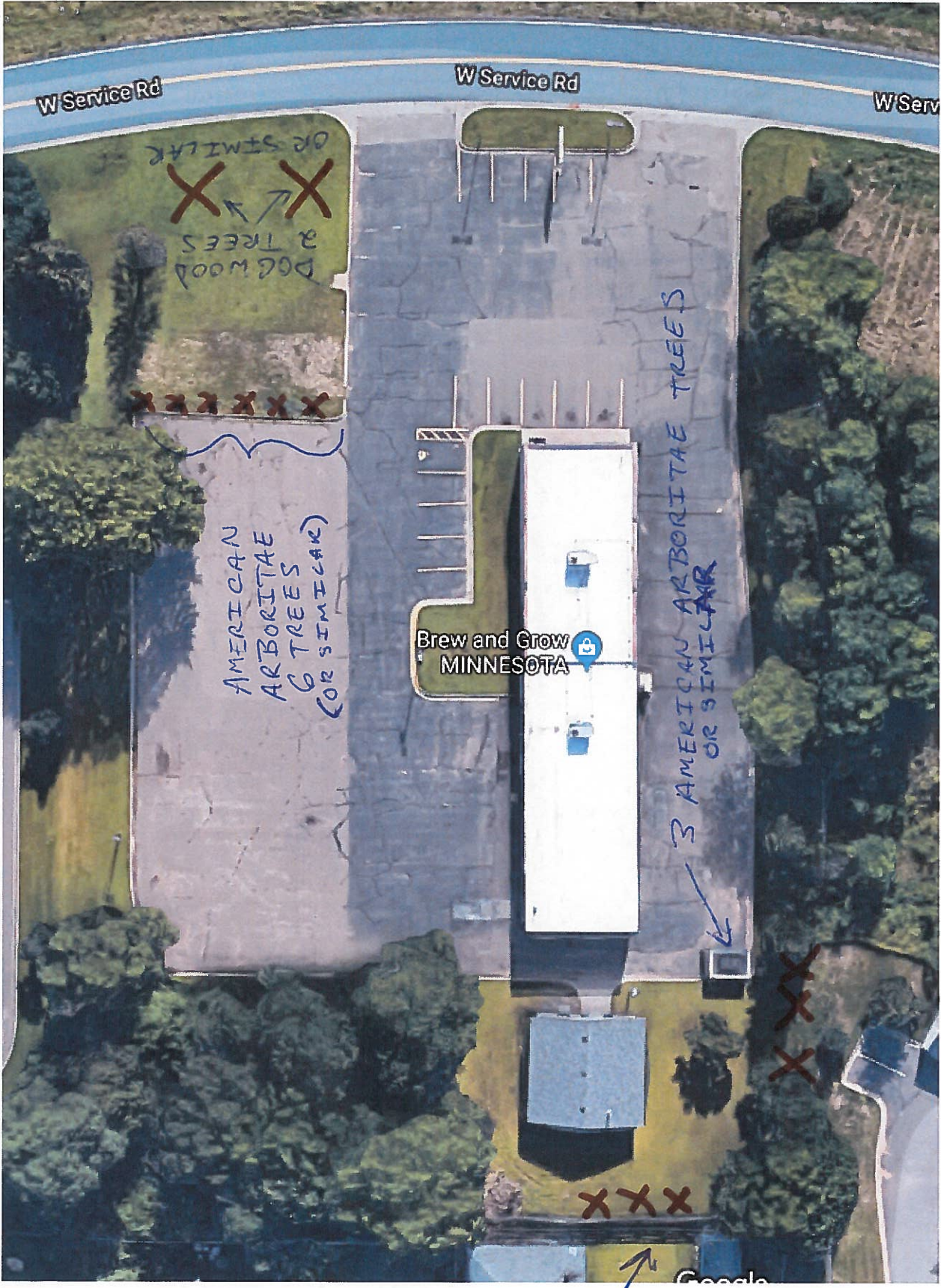
4. That the proposed use shall not have a detrimental effect on the use and enjoyment of other property in the immediate vicinity. \_\_\_\_\_

**NO! THERE WILL BE NO DAMAGING EFFECT ON THE USE OF THE PROPERTY**

5. That the use will not lower property values or impact scenic views in the surrounding area. \_\_\_\_\_  
**NO THE WILL NOT LOWER PROPERTY VALUES, BUT INPROVE PROPERTY VALUES**  
**BECAUSE WE ARE A GROWING COMPANY THAT WILL ADD VALE TO THE**  
**COMMUNITY.**
6. That existing utilities, streets, highways and proposed access roads will be adequate to accommodate anticipated traffic. \_\_\_\_\_  
**YES IT WILL BE ADEQUATE ESPECIALLY BECAUSE 50% OF THE DRIVERS KEEP**  
**THE COMPANY VANS AT THERE HOUSE!**
7. That the use includes adequate protection for the natural drainage system and natural topography. \_\_\_\_\_  
**YES THERE IS ADEQUATE PROTECTION FOR NATURAL DRAINAGE HOWEVER**  
**UPON INSPECTION IF ADDITIONAL DRAINAGE IS REQUIRED WE WILL**  
**ACCOMMODATE IT.**
8. That the proposed use includes adequate measures to prevent or control offensive odor, fumes, dust, noise or vibration so that none of these will constitute a nuisance. \_\_\_\_\_  
**YES THERE IS 'AND IF NEEDED UPON INSPECTIONS WE WILL ACCOMMODATION'**
9. That the proposed use will not stimulate growth incompatible with prevailing density standards.  
**NO!**



ESTIMATED (3) AMERICAN ARBORITAE TREES  
(OR SIMILAR)



LANDSCAPING PLAN  
AMERICAN ARBORITAE EVERGREEN TREES (OR SIMILAR)  
DOGWOOD TREES (OR SIMILAR)  
\* NUMBER OF TREES IS APPROXIMATE



DOGWOOD

(OR SIMILAR)





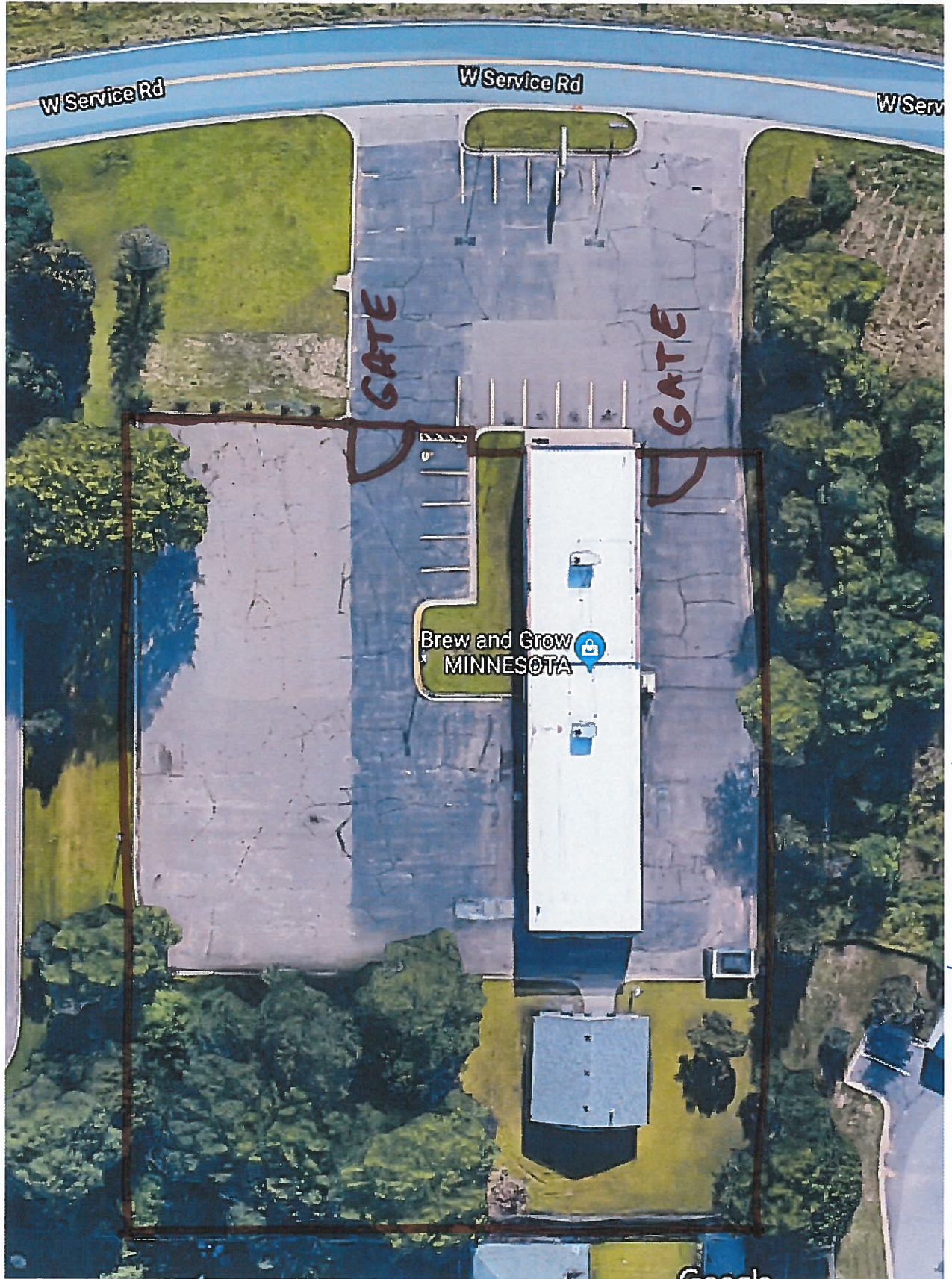
DOGWOOD  
(OR SIMILAR)



AMERICAN ARBORVITAE  
(or similar)







6' HIGH  
2 GATES  
WOODEN FENCE (SEE SAMPLES)

FENCE PLAN

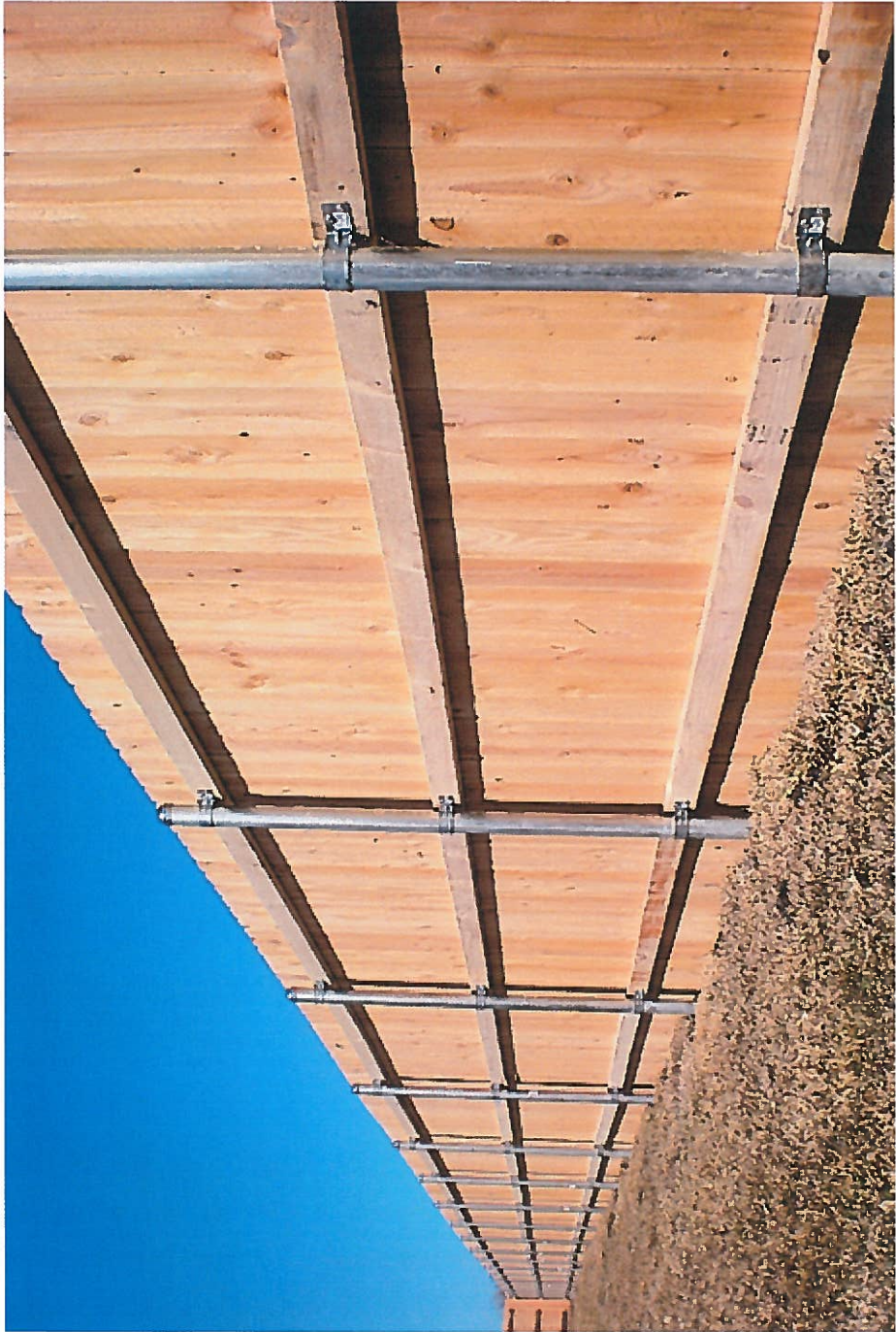














WE WILL HAVE THIS  
ESTIMATE UPDATED WITH  
THE DETAILS OF A  
WOODEN FENCE.

Douglas Harris  
(BROKER)

To: Efficiency School Transportation  
8302 Hwy 65 NE  
Spring Lake Park, MN 55432

07/11/2019

**Furnish & Install 6' High <sup>WOODEN</sup> ~~Chain Link Fence~~ & Gates w/ <sup>2</sup> ~~Privacy Slats~~:**

- Approx. 640' total of fence around lot
- All 72" - ~~0 gauge chain link fabric~~  
~~w/ PDS bottom lock privacy slats inserted in fabric~~
- 1 5/8" Sch.40 top rail
- 2 1/2" Sch.40 line posts set in concrete footings @ 10' on center or less
- 3" Sch.40 end and corner posts set in concrete footings
- 4" Sch.40 gate posts set in concrete footings
- (1) - 16' wide cantilever slide gate on south side of building
- (1) - 20' wide cantilever slide gate on north side of building
  - sealed bearing nylon rollers and pad-lockable cantilever latches

**Total Project Price = \$22,290.00**

Any questions, call.  
Thanks,

Mark Wassink  
Town & Country Fence  
8511 Xylon Ave N  
Brooklyn Park, MN 55445  
763-425-5050 - office  
763-425-9006 - fax  
[markw@tcfence.com](mailto:markw@tcfence.com)



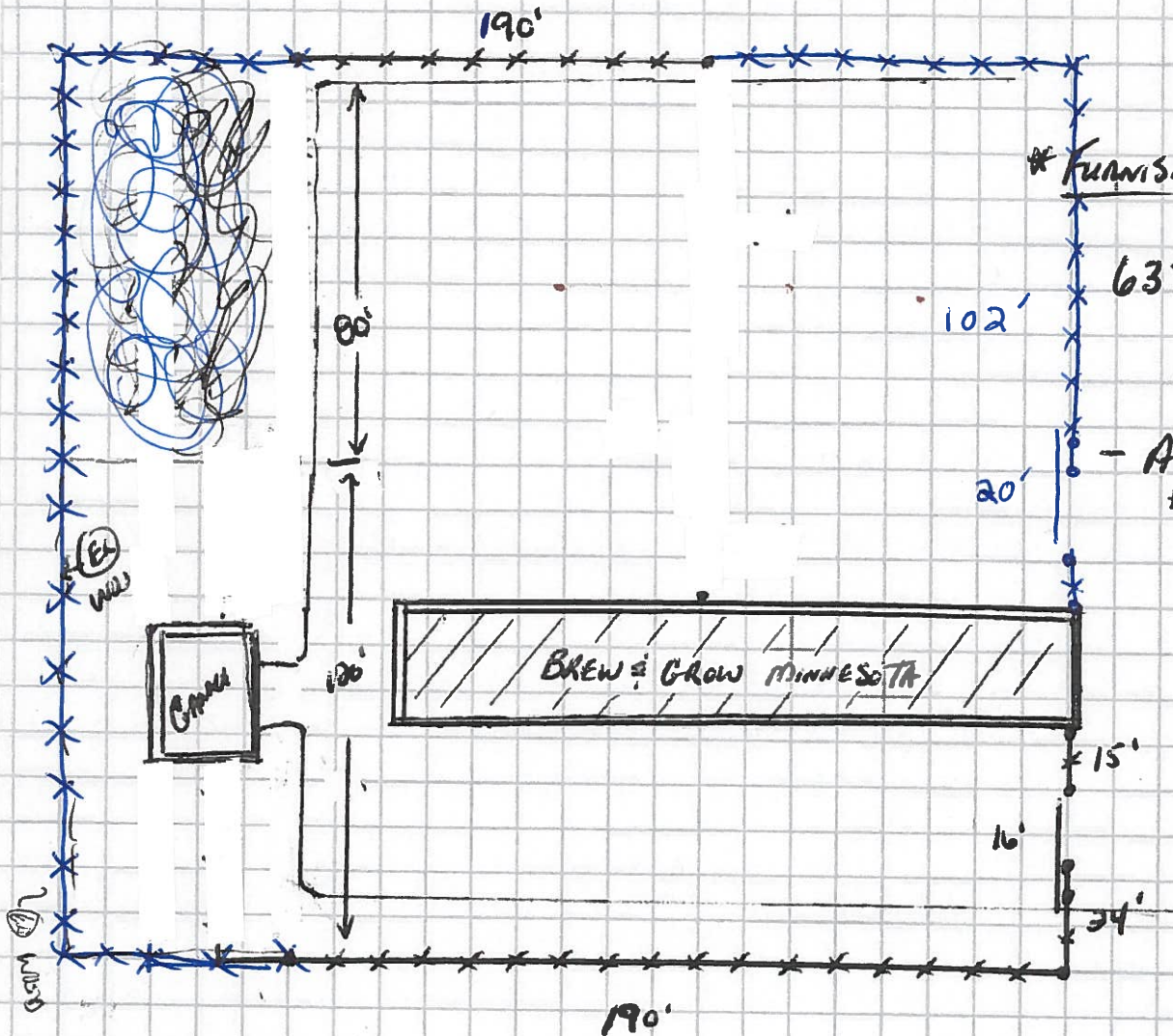
CONTACT: O'HIS

# EFFICIENCY SCHOOL TRANSP.

7/11

612-919-4041

8302 Hwy 65 NE  
SPRING LAKE PARK, MN 55432

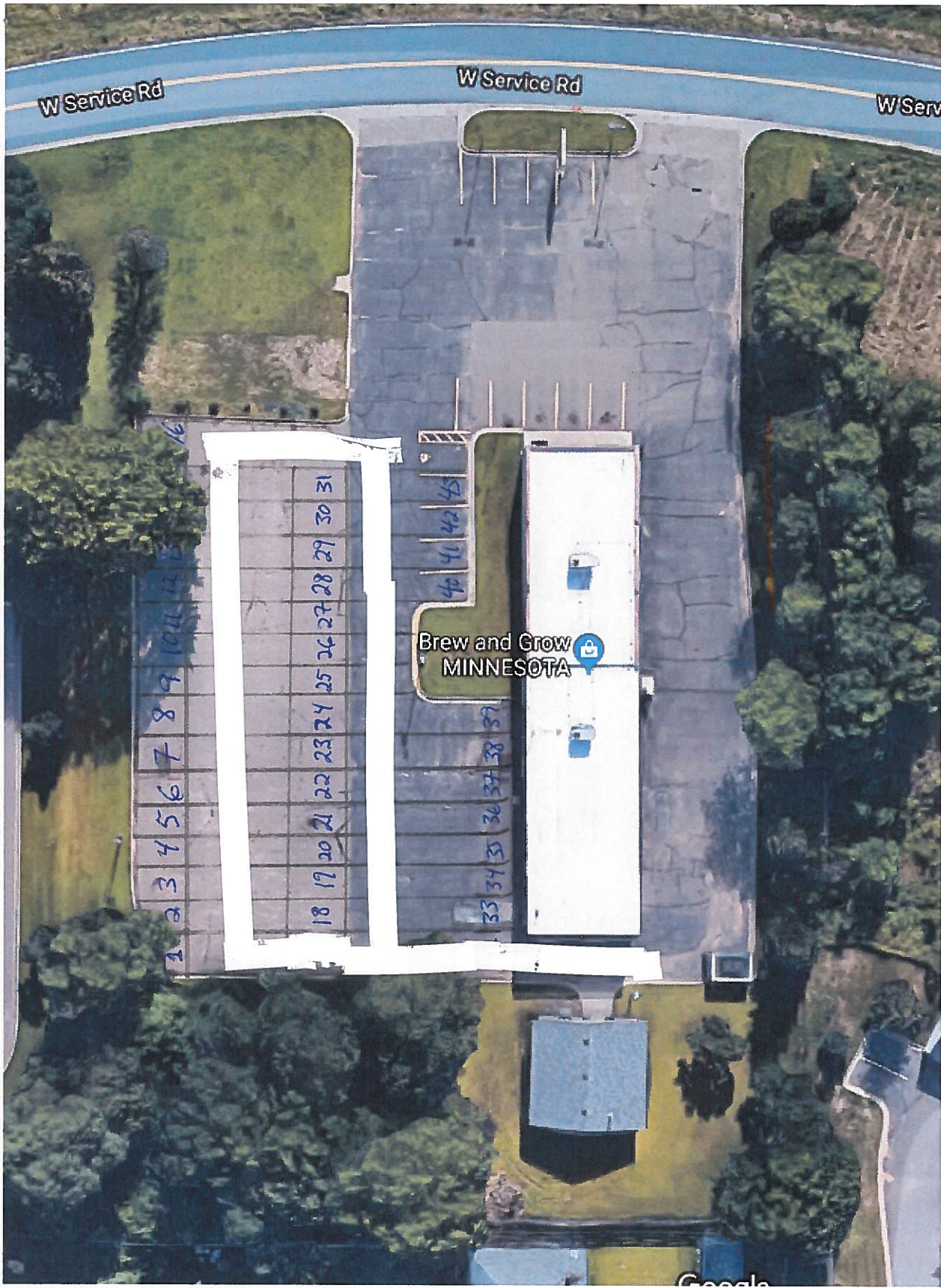


\* FURNISH : INSTALL :

637' - 6' H C/L w/ PDS  
(1) - 20' CANT  
(1) - 16' CANT.

- ALL SET  
\* SOME ASPHALT \*  
~ 1/2





PARKING PLAN  
41 PARKING SPACES ON NORTH SIDE OF BUILDING



would take up more green space on the property. Administrator Buchholtz clarified that by reducing the amount of impervious surface for a driveway would be a practical difficulty factor to grant the variance.

Chairperson Hansen inquired if any trees would be removed. Mr. Hoffman stated there would be no removal of trees.

MOTION MADE BY COMMISSIONER JULIEN, SECONDED BY EISCHENS TO RECOMMEND APPROVAL OF VARIANCE APPLICATION FOR A VARIANCE FROM THE SIDE AND REAR YARD SETBACKS FOR AN ADDITION/EXTENSION OF AN EXISTING GARAGE AT 416 BALLANTYNE WITH THE FOLLOWING CONDITIONS: 1.) ADDITION MUST CONFORM TO CHARACTERISTICS OF EXISTING HOME WITH MATCHING SIDING AND ROOF MATERIALS. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

5. Public Hearing – Conditional Use Permit – Efficient Transportation – 8302 Highway 65 NE

City Planner Carlson reported that the City received a Conditional Use Permit application from Efficient School Transportation to open a Type III transportation service company on the site that currently houses Brew and Grow. The property is located at 8302 Highway 65 NE and is zoned Commercial and zoned C-2; Neighborhood and Service Center commercial. He reported that auto sales, leasing and rental are considered a Conditional Use in this zoning district.

Mr. Carlson reported that the site is located on the west side of the Highway 65 and south west of the County Highway 10/Central Avenue NE interchange. He stated that the site is accessible by County 10 Service Drive and the adjacent uses are commercial to the north and south, single-family residential to the west and townhomes near the south west corner of the site.

Mr. Carlson reported that the property is zoned Commercial in the 2040 Comprehensive Plan. He noted that the zoning is C-2; Neighborhood and Service Center Commercial which is intended as a business district which may be located in close proximity to a major thoroughfare or highway in order that highway service types of land can be provided.

Mr. Carlson reported that the site is the current location of Brew & Grow Minnesota Retail Store and is comprised of two (2) warehouse storage structures, and a paved surface parking lot. He stated that the request is to change the use of the property to a Type III transportation company, which means that vehicles must have capacity for ten or fewer people including the driver. He stated that the applicant proposes that the company will provide Minivan service to local schools and students. He stated that the applicant proposes the site will be used for offices, a driver room, service garage for company vehicles and parking for company and employee vehicles. He reported that the attached parking plan shows 41 parking spaces on the north side of the building. He stated that the applicant is proposing to store company vehicles outdoors, and to provide service to vehicles within the enclosed warehouse space. He stated that the City Code requires vehicles stored outside to either be stored within a completely enclosed building, or within the confines of an opaque wall or fence not less than six (6) feet.

Mr. Carlson reported that the applicant proposes to install a fence surrounding the parking lot where the vehicles will be stored. He stated that new plans have been submitted with a fencing material of wood or other maintenance-free material to be aesthetically compatible with surrounding uses. He stated that staff has recommended that the applicant use the existing fence on the west property line and extend the new fence to the west property line.

Mr. Carlson reported the main issue is the need for screening and buffering of neighboring residential properties, given the proposed outdoor storage of vehicles. He stated that the applicant has provided both a landscaping and fence plan that addresses these issues. He reported that vehicle maintenance will take place within the enclosed building but should be limited to reasonable hours to reduce noise and activity.

Mr. Carlson stated the staff recommend that the Planning Commission approval of the Conditional Use Permit for 8302 Highway 65 NE with the following conditions, based on the analysis provided by Planning staff and the City Engineer.

1. The applicant shall additional trees on the southern half of the west property line to provide additional screening to adjacent single-family residential property to the satisfaction of the Zoning Administrator.
2. The applicant shall install a 6-foot fence made of wood or other maintenance free material to the satisfaction the Zoning Administrator.
3. Vehicle maintenance shall only be done between the hours of 7 AM and 10 PM, with the doors closed.
4. The applicant shall apply for and receive all applicable building permit prior to beginning work.

Chairperson Hansen opened the public hearing at 7:21 PM.

Commissioner Julien inquired if vehicle maintenance would take place all year as he was concerned of the heat in the garage during the summer months.

Mr. Seeroo stated that there would not be activity in during the summer months when school is not in session (June – August).

Administrator Buchholtz inquired on how many employees there would be and where their vehicles would be parked. Mr. Seeroo stated that there would be approximately 32 employees and they would swap parking places with the van, they would be driving during the day, with their own personal vehicle.

Commissioner Bernhagen inquired on the hours of operation for the business. He stated that the report stated 7:00 AM – 10:00 PM. He stated that he has concerns noise after 9:00 PM.

Mr. Seeroo stated that the business would be closed by 7:00 PM. He stated that the mechanics would be done working on vehicles by 7:00 PM. He explained that vans are often back to the garage by mid – morning allowing a chance for the mechanics to work on the van during the day if there is a repair needed. He stated that the doors would be closed when work is being done the vehicles.

Commissioner Dircks inquired on how many vans would be on site. Mr. Seeroo stated that there would be 25 vans with 10 of them taken home at the end of the day. He stated that there are two extra vans in case of a breakdown and they are included in the count of 25.

Commissioner Dircks inquired if any correspondence was received from the neighboring properties. Administrator Buchholtz stated that none was received.

Commissioner Bernhagen inquired if any new lighting would be added to the parking lot. He is concerned that replacing the burnt-out bulbs or the addition of lighting will have an affect on the neighboring properties.

Mr. Seeroo stated that there are no plans at this time for additional lighting. He stated he would be adding security cameras.

Administrator Buchholtz stated that the existing trees are very thick in the back of the property and a requirement of the CUP application be that a lighting plan be submitted to the City for review by the City Engineer.

Chairperson Hansen inquired if there are any hydraulic vehicle lifts in the building or if any would be installed. Mr. Seeroo stated that currently there are none but they could be installed if the mechanic sees that there is a need for one. He is uncertain at this time as to what kind is needed.

Commissioner Dirks inquired if any structural modifications need to be made to the building. Mr. Seeroo stated that there are none and there are existing garage doors for access.

Administrator Buchholtz inquired as to what school districts the transportation company contracts with. Mr. Seeroo stated that there are several including: Anoka-Hennepin, Spring Lake Park, Osseo and many others.

Hearing no additional discussion from the floor, Chairperson Hansen closed the public hearing at 7:39 PM.

MOTION MADE BY COMMISSIONER COBBS TO RECOMMEND APPROVAL OF CONDITIONAL USE PERMIT FOR ESSENTIAL SCHOOL TRANSPORTATION AT 8302 HIGHWAY 65 NE TO THE CITY COUNCIL WITH THE FOLLOWING CONDITIONS: 1.) THE APPLICANT SHALL INSTALL ADDITIONAL TREES ON THE SOUTHERN HALF OF THE WEST PROPERTY LINE TO PROVIDE ADDITIONAL SCREENING TO ADJACENT SINGLE-FAMILY RESIDENTIAL PROPERTY TO THE SATISFACTION OF THE ZONING ADMINISTRATOR; 2.) THE APPLICANT SHALL INSTALL A SIX-FOOT FENCE MADE OF WOOD OR OTHER MAINTENANCE FREE MATERIAL TO THE SATISFACTION OF THE ZONING ADMINISTRATOR; 3.) HOURS OF OPERATION WILL BE FROM 6:00 AM TO 7:00 PM AND VEHICLE MAINTENANCE SHALL ONLY BE DONE BETWEEN 7:00 AM AND 7:00 PM, WITH THE DOORS CLOSED; 4.) THE APPLICANT SHALL APPLY FOR AND RECEIVE ALL APPLICABLE BUILDING PERMITS PRIOR TO BEGINNING WORK; 5.) PHOTOMETRIC PLAN OF EXTERIOR LIGHTING CHANGES MUST BE SUBMITTED TO THE CITY ADMINISTRATOR FOR APPROVAL BY CITY ENGINEER. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.



Dear Mr. Buchhotz,

My name is Donn Eiler, I live at 8301 Pierce St. NE, Spring Lake Park.

I am writing to you regarding the new business that wants to go in to where the Brew & Grow is currently.

If this business were to go through there are a few things that I would like to see done before that happens.

1. I would like to see the fence that separates our property be completely replaced & not just repaired. the fence is in very bad shape & is at least 40 years old!
2. I would also like to see the very large tree that sits at the edge of the property at the end of the fence line removed. It has caused problems with the power lines in past years.
3. Another concern, since I was unable to attend the first meeting regarding this is. What will be the hours of operation? How many days a week? I ask this because of what the possible noise level will be.

Thank you for taking the time to consider my concerns.

Sincerely,

Donna Eiler

## Daniel Buchholtz

---

**From:** Info  
**Sent:** Thursday, July 25, 2019 8:00 AM  
**To:** Daniel Buchholtz  
**Subject:** FW: 8302 Highway 65 Conditional use permit for transportation company

Good Morning Dan,

Please see the email below.

Thank you  
Wanda

---

**From:** gene eiler <g\_eiler@hotmail.com>  
**Sent:** Wednesday, July 24, 2019 8:23 PM  
**To:** Info <info@slpmn.org>  
**Subject:** 8302 Highway 65 Conditional use permit for transportation company

Dan Buchholtz

Things I would like to see new owner do to property.

I have lived at 8301 Pierce St N.E. since 1983 and the fence between my residence and Brew and Grow was there when I bought my house. It is in very bad condition, some boards were replaced recently but many more need replacing. The tree in the south west corner has been a problem; it is too close to the power lines and over the years has been the source of a few times losing power. I would like to see it removed to prevent future problems.

Best regards

Gene Eiler



## **RESOLUTION NO. 19-22**

### **A RESOLUTION APPROVING A VARIANCE TO ALLOW CONSTRUCTION OF A GARAGE ADDITION/EXTENSION AT 416 BALLANTYNE LANE NE**

**WHEREAS**, Quinn & Jolene Hoffman, 416 Ballantyne Lane NE, have made application for a variance from Appendix D, Chapter 153 of the Zoning Code to allow a garage addition/extension to be constructed within the required side and rear yard setback; and

**WHEREAS**, the property is legally described as follows:

Lot 8 Block 3 Terrace Manor 5<sup>th</sup> Addition, subject to easement of record; and

**WHEREAS**, mailed and published notice of a public hearing to consider the proposed variance was given; and

**WHEREAS**, a public hearing to consider the proposed variance was held on July 22, 2019; and

**WHEREAS**, the request was made for construction of a garage addition to be located five feet from the side lot line and thirty feet from the rear lot line

**WHEREAS**, the Planning Commission has considered the application against the practical difficulties test as outlined in Section 153.224 of the Spring Lake Park Zoning Code; and

**WHEREAS**, the Planning Commission has recommended approval finding that the proposed variance is a reasonable use of the property, that the variance will not alter the essential character of the locality, the situation was not created by the property owner, and that the existing garage is within the five yard setback and the garage extension will be no closer than five feet from the property line, and that while a detached garage could be constructed without a variance, it would add additional impervious surface to the property, which is undesirable; and

**WHEREAS**, the Spring Lake Park City Council has reviewed the application and hereby accepts the findings and recommendation of the Spring Lake Park Planning Commission.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Spring Lake Park, Minnesota that the City Council hereby approves the request of Quinn and Jolene Hoffman for a variance from the strict interpretation of Appendix D, Chapter 153 of the Zoning Code for a garage addition/extension at 416 Ballantyne Lane NE with the condition that the addition must conform to architectural characteristics of the existing home to include, but not limited to, matching siding, matching roofing materials, consistent roof pitch, etc, to the satisfaction of the Zoning Administrator.

The foregoing Resolution was moved for adoption by Councilmember .

Upon Vote being taken thereon, the following voted in favor thereof:

And the following voted against the same:

Whereon the Mayor declared said Resolution duly passed and adopted the 5th day of August, 2019.

APPROVED BY:

---

Robert Nelson, Mayor

ATTEST:

---

Daniel R. Buchholtz, City Administrator

## DRAFT PROCEEDINGS

Minutes of the Spring Lake Park Planning Commission regularly scheduled meeting held on July 22, 2019 at the Spring Lake Park Community Center, 1301 81<sup>st</sup> Avenue N.E., at 7:00 P.M.

### 1. Call to Order

Chairperson Hansen called the meeting to order at 7:00 P.M.

### 2. Roll Call

Members Present: Commissioners Hansen, Dircks, Julien, Bernhagen, Eischens and Cobbs

Members Absent: None

Staff Present: City Planner Carlson, Administrator Buchholtz and Executive Assistant Gooden

Visitors: Jolene and Quinn Hoffman, 416 Ballantyne Lane NE  
Kamaal Seeroo, Efficient Transportation  
Doug Harris, Results Commercial Realty  
Councilmember Brad Delfs  
Lauren Walburg, Stantec

### 3. Approval of Minutes – May 28, 2019

MOTION BY COMMISSIONER BERNHAGEN, SECONDED BY COMMISSIONER JULIAN, APPROVING THE MINUTES OF JULY 22, 2019. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

### 4. Public Hearing – Variance Application – Quinn and Jolene Hoffman – 416 Ballantyne Lane NE

Chairperson Hansen opened the public hearing at 7:03 PM.

Administrator Buchholtz reported that the City received an application from Quinn and Jolene Hoffman for a variance from the side and rear yard setbacks to build an addition/extension onto an existing garage on their property.

Administrator Buchholtz reported that the applicants are seeking a variance from the 10-foot yard setback requirement and a variance from the 40-foot rear yard setback requirement, as set forth in Appendix D of the Spring Lake Park City Code.

Administrator Buchholtz reported that property is located just off a cul-de-sac located at the intersection of Ballantyne Lane NE and 6<sup>th</sup> Street NE. He stated that the property is guided for low density residential in the 2040 Comprehensive Plan. He stated the property is zoned R-1, Single Family residential -allowed uses include single-family homes and duplexes. He stated that property records show that the house on the property was constructed in 1971.

Administrator Buchholtz stated that the City's current yard setbacks standards for the R-1 zoning district is as follows:

Dwelling, single family – front yard	35 feet
Dwelling, single family – rear yard	40 feet
Dwelling, single family – side yard	10 feet
Accessory uses, rear yard	5 feet
Accessory uses, side yard	5 feet

Administrator Buchholtz reported that an attached garage to a single-family dwelling is part of the single-family dwelling and thus is subject to the 10-foot side yard setback. He stated the existing attached garage is legal non-conforming use as it is located within the 10-foot side-yard setback. He stated that there is no record of a variance on file for the existing structure.

Administrator Buchholtz reported that Section 153.061 of the City of Spring Lake Park's zoning code governs accessory building and uses:

**§ 153.061 ACCESSORY BUILDINGS AND USES.**

(C) *Attached accessory buildings.* In case an accessory building is attached to the main building, it shall be made structurally a part of the principal building and shall comply in all respects with the requirements of this chapter applicable to the principal building.

(D) *Detached accessory buildings.* A detached accessory building shall not be located in any required front or side yard setback. A detached accessory building shall not be closer than eight feet to the principal building, except as otherwise provided in this chapter.

Variance

Administrator Buchholtz reported that Section §153.224 of the City of Spring Lake Park's zoning code outlines the criteria for considering variances:

"The City Council may grant a variance from the strict application of this title and impose conditions and safeguards on the variance so granted only in instances where their strict enforcement would cause practical difficulties in complying with the official control because of circumstances unique to the individual property under consideration, and may grant a variance only when it is demonstrated that such actions will be in harmony with the general purposes and intent of this title and when the variances are consistent with the Comprehensive Plan. "Practical difficulties" as used in connection with the granting of a variance means that the property owner proposes to use the property in a reasonable manner not permitted by an official control, the plight of the landowner is due to circumstances unique to the property not created by the landowner, and the variance, if granted, will not alter the essential character of the locality. Economic considerations alone do not constitute practical difficulties. Practical difficulties also include, but is not limited to, direct sunlight for solar energy systems. A variance shall not be granted to allow a use that is not allowed in the zoning district involved."

Administrator Buchholtz reported that staff recommends that the Planning Commission deny the garage addition/extension variance at 416 Ballantyne Lane NE with these findings:

1. Requiring the garage addition to comply with the established setback does not cause practical difficulties for this property owner, since there are no feasible opinions for essentially the same project that would not require a variance.
2. The Code establishes setbacks to provide light and air to all properties, to be applied equally across the various properties in this zoning district. The size and dimensions of the garage could be adjusted without compromising the side yard and rear yard setbacks and therefore the requested variance is not in harmony with the general purposes and intent of the code.
3. The property can be reasonably used without the variance.
4. The property and buildings are similar to many others in the neighborhood and in the city. There are no unique circumstances on this property that make it difficult to build a garage addition/extension to be built within the setback.
5. The applicant could build the addition 5 feet to the east and reduce the depth to 14 feet deep north-south and meet the setbacks or the applicant could construct a detached garage that would be within five feet of the side and rear lot lines, so long as it complies with Section §153.061 of the Zoning Code. These options might be more costly, but are not impractical. Therefore, the request may be due to economic considerations.

Commissioner Julien reported that he visited the property and stated requiring to build a detached garage would not make sense and would result in a driveway on the west side of the property having to be created. He stated that the homeowners would need to drive through the existing garage to get to the new detached garage.

Commissioner Julien inquired if there had been any objections from the neighbors to add on to the existing garage. Administrator Buchholtz stated that all properties within 350 feet were notified of the public hearing and no correspondence had been received.

Administrator Buchholtz inquired to Mr. Hoffman if it was necessary to go back 10 feet into the 40-foot setback. Mr. Hoffman stated that much footage is not necessary. He stated that he was using accessory building measurements as he was considering the addition an accessory structure.

Hearing no further discussion from the floor, Chairperson Hansen closed the public hearing at 7:13 PM.

Commissioner Julien stated that he felt the variance should be granted.

Administrator Buchholtz suggested to the Planning Commission members that a requirement be that the addition conforms to the existing characteristics of the existing home with siding and roofing materials. He encouraged the Planning Commission to create findings to support the practical difficulties for support of approval of the variance.

Commissioner Eischens stated that other homes in the area have extended garages. He stated that with older homes there are space restrictions and in order to keep homes looking nice additional garage space is needed.

Commissioner Bernhagen stated that adding a garage with a second driveway would not be practical and

would take up more green space on the property. Administrator Buchholtz clarified that by reducing the amount of impervious surface for a driveway would be a practical difficulty factor to grant the variance.

Chairperson Hansen inquired if any trees would be removed. Mr. Hoffman stated there would be no removal of trees.

MOTION MADE BY COMMISSIONER JULIEN, SECONDED BY EISCHENS TO RECOMMEND APPROVAL OF VARIANCE APPLICATION FOR A VARIANCE FROM THE SIDE AND REAR YARD SETBACKS FOR AN ADDITION/EXTENSION OF AN EXISTING GARAGE AT 416 BALLANTYNE WITH THE FOLLOWING CONDITIONS: 1.) ADDITION MUST CONFORM TO CHARACTERISTICS OF EXISTING HOME WITH MATCHING SIDING AND ROOF MATERIALS. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

5. Public Hearing – Conditional Use Permit – Efficient Transportation – 8302 Highway 65 NE

City Planner Carlson reported that the City received a Conditional Use Permit application from Efficient School Transportation to open a Type III transportation service company on the site that currently houses Brew and Grow. The property is located at 8302 Highway 65 NE and is guided Commercial and zoned C-2; Neighborhood and Service Center commercial. He reported that auto sales, leasing and rental are considered a Conditional Use in this zoning district.

Mr. Carlson reported that the site is located on the west side of the Highway 65 and south west of the County Highway 10/Central Avenue NE interchange. He stated that the site is accessible by County 10 Service Drive and the adjacent uses are commercial to the north and south, single-family residential to the west and townhomes near the south west corner of the site.

Mr. Carlson reported that the property is guided Commercial in the 2040 Comprehensive Plan. He noted that the zoning is C-2; Neighborhood and Service Center Commercial which is intended as a business district which may be located in close proximity to a major thoroughfare or highway in order that highway service types of land can be provided.

Mr. Carlson reported that the site is the current location of Brew & Grow Minnesota Retail Store and is comprised of two (2) warehouse storage structures, and a paved surface parking lot. He stated that the request is to change the use of the property to a Type III transportation company, which means that vehicles must have capacity for ten or fewer people including the driver. He stated that the applicant proposes that the company will provide Minivan service to local schools and students. He stated that the applicant proposes the site will be used for offices, a driver room, service garage for company vehicles and parking for company and employee vehicles. He reported that the attached parking plan shows 41 parking spaces on the north side of the building. He stated that the applicant is proposing to store company vehicles outdoors, and to provide service to vehicles within the enclosed warehouse space. He stated that the City Code requires vehicles stored outside to either be stored within a completely enclosed building, or within the confines of an opaque wall or fence not less than six (6) feet.

Mr. Carlson reported that the applicant proposes to install a fence surrounding the parking lot where the vehicles will be stored. He stated that new plans have been submitted with a fencing material of wood or other maintenance-free material to be aesthetically compatible with surrounding uses. He stated that staff has recommended that the applicant use the existing fence on the west property line and extend the new fence to the west property line.



# Memorandum

**To:** Chair Hansen and Members of the Planning Commission

**From:** Daniel R. Buchholtz, MMC, Administrator, Clerk/Treasurer

**Date:** July 17, 2019

**Subject:** Variance – 416 Ballantyne Lane NE

## Background

Quinn and Jolene Hoffman, 416 Ballantyne Lane NE, have submitted an application for a variance from the side and rear yard setbacks for an addition/extension of an existing garage on their property.

The applicant is seeking a variance from the 10 foot side yard setback requirement and a variance from the 40 foot rear yard setback requirement, as set forth in Appendix D of the Spring Lake Park City Code.

The site is located just off a cul-de-sac located at the intersection of Ballantyne Lane NE and 6<sup>th</sup> Street NE. The property is guided for low density residential in the 2040 Comprehensive Plan. The property is zoned R-1, Single Family Residential – allowed uses include single-family homes and duplexes. Property records show that the house on the property was constructed in 1971.

The City's current yard setback standards for the R-1 zoning district is as follows:

Dwelling, single family – front yard	35 feet
Dwelling, single family – rear yard	40 feet
Dwelling, single family – side yard	10 feet
Accessory uses, rear yard	5 feet
Accessory uses, side yard	5 feet



An attached garage to a single-family dwelling is part of the single-family dwelling and thus is subject to the 10-foot side yard setback. The existing attached garage is a legal non-conforming use as it is located within the 10-foot side-yard setback. There is no record of a variance on file for the existing structure.

Section 153.061 of the City of Spring Lake Park's zoning code governs accessory buildings and uses

#### **§ 153.061 ACCESSORY BUILDINGS AND USES.**

....

(C) *Attached accessory buildings.* In case an accessory building is attached to the main building, it shall be made structurally a part of the principal building and shall comply in all respects with the requirements of this chapter applicable to the principal building.

(D) *Detached accessory buildings.* A detached accessory building shall not be located in any required front or side yard setback. A detached accessory building shall not be closer than eight feet to the principal building, except as otherwise provided in this chapter.

#### **Variance**

Section §153.224 of the City of Spring Lake Park's zoning code outlines the criteria for considering variances:

"The City Council may grant a variance from the strict application of this title and impose conditions and safeguards on the variance so granted only in instances where their strict enforcement would cause practical difficulties in complying with the official control because of circumstances unique to the individual property under consideration, and may grant a variance only when it is demonstrated that such actions will be in harmony with the general purposes and intent of this title and when the variances are consistent with the Comprehensive Plan. "Practical difficulties" as used in connection with granting of a variance means that the property owner proposes to use the property in a reasonable manner not permitted by an official control, the plight of the landowner is due to circumstances unique to the property not created by the landowner, and the variance, if granted, will not alter the essential character of the locality. Economic considerations alone do not constitute practical difficulties. Practical difficulties also includes, but is not limited to, direct sunlight for solar energy systems. A variance shall not be granted to allow a use that is not allowed in the zoning district involved."

#### **Recommendations**

Staff recommends that the Planning Commission deny the garage addition/extension variance at 416 Ballantyne Lane NE with these findings:

1. Requiring the garage addition to comply with the established setback does not cause practical difficulties for this property owner, since there are feasible options for essentially the same project that would not require a variance.



2. The Code establishes setbacks to provide light and air to all properties, to be applied equally across the various properties in this zoning district. The size and dimensions of the garage could be adjusted without compromising the side yard and rear yard setbacks and therefore the requested variance is not in harmony with the general purposes and intent of the code.
3. The property can be reasonably used without the variance.
4. The property and buildings are similar to many others in the neighborhood and in the city. There are no unique circumstances on this property that make it difficult to build a garage addition/extension to be built within the setback.
5. The applicant could build the addition 5 feet to the east and reduce the depth to 14 feet deep north-south and meet the setbacks or the applicant could construct a detached garage that would be within five feet of the side and rear lot lines, so long as it complies with Section §153.061 of the Zoning Code. These options might be more costly, but are not impractical. Therefore, the request may be due to economic considerations.

If you have any questions regarding this application, please don't hesitate to contact me at 763-784-6491.



July Planning mtg



**City of Spring Lake Park**  
1301 81<sup>st</sup> Avenue NE  
Spring Lake Park, MN 55432  
763-784-6491 (p) 763-792-7257 (f)  
[info@slpmn.org](mailto:info@slpmn.org)

**For Office Use Only**

Case Number:
Fee Paid: \$450
Received by: JC
Date Filed: 7-1-19
Date Complete:
Base Fee: \$150 Escrow: \$300

Receipt # 116692

**DEVELOPMENT APPLICATION**

**TYPE OF APPLICATION** (Check All That Apply)

<input type="checkbox"/> Appeal	<input type="checkbox"/> Site Plan/Building Plan Review	<input type="checkbox"/> Minor Subdivision
<input type="checkbox"/> Comprehensive Plan Amendment	<input type="checkbox"/> Conceptual Plan Review	<input type="checkbox"/> Lot Combination
<input type="checkbox"/> Ordinance Amendment (Text)	<input type="checkbox"/> Conditional Use Permit	<input type="checkbox"/> Preliminary Plat
<input type="checkbox"/> Rezoning	<input checked="" type="checkbox"/> Variance	<input type="checkbox"/> Final Plat
<input type="checkbox"/> Planned Unit Development	<input type="checkbox"/> Street or Easement Vacation	<input type="checkbox"/> Other _____

**PROPERTY INFORMATION**

Street Address: 4116 Ballantyne Lane NE  
Property Identification Number (PIN#): 02-30-24-24-0068 Current Zoning: R1  
Legal Description (Attach if necessary): Single Family Home

**APPLICANT INFORMATION**

Name: Quinn + Joene Hoffman	Business Name:	
Address: 4116 Ballantyne Lane NE		
City: Spring Lake Park	State: MN	Zip Code: 55432
Telephone: 763-614-7582	Fax:	E-mail: amhoffman@yahoo.com
Contact: Quinn Hoffman	Title:	

**OWNER INFORMATION** (if different from applicant)

Name:	Business Name:	
Address:		
City:	State:	Zip Code:
Telephone:	Fax:	E-mail:
Contact:	Title:	

**DESCRIPTION OF REQUEST** (attach additional information if needed)

Existing Use of Property: Permanent Residence / Full Time

Nature of Proposed Use: Storage, parking space & to keep our property from having large items sitting outside.

Reason(s) to Approve Request: Accessory addition will not be livable space & should fall under accessory/garage zoning guidelines

**PREVIOUS APPLICATIONS PERTAINING TO THE SUBJECT SITE**

Project Name:	Date of Application:
Nature of Request:	

**NOTE:** Applications only accepted with ALL required support documents.  
See City Code

**City of Spring Lake Park  
Variance Application**

A variance cannot be approved unless the Planning Commission and City Council find that the "practical difficulties" standard has been met. Please provide a response as to how/why your project will meet the following criteria. Use additional sheets if necessary and consult with the Zoning Administrator if you need clarification on the intent of any of the standards set below.

1. Applicant Information:

Name: Quinn + Jolene Hoffman Telephone: \_\_\_\_\_  
Address: 4116 Ballantyne Lane NE Cell Phone: 763-6614-7582  
City/State/Zip: Spring Lake Park, MN 55432 E-mail: QM.Hoffman@uphs.com

2. Property Owner Information (if different from above):

Name: \_\_\_\_\_ Telephone: \_\_\_\_\_  
Address: \_\_\_\_\_ Cell Phone: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_ E-mail: \_\_\_\_\_

3. Project Location (Address and Legal Description): 4116 Ballantyne Lane NE - single family home.

4. Present Use of Property: Permanent - Full Time resident

5. Description of Project: Extension/Addition of rear existing garage.

6. Specify Section of the Ordinance from which variance is sought: Extension of garage will be 30 feet from back property line

7. Explain how you wish to vary from the applicable provisions of this Ordinance: We wish for this project to be considered a garage addition since it will not have livable space - solely used for garage storage.

8. Please attach a site plan or accurate survey as may be required by Ordinance.

9. **Practical Difficulties Test:** Please answer the following questions as they relate to your specific variance request.

a. In your opinion, is the variance in harmony with the purposes and intent of the Ordinance?

☒ Yes ☐ No Why or why not?

The proposed use shall fit harmoniously, with it being considered an accessory building that does not connect directly to the house only to the existing garage.

b. In your opinion, is the variance consistent with the Comprehensive Plan?

☒ Yes ☐ No Why or why not?

Not sure if this applies to our project.  
I don't believe it will disrupt the  
Comprehensive plan.

c. In your opinion, does the proposal put property to use in a reasonable manner?

☒ Yes ☐ No Why or why not?

The addition would increase necessary space for our  
growing family to use for storage of extra vehicles,  
grand kids bikes, etc... This will provide more usable space.

d. In your opinion, are there circumstances unique to the property? (physical characteristics of the property – i.e. sloping topography or other natural features like wetlands or trees)?

☐ Yes ☒ No Why or why not?

There is nothing different or unique with the  
property. All properties are similar in the  
neighborhood.

e. In your opinion, will the variance maintain the essential character of the locality?

☒ Yes ☐ No Why or why not?

This project will not alter the essential character of the  
locality. The new structure will not be out of scale or  
out of place.

The Planning Commission must make an affirmative finding on all of the five criteria listed above in order to grant a variance. The applicant for a variance has the burden of proof to show that all of the criteria listed above have been satisfied.

The undersigned certifies that they are familiar with application fees and other associated costs and also with the procedural requirements of the City Code and other applicable ordinances.

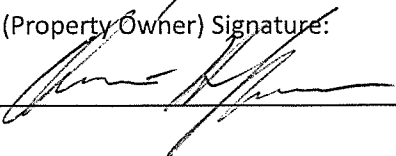
Applicant Signature:



Date:

7-1-19

Fee Owner's (Property Owner) Signature:



Date:

7-1-19

To whom it may concern,

My husband and I are applying for a variance to proceed with extending the rear of our garage.

We have been homeowners in Spring Lake Park for the past 19 years and I have been a resident since 1987.

The garage space we have now is not adequate for our needs and prefer to increase space rather than to look for new housing that might take us out of the Spring Lake Park area.

I would prefer to remain living in Spring Lake Park for it has been my home since I was a child.

The addition would increase necessary space for our growing family for storage of extra vehicles, grandkid's bikes, etc.

The addition would align with the existing garage and will not be visible from any angle of the street view and will not encroach upon other properties.

The addition would not diminish or impair property values within the neighborhood and would not damage the character or desirability of the existing residential area.

The addition is a garage addition so therefore it will not have livable space. It will be within the 1200 sq. ft. guidelines and will not take over more than 35 percent of the back yard space.

The addition of the garage would be 30 feet from the rear property line & side will align with the existing structure of 5 feet from side property line.

Under ordinance 447 - 153.132 Yards; Setbacks that garages and carports are not to be less than 5 feet from side property line.

My understanding is that we are within the guidelines for this garage addition except for the rear set back that seems to be somewhat of a gray area with garage additions versus home additions and the 30-40 feet rear setback guidelines.

We have seen many additions, garage extensions & second garages in the Spring Lake Park area and we are just hoping that we could be granted the same permission as other residents to accommodate our needs for more storage/parking space.

I ask if you could please consider granting permission for this project.

I thank you for your time in reading this and reviewing the variance application.

Sincerely,

Jolene Hoffman

416 Ballantyne Lane NE, Spring Lake Park, MN

<i>Minimum Lot Depth and Width by Residence District (Feet)</i>				
<i>Use</i>	<i>Dimension</i>	<i>R-1</i>	<i>R-2</i>	<i>R-3</i>
Dwelling, single-family	Depth	120	120	120
Dwelling, single-family	Width	75	75	75
Dwelling, two-family	Depth	120	120	120
Dwelling, two-family	Width	75	75	75

(3) *Maximum lot coverage.*

<i>Maximum Percentage of Lot Coverage of All Structures in Residence Districts</i>			
<i>Use</i>	<i>R-1</i>	<i>R-2</i>	<i>R-3</i>
Any	35%	35%	50%

(4) *Front yard.*

<i>Minimum Front Yard in Residence Districts (Feet)</i>			
<i>Use</i>	<i>R-1</i>	<i>R-2</i>	<i>R-3</i>
Dwelling	35	35	35
Other uses	50	50	50

(5) *Side and rear yards.*

<i>Minimum Side and Rear Yards in Residence Districts (Feet)</i>				
<i>Use</i>	<i>Dimension</i>	<i>R-1</i>	<i>R-2</i>	<i>R-3</i>
Accessory uses	Rear yard	5	15	15
Accessory uses	Side yard	5	5	10
Dwelling, medium density	Rear yard	-	30	30
Dwelling, medium density	Side yard	-	15	15
Dwelling, multiple-family	Rear yard	-	-	35



# City of Spring Lake Park - Code Enforcement

1301 81st Avenue NE • Spring Lake Park MN 55432 • Phone: 763-784-6491 • Fax: 763-792-7257 • www.slpmmn.org



## BUILDING PERMIT APPLICATION

Job Address 416 Ballantyne Ln NE, Spring Lake Park

### Property Owner

Name Quinn Hoffman

Address 416 Ballantyne Ln NE Phone 763-614-7582

Email qmhoffman@yahoo.com

### Type of Property

- ☐ Commercial Property
- ☐ Industrial Property
- ☐ Mobile Home Property
- ☐ Multi-Family Property
- ☐ Public Property
- ☒ Single Family Property

### Contractor

Name \_\_\_\_\_

Address \_\_\_\_\_ Phone \_\_\_\_\_

Email \_\_\_\_\_

State License # \_\_\_\_\_ Exp. Date \_\_\_\_\_ Lead Cert. Date \_\_\_\_\_  
dd/mm/yr dd/mm/yr

### Applicant

Same as ☒ Property Owner ☐ Contractor

Name \_\_\_\_\_

Address \_\_\_\_\_ Phone \_\_\_\_\_

Email \_\_\_\_\_

### Type of Work

- |  |   |
|--|---|
| <input type="checkbox"/> Addition                | <input type="checkbox"/> Mobile Home        |
| <input type="checkbox"/> Alteration              | <input type="checkbox"/> New                |
| <input type="checkbox"/> Accessory < 200 Sq. Ft. | <input type="checkbox"/> Pool               |
| <input type="checkbox"/> Basement Finish         | <input type="checkbox"/> Remodel            |
| <input type="checkbox"/> Concrete Work           | <input type="checkbox"/> Repair             |
| <input type="checkbox"/> Deck                    | <input type="checkbox"/> Replace            |
| <input type="checkbox"/> Demolition              | <input type="checkbox"/> Roofing            |
| <input type="checkbox"/> Door Replacement        | <input type="checkbox"/> Shed < 200 Sq. Ft. |
| <input type="checkbox"/> Dumpster Enclosure      | <input type="checkbox"/> Siding             |
| <input type="checkbox"/> Egress Window           | <input type="checkbox"/> Structural Work    |
| <input type="checkbox"/> Gypsum Board            | <input type="checkbox"/> Window Replacement |
| <input type="checkbox"/> Insulation              | <input type="checkbox"/> Other _____        |
| <input type="checkbox"/> Masonry Work            |   |

Describe Work Attached Garage Addition

Value of Work Including Labor 28,000 ~~30,000~~ Start Date 6-24-19 Estimated Completion Date 8-24-19  
dd/mm/yr dd/mm/yr

**Commercial/Industrial** Submit two plan sets and specifications for commercial or industrial work.

Describe Building Use and/or Changes in Use \_\_\_\_\_

### Notice

Separate permits are required for electrical, plumbing, heating, ventilating, and air conditioning. This permit becomes null and void if work or construction authorized is not commenced within 180 days or work is suspended or abandoned for a period of 180 days at any time after work is commenced.

I hereby certify that I have read and examined this application and know the same to be true and correct. All provisions of laws and ordinances governing this type of work will be complied with whether specified herein or not. The granting of a permit does not presume to give authority to violate or cancel the provisions of any other State or local law regulating construction or the performance of construction. Initial here \_\_\_\_\_

☒ Contractor Signature \_\_\_\_\_ Date of Application \_\_\_\_\_  
dd/mm/yr

☒ Homeowner Doing Work in Homestead Signature [Signature] Date of Application 6-17-19  
dd/mm/yr

If application is not fully completed, it will be denied at time of processing. Please verify that all necessary information is legible and plans are included with job cost estimates. Contact Permit Technician to verify all necessary information is provided before submitting.

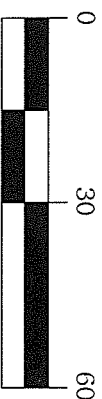
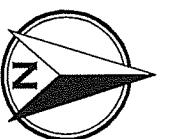
**Payment:** We accept cash, checks payable to City of Spring Lake Park, or credit cards (with additional processing fees), at the front counter only.



# CERTIFICATE OF SURVEY FOR: QUINN HOFFMAN

30

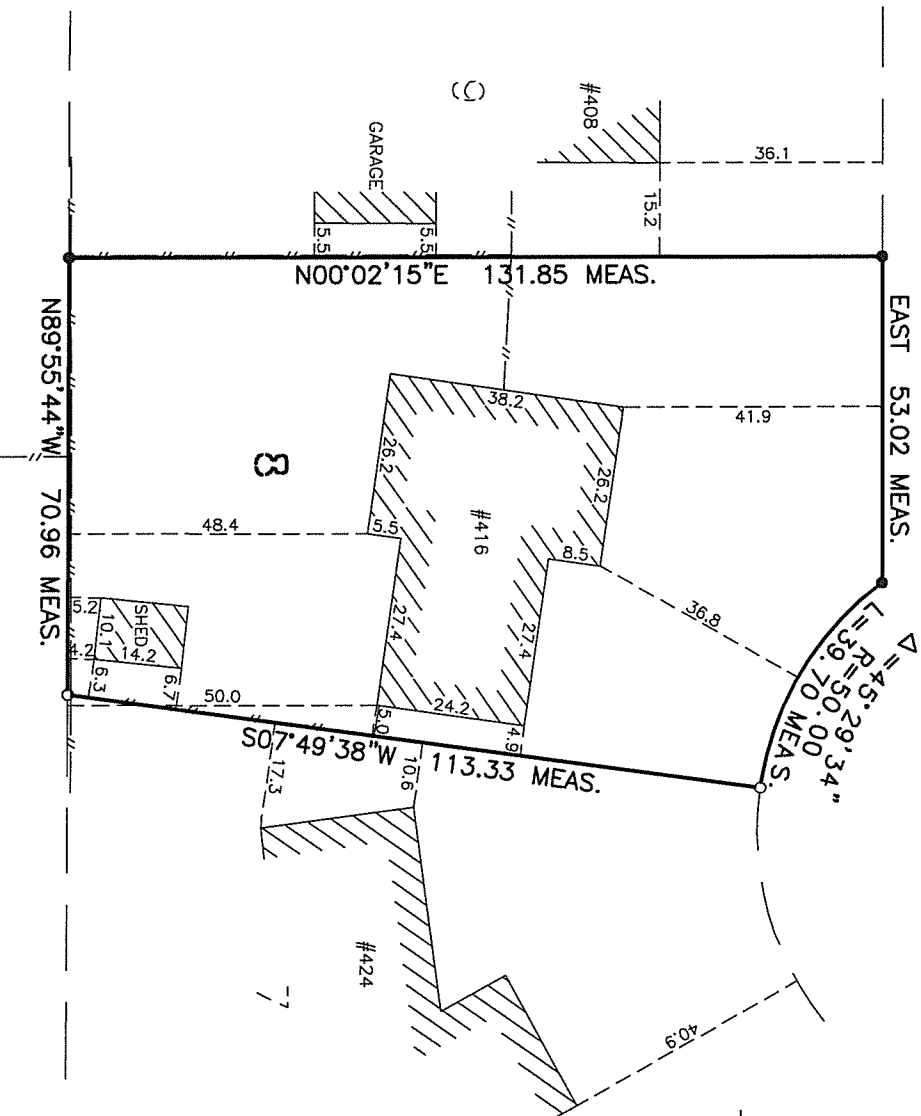
BALLANTYNE LANE NORTHEAST



SCALE IN FEET

## LEGEND

- Found Iron Monument
- Set Iron Monument
- Inscribed R.L.S 15230
- Fence



JOB NO.

112-19

BOOK/PAGE

165/21

SHEET

1 of 1

SCALE

1" = 30'

DRAWN

CME

REFERENCE

SITE ADDRESS

416 Ballantyne Ln. NE  
Spring Lake Park, MN 55132

PROPERTY DESCRIPTION

Lot 8, Block 3, TERRACE LAKE SUB ADDITION,  
Anoka County, Minnesota.

I hereby certify that this survey, plan, or report was prepared by  
me or under my direct supervision and that I am a duly registered  
Land Surveyor under the laws of the State of Minnesota.

W. BROWN LAND SURVEYING, INC.

DATED: 06-08-2019

WOODROW A. BROWN, R.L.S. MN REG 15230



W. BROWN LAND SURVEYING, INC.

8030 CEDAR AVENUE SO., Suite 228,  
Bloomington, MN 55425

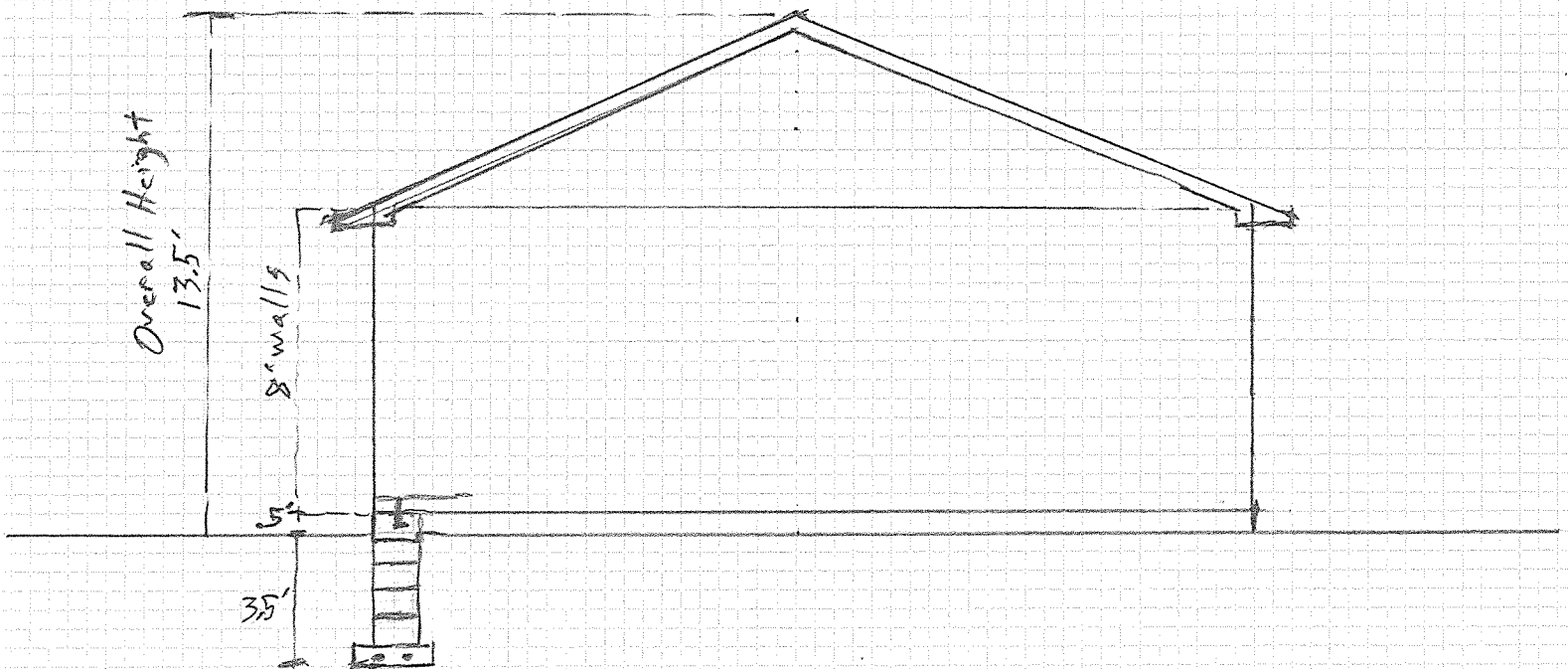
Bus: (952) 854-4055

Fax: (952) 854-4268

EMAIL: WBLANDSURVEY@AOL.COM

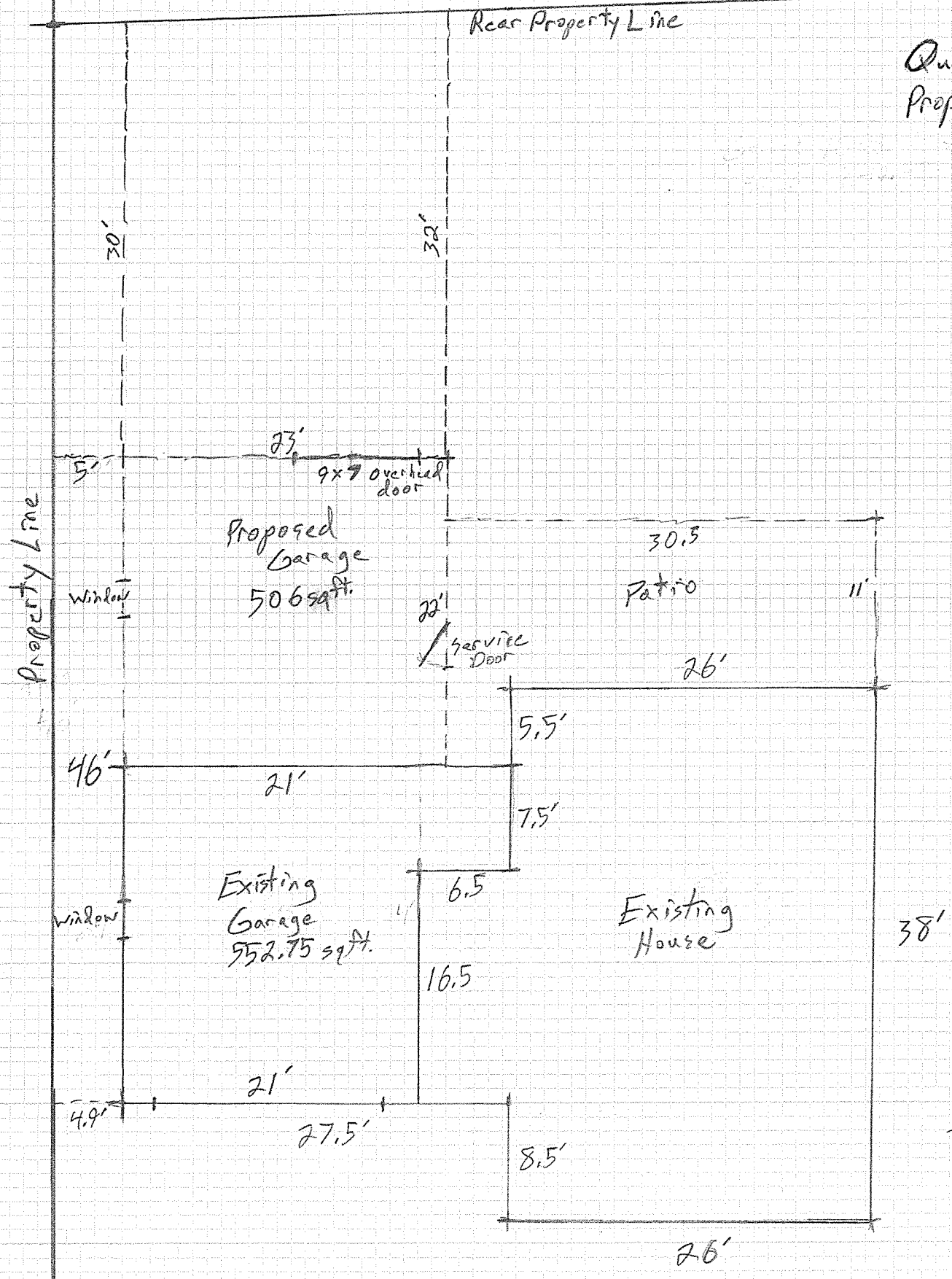
Quinn Hoffman  
Rear Elevation  
Proposed Attached  
Garage Addition

Rear Elevation



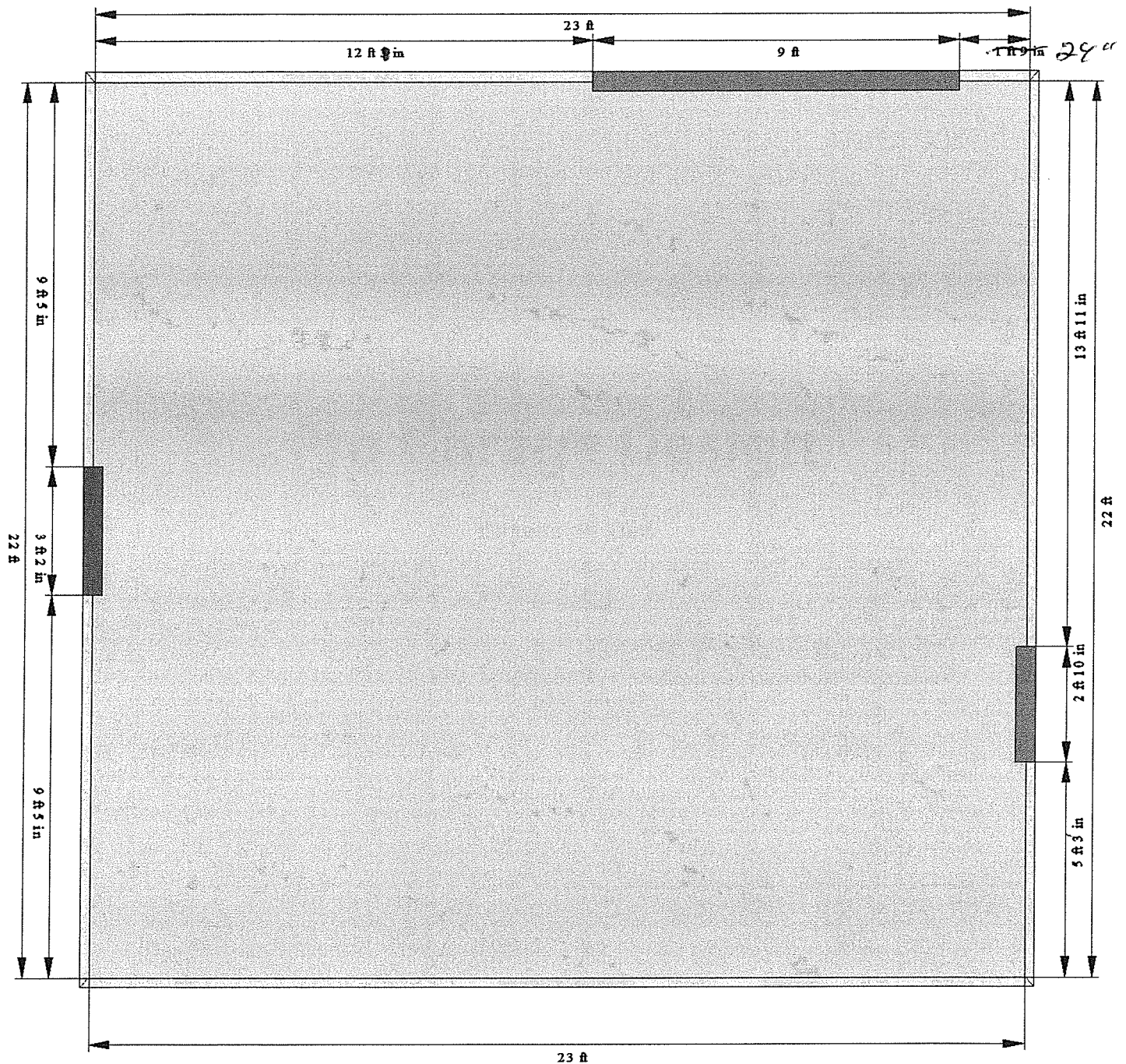
1 single sized  
garage overhead  
door

Quinn Hoffman  
Proposed Garage  
Addition



Total Home  
2083.25 sq. ft.  
Finished 1886

## Dimension View



Warning and Important Instructions: This is not a final design plan or estimate. Edgenet, LLC. assumes no responsibility for the correct use or output of this program. All information contained on this page is subject to the terms in the disclaimer located at the end of this document.



## AUDIT

- **Audit Opinion**
  - Provides reasonable, but not absolute, assurance that financials are free of material misstatement
  - Audit procedures include: outside confirmation of certain balances and transactions, sample tests of documentary evidence, inquiries of employees and management, analytical procedures applied to balances and certain other testing procedures
  - Unmodified opinion – Financial Statements fairly stated in all material respects
- **Minnesota Legal Compliance**
  - Seven areas required to be tested by the State of Minnesota: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions and tax increment financing. The items required to be tested for each area are listed in the Office of the State Auditor's Minnesota Legal Compliance Guide for Political Subdivisions
  - Testing covered all of the listed areas and consisted of inquiries, sighting of documents and testing on a sample basis
  - No exceptions noted

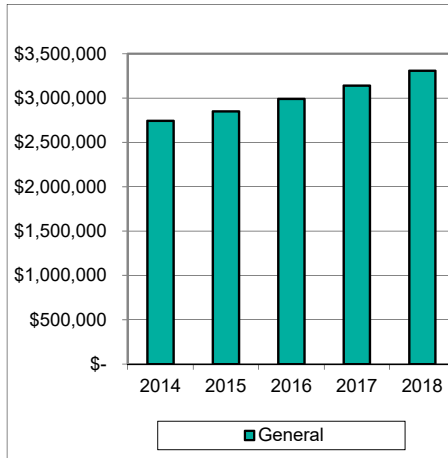
## FUND TYPES

- **Governmental**
  - General Fund
  - Special Revenue Funds
  - Debt Service Funds
  - Capital Projects Funds
- **Enterprise**
  - Utility Fund
  - Liquor Fund

## GOVERNMENTAL FUNDS

### REVENUES

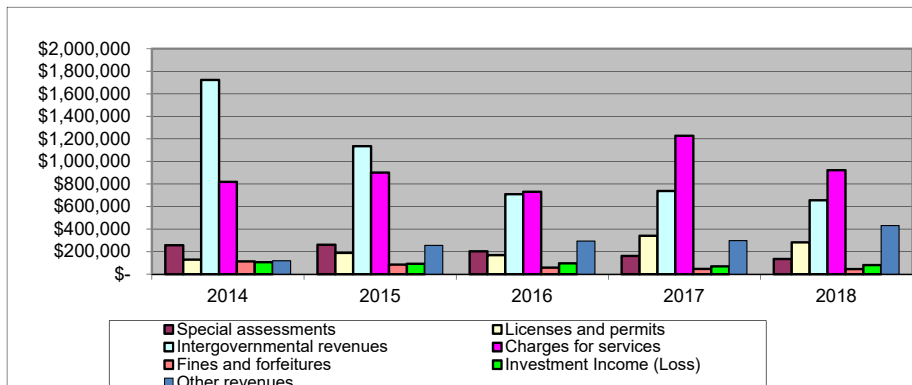
## PROPERTY TAX REVENUES



- Property tax revenues increased by 5% in 2018 as a result of a slight increase in the tax levy amount
- In 2018, property tax revenues represented 56% of governmental revenues excluding transfers and other financing sources

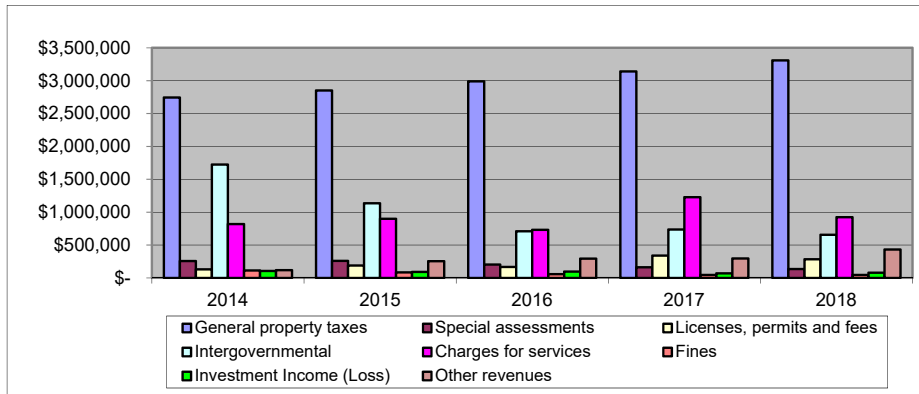
5

## OTHER GOVERNMENTAL FUND REVENUES



6

## GOVERNMENTAL FUND REVENUES



7

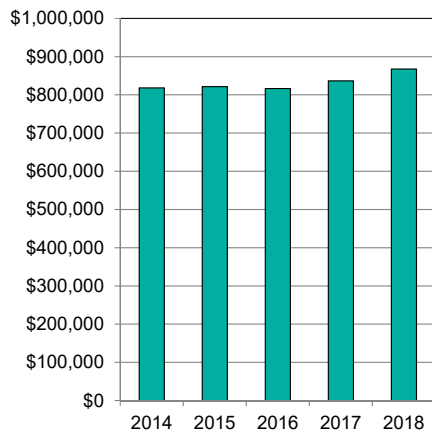
## GOVERNMENTAL FUNDS

### EXPENDITURES

8



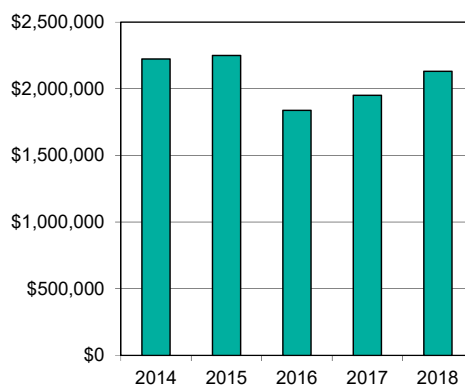
## GENERAL GOVERNMENT EXPENDITURES



- Includes mayor and council, administration, election, assessing, accounting and auditing, information technology, legal, engineering, planning and zoning and government buildings
- Represented 18% of governmental expenditures (excluding capital projects and debt service) in 2018
- Totaled \$867,460 in 2018, an increase of less than 4% from 2017

9

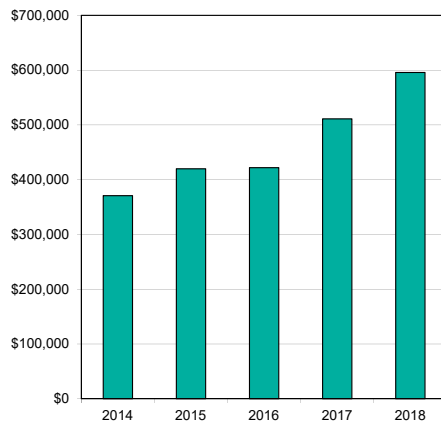
## PUBLIC SAFETY EXPENDITURES



- Includes police protection, fire protection, code enforcement, emergency management and animal control
- Public Safety represented about 44% of total governmental expenditures (excluding capital projects and debt service) in 2018
- Totaled \$2,130,696 in 2018, an increase of \$180,059 (9%)

10

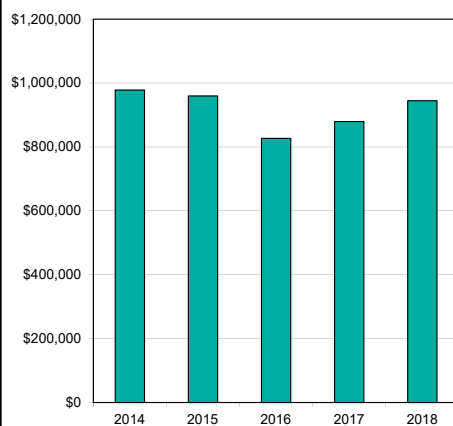
## PUBLIC WORKS EXPENDITURES



- Includes personnel services, supplies, contracted services and other charges
- Totaled \$595,635 in 2018 and \$510,934 in 2017 – an increase of approximately 17%
- Represented approximately 13% of total government expenditures (excluding capital projects and debt service) in 2018

11

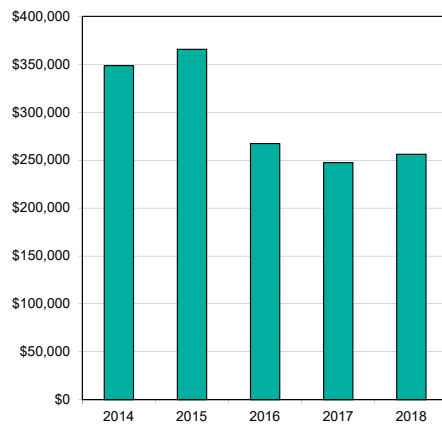
## RECREATION AND PARKS EXPENDITURES



- Primarily personnel services, supplies, contracted services and other charges
- Totaled \$944,781 in 2018 and \$879,690 in 2017 – a decrease of approximately 7%
- Represented approximately 20% of total government expenditures (excluding capital projects and debt service) in 2018

12

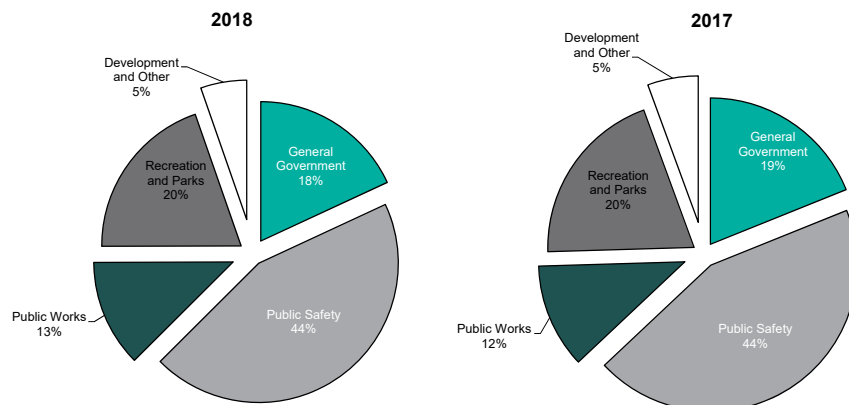
## DEVELOPMENT AND OTHER EXPENDITURES



- Includes general insurance, severance payments, recycling and Tower Days community celebration
- Totaled \$256,143 in 2018 and \$247,481 in 2017 – an increase of less than 4%
- Represented approximately 5% of total government expenditures (excluding capital projects and debt service) in 2018

13

## GOVERNMENTAL FUND EXPENDITURES

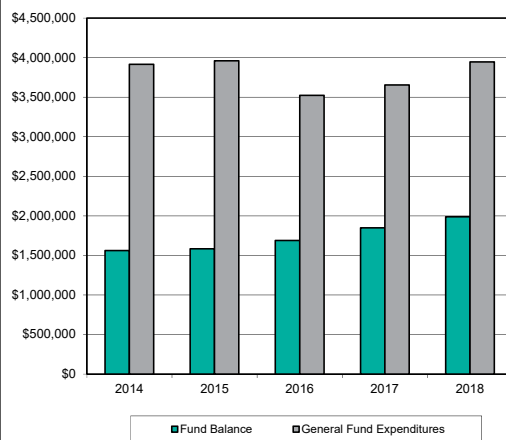


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## GENERAL FUND RESERVES

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## GENERAL FUND RESERVES



- General Fund balance as a % of General Fund expenditures
  - 2018 50%
  - 2017 51%
  - 2016 48%
  - 2015 40%
  - 2014 40%
  - 2013 46%
  - 2012 47%
- State Auditor recommends 35% to 50% in fund balance

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## PURPOSES AND BENEFITS OF RESERVES

### Purpose of Reserves

- Cash flow timing differences
- Intergovernmental revenue cutbacks
- Capital outlay replacement
- Emergency or unanticipated expenditures
- Special City Council projects
- Unfunded mandates

### Benefits of Reserves

- Favorable bond rating
- Higher investment earnings
- Provides resources for minor projects or feasibility reports
- Avoids temporary overdrafts prior to major receipts
- Allows time to study effects of revenue cuts
- Avoids overburdening of annual budgets for certain capital outlay
- Provides the City greater options to deal with unexpected events

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## CITY FINANCIAL DATA COMPARISON

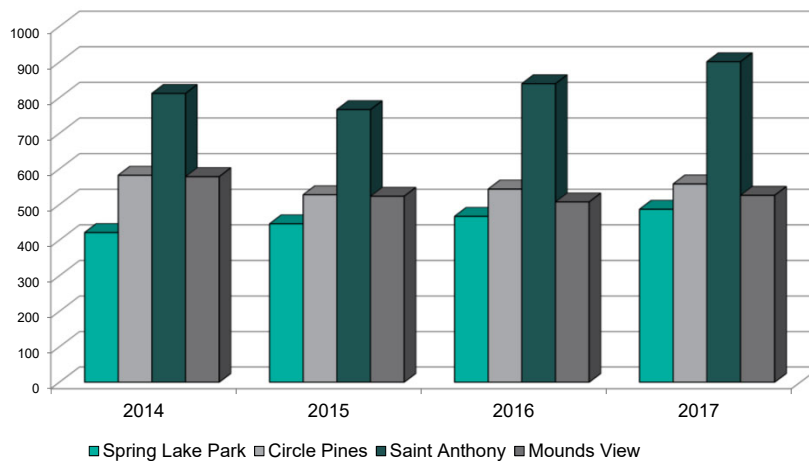
18

## CITY FINANCIAL DATA COMPARISON

- City financial data comparative information taken from 2014-2017 city reporting forms submitted to the Office of the State Auditor
- Compared total tax revenue and total expenditures per capita for Spring Lake Park to three other area cities of similar size: St. Anthony, Circle Pines and Mounds View
  - Total tax revenue includes property taxes, franchise taxes and tax increment (if any)
  - Total expenditures include current expenditures, capital outlay and debt service
- Spring Lake Park ranked 147<sup>th</sup> out of 229 cities with populations of 2,500 or more for total expenditures per capita in 2017
  - Ranked 193<sup>rd</sup> out of 229 cities in 2016 and 158<sup>th</sup> out of 230 cities in 2015
    - Expenditures higher in 2014 due to 2014 street project
    - Another factor to consider is that the City of Spring Lake Park has sizeable passthrough expenditures for recreational trips for residents that is not common in other cities

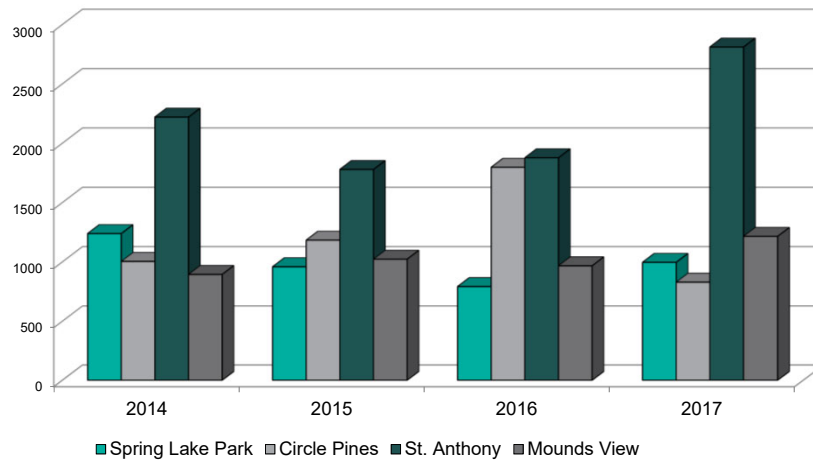
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## TOTAL TAX REVENUE (PER CAPITA)



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## TOTAL EXPENDITURES (PER CAPITA)

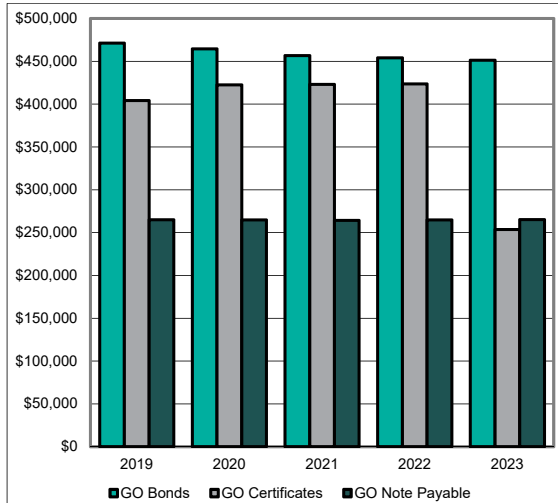


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## DEBT SERVICE

22

## 5 YEAR DEBT SERVICE REQUIREMENTS



- All debt payments are being paid on a timely basis
- Includes principal and interest payments

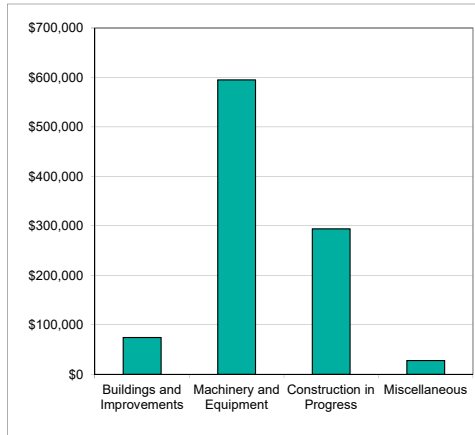
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## CAPITAL PROJECTS

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## CAPITAL OUTLAY EXPENDITURES



- Major capital outlay expenditures in 2018 were for:
  - 2018 sewer lining project
  - Public works trucks
  - Squad cars
  - Fire equipment
  - Buchanan parking lot
- Major capital outlay expenditures in 2017 were for:
  - 2017 sewer lining project
  - Multiple Single Port Wired Units
  - Fire truck and Grass rig
  - Squad cars
  - Public Safety Radio replacements for Squads/Portable

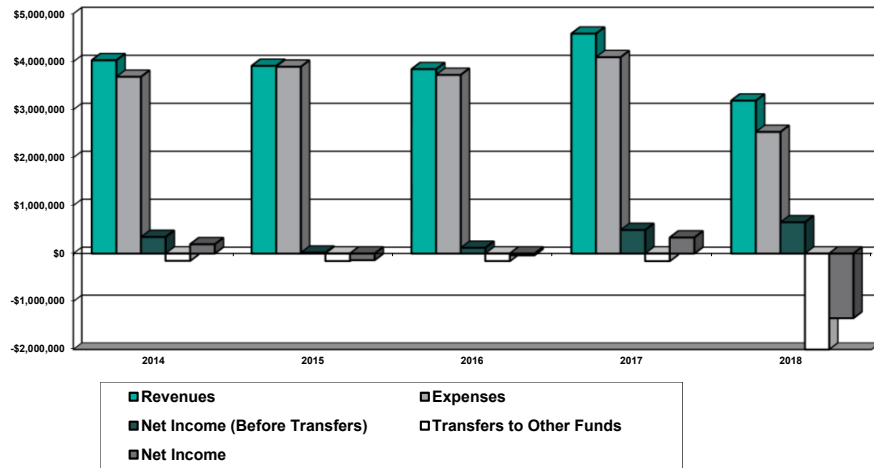
25

## ENTERPRISE FUNDS

## OPERATIONAL TRENDS

26

## ENTERPRISE FUNDS



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## ENTERPRISE FUNDS (CONT'D)

- Liquor operations, water and sewer services supported by ratepayers
- Population and commercial industrial growth has been fairly stagnant in the past five years, resulting in relatively stable operating revenues, operating expenses, other income and other expense
- Revenues include charges for services, liquor store sales, leasing fees, investment income, commissions and other income
- Expenses include cost of sales, personnel services, supplies, contracted services, treatment charges, depreciation and interest expense

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## **SUMMARY**

- **Unmodified audit opinion**
- **No Minnesota Legal Compliance exceptions in 2018**
- **General fund balance of \$1,987,264 (50% of 2018 expenditures)**
- **Bonds, certificates and notes payable outstanding of \$5,804,296 at 12/31/18**



**CITY OF SPRING LAKE PARK**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**





**CITY OF SPRING LAKE PARK**  
**FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended December 31, 2018**

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**CITY OF SPRING LAKE PARK**

**INTRODUCTORY SECTION**

**DECEMBER 31, 2018**

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**CITY OF SPRING LAKE PARK  
ELECTED AND APPOINTED OFFICIALS  
December 31, 2018**

POSITION	NAME	TERM EXPIRES
----------	------	--------------

**ELECTED OFFICIALS**

City Council:

Mayor	Cindy Hansen	December 31, 2018
Council Member	Robert Nelson	December 31, 2020
Council Member	Ken Wendling	December 31, 2018
Council Member	Brad Delfs	December 31, 2018
Council Member	Barbara Goodboe-Bisschoff	December 31, 2020

**APPOINTED OFFICIALS**

City Administrator, Clerk-Treasurer	Daniel R. Buchholtz	Continuous
Accountant	Peggy Anderson	Continuous

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**CITY OF SPRING LAKE PARK**

**FINANCIAL SECTION**

**DECEMBER 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council  
**City of Spring Lake Park**

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Spring Lake Park, Minnesota as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Spring Lake Park, Minnesota as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 13 and the required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Spring Lake Park, Minnesota's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2019, on our consideration of the City of Spring Lake Park, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Spring Lake Park's internal control over financial reporting and compliance.

*Smith, Schepel and Associates, Ltd.*

Minneapolis, Minnesota  
July 18, 2019

## **CITY OF SPRING LAKE PARK MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Spring Lake Park, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Spring Lake Park for the fiscal year ended December 31, 2018, with comparative data for the fiscal year ended December 31, 2017.

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City of Spring Lake Park exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$21,901,276 (*net position*). Of this amount, \$8,269,270 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net position increased by \$404,712. The increase is attributed to governmental activities due to transfers from business-type activities.
- As of the close of the current fiscal year, the City of Spring Lake Park's governmental funds reported combined ending fund balances of \$9,204,094, an increase of \$2,775,430 from the prior year.
- At the end of the current fiscal year, fund balance for the general fund was \$1,987,264, or 50.4% of total general fund expenditures.
- The City's total noncurrent liabilities decreased by \$405,148 due primarily to the decrease in the City's share of the net pension liability for PERA.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the City of Spring Lake Park's basic financial statements. The City's basic financial statements are comprised of the following three components: 1) government-wide financial statements, providing information for the City as a whole, 2) fund financial statements, providing detailed information for the City's significant funds, and 3) notes to the financial statements, providing additional information that is essential to understanding the government-wide and fund statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Spring Lake Park's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Spring Lake Park's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Spring Lake Park is improving or deteriorating.

## CITY OF SPRING LAKE PARK MANAGEMENT'S DISCUSSION AND ANALYSIS

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Spring Lake Park that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Spring Lake Park include general government, public safety, public works, recreation and parks and development. The business-type activities of the City of Spring Lake Park include the utility and liquor funds.

The government-wide financial statements can be found on pages 14-16 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Spring Lake Park, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Spring Lake Park can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Spring Lake Park maintains forty-two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, developer's escrow fund, the revolving fund, renewal and replacement fund, 2017A G.O. equipment certificates fund, and the 2014A G.O. improvement bonds fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

## **CITY OF SPRING LAKE PARK MANAGEMENT'S DISCUSSION AND ANALYSIS**

The City of Spring Lake Park adopts an annual budget for its general fund. Budgetary comparison statements have been provided for this fund (pages 23-26) to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 17-22 of this report.

***Proprietary funds.*** The City of Spring Lake Park maintains one type of proprietary fund - enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Spring Lake Park uses enterprise funds to account for its utility and liquor operations. In 2018, the City sold the liquor store land and building and ceased liquor operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utility and liquor funds, both of which are considered to be major funds of the City of Spring Lake Park.

The proprietary fund financial statements can be found on pages 27-31 of this report.

***Notes to the financial statements.*** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32-73 of this report.

***Other Information.*** The combining statements referred to earlier in connection with non-major governmental funds can be found on pages 76-97 of this report.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Spring Lake Park, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$21,901,276 at the close of the most recent fiscal year.



## CITY OF SPRING LAKE PARK MANAGEMENT'S DISCUSSION AND ANALYSIS

The largest portion of the City of Spring Lake Park's net position, \$11,299,240 (52%) reflects its investment in capital assets (e.g. land, buildings and improvements, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Spring Lake Park uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Spring Lake Park's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Spring Lake Park's Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 10,968,287	\$ 8,548,960	\$ 3,808,033	\$ 5,235,501	\$ 14,776,320	\$ 13,784,461
Capital assets	11,335,498	11,550,211	5,783,519	6,253,450	17,119,017	17,803,661
Total assets	<u>22,303,785</u>	<u>20,099,171</u>	<u>9,591,552</u>	<u>11,488,951</u>	<u>31,895,337</u>	<u>31,588,122</u>
Deferred outflows of resources	127,075	228,508	8,911	64,421	135,986	292,929
Long-term liabilities outstanding	7,119,701	6,948,473	1,418,509	1,994,885	8,538,210	8,943,358
Other liabilities	509,445	561,707	167,003	183,594	676,448	745,301
Total liabilities	<u>7,629,146</u>	<u>7,510,180</u>	<u>1,585,512</u>	<u>2,178,479</u>	<u>9,214,658</u>	<u>9,688,659</u>
Deferred inflows of resources	880,271	648,039	35,118	47,789	915,389	695,828
Net position:						
Net investment in capital assets	6,673,721	7,191,466	4,625,519	4,831,279	11,299,240	12,022,745
Restricted	2,332,766	2,325,251			2,332,766	2,325,251
Unrestricted	4,914,956	2,652,743	3,354,314	4,495,825	8,269,270	7,148,568
Total net position	<u>\$ 13,921,443</u>	<u>\$ 12,169,460</u>	<u>\$ 7,979,833</u>	<u>\$ 9,327,104</u>	<u>\$ 21,901,276</u>	<u>\$ 21,496,564</u>

An additional portion of the City of Spring Lake Park's net position at December 31, 2018 (11%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$8,269,270) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Spring Lake Park is able to report positive balances in all categories of net position for the City as a whole.

## CITY OF SPRING LAKE PARK MANAGEMENT'S DISCUSSION AND ANALYSIS

**Governmental activities.** Governmental activities account for 64% of the City of Spring Lake Park's net position as of December 31, 2018. The total increase in net position for governmental activities was \$1,751,983, accounting for all of the increase in the net position of the City of Spring Lake Park for the year ended December 31, 2018. The key element for this increase was the closure of the City's liquor fund at year end due to sale of liquor store land. The remaining net position in the liquor fund was transferred to a capital project fund for future renewal and replacement.

**Business-type activities.** Business-type activities decreased the City of Spring Lake Park's net position by \$1,347,271 due to the closure of the liquor fund and transfer of remaining net position to the capital project fund as noted above.

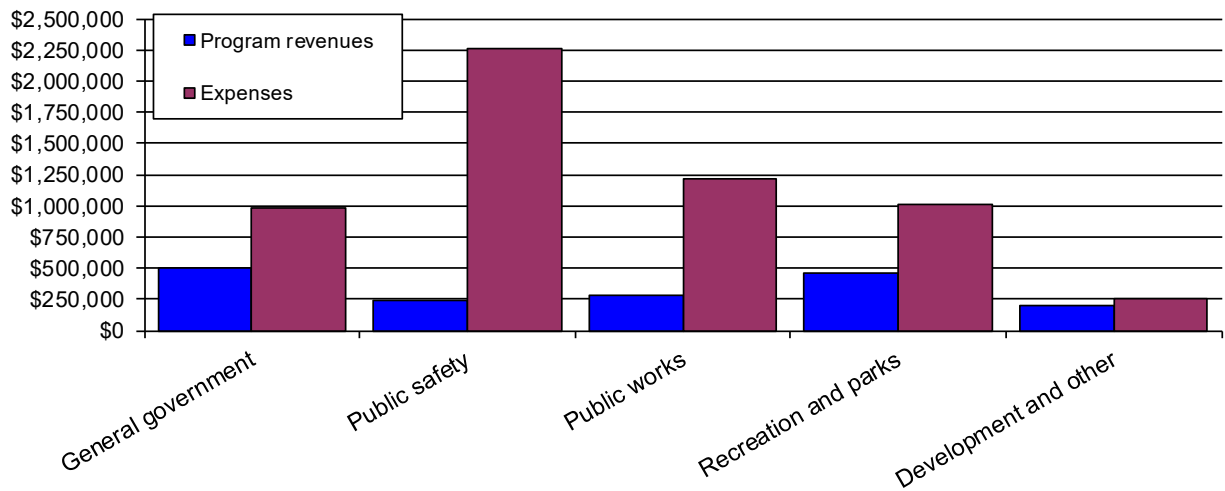
### City of Spring Lake Park's Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 1,351,799	\$ 1,774,343	\$ 1,680,665	\$ 2,100,731	\$ 3,032,464	\$ 3,875,074
Operating grants and contributions	255,583	244,366			255,583	244,366
Capital grants and contributions	77,959	165,857			77,959	165,857
General revenues:						
Property taxes	3,293,886	3,108,755			3,293,886	3,108,755
Gain on sale of liquor store land			792,978			
Other	611,278	538,348	348,160	990,671	959,438	1,529,019
Total revenues	<u>5,590,505</u>	<u>5,831,669</u>	<u>2,821,803</u>	<u>3,091,402</u>	<u>8,412,308</u>	<u>8,923,071</u>
Expenses:						
General government	981,309	965,290			981,309	965,290
Public safety	2,255,694	2,154,455			2,255,694	2,154,455
Public works	1,220,832	1,274,897			1,220,832	1,274,897
Recreation and parks	1,008,084	923,186			1,008,084	923,186
Development and other	255,839	248,341			255,839	248,341
Interest on long-term debt	116,692	79,593			116,692	79,593
Utility			1,966,440	2,123,799	1,966,440	2,123,799
Liquor			202,706	476,415	202,706	476,415
Total expenses	<u>5,838,450</u>	<u>5,645,762</u>	<u>2,169,146</u>	<u>2,600,214</u>	<u>8,007,596</u>	<u>8,245,976</u>
Change in net position before transfers	(247,945)	185,907	652,657	491,188	404,712	677,095
Transfers	<u>1,999,928</u>	<u>157,265</u>	<u>(1,999,928)</u>	<u>(157,265)</u>		
Change in net position after transfers	1,751,983	343,172	(1,347,271)	333,923	404,712	677,095
NET POSITION - BEGINNING OF YEAR	<u>12,169,460</u>	<u>11,826,288</u>	<u>9,327,104</u>	<u>8,993,181</u>	<u>21,496,564</u>	<u>20,819,469</u>
NET POSITION - END OF YEAR	<u>\$ 13,921,443</u>	<u>\$ 12,169,460</u>	<u>\$ 7,979,833</u>	<u>\$ 9,327,104</u>	<u>\$ 21,901,276</u>	<u>\$ 21,496,564</u>

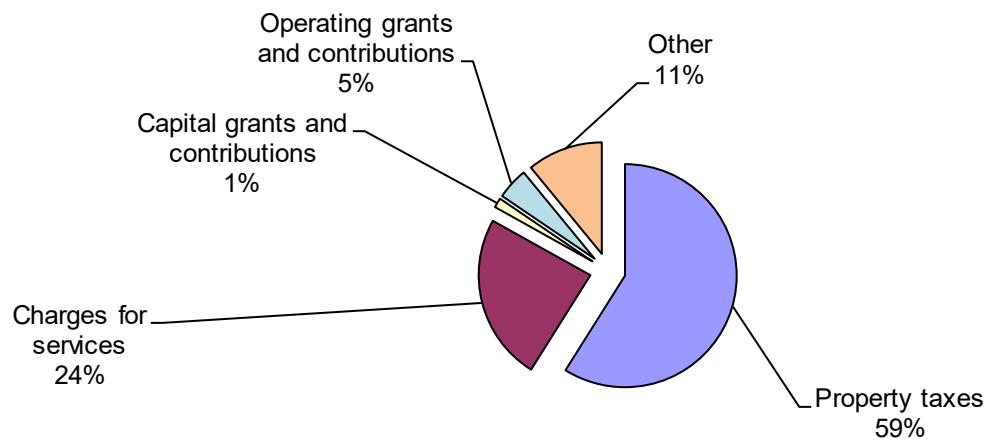
## CITY OF SPRING LAKE PARK MANAGEMENT'S DISCUSSION AND ANALYSIS

Below are specific graphs that provide comparisons of the governmental activities direct program revenues with their expenditures for the year ended December 31, 2018. Any shortfalls in direct revenues are primarily supported by property tax levy or general state aid.

**Expenses and Program Revenues - Governmental Activities**



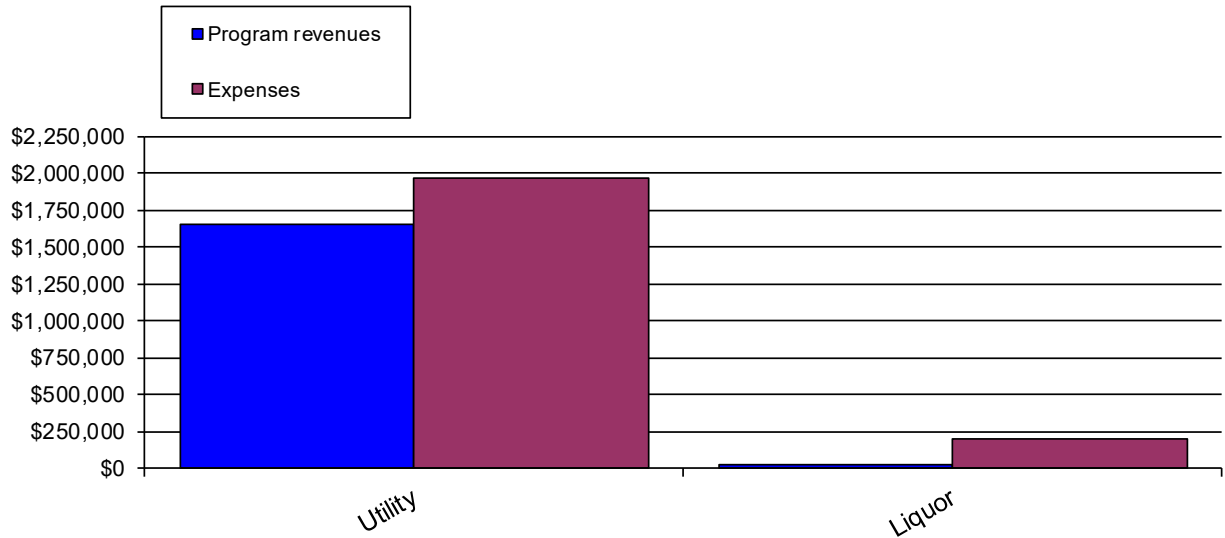
**Revenues by Source - Governmental Activities**



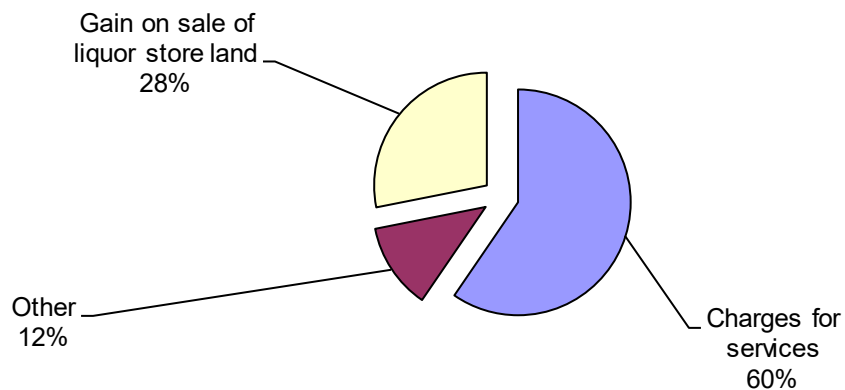
## CITY OF SPRING LAKE PARK MANAGEMENT'S DISCUSSION AND ANALYSIS

The following graphs related the business-type activity's program revenues with its expenditures for the year ended December 31, 2018. Since this activity requires significant physical assets to operate, any excess revenues are held for planned capital expenditures to keep pace with growing demand for services.

**Expenses and Program Revenues - Business-Type Activities**



**Revenues by Source - Business-Type Activities**



## CITY OF SPRING LAKE PARK MANAGEMENT'S DISCUSSION AND ANALYSIS

### Financial Analysis of the Government's Funds

As noted earlier, the City of Spring Lake Park uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Spring Lake Park's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Spring Lake Park's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Spring Lake Park's governmental funds reported combined ending fund balances of \$9,204,094, an increase of \$2,775,430 in comparison with the prior year. Approximately 79% of this total fund balance, or \$7,304,116, constitutes *assigned and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance \$1,899,978 is *restricted and nonspendable* to indicate that it is not available for new spending because it has already been restricted by creditors, grantors or regulations of other governments or has been expensed for prepaid items.

The general fund is the chief operating fund of City of Spring Lake Park. At the end of the current year, fund balance of the general fund was \$1,987,264. As a measure of liquidity, it may be useful to compare the fund balance to total fund expenditures. Fund balance represents 50% of total current year general fund expenditures. The general fund's total fund balance increased by \$139,894 during the current year due primarily to increased collection of property taxes and building permit revenues related to construction activity within the City.

The developer's escrow fund increased its fund balance by \$1,197 due primarily to current investment earnings allocated to the fund.

The revolving fund increased its fund balance by \$103,987 due primarily to transfers from other capital project funds.

The renewal and replacement fund increased its fund balance by \$2,091,519 due to the closure of the liquor fund and transfer of fund balance to the capital project fund.

The 2017A G.O. equipment certificates fund decreased its fund balance by \$15,890 due primarily to capital outlay expenditures in excess of interest earnings allocated to the fund.

The 2014A G.O. improvement bonds fund decreased its fund balance by \$132,968 due primarily to debt service payments in excess of property taxes, special assessments and intergovernmental revenue allocated to the fund.

The special revenue funds (other than the developer's escrow fund described as major fund previously) increased their overall fund balances by \$4,393 due primarily to charges for services and other revenues in excess of current year recreation, development and other expenses.

The debt service funds (other than the 2014A G.O. improvement bonds fund as described as a major fund above) increased their collective fund balance by \$187,723 due primarily to transfers from other funds.

## CITY OF SPRING LAKE PARK MANAGEMENT'S DISCUSSION AND ANALYSIS

The capital projects funds (other than the revolving fund, renewal and replacement fund, and 2017A G.O. equipment certificates fund described as major funds previously) increased their collective fund balance by \$395,575 due primarily to bond proceeds issued for capital improvements prior to expenditures for capital outlay for which the bonds were issued.

**Proprietary funds.** The City of Spring Lake Park's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position for utility operations at the end of the year amounted to \$3,354,314. The liquor fund was closed at year end and the balance of net position was transferred to the renewal and replacement capital project fund. The utility and liquor funds decreased their net position by \$98,739 and \$1,248,532, respectively, for the year ended December 31, 2018. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City of Spring Lake Park's business-type activities.

### General Fund Budgetary Highlights

The City's General Fund budget was amended during the year. The budget (both the original and final budgets) called for no change in General Fund balance. The actual net change to the General Fund balance was an increase of \$139,894. Revenues exceeded budget by \$232,801 for the year ended December 31, 2018 due primarily to increased revenues for permits and charges for services related to building activity within the City. Total expenditures were less than budget by \$11,115 for the year. Four departments had expenditures in excess of budget: general government expenditures exceeded budget by \$12,701, public safety expenditures exceeded budget by \$48,601, public works expenditures exceeded budget by \$3,387, and recreation and parks expenditures exceeded budget by \$27,659. These over expenditures were primarily related to higher than anticipated personnel services and capital outlay.

### Capital Asset and Debt Administration

**Capital assets.** The City of Spring Lake Park's investment in capital assets for its governmental and business-type activities as of December 31, 2018, amounted to \$17,119,017 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, machinery and equipment and infrastructure. Total capital assets decreased by \$684,644, or less than 4%, for the year ended December 31, 2018, due to depreciation for the year ended December 31, 2018 being higher than current year asset acquisitions and the sale of the liquor store property.

**City of Spring Lake Park's Capital Assets**  
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 604,950	\$ 604,950	\$	\$ 127,883	\$ 604,950	\$ 732,833
Construction in progress	19,992	14,815	274,113		294,105	14,815
Buildings and improvements	1,249,425	1,270,341	2,485,280	2,873,063	3,734,705	4,143,404
Machinery and equipment	1,141,509	856,907	127,299	193,107	1,268,808	1,050,014
Infrastructure	8,319,622	8,803,198	2,896,827	3,059,397	11,216,449	11,862,595
Total	<u>\$ 11,335,498</u>	<u>\$ 11,550,211</u>	<u>\$ 5,783,519</u>	<u>\$ 6,253,450</u>	<u>\$ 17,119,017</u>	<u>\$ 17,803,661</u>

## CITY OF SPRING LAKE PARK MANAGEMENT'S DISCUSSION AND ANALYSIS

Additional information on the City of Spring Lake Park's capital assets can be found in Note 3C beginning on page 50 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Spring Lake Park had \$5,804,296 in bonds, certificates, and notes payable outstanding. The entire amount outstanding comprises debt backed by the full faith and credit of the government.

**City of Spring Lake Park's Outstanding Debt**  
General Obligation Bonds, Certificates and Notes Payable

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds and notes payable	\$ 2,826,483	\$ 3,243,392	\$ 1,158,000	\$ 1,371,000	\$ 3,984,483	\$ 4,614,392
General obligation certificates	1,819,813	1,090,000			1,819,813	1,090,000
Capital lease obligation				51,171		51,171
<b>Total</b>	<b>\$ 4,646,296</b>	<b>\$ 4,333,392</b>	<b>\$ 1,158,000</b>	<b>\$ 1,422,171</b>	<b>\$ 5,804,296</b>	<b>\$ 5,755,563</b>

The City of Spring Lake Park's total bonds, certificates and notes payable increased by \$48,733 during the current fiscal year. The increase was due to the issuance of general obligation equipment certificates for the purchase of equipment for the City.

The City of Spring Lake Park maintains an AA bond rating from S&P for general obligation debt.

State statutes limit the amount of general obligation debt a Minnesota City may issue up to 3% of its market value of taxable property. Net debt is payable solely from ad valorem taxes. The City is currently well within this limit.

### Economic Factors and Next Year's Budgets and Rates

The City Council has prepared a balanced budget for the General Fund for 2019. With an improving economy, the City is seeing vacant properties being purchased, new businesses coming into the City, and increasing building permit revenue. The City's property tax base continues to see improvements from the lows of the Great Recession. Local Government Aid remains an important funding source for the City's capital improvement plan and debt service funds, thereby reducing the City's property tax levy.

The economy of the area is anticipated to remain stable. Inflationary trends in the region compare favorably to the national indices.



## **CITY OF SPRING LAKE PARK MANAGEMENT'S DISCUSSION AND ANALYSIS**

Major activities contemplated in 2019 are:

- Slip-lining project for sanitary sewer in an effort to renew the City's sanitary sewer system.
- Seal-coat project in an effort to maintain the City's investment in its street network.
- Acquisition of capital assets with the proceeds from equipment certificates issued in 2018.
- Rehabilitation of the Osborne Road pedestrian trail between CSAH 35 (Old Central) and State Highway 65.
- Complete Comprehensive Plan 2040 update.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Spring Lake Park's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to City of Spring Lake Park, 1301 - 81st Avenue NE, Spring Lake Park, Minnesota 55432.

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**CITY OF SPRING LAKE PARK**  
**GOVERNMENT-WIDE FINANCIAL STATEMENTS**  
**December 31, 2018**

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**CITY OF SPRING LAKE PARK**  
**STATEMENT OF NET POSITION**  
December 31, 2018

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 9,360,875	\$ 3,415,651	\$ 12,776,526
Receivables	702,719	394,630	1,097,349
Intergovernmental receivables	887,141		887,141
Internal fund balances	2,248	(2,248)	
Inventory			
Prepaid items and other	15,304		15,304
Capital assets:			
Nondepreciable	624,942	274,113	899,055
Depreciable, net	10,710,556	5,509,406	16,219,962
Total Assets	<u>22,303,785</u>	<u>9,591,552</u>	<u>31,895,337</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows from pension activity	<u>127,075</u>	<u>8,911</u>	<u>135,986</u>
<b>LIABILITIES</b>			
Accounts payable	149,819	142,119	291,938
Accrued payroll and related taxes	50,397	6,035	56,432
Accrued interest	12,856	10,881	23,737
Unearned revenue	44,345	3,000	47,345
Deposits and other liabilities	252,028	4,968	256,996
Noncurrent liabilities:			
Due within one year	814,963	234,909	1,049,872
Due in more than one year	4,268,400	969,132	5,237,532
Net pension liability	<u>2,036,338</u>	<u>214,468</u>	<u>2,250,806</u>
Total Liabilities	<u>7,629,146</u>	<u>1,585,512</u>	<u>9,214,658</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows from pension activity	<u>880,271</u>	<u>35,118</u>	<u>915,389</u>
<b>NET POSITION</b>			
Net investment in capital assets	6,673,721	4,625,519	11,299,240
Restricted	2,332,766		2,332,766
Unrestricted	<u>4,914,956</u>	<u>3,354,314</u>	<u>8,269,270</u>
Total Net Position	<u>\$ 13,921,443</u>	<u>\$ 7,979,833</u>	<u>\$ 21,901,276</u>

**See Notes to Financial Statements**

**CITY OF SPRING LAKE PARK**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2018

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
Governmental activities:				
General government	\$ 981,309	\$ 499,609	\$	\$
Public safety	2,255,694	131,408	114,551	
Public works	1,220,832	130,905	68,140	77,959
Recreation and parks	1,008,084	457,715	4,581	
Development and other	255,839	132,162	68,311	
Interest on long-term debt	116,692			
Total governmental activities	5,838,450	1,351,799	255,583	77,959
Business-Type activities:				
Utility	1,966,440	1,651,797		
Liquor	202,706	28,868		
Total business-type activities	2,169,146	1,680,665		
Total	\$ 8,007,596	\$ 3,032,464	\$ 255,583	\$ 77,959

General revenues:

    General property taxes  
    Grants and contributions not restricted to specific programs  
    Lease revenue  
    Investment earnings  
    Miscellaneous  
    Gain on sale of liquor store land  
    Transfers

        Total general revenues and transfers

Change in net position

Net Position - beginning

Net Position - ending

**See Notes to Financial Statements**

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (481,700)		\$ (481,700)
(2,009,735)		(2,009,735)
(943,828)		(943,828)
(545,788)		(545,788)
(55,366)		(55,366)
(116,692)		(116,692)
<u>(4,153,109)</u>		<u>(4,153,109)</u>
	\$ (314,643)	(314,643)
	(173,838)	(173,838)
	<u>(488,481)</u>	<u>(488,481)</u>
<u>(4,153,109)</u>	<u>(488,481)</u>	<u>(4,641,590)</u>
3,293,886		3,293,886
398,937		398,937
67,326	140,570	207,896
80,488	40,907	121,395
64,527	166,683	231,210
	792,978	792,978
1,999,928	(1,999,928)	
<u>5,905,092</u>	<u>(858,790)</u>	<u>5,046,302</u>
<u>1,751,983</u>	<u>(1,347,271)</u>	<u>404,712</u>
<u>12,169,460</u>	<u>9,327,104</u>	<u>21,496,564</u>
<u>\$ 13,921,443</u>	<u>\$ 7,979,833</u>	<u>\$ 21,901,276</u>

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**CITY OF SPRING LAKE PARK**  
**FUND FINANCIAL STATEMENTS**  
**December 31, 2018**

**CITY OF SPRING LAKE PARK**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2018

		Special Revenue Fund	Capital Project Funds		
	General Fund	Developer's Escrow	Revolving Fund	Renewal and Replacement	2017A G.O. Equipment Certificates
<b>ASSETS</b>					
Cash and investments	\$ 1,698,537	\$ 214,556	\$ 1,253,444	\$ 2,091,519	\$ 6,673
Accounts receivable	18,559				
Taxes receivable	40,891				
Special assessments receivable	2,284		54,209		
Due from other funds	329,766		13,613		
Due from other governmental units	35,995		1,397		
Accrued interest receivable	51,270				
Prepaid expenditures	2,997				
<b>TOTAL ASSETS</b>	<b>\$ 2,180,299</b>	<b>\$ 214,556</b>	<b>\$ 1,322,663</b>	<b>\$ 2,091,519</b>	<b>\$ 6,673</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 58,002	\$ 3,671	\$ 1,534	\$	\$
Accrued payroll and taxes	50,796				
Deposits and other liabilities	27,449	218,580			
Due to other funds	13,613		251,015		
Unearned revenue					
Total liabilities	149,860	222,251	252,549		
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue:					
Property taxes	40,891				
Special assessments	2,284		54,209		
Total deferred inflows of resources	43,175		54,209		
<b>FUND BALANCE (DEFICIT)</b>					
Nonspendable	2,997				
Restricted					
Assigned	1,984,267		1,015,905	2,091,519	6,673
Unassigned		(7,695)			
Total Fund Balance (Deficit)	1,987,264	(7,695)	1,015,905	2,091,519	6,673
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 2,180,299</b>	<b>\$ 214,556</b>	<b>\$ 1,322,663</b>	<b>\$ 2,091,519</b>	<b>\$ 6,673</b>

**See Notes to Financial Statements**

Debt Service Fund		
2014A G.O. Improvement Bonds	Other Governmental Funds	Total
\$ 843,553	\$ 3,252,593	\$ 9,360,875
	99,509	118,068
		40,891
391,599		448,092
	2,248	345,627
5,099	110,427	152,918
		51,270
	12,307	15,304
<u>\$ 1,240,251</u>	<u>\$ 3,477,084</u>	<u>\$ 10,533,045</u>

\$	\$ 86,612	\$ 149,819
		50,796
	5,600	251,629
	78,751	343,379
	44,345	44,345
	<u>215,308</u>	<u>839,968</u>

		40,891
391,599		448,092
<u>391,599</u>		<u>488,983</u>

	12,307	15,304
848,652	1,036,022	1,884,674
	2,242,124	7,340,488
	(28,677)	(36,372)
<u>848,652</u>	<u>3,261,776</u>	<u>9,204,094</u>

<u>\$ 1,240,251</u>	<u>\$ 3,477,084</u>	<u>\$ 10,533,045</u>
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**CITY OF SPRING LAKE PARK  
RECONCILIATION OF NET POSITION IN THE  
GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND BALANCES  
IN THE FUND BASIS FINANCIAL STATEMENTS**

December 31, 2018

Amounts reported for governmental activities in the statement of net position are different because:

Total governmental fund balances (pages 17-18)	\$	9,204,094
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental funds - capital assets	\$	27,529,677	
Accumulated depreciation		(16,194,179)	
			11,335,498

Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds:

Delinquent property taxes	\$	40,891	
Special assessments		448,092	
			488,983

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Bonds payable (net of receivable for amounts to be paid by other governmental entities)	\$	(3,867,675)	
Net pension liability, deferred outflows and inflows from pension activity		(2,789,534)	
Compensated absences		(421,586)	
Accrued interest		(12,856)	
Net unamortized bond premiums		(15,481)	
			(7,107,132)

Net position of governmental activities (page 14)	\$	13,921,443
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**CITY OF SPRING LAKE PARK**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2018

	General Fund	Special Revenue Fund	Capital Project Funds		
		Developer's Escrow	Revolving Fund	Renewal and Replacement	2017A G.O. Equipment Certificates
<b>REVENUES</b>					
Property taxes	\$ 3,021,265	\$	\$ 361	\$	\$
Special assessments			46,567		
Licenses and permits	283,018				
Intergovernmental revenues	505,165				
Charges for services	211,312				
Fines and forfeitures	43,250				
Investment income (loss)	35,640	1,197	7,907		2,315
Other revenues	86,144		20,000		
<b>TOTAL REVENUES</b>	<b>4,185,794</b>	<b>1,197</b>	<b>74,835</b>		<b>2,315</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
General government	805,252				
Public safety	2,127,068				
Public works	238,167		40,161		
Recreation and parks	647,311				
Development and other	60,049				
<b>Capital Outlay</b>					
General government					
Public safety	66,620				18,205
Public works					
Recreation and parks					
<b>Debt Service</b>					
Principal					
Interest and other					
Bond issuance costs					
<b>TOTAL EXPENDITURES</b>	<b>3,944,467</b>		<b>40,161</b>		<b>18,205</b>
Excess (deficiency) of revenues over (under) expenditures	241,327	1,197	34,674		(15,890)
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	290,240		69,313	2,091,519	
Transfers to other funds	(391,673)				
Bond proceeds					
(Discount) on issuance of debt					
Gain on sale of assets					
Total other financing sources (uses)	(101,433)		69,313	2,091,519	
Net change in fund balances	139,894	1,197	103,987	2,091,519	(15,890)
<b>FUND BALANCES (DEFICIT), Beginning</b>	<b>1,847,370</b>	<b>(8,892)</b>	<b>911,918</b>		<b>22,563</b>
<b>FUND BALANCES (DEFICIT), Ending</b>	<b>\$ 1,987,264</b>	<b>\$ (7,695)</b>	<b>\$ 1,015,905</b>	<b>\$ 2,091,519</b>	<b>\$ 6,673</b>

**See Notes to Financial Statements**

Debt Service Fund		
2014A G.O. Improvement Bonds	Other Governmental Funds	Total
\$ 90,228	\$ 196,593	\$ 3,308,447
88,469		135,036
		283,018
33,487	116,617	655,269
	711,728	923,040
	2,833	46,083
6,186	27,243	80,488
	325,858	432,002
<u>218,370</u>	<u>1,380,872</u>	<u>5,863,383</u>
	62,208	867,460
	3,628	2,130,696
	317,307	595,635
	297,470	944,781
	196,094	256,143
	94,213	94,213
	176,452	261,277
	320,926	320,926
	47,477	47,477
300,000	266,909	566,909
51,338	78,206	129,544
	6,750	6,750
<u>351,338</u>	<u>1,867,640</u>	<u>6,221,811</u>
<u>(132,968)</u>	<u>(486,768)</u>	<u>(358,428)</u>
	314,967	2,766,039
	(133,313)	(524,986)
	879,813	879,813
	(8,593)	(8,593)
	21,585	21,585
<u>1,074,459</u>	<u>1,074,459</u>	<u>3,133,858</u>
(132,968)	587,691	2,775,430
<u>981,620</u>	<u>2,674,085</u>	<u>6,428,664</u>
<u>\$ 848,652</u>	<u>\$ 3,261,776</u>	<u>\$ 9,204,094</u>

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**CITY OF SPRING LAKE PARK**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2018

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (pages 20-21)	\$	2,775,430
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Governmental funds report capital outlay as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	\$	641,863	
Depreciation expense		(856,576)	(214,713)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Unavailable revenue, end of year	\$	488,983	
Unavailable revenue, beginning of year		(594,108)	(105,125)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated absences, end of year	\$	(421,586)	
Compensated absences, beginning of year		358,355	(63,231)

Bond, contract and loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:

Principal retirement on long-term debt	\$	566,909	
City's share of long-term debt issuance		(879,813)	
Shared debt principal payments received from other governments		(217,039)	
Change in net pension liability		(138,630)	
Change in accrued interest, bond premiums, bond discounts and deferred charges		28,195	(640,378)

Change in net position of governmental activities (pages 15-16)	\$	1,751,983
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**See Notes to Financial Statements**

**CITY OF SPRING LAKE PARK**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For the Year Ended December 31, 2018

	Budgeted Amounts		2018	Variance with
	Original	Final	Actual	Final Budget-
			Amounts	Positive
				(Negative)
<b>REVENUES</b>				
General property taxes	\$ 2,999,913	\$ 2,999,913	\$ 3,021,265	\$ 21,352
Licenses and Permits				
Licenses	47,152	47,152	59,342	12,190
Permits	105,680	110,280	223,676	113,396
Total Licenses and Permits	152,832	157,432	283,018	125,586
Intergovernmental				
Police aids	93,200	93,200	106,228	13,028
Other aids	398,934	398,934	398,937	3
Total Intergovernmental	492,134	492,134	505,165	13,031
Charges for Services				
General government	59,688	59,688	136,972	77,284
Public safety	1,250	1,250	225	(1,025)
Housing registration	57,970	57,970	74,115	16,145
Total Charges for Services	118,908	118,908	211,312	92,404
Fines and forfeits	68,500	68,500	43,250	(25,250)
Investment earnings (loss)	20,000	20,000	35,640	15,640
Miscellaneous Revenue				
Liaison officer	77,406	77,406	77,406	
Insurance dividends	10,000	10,000	3,851	(6,149)
Reimbursements and other	8,700	8,700	4,887	(3,813)
Total Miscellaneous Revenue	96,106	96,106	86,144	(9,962)
<b>TOTAL REVENUES</b>	<b>3,948,393</b>	<b>3,952,993</b>	<b>4,185,794</b>	<b>232,801</b>
<b>EXPENDITURES</b>				
<b>General Government</b>				
Mayor and Council				
Personnel services	35,426	35,426	35,015	411
Supplies and services	2,631	2,631	1,200	1,431
Other charges	19,362	19,362	14,414	4,948
Total Mayor and Council	\$ 57,419	\$ 57,419	\$ 50,629	\$ 6,790

**See Notes to Financial Statements**

**CITY OF SPRING LAKE PARK**  
**GENERAL FUND**  
**STATEMENTS OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)**

For the Year Ended December 31, 2018

	Budgeted Amounts		2018	Variance with
	Original	Final	Actual	Final Budget-
			Amounts	Positive
				(Negative)
Administration				
Personnel services	\$ 401,311	\$ 401,311	\$ 421,761	\$ (20,450)
Supplies	9,712	9,712	9,637	75
Contracted services	7,010	7,010	7,176	(166)
Other services and charges	18,642	18,642	10,838	7,804
Total Administration	436,675	436,675	449,412	(12,737)
Election				
Personnel services			11,726	(11,726)
Other services and charges			1,543	(1,543)
Total Election			13,269	(13,269)
Assessing				
Contracted services	35,500	35,500	34,416	1,084
Accounting and Auditing				
Contracted services	9,847	9,847	10,677	(830)
Information Technology				
Contracted services	28,580	28,580	27,825	755
Legal				
Contracted services	120,000	120,000	122,223	(2,223)
Engineering				
Contracted services	9,000	9,000	3,720	5,280
Planning and Zoning				
Supplies and other charges	1,592	1,592	418	1,174
Government Buildings				
Personnel services	19,728	19,728	22,103	(2,375)
Supplies	15,950	15,950	17,125	(1,175)
Contracted services	53,545	53,545	47,696	5,849
Other charges	4,715	4,715	5,739	(1,024)
Total Government Buildings	93,938	93,938	92,663	1,275
Total General Government	\$ 792,551	\$ 792,551	\$ 805,252	\$ (12,701)

**See Notes to Financial Statements**

**CITY OF SPRING LAKE PARK**  
**GENERAL FUND**  
**STATEMENTS OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)**

For the Year Ended December 31, 2018

	Budgeted Amounts		2018	Variance with
	Original	Final	Actual	Final Budget-
			Amounts	Positive
				(Negative)
<b>EXPENDITURES</b>				
<b>Public Safety</b>				
Police Protection				
Personnel services	\$ 1,510,607	\$ 1,510,607	\$ 1,587,355	\$ (76,748)
Supplies	39,833	39,833	32,966	6,867
Contracted services	52,746	52,746	40,809	11,937
Other charges	59,330	59,330	64,423	(5,093)
Capital outlay	37,471	37,471	31,634	5,837
Total Police Protection	1,699,987	1,699,987	1,757,187	(57,200)
Fire Protection				
Contracted services	226,014	226,014	226,008	6
Capital outlay	48,296	48,296	34,986	13,310
Total Fire Protection	274,310	274,310	260,994	13,316
Code Enforcement				
Personnel services	155,085	159,685	164,480	(4,795)
Supplies	4,450	4,450	4,577	(127)
Contracted services	1,300	1,300	1,417	(117)
Other charges	5,355	5,355	5,033	322
Total Code Enforcement	166,190	170,790	175,507	(4,717)
Total Public Safety	2,140,487	2,145,087	2,193,688	(48,601)
<b>Public Works</b>				
Street Maintenance				
Personnel services	193,630	193,630	197,541	(3,911)
Supplies	39,140	39,140	37,001	2,139
Contracted services	1,410	1,410	1,946	(536)
Other charges	600	600	1,679	(1,079)
Total Street Maintenance	234,780	234,780	238,167	(3,387)
Total Public Works	\$ 234,780	\$ 234,780	\$ 238,167	\$ (3,387)

**See Notes to Financial Statements**

**CITY OF SPRING LAKE PARK  
GENERAL FUND  
STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)**

For the Year Ended December 31, 2018

	Budgeted Amounts		2018 Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
<b>Recreation and Parks</b>				
Recreation				
Personnel services	\$ 304,942	\$ 304,942	\$ 315,169	\$ (10,227)
Supplies	13,611	13,611	15,955	(2,344)
Contracted services	15,357	15,357	14,787	570
Other charges	1,857	1,857	1,581	276
Total Recreation	335,767	335,767	347,492	(11,725)
Parks and Forestry				
Personnel services	221,273	221,273	236,071	(14,798)
Supplies	39,232	39,232	40,852	(1,620)
Contracted services	8,700	8,700	8,106	594
Other charges	14,680	14,680	14,790	(110)
Total Parks and Forestry	283,885	283,885	299,819	(15,934)
Total Recreation and Parks	619,652	619,652	647,311	(27,659)
<b>Other</b>				
General insurance	47,600	47,600	45,208	2,392
Other charges	5,000	5,000	7,116	(2,116)
Permit surcharges	2,600	2,600	7,725	(5,125)
Contingency	108,312	108,312		108,312
Total Other	163,512	163,512	60,049	103,463
Total Expenditures	3,950,982	3,955,582	3,944,467	11,115
Excess (deficiency) of revenues over (under) expenditures	(2,589)	(2,589)	241,327	243,916
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	185,240	185,240	290,240	105,000
Transfers to other funds	(182,651)	(182,651)	(391,673)	(209,022)
Total Other Financing Sources (Uses)	2,589	2,589	(101,433)	(104,022)
NET CHANGE IN FUND BALANCE			139,894	139,894
FUND BALANCE, January 1	1,847,370	1,847,370	1,847,370	
FUND BALANCE, December 31	\$ 1,847,370	\$ 1,847,370	\$ 1,987,264	\$ 139,894

**See Notes to Financial Statements**

**CITY OF SPRING LAKE PARK**  
**PROPRIETARY FUNDS**  
**Statement of Net Position**  
December 31, 2018

	Utility Fund	Liquor Fund	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 754,168	\$	\$ 754,168
Accounts receivable	394,630		394,630
Due from other funds	3,222		3,222
	<hr/>	<hr/>	<hr/>
Total Current Assets	1,152,020		1,152,020
	<hr/>	<hr/>	<hr/>
<b>Noncurrent Assets</b>			
Property and Equipment			
Construction in progress	274,113		274,113
Buildings and structures	6,553,078		6,553,078
Distributions and collection systems	4,860,974		4,860,974
Furniture, fixtures and equipment	777,197		777,197
Total Property and Equipment	12,465,362		12,465,362
	<hr/>	<hr/>	<hr/>
Less: Accumulated depreciation	6,681,843		6,681,843
	<hr/>	<hr/>	<hr/>
Net Property and Equipment	5,783,519		5,783,519
	<hr/>	<hr/>	<hr/>
Reserved Assets			
Cash and investments	2,661,483		2,661,483
	<hr/>	<hr/>	<hr/>
Total Noncurrent Assets	8,445,002		8,445,002
	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	9,597,022		9,597,022
	<hr/>	<hr/>	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows from pension activity	8,911		8,911
	<hr/>	<hr/>	<hr/>

**CITY OF SPRING LAKE PARK**  
**PROPRIETARY FUNDS**  
**Statement of Net Position (Continued)**  
December 31, 2018

	<u>Utility Fund</u>	<u>Liquor Fund</u>	<u>Total</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 142,119	\$	\$ 142,119
Accrued payroll and taxes	6,035		6,035
Accrued interest	10,881		10,881
Unearned revenue	3,000		3,000
Other accrued liabilities	4,968		4,968
Due to other funds	5,470		5,470
Current portion of compensated absences	15,909		15,909
Current portion of note payable and capital lease	219,000		219,000
	<u>407,382</u>		<u>407,382</u>
<b>Long-term Liabilities</b>			
Compensated absences payable	30,132		30,132
Net pension liability	214,468		214,468
Note payable	939,000		939,000
	<u>1,183,600</u>		<u>1,183,600</u>
<b>Total Long-term Liabilities</b>	<u>1,183,600</u>		<u>1,183,600</u>
<b>Total Liabilities</b>	<u>1,590,982</u>		<u>1,590,982</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows from pension activity	35,118		35,118
<b>Net Position</b>			
Net investment in capital assets	4,625,519		4,625,519
Unrestricted	3,354,314		3,354,314
<b>Total Net Position</b>	<u>\$ 7,979,833</u>	<u>\$</u>	<u>\$ 7,979,833</u>

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**CITY OF SPRING LAKE PARK  
PROPRIETARY FUNDS  
Statement of Revenues, Expenses  
and Changes in Net Position  
For the Year Ended December 31, 2018**

	<u>Utility Fund</u>	<u>Liquor Fund</u>	<u>Total</u>
<b>Sales and Cost of Goods Sold</b>			
Sales	\$	\$ 395,762	\$ 395,762
Cost of goods sold		366,894	366,894
Gross Profit		<u>28,868</u>	<u>28,868</u>
<b>Operating Revenue</b>			
Charges for services	<u>1,652,590</u>		<u>1,652,590</u>
<b>Operating Expenses</b>			
Personnel services	344,069	104,993	449,062
Supplies	170,383	53,979	224,362
Contracted services and other	170,845	25,905	196,750
Treatment charges	705,087		705,087
Depreciation	428,149	3,414	431,563
Other charges	111,260	12,984	124,244
Total Operating Expenses	<u>1,929,793</u>	<u>201,275</u>	<u>2,131,068</u>
<b>Operating Income (Loss)</b>	<u>(277,203)</u>	<u>(172,407)</u>	<u>(449,610)</u>
<b>Other Revenue (Expense)</b>			
Lease revenue	140,570		140,570
Commissions and other revenue	150,001	15,889	165,890
Investment income	23,436	17,471	40,907
Interest and other expense	(36,647)	(1,431)	(38,078)
Gain on sale of liquor store land		792,978	792,978
Total Other Revenue (Expense)	<u>277,360</u>	<u>824,907</u>	<u>1,102,267</u>
Income (Loss) Before Transfers	157	652,500	652,657
Transfers to other funds	<u>(98,896)</u>	<u>(1,901,032)</u>	<u>(1,999,928)</u>
Change in net position	(98,739)	(1,248,532)	(1,347,271)
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>8,078,572</u>	<u>1,248,532</u>	<u>9,327,104</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 7,979,833</u>	<u>\$</u>	<u>\$ 7,979,833</u>

**See Notes to Financial Statements**

**CITY OF SPRING LAKE PARK**  
**PROPRIETARY FUNDS**  
**Statement of Cash Flows**  
For the Year Ended December 31, 2018

	Utility Fund	Liquor Fund	Total
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 1,776,946	\$ 404,776	\$ 2,181,722
Cash paid to suppliers	(1,081,624)	(199,889)	(1,281,513)
Cash paid to employees	(339,650)	(389,697)	(729,347)
Net Cash Provided By (Used In)			
Operating Activities	355,672	(184,810)	170,862
<b>Cash Flows From Investing Activities</b>			
Investment income	23,436	17,471	40,907
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers to other funds	(98,896)	(1,901,032)	(1,999,928)
<b>Cash Flows from Capital and Related Financing Activities</b>			
Proceeds from sale of liquor store land		1,166,200	1,166,200
Acquisition of capital assets	(334,854)		(334,854)
Principal paid on long-term debt	(213,000)		(213,000)
Principal paid on capital lease		(51,171)	(51,171)
Interest paid on long-term debt/capital lease	(38,649)	(1,622)	(40,271)
Net Cash Provided By (Used In) Capital and			
Related Financing Activities	(586,503)	1,113,407	526,904
<b>Net (Decrease) in Cash and Cash Equivalents</b>	(306,291)	(954,964)	(1,261,255)
<b>Cash and Cash Equivalents, January 1</b>	3,721,942	954,964	4,676,906
<b>Cash and Cash Equivalents, December 31</b>	<u>\$ 3,415,651</u>	<u>\$</u>	<u>\$ 3,415,651</u>
Classified as:			
Cash and investments - current assets	\$ 754,168	\$	\$ 754,168
Cash and investments - reserved assets	2,661,483		2,661,483
Total Cash and Cash Equivalents, December 31	<u>\$ 3,415,651</u>	<u>\$</u>	<u>\$ 3,415,651</u>

**See Notes to Financial Statements**

**CITY OF SPRING LAKE PARK**  
**PROPRIETARY FUNDS**  
**Statement of Cash Flows (Continued)**  
For the Year Ended December 31, 2018

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED  
BY OPERATING ACTIVITIES**

Operating income (loss)	\$ (277,203)	\$ (172,407)	\$ (449,610)
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	428,149	3,414	431,563
Change in net pension liability	12,536	(259,804)	(247,268)
Lease and other revenues	290,571	15,889	306,460
(Increase) decrease in:			
Accounts receivable	9,561	141	9,702
Inventory		339,303	339,303
Due from other funds	(241)		(241)
Increase (decrease) in:			
Accounts payable	75,951	(63,381)	12,570
Accrued payroll and taxes	(5,301)	(5,618)	(10,919)
Other accrued liabilities		(16,049)	(16,049)
Due to other funds	(175,535)	(7,016)	(182,551)
Estimated liability for compensated absences	(2,816)	(19,282)	(22,098)
Net Cash Provided By Operating Activities	<u>\$ 355,672</u>	<u>\$ (184,810)</u>	<u>\$ 170,862</u>

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**CITY OF SPRING LAKE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 1. Summary of Significant Accounting Policies

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The financial statements of the City of Spring Lake Park (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting principles are described below.

##### A. Reporting Entity

The City operates according to applicable laws and statutes under the council-administrator plan (Statutory Plan A) as defined by Minnesota statutes. A Council composed of an elected mayor and four other elected members directs the government of the City. The Council exercises legislative authority and determines all matters of policy and is responsible for directing the activities of the City. The Council appoints the City Administrator and other personnel who are responsible for the proper administration of all affairs relating to the City.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Spring Lake Park (the primary government) and its component unit. A component unit is a legally separate entity for which the primary government is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the potential component unit's board, is able to impose its will on the potential unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit. The component unit described below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 1. Summary of Significant Accounting Policies (Continued)

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##### A. Reporting Entity (Continued)

###### *Related Organizations*

###### *Spring Lake Park - Blaine - Mounds View Fire Department (Continued)*

The City has joined with the cities of Blaine and Mounds View to cooperatively provide fire protection services to their residents. This is provided by the Spring Lake Park - Blaine - Mounds View Fire Department (the Fire Department), a private nonprofit Internal Revenue Code Section 501(c)(3) organization. The service territory is generally comprised of the cities of Spring Lake Park, Blaine and Mounds View.

The three cities agreed upon several significant provisions in their agreement dated December 11, 1990:

1. The Fire Department is governed by its own Board of Directors. Directors are appointed by each city and from the Fire Department.
2. Operation, maintenance and debt service costs are shared based upon a formula. One half of the formula is the relative assessed value of each city. The other half is the three year average of fire calls within each city. The City's share of the formula was 8.692% in 2018.
3. The city of Blaine issued \$8,050,000 G.O. Capital Improvement Bonds, Series 2005A, on December 1, 2005 to construct a new fire station and training facility and acquire two additional fire trucks. The City of Spring Lake Park has recorded its share of the debt related to this bond issuance. These bonds were refunded in 2016 (see 4. below).
4. In 2013, the city of Blaine issued crossover refunding bonds to refund (in 2016) the 2005A G.O. Capital Improvement Bonds. The City of Spring Lake Park has recorded its share of the debt related to this bond issuance.
5. In 2017, the City of Spring Lake Park issued \$1,090,000 G.O. Equipment Certificates of Indebtedness, Series 2017A, on March 21, 2017 to purchase a new fire truck and additional fire vehicles and equipment. The City of Spring Lake Park has recorded the full amount of debt and an intergovernmental receivable for the share of debt related to Blaine and Mounds View.
6. In 2018, the City of Blaine issued \$1,145,000 G.O. Equipment Certificates of Indebtedness, Series 2018A, on June 28, 2018 to purchase new fire vehicles and equipment. The City of Spring Lake Park has recorded their principal share of debt and capitalized their share of fire vehicles and equipment.
7. Each city has a non-measurable equity interest in the property that is held by the fire department.



## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 1. Summary of Significant Accounting Policies (Continued)

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##### A. Reporting Entity (Continued)

###### *Related Organizations (Continued)*

###### *Spring Lake Park - Blaine - Mounds View Fire Department (Continued)*

The City's share of operating costs were \$226,008, capital costs were \$34,986 and debt service costs were \$91,449 during 2018. The operating and capital costs were recorded as expenditures in the General Fund. The debt service costs were recorded as expenditures in the 2013A G.O. Capital Improvement Bond and 2017A G.O. Equipment Certificates debt service funds.

Because the City is not financially accountable for the Fire Department (the Fire Department is able to fund itself independently of the City) it is excluded from the reporting entity of the City.

A related entity, the Spring Lake Park Firemen's Relief Association (the Association), is a nonprofit organization organized to provide pension and other benefits to its members in accordance with Minnesota statutes. Because the City is not financially accountable for the Association (the Association is able to fund itself independently of the City) it is also excluded from the reporting entity of the City. The Fire Department and the Association issue financial reports which are available at City offices or at the Fire Department, 1710 Highway 10, Spring Lake Park, Minnesota, 55432.

###### *North Metro Telecommunications Commission*

In 2016, the City joined with the cities of Blaine, Centerville, Circle Pines, Ham Lake, Lexington and Lino Lakes to cooperatively purchase telecommunications equipment to provide cable communication services to their residents. The City of Spring Lake Park has recorded its share of the debt related to the 2016A G.O. Improvement Note issued by the city of Circle Pines. The 2016A North Metro Telecommunications debt service fund received \$13,203 in franchise fees that were used for debt service payments during the year ended December 31, 2018.

##### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 1. Summary of Significant Accounting Policies (Continued)

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##### B. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

##### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 1. Summary of Significant Accounting Policies (Continued)

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##### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Property taxes, licenses and permits, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year in which the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it is recognized.

Unearned revenue is recorded when assets are recognized before revenue recognition criteria have been satisfied. Grants received before eligibility requirements other than time requirements are met are recorded as unearned revenue. Grants received before time requirements are met are recorded as a deferred inflow of resources.

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *developer's escrow fund* is an accumulation of resources and costs associated with development throughout the City.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 1. Summary of Significant Accounting Policies (Continued)

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##### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The *revolving fund* was created to finance improvement projects. The fund is financed with the remaining funds left in capital project funds once the project is considered completed and special assessments.

The *renewal and replacement fund* was created to finance capital improvement projects in the City. The fund is financed with the remaining funds left in the liquor fund upon closing of the fund.

The *2017A G.O. equipment certificates fund* is an accumulation of resources and costs associated with the purchase of a fire truck and fire equipment for the fire department.

The *2014A G.O. improvement bonds fund* is an accumulation of resources (special assessments and intergovernmental revenues) for the payments of principal and interest on long-term general obligation debt of governmental funds.

The City reports the following major proprietary funds:

The *utility fund* accounts for the operation of the City owned utility (water and sewer) system.

The *liquor fund* accounts for the retail operation of the City's off-sale municipal liquor store.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's enterprise funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 1. Summary of Significant Accounting Policies (Continued)

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##### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

##### D. Assets, Liabilities, Deferred Inflows of Resources and Net Position or Equity

###### 1. Cash and investments (including cash equivalents)

Cash balances from all City funds, except certain designated funds and the liquor fund (when the liquor fund was active), are pooled and invested to the extent available in various securities as authorized by Minnesota statutes. Earnings from the pooled investments are allocated to the respective funds on the basis of the average cash balance participation of each fund throughout the year.

Investments are stated at fair value, based upon quoted market prices at the reporting date. Cash and cash equivalents for purposes of the basic financial statements includes amounts in demand deposits as well as all investments held by the City.

###### 2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal fund balances."

Advances between funds, if any, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 1. Summary of Significant Accounting Policies (Continued)

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##### D. Assets, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

##### 2. Receivables and payables (continued)

Property tax levies are set by the City Council in December of each year and are certified to the County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The County spreads all levies over taxable property. Such taxes become a lien on January 1, of the following year, and are recorded as receivables by the City at that date. Revenues from property taxes are accrued and recognized in the year collectible, net of delinquencies.

Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes may be paid on February 28 and June 30. The County provides tax settlements to cities and other taxing districts normally during the months of January, July and December.

Taxes which remain unpaid at December 31 are classified as delinquent taxes receivable. The net amount of delinquent taxes receivable are fully offset by deferred inflow of resources in the governmental funds of the fund financial statements because they are not known to be available to finance current expenditures.

Assessments are levied at various times upon City Council resolution for property owner improvements made by the City. Assessment collections are deferred, generally over ten year periods, with interest charges ranging from 3.5% to 5.5%. Revenue from these assessments is recognized when assessed in the government-wide financial statements and as the annual installments become collectible in the governmental funds of the fund financial statements. Annual installments not collected as of each December 31 are classified as delinquent assessments receivable. The net amount of delinquent assessments receivable are fully offset by deferred inflow of resources in the governmental funds of the fund financial statements because they are not known to be available to finance current expenditures.

##### 3. Inventories

Inventory held by proprietary funds is stated at a moving, weighted average cost or market on the first-in, first-out valuation method. The cost of inventory is recognized as an expense when items are sold or used (consumption method).

Inventories of expendable supplies held by governmental fund types are recorded as expenditures when purchased (purchase method) as the amounts are not material.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 1. Summary of Significant Accounting Policies (Continued)

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##### D. Assets, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

###### 4. Tax increment district

Tax increment revenues received are recorded in the Debt Service Fund to service note principal and interest payments.

###### 5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$3,000 and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, net of interest earned on the invested debt proceeds over the same period.

Property, plant and equipment are capitalized when acquired, and depreciation is provided using the straight-line method applied over the following estimated useful lives of the assets.

	Useful Life <u>in Years</u>
Land Improvements	10 - 20
Buildings and Improvements	15 - 40
Infrastructure	25 - 35
Distribution and Collection System	15 - 80
Furniture, Fixtures and Equipment	3 - 10

The City reviews its property, plant and equipment for impairment whenever events indicate the decline in service utility of the capital asset is significant in magnitude and the event of change in circumstances is outside the normal cycle of the capital assets.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 1. Summary of Significant Accounting Policies (Continued)

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##### D. Assets, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

###### 6. Compensated absences benefits

The City's policy is to permit employees to accumulate unused vacation and compensatory time benefits. City employees are entitled to vacation pay based upon length of employment. In addition, the City has established a severance pay policy for nonunion employees. This policy provides for severance payments upon termination of employment based on accumulated personal leave accrued, subject to certain conditions and specified maximums. Severance pay policy for union employees is governed by individual union contracts.

Vested benefits for City employees attributable to governmental funds are recorded as expenditures in these funds as benefits are paid to employees. The liability and corresponding expense is recorded in the government-wide financials statements as these benefits accrue. The liability and corresponding expense associated with proprietary funds is recorded in the applicable proprietary fund as benefits accrue.

###### 7. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statements of net position.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed as incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.



## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 1. Summary of Significant Accounting Policies (Continued)

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##### D. Assets, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

###### 8. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

###### 9. Fund equity

In the government-wide and proprietary financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.

Restricted – amounts are restricted by external creditors, grantors, contributors, laws or regulations of other governments.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 1. Summary of Significant Accounting Policies (Continued)

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##### D. Assets, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

###### 9. Fund equity (continued)

Committed – includes fund balance amounts that are committed by resolution, which is the City's highest level of decision-making authority, for specific purposes that are internally imposed by the City Council through formal action and remain binding unless removed by the City Council by subsequent formal action (resolution).

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. The City Council, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The Council has the power to assign fund balances or to designate an official who may assign fund balances. The City Administrator has been designated by the Council to assign fund balances.

Unassigned – includes positive fund balances within the General Fund which have not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The City considers restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts when expenditures are made.

##### E. Concentration of Credit Risk

Financial instruments which expose the City to a concentration of credit risk consist primarily of cash, investments and accounts and loans receivable. Credit risk associated with cash and investments is discussed in Note 3. The City's accounts and loans receivable are concentrated geographically, and for the most part, amounts are due from individuals residing in and businesses located in the City of Spring Lake Park.

##### F. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 1. Summary of Significant Accounting Policies (Continued)

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##### G. Conduit Debt Obligations

The City issued lease revenue bonds during 2017 to provide funding to a private sector entity for a project deemed to be in the public interest. Although these bonds bear the name of the City, the City has no obligation for such debt. Accordingly, the bonds are not reported as liabilities in the financial statements of the City. As of December 31, 2018, the outstanding principal amount of these bonds was \$31,006,245.

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#### 2. Stewardship, Compliance and Accountability

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##### A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted by Council resolution for the General Fund. An annual budget is not adopted for the Developer's Escrow special revenue fund, which adopts a project length budget. Formal budgetary integration is employed as a management control device during the year for the General Fund. The City follows these legal compliance procedures in establishing the budgetary data reflected in the financial statements.

1. Budget requests are submitted by all department heads to the City Administrator. The Administrator's office compiles the budget requests into an overall preliminary City budget, balancing budget requests with available revenue.
  2. The preliminary budget is submitted to the City Council in August for its review and/or modification.
  3. City administration presents the proposed budget to the City Council which in turn holds a truth-in-taxation public hearing on the proposed budget. The budget resolution adopted by the City Council sets forth the budget at the department level for the General Fund.
  4. All budgeted appropriations lapse at the end of the fiscal year. The legal level of control (the level on which expenditures may not legally exceed appropriations) for each budget is at the department level. Administration cannot legally amend or transfer appropriations between departments without the approval of the City Council once the budget has been approved. Any over expenditures of appropriations or transfers of appropriated amounts must be approved by the City Council.
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## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 2. Stewardship, Compliance and Accountability

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##### A. Budgetary Information (Continued)

5. Budgeted amounts are as originally adopted, or as amended by the City Council. The budget cannot be amended without approval by the City Council.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final budget (which were not the same for the year ended December 31, 2018).

The City does not use encumbrance accounting.

##### B. Expenditures Exceeding Appropriations

For the year ended December 31, 2018, the following General Fund departments had expenditures exceeding the latest amended budget:

	2018 Budgeted Expenditures	2018 Actual Expenditures	Amount Exceeding Budgeted Amount
General government	\$ 792,551	\$ 805,252	\$ 12,701
Public safety	2,145,087	2,193,688	48,601
Public works	234,780	238,167	3,387
Recreation and parks	619,652	647,311	27,659

The above listed over expenditures were approved by the City Council.

##### C. Fund Balance Deficits

As of December 31, 2018, the following funds had deficit fund balances:

Fund	Amount
Major:	
Developer's Escrow special revenue	\$ 7,695
Nonmajor:	
Comprehensive Plan Update special revenue	150
2013A G.O. Capital Improvement Fire Bond debt service	25,007
Tax Increment Financing - Legends of SLP debt service	3,520

The fund balance deficits will be eliminated by future revenue and financing sources.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 3. Detailed Notes on All Funds

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##### A. Deposits and Investments

In accordance with applicable Minnesota statutes, the City maintains deposits at depository banks authorized by the City Council. All such depositories are members of the Federal Reserve System.

Minnesota statutes require that all deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or surety bonds. Authorized collateral includes certain state or local government obligations and legal investments described in the investment policy section. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than the institution furnishing the collateral.

The City's deposits were entirely covered by federal depository insurance or collateral at December 31, 2018.

##### Investment Policy

The City maintains a formal investment policy that limits its investment choices as a means of managing its exposure to credit risk. The City's investment policy does not address, however, limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The City is authorized by Minnesota Statutes to invest idle funds as follows:

- (a) Direct obligations or obligations guaranteed by the United States or its agencies.
- (b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above.
- (c) General obligations of the State of Minnesota or its municipalities.
- (d) Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System.
- (e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- (f) Repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a reporting dealer to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
- (g) Money market funds with institutions that have portfolios consisting exclusively of United States Treasury obligations and Federal Agency issues.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 3. Detailed Notes on All Funds (Continued)

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##### A. Deposits and Investments (Continued)

- (h) Guaranteed investment contracts (gic's) issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies and with a credit quality in one of the top two highest categories.

##### Fair Value Measurements

Fair value measurements are determined utilizing the framework established by the Governmental Accounting Standards Board. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

**Level 1:** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

**Level 2:** Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specific (contractual) term, Level 2 input must be observable for substantially the full term of the asset or liability

**Level 3:** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 3. Detailed Notes on All Funds (Continued)

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##### A. Deposits and Investments (Continued)

##### Fair Value Measurements (Continued)

The City's investments within the fair value hierarchy at December 31, 2018 were as follows:

	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Certificates of Deposit	\$ 8,712,849	\$ 8,712,849	\$	\$
Municipal Bonds	275,465		275,465	
U.S. Government Securities	1,835,892		1,835,892	
Total	<u>\$ 10,824,206</u>	<u>\$ 8,712,849</u>	<u>\$ 2,111,357</u>	<u>\$</u>

##### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needs for operation.

The following is a summary of the City of Spring Lake Park's cash and investment portfolio including the range of maturities and investment ratings by type of investment:

Investment	Range of Maturities	Rating	Value
Cash	N/A	N/A	\$ 1,952,320
Certificates of Deposit	3/25	N/A	8,712,849
Municipal Bonds	2/21	AA1	275,465
U.S. Government Securities	9/26	AAA	1,835,892
Total cash and investments			<u>\$12,776,526</u>

N/A Not applicable or not available

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 3. Detailed Notes on All Funds (Continued)

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##### A. Deposits and Investments (Continued)

###### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City's investments are rated by various credit rating agencies, where applicable, to indicate the associated credit risk. Investment ratings by investment type (as applicable) are included in the preceding summary of investments.

The City does not have a formal policy related to the credit risk of its investments, but continues to buy safe and liquid assets that are allowable under Minnesota Statutes.

###### Concentration of Credit Risk

The City diversifies its investment portfolio to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities. The City's investment policies do not limit the concentration of investments. Investments in any one issuer that represented 5% or more of total investments as of December 31, 2018 were as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Value</u>
4M Fund	Money Market Accounts	\$1,822,321

###### Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. At December 31, 2018, all investments were insured or registered or the securities were held by the City or its agent in the City's name.

##### B. Due From Other Governmental Units

Amounts due from other governmental units as of December 31, 2018 were as follows:

<u>Fund Type</u>	<u>Anoka County</u>	<u>City of Blaine</u>	<u>City of Mounds View</u>
General Fund	\$ 35,995	\$	\$
Capital Projects	1,397		
Debt Service	7,006	89,316	19,204
	<u>\$ 44,398</u>	<u>\$ 89,316</u>	<u>\$ 19,204</u>



# CITY OF SPRING LAKE PARK

## NOTES TO FINANCIAL STATEMENTS

### 3. Detailed Notes on All Funds (Continued)

#### C. Capital Assets

Capital asset activity for the City for the year ended December 31, 2018 was as follows:

<b>Governmental Activities</b>	Beginning Balance, as restated	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 604,950	\$	\$	\$ 604,950
Construction in progress	14,815	19,992	14,815	19,992
Total capital assets, not being depreciated	619,765	19,992	14,815	624,942
Capital assets, being depreciated:				
Buildings and improvements	3,249,957	74,491		3,324,448
Machinery and equipment	3,463,646	534,433		3,998,079
Infrastructure	19,554,446	27,762		19,582,208
Total capital assets, being depreciated	26,268,049	636,686		26,904,735
Less accumulated depreciation for:				
Buildings and improvements	1,979,616	95,407		2,075,023
Machinery and equipment	2,606,739	249,831		2,856,570
Infrastructure	10,751,248	511,338		11,262,586
Total accumulated depreciation	15,337,603	856,576		16,194,179
Total capital assets, being depreciated, net	10,930,446	(219,890)		10,710,556
Governmental activities capital assets, net	\$ 11,550,211	\$ (199,898)	\$ 14,815	\$ 11,335,498

# CITY OF SPRING LAKE PARK

## NOTES TO FINANCIAL STATEMENTS

### 3. Detailed Notes on All Funds (Continued)

#### C. Capital Assets (Continued)

<b>Business-Type Activities</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 127,883	\$	\$ 127,883	\$
Construction in progress		274,113		274,113
Total capital assets, not being depreciated	127,883	274,113	127,883	274,113
Capital assets, being depreciated:				
Land improvements	5,765		5,765	
Buildings and improvements	7,361,795		808,717	6,553,078
Machinery and equipment	1,105,028	60,740	388,571	777,197
Infrastructure	4,860,974			4,860,974
Total capital assets, being depreciated	13,333,562	60,740		12,191,249
Less accumulated depreciation for:				
Land improvements	5,765		5,765	
Buildings and improvements	4,488,732	237,183	658,117	4,067,798
Machinery and equipment	911,921	31,810	293,833	649,898
Infrastructure	1,801,577	162,570		1,964,147
Total accumulated depreciation	7,207,995	431,563	957,715	6,681,843
Total capital assets, being depreciated, net	6,125,567	(370,823)	(957,715)	5,509,406
Business-type activities capital assets, net	\$ 6,253,450	\$ (96,710)	\$ (829,832)	\$ 5,783,519

Depreciation expense for the year ended December 31, 2018 was charged to functions/programs as follows:

#### Governmental Activities

General government	\$ 105,676
Public safety	87,003
Public works	608,820
Recreation and parks	55,077
Total	<u>\$ 856,576</u>

#### Business-Type Activities

Utility	\$ 428,149
Liquor	3,414
Total	<u>\$ 431,563</u>

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 3. Detailed Notes on All Funds (Continued)

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##### D. Long-Term Debt

The City issues general obligation bonds and equipment certificates to provide funds for economic development and for the acquisition and construction of major capital assets including infrastructure. General obligation bonds have been issued for both general government and proprietary activities. Bonds issued to provide funds for business-type activities are reported in proprietary funds if they are expected to be repaid from proprietary revenues.

General obligation bonds and certificates are direct obligations and pledge the full faith and credit of the City. General obligation improvement and refunding bonds are expected to be repaid, in part, from assessments to the benefited properties.

The City had also entered into a capital lease requiring quarterly payments of \$3,796 at an interest rate of 2.25%. The capital lease was paid in full during 2018 when the City sold its municipal liquor store property.

A summary of long-term debt outstanding at December 31, 2018 is as follows:

	Issue Date	Range of Interest Rates	Final Maturity	Balance 12/31/18
General obligation bonds:				
2013A Capital Improvement Bonds	5/30/2013	1.00% - 2.00%	2026	\$ 302,395
2013B Capital Improvement Bonds	12/18/2013	1.60% - 3.00%	2023	365,000
2014A Capital Improvement Bonds	6/18/2014	2.00% - 2.75%	2025	2,085,000
General obligation certificates:				
2017A Equipment Certificates	3/21/2017	3.00%	2023	1,090,000
2018A Equipment Certificates	1/4/2018	1.90% - 2.00%	2022	640,000
2018A Improvement Certificates	6/7/2018	3.00% - 5.00%	2024	89,813
General obligation note payable:				
Note Payable - Public Facilities Authority	7/8/2003	2.819%	2023	1,158,000
2016A Improvement Notes	4/14/2016	2.00%	2026	74,088
Other Liabilities:				
Net unamortized premium on bonds				15,481
Compensated Absences				<u>467,627</u>
Total Long-Term Debt				<u>\$ 6,287,404</u>

Liquidation of the compensated absences liability occurs within the department and fund for which the corresponding employees are assigned.

The City is subject to statutory limitation by the State of Minnesota for bonded indebtedness payable principally from property taxes. As of December 31, 2018, the City had not utilized \$13,243,000 of its net legal debt margin.

# CITY OF SPRING LAKE PARK

## NOTES TO FINANCIAL STATEMENTS

### 3. Detailed Notes on All Funds (Continued)

#### D. Long-Term Debt (Continued)

The following is a summary of the changes in long-term debt obligations for the year ended December 31, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable:					
General obligation bonds:					
2013A Capital Improvement Bonds	\$ 342,813	\$	\$ 40,418	\$ 302,395	\$ 40,027
2013B Capital Improvement Bonds	430,000		65,000	365,000	70,000
2014A Capital Improvements Bonds	2,385,000		300,000	2,085,000	300,000
General obligation certificates:					
2017A Equipment Certificates	1,090,000			1,090,000	
2018A Equipment Certificates		790,000	150,000	640,000	155,000
2018A Improvement Certificates		89,813		89,813	
General obligation note payable:					
2016A Improvement Notes	85,579		11,491	74,088	11,232
Other Liabilities:					
Compensated Absences	358,355	266,133	202,902	421,586	238,704
Unamortized premium	53,759	3,257	6,845	50,171	
Less: unamortized (discount)	(28,406)	(11,850)	(5,566)	(34,690)	
Governmental Activities					
Long-Term Liabilities	4,717,100	1,137,353	771,090	5,083,363	814,963
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable:					
General obligation note payable:					
Note Payable - Public Facilities Authority	1,371,000		213,000	1,158,000	219,000
Other Liabilities:					
Obligation Under Capital Lease	51,171		51,171		
Compensated Absences	68,139	1,446	23,544	46,041	15,909
Business-Type Activities					
Long-Term Liabilities	1,490,310	1,446	287,715	1,204,041	234,909
Total	\$ 6,207,410	\$ 1,138,799	\$ 1,058,805	\$ 6,287,404	\$ 1,049,872

**CITY OF SPRING LAKE PARK****NOTES TO FINANCIAL STATEMENTS**

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**3. Detailed Notes on All Funds (Continued)**

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**D. Long-Term Debt (Continued)**

Debt service requirements to maturity for long-term debt, excluding compensated absences, as of December 31, 2018 were as follows:

Year	General Obligation Improvement and Refunding Bonds		General Obligation Equipment and Refunding Certificates	
	Principal	Interest	Principal	Interest
2019	\$ 410,458	\$ 60,868	\$ 360,000	\$ 44,115
2020	411,318	53,143	386,368	36,180
2021	412,179	44,576	397,207	25,751
2022	418,040	35,991	408,046	15,544
2023	424,331	26,889	248,886	4,725
2024-2025	676,069	27,298	19,306	735
Totals	<u>\$ 2,752,395</u>	<u>\$ 248,763</u>	<u>\$ 1,819,813</u>	<u>\$ 127,050</u>

Year	General Obligation Notes Payable	
	Principal	Interest
2019	\$ 230,794	\$ 34,126
2020	237,096	27,716
2021	243,096	21,132
2022	250,398	14,378
2023	257,701	7,420
2024-2025	13,003	260
Totals	<u>\$ 1,232,088</u>	<u>\$ 105,032</u>

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 3. Detailed Notes on All Funds (Continued)

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##### E. Tax Increment District

The City of Spring Lake Park enters into property tax abatement agreements through the use of tax increment financing districts with local businesses under various Minnesota Statutes. Under these statutes, the City annually abates taxes collected above the districts' base tax capacity which is established during adoption of the tax increment district. These agreements are established to foster economic development and redevelopment through creating jobs, removing blight and providing affordable housing. The City uses Minnesota Statutes 469.001 to 469.047 and 469.174 to 469.179 (The Tax Increment Act) to create these districts.

The City of Spring Lake Park is the administering authority for the City of Spring Lake Park Tax Increment Financing District, No. 6-1. The district is housing development type and authorized under Minnesota law chapter 469.174 to 469.179 (The Tax Increment Act). District No. 6-1 was certified in 2017 and will continue until December 31, 2040.

Information regarding District No. 6-1 is as follows:

Original net tax capacity	\$	14,853
Current net tax capacity		14,427
Capture net tax capacity:		
Retained by authority		

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 3. Detailed Notes on All Funds (Continued)

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##### F. Interfund Receivables and Payables

The following schedule reports the interfund receivables and payables within the City's funds as of December 31, 2018:

	Due From Other Funds	Due To Other Funds
Major Governmental Funds:		
General Fund	\$ 329,766	\$ 13,613
Revolving Fund	13,613	251,015
Subtotal	<u>343,379</u>	<u>264,628</u>
Non-Major Governmental Funds:		
Special Revenue		
Recycling	1,681	
Street Lights	567	
Cable		11,352
Debt Service		
2013A GO Capital Improvement Bonds		58,941
Tax Increment Financing - Legends of SLP		3,114
Capital Projects		
Park Equipment and Improvement		5,344
Subtotal	<u>2,248</u>	<u>78,751</u>
 Total Governmental Funds	 <u>345,627</u>	 <u>343,379</u>
 Proprietary Funds:		
Utility	<u>3,222</u>	<u>5,470</u>
Subtotal	<u>3,222</u>	<u>5,470</u>
 Total All Funds	 <u>\$ 348,849</u>	 <u>\$ 348,849</u>

Interfund receivables and payables are the result of expenditures of funds prior to the collection of special assessments, property taxes and other revenues. All interfund balances will be repaid as the revenues are collected by the individual funds or by transfers from other funds.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 3. Detailed Notes on All Funds (Continued)

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##### G. Interfund Transfers

Transfers are used to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due; or 2) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations. The amount transferred from the liquor fund when that fund was closed will be used to finance future capital assets/improvements within the City.

Interfund transfers during the year ended December 31, 2018 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund	\$ 290,240	\$ 391,673
Revolving Fund	69,313	
Renewal and Replacement	2,091,519	
Subtotal	<u>2,451,072</u>	<u>391,673</u>
Non-Major Governmental Funds:		
Special Revenue		
Comprehensive Plan Update	10,000	
Emergency Management	3,157	
Police Reserves	2,500	
Forestry	1,600	
Animal Control	1,000	
Recreation Fund		60,000
Recycling Fund		4,000
Debt Service		
2013A GO Capital Improvement Fire Bonds	50,000	
2013B GO Capital Improvement Bonds	75,310	

(Continued)



# CITY OF SPRING LAKE PARK

## NOTES TO FINANCIAL STATEMENTS

### 3. Detailed Notes on All Funds (Continued)

#### G. Interfund Transfers (Continued)

	<u>Transfers In</u>	<u>Transfers Out</u>
Capital Projects		
Storm Water	100,000	
Street Sealcoating	50,000	
Building Maintenance	9,394	
Public Safety Replacement	12,006	
2014-2015 Street Improvement Project		69,313
Subtotal	<u>314,967</u>	<u>133,313</u>
 Total Governmental Funds	<u>2,766,039</u>	<u>524,986</u>
 Proprietary Funds:		
Utility		98,896
Liquor		<u>1,901,032</u>
 Total Proprietary Funds		<u>1,999,928</u>
 Total All Funds	<u>\$ 2,766,039</u>	<u>\$ 2,524,914</u>

In the government-wide statement of activities, transfers in (out) are comprised of:

#### Governmental Funds:

Transfers in	\$ 2,766,039
Transfers out	<u>(766,111)</u>

Government-wide Statement of Activities - Transfers in (out) \$ 1,999,928

During 2018, the liquor store ceased operations and the City closed the liquor fund. As a result, the City transferred the net pension liability associated with the liquor fund to the remaining funds in the governmental and utility funds at year end. The governmental fund had a net transfer out of \$241,125 that only affected government-wide financial statements.

# CITY OF SPRING LAKE PARK

## NOTES TO FINANCIAL STATEMENTS

### 3. Detailed Notes on All Funds (Continued)

#### H. Fund Equity

In accordance with the requirements of GASB Statement No. 54, below is a schedule of ending fund balances as of December 31, 2018:

	General Fund	Developer's Escrow	Revolving Fund	Renewal and Replacement	2017A G.O. Equipment Certificates	2014A G.O. Improvement Bonds	Other Governmental Funds	Total Governmental Funds
Nonspendable								
Prepaid items	\$ 2,997	\$	\$	\$	\$	\$	\$ 12,307	\$ 15,304
Restricted								
Police activities							4,329	4,329
Debt service						848,652	237,598	1,086,250
Capital acquisitions							32,974	32,974
Park acquisition							681,642	681,642
Community development							79,479	79,479
Total Restricted						848,652	1,036,022	1,884,674
Assigned								
Working capital reserve	1,492,800							1,492,800
Compensated absences	421,586							421,586
Elections	69,881							69,881
Recreation programs							353,802	353,802
Recycling							84,212	84,212
Street lighting							36,436	36,436
Cable activities							16,373	16,373
Public safety supplies					6,673		17,980	24,653
HRA reserve							198,711	198,711
Street improvement			1,015,905	2,091,519				3,107,424
Street sealcoating							53,216	53,216
Storm water runoff program							260,529	260,529
Capital replacement							927,109	927,109
Building maintenance							125,071	125,071
Park acquisition							33,518	33,518
Other activities							135,167	135,167
Total Assigned	1,984,267		1,015,905	2,091,519	6,673		2,242,124	7,340,488
Unassigned		(7,695)					(28,677)	(36,372)
Total Fund Balance	\$ 1,987,264	\$ (7,695)	\$ 1,015,905	\$ 2,091,519	\$ 6,673	\$ 848,652	\$ 3,261,776	\$ 9,204,094

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 4. Other Information

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##### A. Risk Management

The City is exposed to various risks of loss related to torts: theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; and natural disasters. The City participates in the League of Minnesota Cities Insurance Trust (LMCIT) to provide its general liability and property coverage. The LMCIT is a public entity risk pool currently operating as a common risk management and insurance program for participating Minnesota Cities. All Cities in the LMCIT are jointly and severally liable for all claims and expenses of the pool. The amount of any liability in excess of assets of the pool may be assessed to the participating cities if a deficiency occurs. The City purchases commercial insurance for property values in excess of the LMCIT policy limits and all other risks of loss. Settled claims have not exceeded the LMCIT or commercial coverage in any of the past three fiscal years.

Worker's compensation insurance is also purchased through the LMCIT. The worker compensation program is a retrospectively rated contract with premiums or required contributions based primarily on the experience rates of the participating cities. There were no significant reductions in insurance coverage from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

##### B. Commitments and Contingencies

###### Insurance:

The City has outstanding claims subject to its insurance deductible. Although the outcome of these actions is not presently determinable, in the opinion of management, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

###### General Litigation:

Management is not aware of any existing or pending lawsuits, claims or other actions in which the City is a defendant. It is the opinion of management that any such claims would be covered by the liability insurance of the City and that potential claims against the City would not materially affect the financial statements.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 4. Other Information (Continued)

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##### C. Pension Plans

##### 1. Public Employees Retirement Association (PERA) - Defined Benefit

###### A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan - All full-time and certain part-time employees of the City of Spring Lake Park are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.
2. Public Employees Police and Fire Plan - The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

###### B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 4. Other Information (Continued)

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##### D. Pension Plans (Continued)

##### 1. Public Employees Retirement Association (PERA) - Defined Benefit (Continued)

##### B. Benefits Provided (continued)

##### 1. General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent for each of the first ten years of service and 1.7 percent for each additional year. The rates are 2.2 percent and 2.7 percent, respectively, for Basic members. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for all years of service, and 2.7 percent for Basic members. The accrual rates for former MERF members is 2.0 percent for each of the first ten years of service and 2.5 percent for each additional year. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

Beginning January 1, 2019, benefit recipients will receive a future annual increase equal to 50 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 1.5 percent. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age (not applicable to Rule of 90 retirees, disability benefit recipients, or survivors). A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 4. Other Information (Continued)

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##### D. Pension Plans (Continued)

##### 1. Public Employees Retirement Association (PERA) - Defined Benefit (Continued)

##### B. Benefits Provided (continued)

##### 2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014 vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014 vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989 a full annuity is available when age plus years of service equal at least 90.

Beginning in 2019, the COLA will be fixed at 1 percent. Under funding measurements from 2017, the 2.5 percent COLA trigger was never expected to occur and was subsequently removed from law. Post retirement increases are given each year except for annuitants who have been receiving a benefit for only 31 to 41 months. These annuitants will receive a prorated amount of the increase on a sliding scale.

##### C. Contributions

*Minnesota Statutes* Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

##### 1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2018; the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2018 were \$110,008. The City's contributions were equal to the required contributions as set by state statute.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 4. Other Information (Continued)

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##### D. Pension Plans (Continued)

##### 1. Public Employees Retirement Association (PERA) - Defined Benefit (Continued)

##### C. Contributions (continued)

##### 2. Police and Fire Fund Contributions

Legislation increased both employee and employer contribution rates in the Police and Fire Plan. Employee rates increased from 10.80 percent of pay to 11.30 percent and employer rates increase from 16.20 percent to 16.95 percent on January 1, 2018. On January 1, 2020 employee rates increase to 11.80 percent and employer rates increase to 17.70 percent. The City's contributions to the Police and Fire Fund for the year ended December 31, 2018 were \$161,819. The City's contributions were equal to the required contributions as set by state statute.

##### D. Pension Costs

##### 1. General Employees Fund Pension Costs

At December 31, 2018, the City reported a liability of \$1,264,851 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2018. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$41,581. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017 through June 30, 2018 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the City's proportion share was .0228 which was a decrease of .0006 percent from its proportion measured as of June 30, 2017.

Post-retirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of a 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, beginning January 1, 2019.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 4. Other Information (Continued)

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##### D. Pension Plans (Continued)

##### 1. Public Employees Retirement Association (PERA) - Defined Benefit (Continued)

##### D. Pensions Costs (continued)

##### 1. General Employees Fund Pension Costs (continued)

For the year ended December 31, 2018, the City recognized pension expense (benefit) of (\$29,702) for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$9,697 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2018, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$	\$ 4,351
Changes in Actuarial Assumptions		18,025
Difference between projected and actual investment earnings		125,342
Changes in proportion		59,391
Contributions paid to PERA subsequent to the measurement date	<u>52,552</u>	
Total	<u>\$ 52,552</u>	<u>\$ 207,109</u>



## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 4. Other Information (Continued)

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##### D. Pension Plans (Continued)

##### 1. Public Employees Retirement Association (PERA) - Defined Benefit (Continued)

##### D. Pensions Costs (continued)

##### 1. General Employees Fund Pension Costs (continued)

\$52,552 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30:</u>	<u>Pension Expense</u>
2019	\$ 20,519
2020	(87,396)
2021	(113,834)
2022	(26,398)

##### 2. Police and Fire Fund Pension Costs

At December 31, 2018, the City reported a liability of \$985,955 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017 through June 30, 2018 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the City's proportion was .0925 percent which was an increase of .0005 percent from its proportion measured as of June 30, 2017. The City also recognized \$8,325 for the year ended December 31, 2018 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year, starting in fiscal year 2014.

Beginning in January 1, 2019, the COLA will be fixed at 1 percent. Under funding measurements from 2017, the 2.5 percent COLA trigger was never expected to occur and was subsequently removed from law.

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

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4. Other Information (Continued)

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D. Pension Plans (Continued)

1. Public Employees Retirement Association (PERA) - Defined Benefit (Continued)

D. Pensions Costs (continued)

2. Police and Fire Fund Pension Costs (continued)

For the year ended December 31, 2018, the City recognized pension expense (benefit) of (\$78,936) for its proportionate share of the Police and Fire Plan's pension expense.

At December 31, 2018, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$	\$ 211,417
Changes in Actuarial Assumptions		171,618
Difference between projected and actual investment earnings		195,052
Changes in proportion		130,193
Contributions paid to PERA subsequent to the measurement date	83,434	
Total	\$ 83,434	\$ 708,280

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 4. Other Information (Continued)

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##### D. Pension Plans (Continued)

##### 1. Public Employees Retirement Association (PERA) - Defined Benefit (Continued)

##### D. Pensions Costs (continued)

##### 2. Police and Fire Fund Pension Costs (continued)

\$83,434 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30:</u>	<u>Expense Amount</u>
2019	\$ (43,761)
2020	(91,273)
2021	(152,846)
2022	(418,272)
2023	(2,128)

The total pension expense (benefit) for all plans (General Employees Fund and Police and Fire Fund) recognized by the City for the year ended December 31, 2018 was (\$108,638).

##### E. Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actual assumptions:

	<u>General Employees Plan</u>	<u>Police &amp; Fire Plan</u>
Inflation	2.50% per year	2.50% per year
Active Member Payroll Growth	3.25% after 26 years of service	3.25% after 25 years of service
Investment Rate of Return	7.50%	7.50%

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 4. Other Information (Continued)

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##### D. Pension Plans (Continued)

##### 1. Public Employees Retirement Association (PERA) - Defined Benefit (Continued)

##### E. Actuarial Assumptions (Continued)

The total pension liability for each of the defined benefit cost-sharing plans was determined by an actuarial valuation as of June 30, 2018, using the entry age normal actuarial cost method. Inflation is assumed to be 2.50 percent for the General Employees and Police and Fire Plans. Salary growth assumptions in the General Employees Plan decrease in annual increments from 11.25 percent after one year of service, to 3.25 percent after 26 years of service. In the Police and Fire Plan, salary growth assumptions decrease from 12.25 percent after one year of service to 3.25 percent after 25 years of service.

Mortality rates for all plans are based on RP-2014 mortality tables. The tables are adjusted slightly to fit PERA's experience. Actuarial assumptions for the General Employees Plan are reviewed every four to six years. The most recent six-year experience study for the General Employees Plan was completed in 2015. The most recent four-year experience study for the Police and Fire Plan was completed in 2016. Economic assumptions were updated in 2014 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions occurred in 2018:

##### General Employees Fund

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

##### Police and Fire Fund

- The mortality projection scale was changed from MP-2016 to MP-2017.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 4. Other Information (Continued)

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##### D. Pension Plans (Continued)

##### 1. Public Employees Retirement Association (PERA) - Defined Benefit (Continued)

##### E. Actuarial Assumptions (Continued)

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Stocks	36%	5.10%
International Stocks	17%	5.30%
Bonds (Fixed Income)	20%	0.75%
Alternative Assets (Private Markets)	25%	5.90%
Cash	2%	0.00%
Total	<u>100%</u>	

##### F. Discount Rate

The discount rate used to measure the total pension liability in 2018 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 4. Other Information (Continued)

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##### D. Pension Plans (Continued)

##### 1. Public Employees Retirement Association (PERA) - Defined Benefit (Continued)

##### G. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	Sensitivity of Net Pension Liability at Current Single Discount Rate			
	General Employees Fund		Police and Fire Fund	
1% Lower	6.50%	\$ 2,055,544	6.50%	\$ 2,113,949
Current Discount Rate	7.50%	\$ 1,264,851	7.50%	\$ 985,955
1% Higher	8.50%	\$ 612,156	8.50%	\$ 53,151

##### H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

##### 2. Public Employees Retirement Association (PERA) - Defined Contribution

Four council members of the City are covered by the Public Employees Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of council members are tax deferred until time of withdrawal.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 4. Other Information (Continued)

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##### D. Pension Plans (Continued)

##### 2. Public Employees Retirement Association (PERA) - Defined Contribution

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and twenty-five hundredths of one percent (.25 percent) of the assets in each member's account annually.

Total contributions made by the City of Spring Lake Park during fiscal year 2018 were:

<u>Contribution Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required Rate</u>
<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	
\$ 1,267	\$ 1,267	5%	5%	5%

##### E. Other Postemployment Benefits

The City has considered the accounting pronouncement, GASB Statement No. 75, *Accounting and Financial Reporting by for Postemployment Benefits Other than Pensions*. Management determined the OPEB liability at December 31, 2018 is not material and therefore is not recorded in these financial statements.

## CITY OF SPRING LAKE PARK

### NOTES TO FINANCIAL STATEMENTS

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#### 4. Other Information (Continued)

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##### F. Joint Powers Agreements

As previously noted, the City of Spring Lake Park participates with the cities of Blaine and Mounds View through a joint powers agreement to cooperatively support the Spring Lake Park Fire Department, Inc. (the Department). The Department is independent of the cities and operates as a separate entity. Under terms of the agreement, the equipment, property and other assets of the Department are owned jointly by the three cities. Each city enters into a contract for services with the Department for fire protection services. Cost of services for each City is determined based on a formula prescribed in the agreement. Based on the agreement, in the event the Department sustains operating deficits, the cities will contribute additional funds to the Department in proportion to the formula described above. Operating budgets of the Department are approved annually by the cities.

Payments to the Department by the City of Spring Lake Park in 2018 totaled \$260,994, including a provision for capital expenditures. This total was approximately 8% of contracted revenues from member cities reported by the Department. As described in Note 1, the City is also responsible for its share of debt service payments related to bonds issued on behalf of the Department for building improvements and equipment acquisitions.

In addition, the City is a member of the Anoka County Joint Law Enforcement Council (JLEC), an organization of Anoka County and certain cities located within the County formed to cooperate in their law enforcement efforts. The City participates with the JLEC on a cost-sharing basis with the development and maintenance of an integrated central records communication system. Costs related to the City's participation in the JLEC were \$11,806 for the year ended December 31, 2018.

In 1983, the City adopted an ordinance establishing a franchise for a cable communications system. The City and neighboring municipalities formed the North Metro Telecommunications Commission (the "Commission"). The purpose of this organization is to monitor the operations and activities of cable communications of the member municipalities. The Commission also provides coordination, administration and enforcement of the franchises for the cable communication system.

The City receives a portion of the franchise fees, which are reported in the North Central Suburban Cable Fund. These revenues are committed for cable television related expenditures. Financial statements for the Commission can be obtained by writing to: North Metro Telecommunications Commission, 12520 Polk Street NE, Blaine, Minnesota 55434.



**CITY OF SPRING LAKE PARK**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2018**

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**CITY OF SPRING LAKE PARK, MINNESOTA**  
**Schedule of City Contributions**  
**PERA General Employees Retirement Fund**  
**December 31, 2018**

Year Ended December 31	Statutorily Required Contribution (a)	Contributions in Relation to Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
2014	\$ 106,316	\$ 106,316	\$	\$ 1,468,400	7.2%
2015	109,297	109,297		1,442,177	7.6%
2016	112,202	112,202		1,496,472	7.5%
2017	114,728	114,728		1,529,713	7.5%
2018	110,008	110,008		1,466,764	7.5%
2019					
2020					
2021					
2022					
2023					

**Schedule of City Contributions**  
**PERA Public Employees Police and Fire Fund Pension Plan**  
**December 31, 2018**

Year Ended December 31	Statutorily Required Contribution (a)	Contributions in Relation to Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
2014	\$ 135,648	\$ 135,648	\$	\$ 886,585	15.3%
2015	147,786	147,786		912,261	16.2%
2016	151,121	151,121		932,841	16.2%
2017	153,641	153,641		948,402	16.2%
2018	161,819	161,819		998,882	16.2%
2019					
2020					
2021					
2022					
2023					

**CITY OF SPRING LAKE PARK, MINNESOTA**  
**Schedule of Proportionate Share of Net Pension Liability**  
**PERA General Employees Retirement Fund**  
**December 31, 2018**

Fiscal Year Ended June 30	City's Proportionate (Percentage) of Net Pension Liability (Asset)	City's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability (Asset) Associated with the City (b)	City's Proportionate Share (Amount) of the Net Pension Liability (Asset) Associated with the City (a+b)	City's Covered Payroll (c)	City's Proportionate Share (Amount) of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.0275%	\$ 1,291,812		\$ 1,291,812	\$ 1,468,400	88.0%	78.7%
2015	0.0247%	1,280,082		1,280,082	1,442,177	88.8%	78.2%
2016	0.0239%	1,940,561	25,332	1,965,893	1,496,472	131.4%	68.9%
2017	0.0234%	1,493,841	18,793	1,512,634	1,529,713	98.9%	75.9%
2018	0.0228%	1,264,851	41,581	1,306,432	1,534,400	85.1%	79.5%
2019							
2020							
2021							
2022							
2023							

**Schedule of Proportionate Share of Net Pension Liability**  
**PERA Public Employees Police and Fire Fund Pension Plan**  
**December 31, 2018**

Fiscal Year Ended June 30	Proportionate (Percentage) of Net Pension Liability (Asset)	Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	City's Covered Payroll (b)	Proportionate Share (Amount) of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.1040%	\$ 1,123,243	\$ 886,585	126.7%	87.1%
2015	0.0960%	1,090,785	912,261	119.6%	86.6%
2016	0.0960%	3,852,647	932,841	413.0%	63.9%
2017	0.0920%	1,242,109	948,402	131.0%	85.4%
2018	0.0925%	985,955	975,104	101.1%	88.8%
2019					
2020					
2021					
2022					
2023					

**CITY OF SPRING LAKE PARK**  
**COMBINING AND INDIVIDUAL NONMAJOR**  
**FUND STATEMENTS AND SCHEDULES**

**December 31, 2018**

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**CITY OF SPRING LAKE PARK  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2018**

	Special Revenue	Debt Service	Capital Projects	Total
<b>ASSETS</b>				
Cash and investments	\$ 828,194	\$ 174,308	\$ 2,250,091	\$ 3,252,593
Accounts receivable	79,039		20,470	99,509
Special assessments receivable				
Due from other funds	2,248			2,248
Due from other governmental units		110,427		110,427
Prepaid expenditures	12,307			12,307
<b>TOTAL ASSETS</b>	<u>\$ 921,788</u>	<u>\$ 284,735</u>	<u>\$ 2,270,561</u>	<u>\$ 3,477,084</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 44,650	\$ 13,609	\$ 28,353	\$ 86,612
Deposits payable	5,600			5,600
Due to other funds	11,352	62,055	5,344	78,751
Unearned revenue	44,345			44,345
Total liabilities	<u>105,947</u>	<u>75,664</u>	<u>33,697</u>	<u>215,308</u>
<b>FUND BALANCE (DEFICIT)</b>				
Nonspendable	12,307			12,307
Restricted	83,808	237,598	714,616	1,036,022
Assigned	719,876		1,522,248	2,242,124
Unassigned	(150)	(28,527)		(28,677)
Total Fund Balance (Deficit)	<u>815,841</u>	<u>209,071</u>	<u>2,236,864</u>	<u>3,261,776</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 921,788</u>	<u>\$ 284,735</u>	<u>\$ 2,270,561</u>	<u>\$ 3,477,084</u>

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**CITY OF SPRING LAKE PARK**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2018

	Special Revenue	Debt Service	Capital Projects	Total
<b>REVENUES</b>				
Property and franchise taxes	\$ 22,126	\$ 174,467	\$	\$ 196,593
Special assessments				
Intergovernmental revenues	48,477		68,140	116,617
Charges for services	549,616	13,203	148,909	711,728
Fines and forfeitures	2,833			2,833
Investment income	5,315	860	21,068	27,243
Other revenues	91,688	221,493	12,677	325,858
<b>TOTAL REVENUES</b>	<b>720,055</b>	<b>410,023</b>	<b>250,794</b>	<b>1,380,872</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	62,208			62,208
Public safety	3,628			3,628
Public works	37,011		280,296	317,307
Recreation and parks	290,071		7,399	297,470
Development and other	193,599	2,495		196,094
<b>Capital Outlay</b>				
General government	82,458		11,755	94,213
Public safety	944		175,508	176,452
Public works			320,926	320,926
Recreation and parks			47,477	47,477
<b>Debt Service</b>				
Principal		266,909		266,909
Interest and other		78,206		78,206
Bond issuance costs			6,750	6,750
<b>TOTAL EXPENDITURES</b>	<b>669,919</b>	<b>347,610</b>	<b>850,111</b>	<b>1,867,640</b>
Excess (deficiency) of revenues over (under) expenditures	50,136	62,413	(599,317)	(486,768)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	18,257	125,310	171,400	314,967
Transfers to other funds	(64,000)		(69,313)	(133,313)
(Discount) on issuance of debt			(8,593)	(8,593)
Bond proceeds			879,813	879,813
Gain on sale of assets			21,585	21,585
Total other financing sources (uses)	(45,743)	125,310	994,892	1,074,459
Net change in fund balances	4,393	187,723	395,575	587,691
<b>FUND BALANCES (DEFICIT), Beginning</b>	<b>811,448</b>	<b>21,348</b>	<b>1,841,289</b>	<b>2,674,085</b>
<b>FUND BALANCES (DEFICIT), Ending</b>	<b>\$ 815,841</b>	<b>\$ 209,071</b>	<b>\$ 2,236,864</b>	<b>\$ 3,261,776</b>

**CITY OF SPRING LAKE PARK  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2018**

	Recycling	Street Lighting	Cable
<b>ASSETS</b>			
Cash and investments	\$ 43,250	\$ 29,844	\$ 5,599
Accounts receivable	48,053	8,854	22,126
Prepaid expenditures			
Due from other funds	1,681	567	
<b>TOTAL ASSETS</b>	<u>\$ 92,984</u>	<u>\$ 39,265</u>	<u>\$ 27,725</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 8,772	\$ 2,829	\$
Deposits payable			
Due to other funds			11,352
Unearned revenue			
Total liabilities	<u>8,772</u>	<u>2,829</u>	<u>11,352</u>
<b>FUND BALANCE (DEFICIT)</b>			
Nonspendable			
Restricted			
Assigned	84,212	36,436	16,373
Unassigned			
Total Fund Balance (Deficit)	<u>84,212</u>	<u>36,436</u>	<u>16,373</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 92,984</u>	<u>\$ 39,265</u>	<u>\$ 27,725</u>

<u>Police Forfeiture</u>	<u>Police Reserves</u>	<u>HRA Reserve</u>	<u>Recreation</u>
\$ 17,980	\$ 4,329	\$ 204,311	\$ 429,055 6 12,307
<u>\$ 17,980</u>	<u>\$ 4,329</u>	<u>\$ 204,311</u>	<u>\$ 441,368</u>
\$	\$	\$	\$ 30,914
		5,600	
			44,345
		5,600	75,259
			12,307
17,980	4,329	198,711	353,802
<u>17,980</u>	<u>4,329</u>	<u>198,711</u>	<u>366,109</u>
<u>\$ 17,980</u>	<u>\$ 4,329</u>	<u>\$ 204,311</u>	<u>\$ 441,368</u>

**CITY OF SPRING LAKE PARK**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
December 31, 2018

	<u>Tower Days</u>	<u>Traffic Education</u>	<u>Emergency Management</u>
<b>ASSETS</b>			
Cash and investments	\$ 14,147	\$ 65,332	\$ 7,369
Accounts receivable			
Prepaid expenditures			
Due from other funds			
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<u><u>\$ 14,147</u></u>	<u><u>\$ 65,332</u></u>	<u><u>\$ 7,369</u></u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$	\$	\$ 8
Deposits payable			
Due to other funds			
Unearned revenue			
Total liabilities	<u>                    </u>	<u>                    </u>	<u>8</u>
<b>FUND BALANCE (DEFICIT)</b>			
Nonspendable			
Restricted	14,147	65,332	
Assigned			7,361
Unassigned			
Total Fund Balance (Deficit)	<u>14,147</u>	<u>65,332</u>	<u>7,361</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 14,147</u></u>	<u><u>\$ 65,332</u></u>	<u><u>\$ 7,369</u></u>

Animal Control	Comprehensive Plan Update	Forestry	Total
\$ 3,047	\$ 1,977	\$ 1,954	\$ 828,194
			79,039
			12,307
			2,248
<u>\$ 3,047</u>	<u>\$ 1,977</u>	<u>\$ 1,954</u>	<u>\$ 921,788</u>
\$	\$ 2,127	\$	\$ 44,650
			5,600
			11,352
			44,345
	<u>2,127</u>		<u>105,947</u>
			12,307
			83,808
3,047		1,954	719,876
	(150)		(150)
<u>3,047</u>	<u>(150)</u>	<u>1,954</u>	<u>815,841</u>
<u>\$ 3,047</u>	<u>\$ 1,977</u>	<u>\$ 1,954</u>	<u>\$ 921,788</u>

**CITY OF SPRING LAKE PARK**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended December 31, 2018

	<u>Recycling</u>	<u>Street Lighting</u>	<u>Cable</u>
<b>REVENUES</b>			
Franchise taxes	\$	\$	\$ 22,126
Intergovernmental revenue	48,477		
Charges for services	133,742	38,366	
Fines and forfeitures			
Investment income	263	189	19
Other revenues			
	<u>182,482</u>	<u>38,555</u>	<u>22,145</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
<b>Current</b>			
General government			15,239
Public safety			
Public works		37,011	
Development and other	176,241		
Recreation and parks			
<b>Capital Outlay</b>			
General government			
Public safety			
	<u>176,241</u>	<u>37,011</u>	<u>15,239</u>
<b>TOTAL EXPENDITURES</b>			
Excess (deficiency) of revenues over (under) expenditures	<u>6,241</u>	<u>1,544</u>	<u>6,906</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds			
Transfers to other funds	(4,000)		
	<u>(4,000)</u>		
Total other financing sources (uses)	<u>(4,000)</u>		
Net change in fund balances	2,241	1,544	6,906
<b>FUND BALANCES, Beginning</b>	<u>81,971</u>	<u>34,892</u>	<u>9,467</u>
<b>FUND BALANCES (DEFICIT), Ending</b>	<u>\$ 84,212</u>	<u>\$ 36,436</u>	<u>\$ 16,373</u>

Police Forfeiture	Police Reserves	HRA Reserve	Recreation
\$	\$	\$	\$
			376,458
2,833			
120	23	1,520	2,604
		71,854	
2,953	23	73,374	379,062
		32,447	
1,342	772		
			290,071
		82,458	
944			
2,286	772	114,905	290,071
667	(749)	(41,531)	88,991
	2,500		(60,000)
	2,500		(60,000)
667	1,751	(41,531)	28,991
17,313	2,578	240,242	337,118
\$ 17,980	\$ 4,329	\$ 198,711	\$ 366,109

**CITY OF SPRING LAKE PARK**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended December 31, 2018

	<u>Tower Days</u>	<u>Traffic Education</u>	<u>Emergency Management</u>
<b>REVENUES</b>			
Franchise taxes	\$	\$	\$
Intergovernmental revenue			
Charges for services		1,050	
Fines and forfeitures			
Investment income	87	442	33
Other revenues	<u>19,834</u>		
<b>TOTAL REVENUES</b>	<u>19,921</u>	<u>1,492</u>	<u>33</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
General government		1,050	
Public safety			1,514
Public works			
Development and other	17,358		
Recreation and parks			
<b>Capital Outlay</b>			
General government			
Public safety			
<b>TOTAL EXPENDITURES</b>	<u>17,358</u>	<u>1,050</u>	<u>1,514</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,563</u>	<u>442</u>	<u>(1,481)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds			3,157
Transfers to other funds			
Total other financing sources (uses)			<u>3,157</u>
Net change in fund balances	2,563	442	1,676
<b>FUND BALANCES, Beginning</b>	<u>11,584</u>	<u>64,890</u>	<u>5,685</u>
<b>FUND BALANCES (DEFICIT), Ending</b>	<u>\$ 14,147</u>	<u>\$ 65,332</u>	<u>\$ 7,361</u>



Animal Control	Comprehensive Plan Update	Forestry	Total
\$	\$	\$	\$ 22,126
			48,477
			549,616
			2,833
13		2	5,315
			91,688
13		2	720,055
	13,472		62,208
			3,628
			37,011
			193,599
			290,071
			82,458
			944
	13,472		669,919
13	(13,472)	2	50,136
1,000	10,000	1,600	18,257
			(64,000)
1,000	10,000	1,600	(45,743)
1,013	(3,472)	1,602	4,393
2,034	3,322	352	811,448
\$ 3,047	\$ (150)	\$ 1,954	\$ 815,841

**CITY OF SPRING LAKE PARK  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS**

December 31, 2018

	2013 Equipment Certificates	2013A G.O. Capital Improvement Fire Bond	2016A North Metro Tele- communications
<b>ASSETS</b>			
Cash and investments	\$ 27,853	\$ 33,934	\$ 13,248
Due from other governmental units	252		
<b>TOTAL ASSETS</b>	<u>\$ 28,105</u>	<u>\$ 33,934</u>	<u>\$ 13,248</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$	\$	\$ 13,203
Due to other funds		58,941	
Total liabilities		<u>58,941</u>	<u>13,203</u>
<b>FUND BALANCE (DEFICIT)</b>			
Restricted	28,105		45
Unassigned		(25,007)	
Total Fund Balance (Deficit)	<u>28,105</u>	<u>(25,007)</u>	<u>45</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 28,105</u>	<u>\$ 33,934</u>	<u>\$ 13,248</u>

2013B G.O. Capital Improvement Bonds	Tax Increment Financing - Legends of SLP	2017A G.O. Equipment Certificates	2018A G.O. Equipment Certificates	Total
\$	\$	\$ 92,564	\$ 6,709	\$ 174,308
		108,520	1,655	110,427
<u>\$</u>	<u>\$</u>	<u>\$ 201,084</u>	<u>\$ 8,364</u>	<u>\$ 284,735</u>
\$	\$ 406	\$	\$	\$ 13,609
	3,114			62,055
	3,520			75,664
		201,084	8,364	237,598
	(3,520)			(28,527)
	(3,520)	201,084	8,364	209,071
<u>\$</u>	<u>\$</u>	<u>\$ 201,084</u>	<u>\$ 8,364</u>	<u>\$ 284,735</u>

**CITY OF SPRING LAKE PARK**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
For the Year Ended December 31, 2018

	2013 Equipment Certificates	2013A G.O. Capital Improvement Fire Bond	2016A North Metro Tele- communications
<b>REVENUES</b>			
Taxes	\$ 975	\$	\$
Charges for services			13,203
Investment earnings	176	219	45
Other revenue			
	<u>1,151</u>	<u>219</u>	<u>13,248</u>
<b>TOTAL REVENUES</b>			
	<u>1,151</u>	<u>219</u>	<u>13,248</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
Development and other			
<b>Debt Service</b>			
Principal		40,418	11,491
Interest and other charges		6,523	1,712
		<u>46,941</u>	<u>13,203</u>
<b>TOTAL EXPENDITURES</b>			
		<u>46,941</u>	<u>13,203</u>
Excess (deficiency) of revenues over (under) expenditures	1,151	(46,722)	45
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds		50,000	
		<u>50,000</u>	
Net change in fund balances	1,151	3,278	45
<b>FUND BALANCES (DEFICIT), Beginning</b>	<u>26,954</u>	<u>(28,285)</u>	
<b>FUND BALANCES (DEFICIT), Ending</b>	<u>\$ 28,105</u>	<u>\$ (25,007)</u>	<u>\$ 45</u>

2013B G.O. Capital Improvement Bonds	Tax Increment Financing - Legends of SLP	2017A G.O. Equipment Certificates	2018A G.O. Equipment Certificates	Total
\$	\$	\$	\$ 173,492	\$ 174,467
				13,203
		395	25	860
		221,493		221,493
		221,888	173,517	410,023
	2,495			2,495
65,000			150,000	266,909
10,310		44,508	15,153	78,206
75,310	2,495	44,508	165,153	347,610
(75,310)	(2,495)	177,380	8,364	62,413
75,310				125,310
	(2,495)	177,380	8,364	187,723
	(1,025)	23,704		21,348
\$	\$ (3,520)	\$ 201,084	\$ 8,364	\$ 209,071

**CITY OF SPRING LAKE PARK  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECT FUNDS**

December 31, 2018

	State Aid Street Fund	Street Sealcoating	Storm Water
<b>ASSETS</b>			
Cash and investments	\$ 121,503	\$ 35,542	\$ 270,855
Accounts receivable		20,470	
<b>TOTAL ASSETS</b>	<u>\$ 121,503</u>	<u>\$ 56,012</u>	<u>\$ 270,855</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 596	\$ 2,796	\$ 10,326
Due to other funds			
Total liabilities	<u>596</u>	<u>2,796</u>	<u>10,326</u>
<b>FUND BALANCE</b>			
Restricted			
Assigned	120,907	53,216	260,529
Total Fund Balance	<u>120,907</u>	<u>53,216</u>	<u>260,529</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 121,503</u>	<u>\$ 56,012</u>	<u>\$ 270,855</u>

Capital Replacement	2013 Equipment Certificates	Right of Way	Building Maintenance	Public Safety Replacement
\$ 402,839	\$ 32,974	\$ 1,898	\$ 125,071	\$ 20,666
<u>\$ 402,839</u>	<u>\$ 32,974</u>	<u>\$ 1,898</u>	<u>\$ 125,071</u>	<u>\$ 20,666</u>
\$	\$	\$	\$	\$
 	32,974			
402,839		1,898	125,071	20,666
<u>402,839</u>	<u>32,974</u>	<u>1,898</u>	<u>125,071</u>	<u>20,666</u>
\$ 402,839	\$ 32,974	\$ 1,898	\$ 125,071	\$ 20,666

**CITY OF SPRING LAKE PARK**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
December 31, 2018

	Park Special Projects	Park Acquisition and Improvement	Lakeside Lions Park Improvement
<b>ASSETS</b>			
Cash and investments	\$ 21,565	\$ 637,842	\$ 22,420
Accounts receivable			
<b>TOTAL ASSETS</b>	<u>\$ 21,565</u>	<u>\$ 637,842</u>	<u>\$ 22,420</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 185	\$	\$
Due to other funds			
Total liabilities	<u>185</u>		
<b>FUND BALANCE</b>			
Restricted	21,380	637,842	22,420
Assigned			
Total Fund Balance	<u>21,380</u>	<u>637,842</u>	<u>22,420</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 21,565</u>	<u>\$ 637,842</u>	<u>\$ 22,420</u>



Small Equipment	Park Equipment and Improvement	2014-2015 Street Improvement Project	2018A G.O. Equipment Certificates	2018A Blaine Fire Certificates	Total
\$ 10,034	\$ 28,828	\$	\$ 518,054	\$	\$ 2,250,091
					20,470
<u>\$ 10,034</u>	<u>\$ 28,828</u>	<u>\$</u>	<u>\$ 518,054</u>	<u>\$</u>	<u>\$ 2,270,561</u>
\$	\$	\$	\$ 14,450	\$	\$ 28,353
	5,344				5,344
	5,344		14,450		33,697
10,034	23,484		503,604		714,616
10,034	23,484		503,604		1,522,248
					2,236,864
<u>\$ 10,034</u>	<u>\$ 28,828</u>	<u>\$</u>	<u>\$ 518,054</u>	<u>\$</u>	<u>\$ 2,270,561</u>

**CITY OF SPRING LAKE PARK**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECT FUNDS**

For the Year Ended December 31, 2018

	State Aid Street Fund	Street Sealcoating	Storm Water
<b>REVENUES</b>			
Intergovernmental revenues	\$ 68,140	\$	\$
Charges for services		79,336	
Investment earnings	683		1,602
Other revenues			
<b>TOTAL REVENUES</b>	<u>68,823</u>	<u>79,336</u>	<u>1,602</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
Public Works	27,789	126,712	122,845
Recreation and Parks			
<b>Capital Outlay</b>			
Public Safety			
Public works			
Recreation and Parks			
<b>TOTAL EXPENDITURES</b>	<u>27,789</u>	<u>126,712</u>	<u>122,845</u>
Excess (deficiency) of revenues over (under) expenditures	<u>41,034</u>	<u>(47,376)</u>	<u>(121,243)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds		50,000	100,000
Transfers to other funds			
Bond proceeds			
(Discount) on issuance of debt			
Gain on sale of assets			
Total other financing sources (uses)		<u>50,000</u>	<u>100,000</u>
Net change in fund balances	41,034	2,624	(21,243)
<b>FUND BALANCES (DEFICIT), Beginning</b>	<u>79,873</u>	<u>50,592</u>	<u>281,772</u>
<b>FUND BALANCES (DEFICIT), Ending</b>	<u><u>\$ 120,907</u></u>	<u><u>\$ 53,216</u></u>	<u><u>\$ 260,529</u></u>

<u>Capital Replacement</u>	<u>2013 Equipment Certificates</u>	<u>Right of Way</u>	<u>Building Maintenance</u>	<u>Public Safety Replacement</u>
\$	\$	\$	\$	\$
2,686	232	13	842	58
<u>2,686</u>	<u>232</u>	<u>13</u>	<u>842</u>	<u>58</u>
2,950				
7,749	508		8,429	
<u>10,699</u>	<u>508</u>		<u>8,429</u>	
<u>(8,013)</u>	<u>(276)</u>	<u>13</u>	<u>(7,587)</u>	<u>58</u>
			9,394	12,006
<u>21,585</u>				
<u>21,585</u>			<u>9,394</u>	<u>12,006</u>
13,572	(276)	13	1,807	12,064
<u>389,267</u>	<u>33,250</u>	<u>1,885</u>	<u>123,264</u>	<u>8,602</u>
<u>\$ 402,839</u>	<u>\$ 32,974</u>	<u>\$ 1,898</u>	<u>\$ 125,071</u>	<u>\$ 20,666</u>

**CITY OF SPRING LAKE PARK**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
For the Year Ended December 31, 2018

	Park Special Projects	Park Acquisition and Improvement	Lakeside Lions Park Improvement
<b>REVENUES</b>			
Intergovernmental revenues	\$	\$	\$
Charges for services	3,075	66,348	
Investment earnings	141	4,196	151
Other revenues	3,060	1,116	
<b>TOTAL REVENUES</b>	6,276	71,660	151
<b>EXPENDITURES</b>			
<b>Current</b>			
Public Works			
Recreation and Parks	5,156		
<b>Capital Outlay</b>			
General Government			
Public Safety			
Public works			
Recreation and Parks		33,304	
<b>Debt Service</b>			
Bond issuance costs			
<b>TOTAL EXPENDITURES</b>	5,156	33,304	
Excess (deficiency) of revenues over (under) expenditures	1,120	38,356	151
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds			
Transfers to other funds			
Bond proceeds			
(Discount) on issuance of debt			
Gain on sale of assets			
Total other financing sources (uses)			
Net change in fund balances	1,120	38,356	151
<b>FUND BALANCES (DEFICIT), Beginning</b>	20,260	599,486	22,269
<b>FUND BALANCES (DEFICIT), Ending</b>	\$ 21,380	\$ 637,842	\$ 22,420

Small Equipment	Park Equipment and Improvement	2014-2015 Street Improvement Project	2018A G.O. Equipment Certificates	2018A Blaine Fire Certificates	Total
\$	\$	\$	\$	\$	\$
150					68,140
96	190	499	9,679		148,909
5,036	3,465				21,068
					12,677
5,282	3,655	499	9,679		250,794
	2,243				280,296
			11,755		7,399
			85,695	89,813	11,755
		5,914	298,326		175,508
13,330			843		320,926
					47,477
			6,750		6,750
13,330	2,243	5,914	403,369	89,813	850,111
(8,048)	1,412	(5,415)	(393,690)	(89,813)	(599,317)
		(69,313)			171,400
			790,000	89,813	(69,313)
			(8,593)		879,813
					(8,593)
					21,585
		(69,313)	781,407	89,813	994,892
(8,048)	1,412	(74,728)	387,717		395,575
18,082	22,072	74,728	115,887		1,841,289
\$ 10,034	\$ 23,484	\$	\$ 503,604	\$	\$ 2,236,864

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**CITY OF SPRING LAKE PARK**

**OTHER REPORT SECTION**

**December 31, 2018**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

To the Honorable Mayor and  
Members of the City Council  
**City of Spring Lake Park, Minnesota**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the City of Spring Lake Park (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Spring Lake Park's basic financial statements and have issued our report thereon dated July 18, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Spring Lake Park's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. However, material weaknesses may exist that were not identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and responses that we consider to be material weaknesses: 2018-01 and 2018-02.

To the Honorable Mayor and  
Members of the City Council  
**City of Spring Lake Park**

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

### **City's Response to Findings**

The City of Spring Lake Park's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Responses*. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Smith, Schafu and Associates, Ltd.*

Minneapolis, Minnesota  
July 18, 2019



**CITY OF SPRING LAKE PARK  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Audit Finding 2018-01 - Segregation of Duties**

**Criteria or Specific Requirement:** Internal control that supports the City's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements requires adequate controls over the access of such financial data.

**Condition:** The City does not have adequate segregation of accounting duties.

**Context:** This finding impacts the internal control for all significant accounting functions.

**Effect:** The lack of adequate segregation of accounting duties could adversely affect the City's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements.

**Recommendation:** Continue to review the accounting system, including changes that may occur. Implement segregation whenever practical.

**Management's Response:** Management agrees with our recommendation and will continue to attempt to segregate duties wherever possible.

**Auditing Finding 2018-02 - Material Audit Adjustments**

**Criteria or Specific Requirement:** The City is required to report accurate financial information.

**Condition:** The City's unaudited trial balance contained material misstatements.

**Context:** This finding impacts the internal control for all significant accounting functions.

**Effect:** The material misstatement in the unaudited trial balance resulted in the need to record adjustments during the audit.

**Recommendation:** We recommend management develop an accounting policy and procedures manual to assist with ensuring that all transactions are recorded consistently and that the information necessary to prepare an accurate unaudited trial balance is gathered in an organized and efficient manner and provided to the accountant.

**Management's Response:** Management agrees with our recommendation and will continue to work toward minimizing audit adjustments.

## MINNESOTA LEGAL COMPLIANCE

### Independent Auditor's Report

To the Honorable Mayor and  
Members of the City Council  
**City of Spring Lake Park**

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Spring Lake Park, Minnesota, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Spring Lake Park's basic financial statements, and have issued our report thereon dated July 18, 2019.

The *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions and tax increment financing. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Spring Lake Park failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Cities*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City of Spring Lake Park's noncompliance with the above referenced provisions.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

*Smith, Schaffer and Associates, Ltd.*

Minneapolis, Minnesota  
July 18, 2019

Honorable Mayor and Members  
of the City Council  
**City of Spring Lake Park, Minnesota**

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Spring Lake Park, Minnesota as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Spring Lake Park, Minnesota's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the City's internal control to be a significant deficiencies:

### **Segregation of Duties**

We noted that due to the nature and size of the City, proper segregation of duties is not always maintained. Management should attempt to segregate duties that are incompatible from an internal control standpoint (e.g. cash receipts, preparation of deposits, depositing cash to bank, receiving bank statements, reconciling bank accounts, reviewing reconciliations, disbursing cash, etc.) whenever possible. This will prevent any single individual access to control the entire cash process and help reduce the risk of fraud or embezzlement.

### **Material Audit Adjustments**

The City currently relies upon its independent accountants to assist with adjustments to and preparation of the City's unaudited trial balance. Therefore, there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis by City personnel. Management should attempt to develop a financial accounting reporting staff and an accounting procedures manual to assist with ensuring that all information necessary to prepare an accurate unaudited trial balance is gathered in an organized and efficient manner. This will help ensure that any potential material misstatements are detected and corrected on a timely basis.

This communication is intended solely for the information and use of management, the City Council, and others within the City, and is not intended to be and should not be used by anyone other than these specified parties.

*Smith, Schaph and Associates, Ltd.*

Minneapolis, Minnesota  
July 18, 2019

July 18, 2019

Honorable Mayor and Members of the City Council  
**City of Spring Lake Park**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Spring Lake Park for the year ended December 31, 2018, and have issued our report thereon dated July 18, 2019. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated December 14, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Spring Lake Park are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the City during the year for which there is a lack of authoritative accounting guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Depreciation of Capital Assets

Management's estimate of the useful life of purchased, constructed or contributed capital assets is based on the estimated productive life of these assets. We evaluated the estimated useful lives assigned to capital assets and determined that these lives were reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We requested certain representations from management that are included in the management representation letter dated July 18, 2019.

*Management Consultation with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Schedule of City Contributions and Schedule of Proportionate Share of Net Pension Liability, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.



**City of Spring Lake Park**  
Page Three

Other Matters (continued)

We were engaged to report on combining nonmajor fund statements and schedules which accompany the financial statements but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the city council of the City of Spring Lake Park and the City's management and is not intended to be, and should not be, used by anyone other than those specified parties.

Very truly yours,

*Smith, Schaph and Associates, Ltd.*

**Client:** City of Spring Lake Park

**City of Spring Lake Park**

### **Schedule of Passed Adjustments**

**Year End:** December 31, 2018

Workpaper Reference	Description of Passed Adjustment	Amount is Overstated (Understated)						
		Current Assets	Other Assets	Current Liabilities	Other Liabilities	Income Before Taxes	Ending Equity	Beginning Equity
605.06	Record bond premium/discount for shared debt for the fire department				(3,449)	(630)	4,079	

Passed adjustments are immaterial individually and in the aggregate. Pass further review.



# Memorandum

---

To: Mayor Nelson and Members of the City Council

From: Terry Randall, Public Works Director

Date: July 30. 2019

Subject: Authorization to Purchase Attachments for 2020 Mack Truck

I am seeking authorization to purchase the box, hoist, sander and plows for the new 2020 Mack Dump Truck that was approved at the Council Meeting on July 15, 2019. This is the same equipment the City purchased for the dump truck that was bought in 2014. The new truck does include the wing, therefore making it more efficient for the Public Works staff to plow snow.

I am requesting the equipment be purchased from TowMaster, out of Litchfield MN, in the amount \$103,782.00. This vendor is on the state contract. As you recall the truck was purchased at \$99,533.84, and I had budgeted \$210,000 for the equipment and the truck.

The funds for this purchase will be paid from the 2018 Equipment Certificate. I have included a copy of the price quote with this memorandum.

If you should have any questions please contact me at 763-360-4973.



TOWMASTER, 61381 US HWY 12, LITCHFIELD, MN 55355  
 PH: 320-693-7900 FX: 320-693-7921 TF: 800-462-4517  
 TOWMASTERTRUCK.COM

Reference No.  
 QT 41888

## \*\* QUOTATION \*\*

Ship To:	Cust:	3235	Phone:	Bill To:	Phone:
SPRING LAKE PARK, CIY OF				SPRING LAKE PARK, CIY OF	
1301 - 81ST AVENUE NE				1301 - 81ST AVENUE NE	
SPRING LAKE PARK		MN 55432	USA	SPRING LAKE PARK	
					MN 55432
					USA

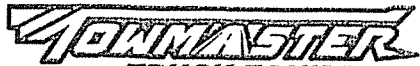
ATTN:

PO#	Salesman	Terms	Created	Last Revised	Appx Comp
	JOSH PAULSON	NET 30 DAYS	7/16/19	7/16/19	0/00/00

Qty	Part No.	Description	Price Ea.	Net Amt.
1	9900046	- Body 10'6" EDGE-RC/SCIS-46-36-36 - - 46" 3/16" Hardox-450	\$7,738.00	\$7,738.00
		Front, 36" 3/16" Hardox-450 radius sides (no pockets), 36" 3/1		
		6" Hardox-450 Tailgate, 1/4" Hardox-450 Floor, 8" I-Beam Longsills,		
		Air-trip ready linkage, unpainted.		
1	9901704	- Painting of Dump Body; includes media blasting of entire	\$2,950.00	\$2,950.00
		exterior & understructure, Urethane Primed, & Urethane Top Coat		
		s applied. CAB MATCH (COLOR) CONTRAST (COLOR) Understructure is seam		
		sealed, and painted Gloss Black.		
1	9901701	- Installation of Dump Body to hoist	\$1,315.00	\$1,315.00
1	9900145	- Body acc'y TMTE Air trip kit, w/solenoid valve,	\$297.00	\$297.00
1	9901702	- Installation of air operated tailgate latch kit, with	\$273.00	\$273.00
		solenoid valve in hydraulic valve enclosure.		
1	9900147	- Body acc Box Vibrator - Cougar model DC3200	\$641.00	\$641.00
1	9901703	- Installation of Box Vibrator, with solenoid located in	\$319.00	\$319.00
		hydraulic valve enclosure.		
1	9900155	- Cabshield, 1/2 type Stationary Free-Standing style,	\$1,680.00	\$1,680.00
		w/painted CARBON STEEL canopy, Hot-Dipped Galvanized tubing		
		tion support stand, (2) shovel holders, & reservior mounts,		
		Installed.		
1	9900206	- Ladder Flip-A-Way Access ladder Pkg (Carbon Steel),	\$314.00	\$314.00
		Including Grab Handle above, and Interior Step, ea, Installed		
		LOCATED LH FRONT : LH REAR		
1	9900211	- Body acc'y Dual "split" sander manifolds in rear corner	\$305.00	\$305.00
		posts		

\*--- Continued ---\*

Accepted by	Date	Price:
		Total Discounts:
		Net Cost:
		Freight
		Total:



TOWMASTER, 61381 US HWY 12, LITCHFIELD, MN 55355  
PH: 320-693-7900 FX: 320-693-7921 TF: 800-462-4517  
TOWMASTERTRUCK.COM

Reference No.  
QT 41888

**\*\* QUOTATION \*\***

Ship To:	Cust:	3235	Phone:	Bill To:	Phone:
SPRING LAKE PARK, CIY OF				SPRING LAKE PARK, CIY OF	
1301 - 81ST AVENUE NE				1301 - 81ST AVENUE NE	
SPRING LAKE PARK		MN 55432	USA	SPRING LAKE PARK	
					MN 55432 USA

ATTN:

PO#	Salesman	Terms	Created	Last Revised	Appx Comp
	JOSH PAULSON	NET 30 DAYS	7/16/19	7/16/19	0/00/00
Serial No.					

1 9904246 - Light Warning TMTE1SS-3 PKG: (2) STAINLESS STEEL 23H	\$4,037.00	\$4,037.00
3-light LED Micro-Edge, (2) 5M-400 Super-LED, (2) Side TIR3 LED, (2		
) 400 Max B-T-T LED, & (2) 400 LED BU Lights, in Stainless M		
Housings, (1) TIR3 LED Wing light, and (2) 4" LED work lights		
Installed		
1 9900244 - Light Mirror mt HOH plow light pkg INSTALLED	\$698.00	\$698.00
1 9905778 - ABL 3800 LED HEAD LAMP PLOW LIGHTS W/ICE MELTING TECHNOLOGY	\$325.00	\$325.00
IN LIEU OF STANDARD		
1 9900266 - Fender set Minimizer MIN2260, for Single Axle, black Poly,	\$771.00	\$771.00
Installed		
1 9904692 - Camera System option, NORTECH 9100-2HC 120 degree night	\$163.00	\$163.00
vision CCD weather-proof HEATED camera, only GEN 5 6100		
1 9904693 - Camera System option, NORTECH 9100-4 Harness, 65'	\$41.00	\$41.00
Waterproof GEN 5 6100		
1 9904694 - INSTALLATION of extra Camera, & Harness GEN 5 6100	\$91.00	\$91.00
1 9901834 - Hoist OSP/Towmaster 720DH, Double Acting, W/Solid block	\$2,968.00	\$2,968.00
rear hinge point, & OSHA approved saftey props		
1 9901712 - Installation of SCISSORS TYPE double acting hoist	\$1,784.00	\$1,784.00
1 9902920 - Scraper FALLS IB-11A 1" MB, w/single lift cylinder, LESS	\$6,185.00	\$6,185.00
CUTTING EDGES		
1 9903276 - VBL PolarFlex 3' Underchassis Complete System (includes	\$658.00	\$658.00
bolts & nuts)		

\*--- Continued ---\*

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Serial No.					

**\*\*NOTE: SCRAPER APPLICATION**

2 9903277 - VBL PolarFlex 4' Underchassis Complete System (includes bolts & nuts)	\$877.00	\$1,754.00
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**\*\*NOTE: SCRAPER APPLICATION**

1 9901705 - Installation of underbody fixed angle scraper w/single lift cylinder	\$2,590.00	\$2,590.00
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1 9904232 - Scraper FORCE Electric pressure transmitter to read on LCD screen, installed	\$480.00	\$480.00
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1 9900351 - Scraper FORCE reverse/Auto-Lift system, ADD-A-FOLD valve, installed	\$466.00	\$466.00
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1 9902941 - Wing Falls RHSDL9A-HYDPB Primed LESS CUTTING EDGES	\$9,960.00	\$9,960.00
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3 9902818 - VBL Vallite HIGHWEAR Fab Wing Blade, 5/8" x 6" x 3'	\$165.00	\$495.00
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**\*\*NOTE: WING APPLICATION**

1 9902814 - VBL V45-HFR-12 RH Vallite Hard Faced Curb Runner, 12" ctrs	\$237.00	\$237.00
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**\*\*NOTE: WING APPLICATION**

1 9900388 - Installation Falls SDL Series Wing - w/Bulkhead Couplers	\$4,117.00	\$4,117.00
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1 9901431 - Wing Falls RL (REAR LIFT) up charge SDL WING	\$433.00	\$433.00
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1 9904688 - Wing Falls POST-LESS Toe Lift in lieu of Std Front post/slide system		
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1 9900479 - Wing Falls Gloss Black - Paint Moldboard	\$309.00	\$309.00
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1 9900521 - Plow Hitch Falls 41XB2/STD/STD/SA/SPR-RET/29MODHTCH	\$2,425.00	\$2,425.00
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\*\*\* Continued \*\*\*

Price:

Accepted by

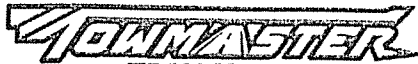
Date

Total Discounts:

Net Cost:

Freight

Total:



TOWMASTER, 61381 US HWY 12, LITCHFIELD, MN 55355  
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ATTN:

PO#	Salesman	Terms	Created	Last Revised	Appx Comp
	JOSH PAULSON	NET 30 DAYS	7/16/19	7/16/19	0/00/00
Serial No.					

1 9900544 - Plow Hitch Falls KAMCO Roller Kit	\$635.00	\$635.00
1 9900589 - Installation Falls Plow Hitch - 40 Series 3Line/STDBLKHD	\$1,745.00	\$1,745.00
1 9903026 - Plow Falls RH311H/SPR-TRP/NOSHU/PRIME7GA LESS CUTTING EDGES	\$5,249.00	\$5,249.00
1 9902817 - VBL PolarFlex 3' Front Mount Complete System (includes bolts & nuts)	\$615.00	\$615.00
**NOTE: FRONT PLOW APPLICATION		
2 9902827 - VBL PolarFlex 4' Front Mount Complete System (includes bolts & nuts)	\$820.00	\$1,640.00
**NOTE: FRONT PLOW APPLICATION		
1 9902902 - VBL XFCR-R Hard Faced Wrap-Around Curb Runner - RH PolarFlex (OLD STYLE)	\$150.00	\$150.00
**NOTE: FRONT PLOW APPLICATION		
1 9900645 - Plow Falls Gloss Black Paint, Fixed Plow, w/installation	\$410.00	\$410.00
1 9900621 - Plow Push Unit Falls 41 Modified 29" Series Coupler	\$1,328.00	\$1,328.00
1 9900629 - Plow Falls SCR-ADJ/SHOE/FIXED-PLW/STD	\$635.00	\$635.00
1 9900637 - Plow Falls High Visibility Marker Set	\$97.00	\$97.00
1 9900639 - Plow Falls Rubber Belt Deflector Kit - Installed	\$336.00	\$336.00
1 9900641 - Plow Falls Parking Stand - Screw Adj Style	\$304.00	\$304.00
1 9900791 - Sander Falls 1ASD-6CDSS-6P-1D-1S-LM, Salt Special 6", Stainless Steel Unit, LH Discharge, Single Poly Spinner Ass'y, co	\$4,886.00	\$4,886.00

\*\*\* Continued \*\*\*

Accepted by	Date	Price:
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		Total:



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SPRING LAKE PARK	MN 55432	USA		SPRING LAKE PARK	MN 55432 USA

ATTN:

PO#	Salesman	Terms	Created	Last Revised	Appx Comp
	JOSH PAULSON	NET 30 DAYS	7/16/19	7/16/19	0/00/00
Serial No.					

complete sander (includes extra salt shield)

1 9901718 - Sander Install & dual manifold RH & LH rear	\$787.00	\$787.00
1 9900823 - Sander TMTE Exterior (removable) sander/tailgate spill plates, Stainless Steel	\$374.00	\$374.00
1 9900850 - Valve System, Force Add-A-Fold MCV-ISO Valve 8 Functions , INSTALLED BOX HOIST, PLOW LIFT, WING TOE, WING HEEL, WING PUSHBAR, SCRAPER, SANDER AUGER, SANDER SPINNER	\$9,766.00	\$9,766.00
1 9902497 - Control System Force ULTRA-4-6100 Commander control, Installed	\$10,911.00	\$10,911.00
1 9900874 - Filter Force IN-TANK mounted filter installed	\$452.00	\$452.00
1 9900882 - Reservoir TMTE Cabshield mt (stainless steel) w/intank filter provision, installed	\$2,571.00	\$2,571.00
1 9900888 - Pump Force FASD45L LS (6 ci) installed	\$3,670.00	\$3,670.00
1 9900871 - Switch TMTE BODY UP Installed (electric controls only)	\$182.00	\$182.00
1 9900884 - Sensor Force Low oil indicator system, SLIM-LINE AND CABSHIELD MOUNTED w/light mounted in cab, installed	\$220.00	\$220.00
1 WARRANTY - TOWMASTER EXCLUSIVE WARRANTY: 5 yr Steel/Stainless Steel Body Structure; 5 yr Whelen LED Light Systems; 3 yr Palfinger Hoists; 4 yr SwapLoader Hoists; 1 year Swenson Spreaders, 2 yr Hyd, FALLS Snow Equip, Tele Hoists, and all other items.		

Accepted by

Date

Price: \$103,782.00

Total Discounts:

Net Cost: \$103,782.00

Freight

Total: \$103,782.00





# Memorandum

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To: Mayor Nelson and Members of the City Council

From: Terry Randall, Public Works Director

Date: July 30, 2019

Subject: Authorization to Purchase A New Wood Chipper

I am seeking authorization to purchase a new wood chipper for the Public Works Department. The new chipper will replace the current chipper, which was bought in November of 1990. The current chipper has been used a lot throughout the years, with all the storms, the trimming of trees on the streets and in the parks, along with the daily use of residents bringing in brush for chipping. Due to the age of the chipper there is no safety equipment on the chipper.

I am therefore requesting to purchase a new chipper of the same brand from Tri-State Bobcat for \$41,908.00. This price is based off of the state contract. The money for the chipper will come from the Lions Club and the savings from the 2018 Equipment Certificate.

If you should have any questions please contact me at 763-360-4973.



Tri-State Bobcat  
71 Minnesota Avenue  
Little Canada, MN 55117  
USA  
952-894-0894 (Phone)  
[www.tristatebobcat.com](http://www.tristatebobcat.com)

### QUOTATION

Quote #	Quote Created	Last Updated	Salesperson
96642	July 16, 2019 10:37 AM by Tri-State Bobcat	July 16, 2019 10:43 AM by Tri-State Bobcat	Nick Kentros
<b>CUSTOMER:</b>		<b>BILL TO:</b>	<b>SHIP TO:</b>
City of Spring Lake Park 1301 81st Ave. NE Spring Lake Park, MN 55432 USA 763-360-4973 (Phone) Terry Randall (Contact) <a href="mailto:trandall@slpmn.org">trandall@slpmn.org</a>		Tri-State Bobcat 71 Minnesota Avenue Little Canada, MN 55117 USA 952-894-0894 (Phone) Nick Kentros (Contact)	Tri-State Bobcat 71 Minnesota Avenue Little Canada, MN 55117 USA 952-894-0894 (Phone) Nick Kentros (Contact)

### MODEL 200XP (12" DISC STYLE) BRUSH BANDIT

Qty	Part #	Description
1	MODEL-200	Model 200XP - (12" Disc Style) Brush Bandit

### STANDARD EQUIPMENT

Qty	Part #	Description
1	STANDARD	40" diameter x 2" thick (2 knife pocket) chipper disc, each pocket equipped with (2) 1/2" x 4 1/2" x 7 1/4" dual edge knives
1	STANDARD	13 gallon steel hydraulic tank with magnetic drain plug, lockable filler cap, and sight gauge
1	STANDARD	Weather resistant manual container
1	STANDARD	(2) radiator guard posts
1	STANDARD	3/16" x 2" x 6" rectangular tubing with a 1/4" x 3" x 6" tubular tongue
1	STANDARD	360 degree HAND crank swivel discharge (height adjustable) with 12" adjustable chip deflector
1	STANDARD	12 volt system with rubber mounted LED taillights, 6 prong replaceable coiled power cord & protected heavy-duty wiring with junction box, and LED clearance lights with reflectors.
1	STANDARD	Clean out and inspection door on discharge
1	STANDARD	29 gallon steel fuel tank with magnetic drain plug, lockable filler cap, and sight gauge
1	STANDARD	8,000 pound capacity tongue jack with 15" of travel and foot pad
1	STANDARD	Engine disable plug for hood locking pin-preventing engine from operating without pin in place
1	STANDARD	Lockable aluminum toolbox
1	STANDARD	Banded chipper drive belts (adjustable via a sliding engine system)
1	STANDARD	5/16" (G70) safety chains with spring loaded latch hooks
1	STANDARD	Slide box feed system (includes adjustable spring on each side) with (2) horizontal feed wheels 7 1/2" diameter x 16 3/8" wide, driven by (2) 15.9 CID hydraulic motors.
1	STANDARD	Bottom feed wheel clean out door (opens via spring latch pin allowing dirt and debris to fall out extending knife and component life)
1	STANDARD	Top feed wheel jack mount with locking pin to raise & lock top feed wheel using tongue jack (not provided when hydraulic lift cylinder option is selected)
1	STANDARD	Frame / Fender supports
1	STANDARD	Pressure check kit for 90 95 150 200 250 255 - Gauge is NOT included
1	STANDARD	Wooden pusher tool with mount on infeed hopper
1	STANDARD	Control bar - located around top and sides of infeed hopper with 3 control positions (forward / neutral / reverse)
0	STANDARD	29" high x 45" wide tapered infeed hopper with 30" fold down infeed hopper tray
1	STANDARD	(2) Last chance safety pull cables
1	STANDARD	Safety DVD, (2) 6" wide x 9" tall Bandit operator's manuals (one paper copy and one waterproof copy tethered to machine) and (1) engine operator's manual

1 OPTION-911-5000- 4" x 6 1/2" inspection window on belt shield

### CUSTOMER TOTALS

Total Unit Price:		\$ 51385.00
Customer Discount:	20.0000 %	- \$ 10277.00
Customer Net Unit Price:		\$ 41108.00
Freight/Shipping:		\$ 800.00
Customer Total:		\$ 41908.00

### COMMENTS

Billing Note

By Tri-State Bobcat on 07/16/2019 10:42 AM

PRICING PER SOURCEWELL CONTRACT #042815-BAN

### SIGNATURE

The Buyer, whose name and address appears above, agrees to purchase from the Seller, whose name and address appears above, the above equipment at the prices stated and upon the terms and conditions of this agreement.

X

Signature

Date





# Memorandum

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**To:** Members of the City Council  
**From:** Robert Nelson, Mayor  
**Date:** August 1, 2019  
**Subject:** Acting Mayor Appointment

With my appointment as Mayor, there is a need for the City Council to appoint an Acting Mayor to serve in my absence.

I present Ken Wendling's name to serve in this important role. He is the most senior member of the City Council. He is knowledgeable about the issues facing the City. In addition, he is generally available during the day should we need a Councilmember to attend events or need documents signed if I'm out of town.

Thank you for your consideration. I ask for your support.





City of Spring Lake Park  
Engineer's Project Status Report

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To: Council Members and Staff  
From: Phil Gravel

Re: **Status Report for 8.5.19 Meeting**  
File No.: R-18GEN

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**Note:** Updated information is shown in *italics*.

**MS4 Permit (193802936).**

Annual Report and Public Meeting was held on June 17, 2019. Annual report has been submitted. Annual Training will be completed before December.

**Local Surface Water Management Plan (LSWMP) (193803949).**

Council adopted on 4-15-19. *Currently working with the Administrator on Ordinance revisions.*

**2018 Sanitary Sewer Lining Project (193804547).**

Project included lining in the northeast area of the city. *Final contractor payment and project close-out are ready for approval. See separate letter.*

**2019 Sanitary Sewer Lining Project (193804547).**

This project includes sewer lining in the area near TH65 and Osborne Rd. *Bids were received on June 19<sup>th</sup>. A preconstruction conference was held on July 17<sup>th</sup>. Construction Contracts were signed on July 31<sup>st</sup>. Construction will begin in August with initial cleaning and televising.*

**2019 Street Seal Coat and Crack Fill Project (193804625).**

This project includes streets in the area north of 81st Avenue between Monroe and Able. *Crack repair construction and seal coat work was completed in July. Initial street sweeping has been completed. A second street sweeping will be completed in about 2 weeks.*

**Arthur Street (Well 5) Water Treatment Plant Evaluation (193801776 Task 300):** Filter media has been replaced and test results are encouraging. *A comprehensive plant maintenance project to repair damage from a chlorine leak and to complete ongoing maintenance is being considered. The LMC insurance has been contacted and is considering the claim that has been submitted.*

**Bituminous Trail (on Osborne Rd. from TH 65 to Central Avenue)(193804584):** Contract was awarded on May 6<sup>th</sup>. *Construction will occur the week of August 5<sup>th</sup>.*

**Garfield Pond Improvements Project (193804750):** The Rice Creek Watershed District (RCWD) has approved a grant application for partial project funding. A neighborhood open house was held on April 29<sup>th</sup>. *Currently working on geotechnical borings and further communication with the neighbors. Meetings are being scheduled with the Department of Natural Resources and Rice Creek Watershed District.*

**Dominium Project.** *Punch-list items are being worked on. Street patching has been completed.*

**Public Storage Project.** Construction continues. Terry Randall has been monitoring construction including the remaining site work. Need as-built drawings of the utilities.

...

Feel free to contact Harlan Olson, Phil Carlson, Jim Engfer, Mark Rolfs, Ryan Capelle, Marc Janovec, Ailsa McCulloch, Peter Allen, or me if you have any questions or require any additional information.





# **CORRESPONDENCE**



## 2020 Decennial Census Operations

Do you want to work on the upcoming 2020 Census Operations? The U.S. Census Bureau is recruiting thousands of people across the country to assist with the 2020 Census count. We are hiring for a variety of temporary jobs, including census takers, recruiting assistants, office staff, and supervisory staff.

To be eligible, you must be at least 18 years old, have a valid Social Security number, and be a U.S. citizen. Most 2020 Census jobs require employees to have a valid driver's license and access to a vehicle, access to a computer with internet and an email account (to complete training). We are an equal opportunity employer.

You can earn extra income while helping your community. The Census Bureau is committed to hiring people to work in the area where they live. They are the most familiar with the people and places within their own community.

Most 2020 Census positions will likely last several weeks, and/or up to a year. These temporary positions can include census takers, recruiting assistants, office staff, and supervisory staff. They feature:

- Competitive wages & Mileage Reimbursement
- Weekly paychecks
- Flexible hours
- Paid training

Some positions require evening and/or weekend shifts because employees must be available to interview members of the public when they are at home.

Applying is easy! Do it today! Applications are being taken immediately!  
Go Online: [2020census.gov/jobs](https://2020census.gov/jobs) or Call: 1-855-JOB-2020

## POSITIONS AVAILABLE IN MINNESOTA

*Supervisory:*

\$14.50 per hour - \$34.00 per hour

*Non-Supervisory:*

\$12.00 per hour - \$22.00 per hour

# JOIN THE CENSUS TEAM

## APPLY ONLINE!

[2020census.gov/jobs](https://2020census.gov/jobs)

### 2020 Census jobs provide:

- ✓ Great pay
- ✓ Flexible hours
- ✓ Weekly pay
- ✓ Paid training

For more information or help applying, please call  
**1-855-JOB-2020**

Federal Relay Service:  
1-800-877-8339 TTY/ASCII  
[www.gsa.gov/fedrelay](http://www.gsa.gov/fedrelay)

The U.S. Census Bureau is an Equal Opportunity Employer.

United States<sup>®</sup>  
**Census**  
**2020**



D-3282