

CITY OF SPRING LAKE PARK
1301 81ST AVENUE N.E.
AGENDA
MONDAY, JULY 20, 2015
7:00 P.M.

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. ADDITIONS OR CORRECTIONS TO AGENDA
5. CONSENT AGENDA:
 - A. Approval of Minutes – July 6, 2015
 - B. Disbursements:
 1. General Operations Disbursement Claim No. 15-11 – \$787,392.93
 2. Liquor Fund Disbursement Claim No. 15-12 - \$212,562.67
 - C. Renewal Application for Optional 2 AM License – Biff's Billards Sports Bar
 - D. Contractor's Licenses
 - E. Sign Permits
 - F. Correspondence
6. DISCUSSION FROM THE FLOOR
7. PRESENTATIONS
 - A. 2015 MS4 Permit Annual Public Meeting
 - B. 2014 Audit Presentation – Jason Miller, Smith Schafer & Associates
8. POLICE REPORT
9. PARKS AND RECREATION REPORT
10. ORDINANCE AND RESOLUTIONS
 - A. Ordinance 417 – Liquor Ordinance Update
11. NEW BUSINESS
 - A. Consideration of SunShare Community Solar Proposal
 - B. Authorization to Begin Testing Process for Police Officer Position
 - C. Accept Maureen Goertz Resignation and Authorize Recruitment of Position
12. ENGINEER'S REPORT
13. ATTORNEY'S REPORT
14. OTHER
 - A. Multi-City Residential Recycling Drop Off Day
 - B. Administrator Reports
15. ADJOURN

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

RULES FOR PUBLIC HEARINGS AND DISCUSSION FROM THE FLOOR

DISCUSSION FROM THE FLOOR

**Limited to 5 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 6, 2015 at the Spring Lake Park Community Center, 1301 81st Avenue N.E., at 7:00 P.M.

1. Call to Order

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

2. Roll Call

Members Present: Councilmembers Mason, Nash, Nelson, Wendling and Mayor Hansen

Members Absent: None

Staff Present: Police Chief Ebeltoft; Public Works Director Randall; Building Official Brainard; Attorney Carson; Engineer Gravel; Park and Recreation Director Rygwall; and Executive Assistant Gooden

Visitors: Olivia Koester, ABC Newspaper
Larry Johnson, Emmanuel Christian Center
Tim Sanders, Emmanuel Christian Center

3. Pledge of Allegiance

4. Additions or Corrections to Agenda - None

5. Discussion From The Floor - None

6. Consent Agenda:

Mayor Hansen reviewed the following Consent Agenda items:

- A. Approval of Minutes – June 15, 2015
- B. Statement of Fund Balance – May 2015
- C. Contractor's Licenses
- D. Sign Permits
- E. Contractor Payment #1 – 2015 Sealcoat Project
- F. Contractor Payment #8 – 2014-2015 Street Improvement Project
- G. Correspondence

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

7. Public Works Report

Public Works Director Randall reported that the Public Works Department prepared for and cleaned up for Tower Days; continue to mow and weed at the parks; prepare the softball fields daily; recoated the basketball courts at Terrace park; painted crosswalk and stop bars on the streets; continue to clean out the sewers and reports that the Public Works Department will be reporting out of the new Public Works building starting on Wednesday, July 8, 2015.

8. Code Enforcement Report

Building Official Brainard reported that he attended the Council meeting on June 1st; a Department Head meeting on June 2nd and June 16th; a Fire Department Marshals Meeting on June 11th; a meeting with Convoy of Hope with Chief Ebeltoft on June 12th and a code review meeting on June 24th with Substance Church DBA Architects and General Contractor Superintendent from McGough.

Mr. Brainard stated that in June 2015, 51 permits were issued compared to 43 permits in 2014. He reported that he conducted 93 inspections in June.

Mr. Brainard reported that the June 2015 vacancy listing shows that there are 21 vacant/foreclosed residential properties currently posted and/or soon posted by the Code Enforcement Department, which remains the same from last month. There are 3 vacant/foreclosed commercial properties, which is up one from last month; and 19 residential properties currently occupied and ready for Sheriff sale, which is up three from last month. He reported that 18 violation notices were issued in June by the Code Enforcement Department. He reported that five administrative offense tickets were issued.

Mr. Brainard provided a handout for Spring Lake Park residents to remind them of some of the maintenance standards for the outside of their property.

9. Ordinances and ResolutionsA. Resolution 15-15 for Hearing on Proposed Assessment for 81st Avenue NE between Able Street NE and University Avenue NE

Mayor Hansen reported that with the near completion of the 2015 Street Improvement Projects, staff is seeking authority from the City Council to set the assessment hearings. She stated that all hearings are scheduled for 7:00 PM, or as soon thereafter, on August 17, 2015 at City Hall. She reported that the notice of hearings will be published and mailed notices will be sent to affected property owners at least two weeks prior to the hearing.

Mayor Hansen stated that the assessments are payable in equal annual installments over a period of 10 years at an interest rate of 3.5%. She stated the assessment rates for all three projects are \$3,079.55/lot for single family residential and \$62.88/front foot for commercial properties.

MOTION BY COUNCILMEMBER NELSON TO APPROVE RESOLUTION 15-15 FOR HEARING ON PROPOSED ASSESSMENT FOR 81ST AVENUE NE BETWEEN ABLE STREET NE AND UNIVERSITY AVENUE NE. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

B. Resolution 15-16 for Hearing on Proposed Assessment for Arthur Street between 81st Avenue NE and Anoka CSAH 35

MOTION BY COUNCILMEMBER NELSON TO APPROVE RESOLUTION 15-16 FOR HEARING ON PROPOSED ASSESSMENT FOR ARTHUR STREET BETWEEN 81ST AVENUE NE AND ANOKA CSAH 35. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

C. Resolution 15-17 for Hearing on Proposed Assessment for East Trunk Highway 65 Service Road between Osborne Road and a Point Approximately 800 Feet North of Osborne Road NE

MOTION BY COUNCILMEMBER NELSON TO APPROVE RESOLUTION 15-17 FOR HEARING ON PROPOSED ASSESSMENT FOR EAST TRUNK HIGHWAY 65 SERVICE ROAD BETWEEN OSBORNE ROAD AND A POINT APPROXIMATELY 800 FEET NORTH OF OSBORNE ROAD NE. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

10. New Business

A. Special Event Permit for Convoy of Hope Minneapolis – August 1, 2015

Building Official Brainerd reported that on June 23, 2015, Mr. Tim Sanders from Emmanuel Christian Center applied for a Fire Permit as required for all special events with temporary indoor or outdoor assemblies and temporary use of tents in excess of 200 square feet or canopies in excess of 400 square feet are allowed with a fire inspection permit and Council review.

Mr. Brainerd reported that the proposed special event is called “Convoy of Hope” sponsored by several local churches including Emmanuel Christian Center. He stated that the special event is to be held at the Spring Lake Park High School Baseball Field on Saturday, August 1, 2015. He stated that event could see as many as 10,000 participants as a collaborative effort to provide thousands of struggling people in the surrounding communities with necessities such as prayer, groceries, shoes, health services, job and career services, family portraits, games and activities for children, all for no charge. He stated that staff has waived the \$50 Fire Permit fee due to the fact it is a non-profit event.

Mr. Brainerd reviewed the following required submittals for the Fire Permit:

1. Provide two copies of a detailed site or floor plan showing the seating arrangement, exits and locations of portable fire extinguishers. One approved copy must remain on site at all times.
2. Provide a detailed description of all activities that will be occurring, the hours of the event and the approximate number of participants.
3. Provide a certificate, executed by an approved testing laboratory, certifying the flame resistance of materials used to construct the tent with NFPA Standard 701.

Mr. Brainerd stated that all submittals have been reviewed and approved with the following conditions to be verified by a pre-event inspection conducted on Friday, July 31, 2015.

1. Estimated maximum occupancy at one time is 3,000 participants.
2. Documentation must be provided showing all draperies, decorative fixtures, and other fabrics and materials have been treated with an approved fire retardant material.
3. When more than 300 loose seats, folding chairs or similar seating is provided, chairs must be bonded together in groups not less than three. This is not necessary for seating around tables.
4. All tents and canopies must have a permanently attached label stating the material is fire retardant.
5. No tents shall be located within 12 feet of lot lines, structures, other tents, parked vehicles or internal combustion engines except as noted in IFC 2403.2.2.3.
6. Cooking installations require separate permit and approval from Anoka County Health & Environmental service.
7. Outdoor cooking shall not be performed within 20 feet of tent.
8. An electrical permit is required for all temporary electrical installation and a pre-event inspection

to be conducted on July 31, 2015.

9. All L.P. gas must be secured outside of a tent with the following separations:

Containers: < 500 gallons – 10’
 >500 gallons – 25’

10. Flammable liquids shall be stored outside not less than 50-feet from tent.
11. Generators shall be at least 20 feet from tents and secured from public access.
12. Vegetation and waste materials shall be kept a minimum of 30-feet from tent.
13. Post “No Smoking” signs at all tents.
14. Open flame or other cooking devices utilizing flammable or combustible liquids, gas or charcoal are not permitted inside or within 20’ of tent.
15. Fireworks are not permitted within 100-feet of tent.

Councilmember Mason inquired if vendors would provide food. Tim Sanders, Emmanuel Christian Center, stated that the food will be prepared by volunteers and will include grilled hot dogs kept in a warmer and bottled water. He stated there would be no outside vendors attending.

Councilmember Wendling inquired on the garbage disposal plans during the event. Mr. Sanders stated that Walters Recycling will have trash containers on site and volunteers will be emptying the containers throughout the day.

Councilmember Nash expressed his concern with the number of participants expected and where the parking will take place since the high school has less than 700 spaces. Mr. Sanders stated that the parking situation is still being worked out. He stated that a shuttle service from the Sports Center in Blaine will be provided and participants are encouraged to park at Northtown Mall near the bus area and shuttles will take participants to the high school.

Councilmember Mason inquired if there will be an admission fee. Mr. Sanders stated that this is a free event. He reported that Convoy of Hope provides disaster relief and quick recovery during disasters. He stated that all the events are free and made available from fundraising and local businesses. He stated that these types of events are held to promote volunteerism and as a stepping-stone to help those less fortunate.

Police Chief Ebeltoft commented that he has been working with Convoy of Hope organizers for all procedures including severe weather, traffic and code enforcement. He stated that this event would be similar to the parade that is held annually but on a larger scale. He reported that he will be reaching out to the other law enforcement communities for assistance that day and especially the Fridley Police Department since they already provide traffic control to Emmanuel Christian Center for their services.

Councilmember Nash inquired if EMT and Paramedic staff will be aware of pathways for easy access. Chief Ebeltoft stated that there will be access for the EMT and paramedic staff. Mr. Sanders added that Min-Care personnel will be on site.

Councilmember Nelson inquired if a Joint Powers Agreement is necessary with the surrounding communities for their assistance for safety should it be needed and he inquired who would be responsible to the payment to the other agencies if needed. Chief Ebeltoft stated that the Joint Powers Agreement already in place covers events like this. Attorney Carson stated that it is understood that every agency involved covers their own costs.

Police Chief Ebeltoft stated that Convoy of Hope and Emmanuel Christian Center have insurance in place. Mr. Sanders confirmed and stated that he was not aware of the current limit. Attorney Carson asked that a copy of the Certificate of Insurance be sent to the City for his review.

Councilmember Nelson inquired if this an annual event. Mr. Sanders stated that he hopes that in future Convoy of Hope will choose Spring Lake Park again. He stated that the organization changes locations and depending on the results from this year, it will determine the need in the community for another event.

Councilmember Mason inquired on the hours of the event. Mr. Sanders stated the event will run from 9 AM – 4 PM however, in the past participants have lined up much earlier. He stated volunteers will be on site from 6 AM – 6 PM.

MOTION MADE BY COUNCILMEMBER MASON TO APPROVE SPECIAL EVENT PERMIT FOR CONVOY OF HOPE MINNEAPOLIS ON AUGUST 1, 2015 SUBJECT TO CONDITIONS AND THE CONTINGENT OF SATISFACTORY INSURANCE COVERAGE SUBMITTED FOR THE EVENT. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

B. City Hall Facility Use Permit

Parks and Recreation Director Rygwall reported that the City regularly receives calls from residents who are looking for a space to hold special events indoors. She stated that often times a park building works for their event; however, with some occasions such as a bridal shower rea, a park building is less than ideal. She explained that the City Administrator Buchholtz asked Executive Assistant Gooden and herself to conduct a survey of surrounding communities as to their policies and fees charged for facility use. She provided a summary of the results and the results showed an average hourly rate of \$26/hour for residents and \$43/hour for non-residents, with staff present. Ms. Rygwall also presented the rules to be included in the proposed facility use policy.

Ms. Rygwall stated that the facility use permit fee has two options for the Council to consider.

- Option 1: \$60/day for resident use only, no staff present.
- Option 2: \$25/hour resident, \$40/hour non-resident, with staff present. A building supervisor would be hired, on an as needed basis and paid for from the permit fee.

Councilmember Wendling inquired as to how many people the room could accommodate and if there are adequate restroom facilities. Mr. Rygwall stated that Council Chambers B would be the only room available to be reserved and it will hold 30 people. She stated that the restrooms are adequate considering larger events have been held at City Hall.

Councilmember Wendling inquired if there would be any food preparation done on site. Ms. Rygwall stated that only prepared food could be brought in and there would be no food preparation done at City Hall.

Councilmember Nelson inquired if option number one applied to non- profit organizations. Ms. Rygwall stated that non-profit organizations would not have a fee and no staff present.

Mayor Hansen stated she was in favor of option number two.

MOTION MADE BY MAYOR HANSEN TO ADOPT CITY HALL FACILITY USE PERMIT WITH OPTION NUMBER TWO. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

C. Approve Agreement for Purchase of Wetland Credits for CSAH 35 Turn Lane Project

City Engineer Gravel reported that he is finalizing plans for the CSAH 35 turn lane and sidewalk project, which is a requirement of the Substance Church Special Use Permit. He stated that the improvements will result in wetland impacts and the wetland impacts must be addressed through the purchase of wetland credits. He stated that approval of the agreement will authorize the purchase of the needed wetland credits. He stated that since this is part of the required CSAH 35 turn lane/sidewalk project, Substance Church will be responsible for this cost.

Councilmember Nelson inquired what will be done since there is already water pooling in this area and if the flooding would become worse, who would be responsible. Engineer Gravel stated that he does not see a greater impact with this impact to the wetland. He stated that the City would be responsible if there would be issues since it be a result of the storm sewer.

Councilmember Nelson inquired if a culvert would be needed in the area to prevent future flooding and inquired who would be responsible for creating this. City Attorney Carson stated that Substance Church would not be responsible since there is not any specific wording in the special use permit. Engineer Gravel stated that he does not see a problem since there will be the six-foot sidewalk that will be feathered into the wetland area and is north of the building.

MOTION MADE BY COUNCILMEMBER WENDLING TO APPROVE AGREEMENT FOR PURCHASE OF WETLAND CREDITS FOR CSAH 35 TURN LANE PROJECT. ROLL CALL VOTE: AYES COUNCILMEMBERS MASON, NASH, WENDLING. VOTING NAY: COUNCILMEMBER NELSON AND MAYOR HANSEN. MOTION CARRIED.

D. Appoint Student Member to Planning and Zoning Commission

Mayor Hansen reported that Vince Smith, Chair of the Planning and Zoning Commission, worked with High School Counselor Donald Fineran to find interested students to fill the student position on the Planning and Zoning Commission. She stated that one student, Gabriel Strawn, expressed interest. She stated that Chair Smith and City Administrator Buchholtz interviewed Mr. Strawn on Monday, June 15, 2015 and came away very impressed. She stated that Administrator Buchholtz recommends the City Council to appoint Mr. Strawn as the 2015-2016 student member of the Planning and Zoning Commission.

MOTION MADE BY COUNCILMEMBER MASON TO APPOINT STUDENT GABRIEL STRAWN TO THE PLANNING AND ZONING COMMISSION. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

11. Engineers Report

Engineer Gravel reported that the 2015 Seal Coat Project work has been completed and a second sweeping and pavement makings will be completed in the next week or two. He stated that the majority of the work has been completed for the 2014-2015 Street Improvement Project and a few items remain on the punch-list. He stated that seeding items need to be addressed by the contractor.

12. Attorney's Report - None

13. Reports

Mayor Hansen reported that Fire Chief Zikmund has requested the meeting with the City Council members at their convenience. She suggested Monday, July 20, 2015 at 6:00 PM at City Hall. Executive Assistant Gooden will confirm with Chief Zikmund to see if that time is available and will let the Council know.

14. OtherA. Motion to Close Meeting to Review Settlement Proposal for Arbitration (Pending Litigation)

MOTION MADE BY MAYOR HANSEN TO CLOSE THE COUNCIL MEETING TO REVIEW SETTLEMENT PROPOSAL FOR PENDING LITIGATION. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

The Council meeting closed at 8:05 PM.

The Council meeting resumed at 8:20 PM.

City Attorney Gravel reported that the Council met on a possible settlement with pending litigation. He stated that the Council reviewed the proposal from employee Gary King and the City Council has agreed to enter the agreement entitled Separation and Release from all claims against the City of Spring Lake Park and Gary King if there is a satisfactory motion made.

MOTION MADE BY MAYOR HANSEN TO EXECUTE THE SEPARATION AGREEMENT WITH EMPLOYEE GARY KING. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

15. Adjourn

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

The meeting was adjourned at 8:23 P.M.

Cindy Hansen, Mayor

Attest:

Daniel R. Buchholtz, Administrator, Clerk/Treasurer

CITY OF SPRING LAKE PARK
CLAIMS LIST APPROVED AND PAID
GENERAL OPERATIONS

Date: JUNE 2015
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| <u>VOUCHER</u> | <u>VENDOR</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> |
|----------------|----------------------------------|--------------------------------------|---------------|
| 59166 | P.E.R.A. | POLICE OVERTIME PAYROLL | \$ 3,388.91 |
| 59167 | MARIAN RYGWALL | REIM FOR TOWER DAYS SUPPLIES | \$ 52.96 |
| 59168 | ANOKA COUNTY LICENSE CENTER | TRANSFER TITLES-FORFEITURE VEHICLES | \$ 62.25 |
| 59169 | ALLEGRA PRINT & IMAGING | WINDOW ENVELOPES | \$ 382.08 |
| 59170 | JOHN ANGELL | REIM FOR MILEAGE | \$ 59.95 |
| 59171 | ANOKA COUNTY | DESKTOP CHARGER,LANGUAGE LINE | \$ 139.20 |
| 59172 | ART START | TOWER DAYS EVENT | \$ 700.00 |
| 59173 | TIM BERRY | UMPIRE | \$ 171.00 |
| 59174 | BEST WESTERN | DEPOSIT-GROUP RESERVATION | \$ 1,000.00 |
| 59175 | CITY OF BLAINE | 1ST HALF BOND PAYMENTS | \$ 39,540.52 |
| 59176 | BRAUN INTERTEC | PROFESSIONAL SERVICES-2014-15 ST PRJ | \$ 8,207.25 |
| 59177 | DANIEL BUCHHOLTZ | REIM FOR CONFERENCE EXPENSES | \$ 50.00 |
| 59178 | CARSON, CLELLAND & SCHREDER | LEGAL SERVICES | \$ 8,609.43 |
| 59179 | CENTERPOINT ENERGY | MONTHLY SERVICES | \$ 376.23 |
| 59180 | CENTRAL TURF & IRRIGATION SUPPLY | IRRIGATION PARTS | \$ 1,121.64 |
| 59181 | CHAMPION PLUMBING | REFUND PERMIT | \$ 50.00 |
| 59182 | CONNEXUS ENERGY | MONTHLY SERVICES | \$ 12.89 |
| 59183 | COTTENS INC | SUPPLIES | \$ 14.33 |
| 59184 | DAVE'S SPORT SHOP | NETS, POLO SHIRTS | \$ 361.18 |
| 59185 | DELTA DENTAL | JULY DENTAL INSURANCE-M MALONEY | \$ 122.00 |
| 59186 | DIANN LOFF | REFUND | \$ 6.87 |
| 59187 | EMBEDDED SYSTEMS, INC | 6 MONTH SIREN MAINT | \$ 527.16 |
| 59188 | FERGUSON WATERWORKS | PARTS | \$ 1,174.93 |
| 59189 | G & K SERVICES | MATS | \$ 69.22 |
| 59190 | DEB GALLOP | INSTRUCTOR | \$ 24.00 |
| 59191 | GOPHER STATE ONE-CALL INC | MAY LOCATES | \$ 143.55 |
| 59192 | GREEN LIGHTS RECYCLING INC | RECYCLING EVENT | \$ 808.80 |
| 59193 | PATRICK HUTH | UMPIRE | \$ 42.00 |
| 59194 | INTEGRA TELECOM | SERVICE CALL | \$ 75.00 |
| 59195 | KEEPRS, INC | UNIFORM ALLOWANCE PURCHASE | \$ 134.99 |
| 59196 | GARY KING | INSTRUCTOR | \$ 160.00 |
| 59197 | LEE'S HEATING & AIR | A/C SERVICE CALL | \$ 300.00 |
| 59198 | MANSFIELD OIL COMPANY | FUEL | \$ 1,797.07 |
| 59199 | METROPOLITAN COUNCIL | JULY WASTEWATER SERVICE | \$ 37,834.92 |
| 59200 | CITY OF MINNEAPOLIS | APRIL LINCOLN PAWN TRANSACTIONS | \$ 257.40 |
| 59201 | MN DEPT OF TRANSPORTATION | PLANT INSPECTIONS-2014-15 ST PRJ | \$ 62.63 |
| 59202 | MUNICIPAL PAVING PLANT | ASPHALT | \$ 719.77 |
| 59203 | NORTH COUNTRY FORD | SERVICE VEHICLE | \$ 19.95 |
| 59204 | NORTH VALLEY INC | PATCH ASPHALT | \$ 17,198.90 |
| 59205 | KIRBY RAUTIO | UMPIRE | \$ 126.00 |
| 59206 | ROSEVILLE UTILITY INVOICE | JUNE I.T. SERVICES | \$ 535.96 |
| 59207 | LEE SADOWSKI | UMPIRE | \$ 110.00 |
| 59208 | TAHO SPORTSWEAR | STAFF APPAREL | \$ 134.00 |
| 59209 | TWIN CITIES BMEU WEST | UTILITY BILL POSTAGE | \$ 820.00 |
| 59210 | TWIN CITIES E MEDIA | COMPUTER MEMORY UPGRADES | \$ 244.93 |

CITY OF SPRING LAKE PARK
CLAIMS LIST APPROVED AND PAID
GENERAL OPERATIONS

Date: JUNE 2015
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Claim Res.#15-11

| <u>VOUCHER</u> | <u>VENDOR</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> |
|----------------|----------------------------------|--------------------------------------|---------------|
| 59211 | JIM WAJDA | UMPIRE | \$ 172.00 |
| 59212 | WASTE MANAGEMENT OF WI-MN | MAY SERVICE | \$ 8,913.78 |
| 59213 | XCEL ENERGY | MONTHLY SERVICES | \$ 48.67 |
| 59214 | AID ELECTRIC SERVICE, INC | SERVICE WORK-PW BLDG, LIGHT REPAIR | \$ 667.45 |
| 59215 | CITYWIDE BLAINE LOCK & SAFE | KEYS | \$ 22.50 |
| 59216 | COTTENS INC | PARTS | \$ 42.31 |
| 59217 | FRIENDLY CHEVROLET GEO. INC. | PARTS | \$ 137.62 |
| 59218 | INSTRUMENTAL RESEARCH INC | MAY WATER TESTING | \$ 64.00 |
| 59219 | LINDA HERMAN | REFUND | \$ 26.00 |
| 59220 | TERRY RANDALL | REIM FOR PURCHASE OF SOD | \$ 42.00 |
| 59221 | SLP FIRE DEPARTMENT | JUNE FIRE PROTECTION,2ND CAPITAL O/L | \$ 25,765.78 |
| 59222 | SMITH SCHAFFER & ASSOCIATES | INTERIM BILLING 2014 AUDIT | \$ 3,337.00 |
| 59223 | U.S.T.I. | MAY UB FEES | \$ 16.00 |
| 59224 | DODGE OF BURNSVILLE | 2015 DODGE CHARGER-POLICE SQUAD | \$ 25,798.00 |
| 59225 | AFLAC | PAYROLL 6/5/15 | \$ 28.80 |
| 59226 | DEARBORN NATIONAL | PAYROLL 6/5/15 | \$ 414.47 |
| 59227 | DELTA DENTAL | PAYROLL 6/5/15 | \$ 1,340.79 |
| 59228 | HEALTH PARTNERS | PAYROLL 6/5/15 | \$ 9,270.19 |
| 59229 | L.E.L.S. | PAYROLL 6/5/15 | \$ 235.00 |
| 59230 | LOCAL 49 | PAYROLL 6/5/15 | \$ 82.50 |
| 59231 | NCPERS MINNESOTA-7750811 | PAYROLL 6/5/15 | \$ 48.00 |
| 59232 | P.E.R.A. | PAYROLL 6/5/15 | \$ 15,892.62 |
| 59233 | NCPERS MINNESOTA-7750811 | PAYROLL 6/5/15 | \$ 48.00 |
| 59234 | ANOKA COUNTY LICENSE CENTER | TRANSFER TITLE | \$ 20.75 |
| 59235 | A.P.W.A. | MEMBERSHIP DUES | \$ 223.75 |
| 59236 | AID ELECTRIC SERVICE, INC | SIREN REPAIR | \$ 124.50 |
| 59237 | ANDREA UHL | TOWER DAYS EVENT | \$ 28.00 |
| 59238 | ANITA PARTRIDGE | REFUND | \$ 200.00 |
| 59239 | ANOKA CO & CENTRAL SERVICES | YEARLY JLEC EXPENSES | \$ 6,992.00 |
| 59240 | ASPEN MILLS | UNIFORM ALLOWANCE PURCHASE | \$ 126.85 |
| 59241 | AT & T MOBILITY | AIRCARDS-POLICE DEPT | \$ 172.29 |
| 59242 | BARB ROACH | REFUND | \$ 100.00 |
| 59243 | BATTERIES PLUS BULBS | BATTERY POWER SUPPLY | \$ 39.90 |
| 59244 | CENTERPOINT ENERGY | MONTHLY SERVICES | \$ 294.19 |
| 59245 | CENTRAL TURF & IRRIGATION SUPPLY | PARTS | \$ 228.83 |
| 59246 | CHAMPION YOUTH | INSTRUCTOR | \$ 1,473.00 |
| 59247 | CONNEXUS ENERGY | MONTHLY SERVICES | \$ 149.36 |
| 59248 | COORDINATED BUSINESS SYSTEMS LTD | COPIER MAINT AGREEMENTS | \$ 2,889.19 |
| 59249 | CRYSTEEL DIST INC | LOW PROFILE MINI LIGHTBAR | \$ 215.10 |
| 59250 | DAVE'S SPORT SHOP | SOFTBALLS | \$ 90.00 |
| 59251 | DODGE OF BURNSVILLE | REPAIR VEHICLE | \$ 280.63 |
| 59252 | ELIZABETH DAAS | REFUND | \$ 42.00 |
| 59253 | FASTENAL COMPANY | BOLTS | \$ 7.75 |
| 59254 | FRIENDLY CHEVROLET GEO. INC. | PARTS | \$ 30.62 |
| 59255 | GSTE | TOWER DAYS EVENT | \$ 280.00 |

CITY OF SPRING LAKE PARK
CLAIMS LIST APPROVED AND PAID
GENERAL OPERATIONS

Date: JUNE 2015
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| <u>VOUCHER</u> | <u>VENDOR</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> |
|----------------|----------------------------------|-------------------------------------|---------------|
| 59256 | JONI PERRY | REFUND | \$ 100.00 |
| 59257 | KAREN HANSON | REFUND | \$ 66.00 |
| 59258 | MICHAEL LEDMAN | INSTRUCTOR | \$ 720.00 |
| 59259 | MICHAEL LONG | REIM FOR RESERVE OFFICERS RECEPTION | \$ 62.28 |
| 59260 | MANSFIELD OIL COMPANY | FUEL | \$ 1,279.27 |
| 59261 | MARLENE NICKEL | REFUND | \$ 75.00 |
| 59262 | MENARDS-CAPITAL ONE COMMERICAL | SUPPLIES | \$ 230.30 |
| 59263 | ON SITE SANITATION INC | RENTAL UNITS | \$ 675.00 |
| 59264 | PERFECT 10 CAR WASH | CAR WASHES | \$ 19.92 |
| 59265 | READY WATT ELECTRIC | REPAIR SIREN | \$ 1,025.00 |
| 59266 | SANDY ANDERSON | REFUND | \$ 66.00 |
| 59267 | SOURCE ONE GRAPHICS INC | MAGNET SIGNS-TOWER DAYS | \$ 99.96 |
| 59268 | SPRING LAKE PARK LIONS | MEAL TICKETS-TOWER DAYS | \$ 136.00 |
| 59269 | KENNETH A. TOLZMANN, SAMA | 2ND QTR ASSESSMENT SERVICES | \$ 8,752.00 |
| 59270 | VALLEY PAVING INC | 2014-15 ST PRJ, PAYMENT #7 | \$ 466,493.45 |
| 59271 | VIDEO SURVEILLANCE SOLUTIONS INC | SERVICE CALL | \$ 1,047.50 |
| 59272 | XCEL ENERGY | MONTHLY SERVICES | \$ 10,543.17 |
| 59273 | ZULEY AWARDS | PLAQUES-TOWER DAYS PARADE | \$ 202.05 |
| 59274 | MANSFIELD OIL COMPANY | FUEL | \$ 749.36 |
| 59275 | CAPITAL SIDING, WINDOWS & CONST | DOWN PAYMENT-REPLACE WINDOWS | \$ 10,000.00 |
| 59276 | WELLS FARGO CREDIT CARD | CREDIT CARD PURCHASES | \$ 15,137.51 |
| 59277 | AFLAC | PAYROLL 6/26/15 | \$ 28.80 |
| 59278 | DEARBORN NATIONAL | PAYROLL 6/26/15 | \$ 419.15 |
| 59279 | DELTA DENTAL | PAYROLL 6/26/15 | \$ 1,383.43 |
| 59280 | FIDELITY SECURITY LIFE | PAYROLL 6/26/15 | \$ 45.37 |
| 59281 | HEALTH PARTNERS | PAYROLL 6/26/15 | \$ 9,488.88 |
| 59282 | L.E.L.S. | PAYROLL 6/26/15 | \$ 235.00 |
| 59283 | LOCAL 49 | PAYROLL 6/26/15 | \$ 83.75 |
| 59284 | NCPERS MINNESOTA-7750811 | PAYROLL 6/26/15 | \$ 48.00 |
| 59285 | P.E.R.A. | PAYROLL 6/26/15 | \$ 15,908.42 |
| 59286 | AMAZON ENVIRONMENTAL INC | PAINT RECYCLING | \$ 245.00 |
| 59287 | WANDA BROWN-MCGRECK | REIM FOR MILEAGE | \$ 12.21 |
| 59288 | DARY MASON | REFUND | \$ 170.00 |
| 59289 | ECM PUBLISHERS, INC. | PUBLISH NOTICES | \$ 112.88 |
| 59290 | FASTENAL COMPANY | PARTS | \$ 12.78 |
| 59291 | FERGUSON WATERWORKS #2516 | FERROUS METAL DETECTOR W/CASE | \$ 770.62 |
| 59292 | FRANCIS TOLER | REFUND | \$ 56.00 |
| 59293 | FRIENDLY CHEVROLET GEO. INC. | SERVICE VEHICLE | \$ 37.42 |
| 59294 | G & K SERVICES | MATS | \$ 69.22 |
| 59295 | G & N ENTERPRISES | FLUORESCENT TUBES | \$ 121.50 |
| 59296 | GAIL NGUYEN | REFUND | \$ 135.00 |
| 59297 | HEATHER STUART | REFUND | \$ 80.00 |
| 59298 | JAN HAERTEL | REFUND | \$ 27.00 |
| 59299 | JIFFY-JR PRODUCTS | SAFETY GLASSES & GLOVES | \$ 176.19 |
| 59300 | MANSFIELD OIL COMPANY | FUEL | \$ 1,915.34 |

CITY OF SPRING LAKE PARK
CLAIMS LIST APPROVED AND PAID
GENERAL OPERATIONS

Date: JUNE 2015
Page: 4
Claim Res.#15-11

| <u>VOUCHER</u> | <u>VENDOR</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> |
|----------------|-------------------------------|------------------------------|----------------------|
| 59301 | MN DEPT OF TRANSPORTATION | BITUMINOUS PLANT INSPECTIONS | \$ 1,130.17 |
| 59302 | NORTHERN | PARTS FOR TIRE CHANGER | \$ 62.91 |
| 59303 | ON SITE SANITATION INC | RENTAL UNITS | \$ 240.00 |
| 59304 | RICHFIELD BUS CO | BUS RENTAL | \$ 530.00 |
| 59305 | ROBERT KOHLS | REFUND | \$ 52.00 |
| 59306 | SHRED-IT USA LOS ANGELES | SHREDDING SERVICE | \$ 67.69 |
| 59307 | THE HOME DEPOT | SUPPLIES | \$ 408.77 |
| 59308 | TROY ALGUIRE | REFUND | \$ 79.00 |
| 59309 | WALTERS RECYCLING REFUSE SERV | JUNE SERVICE & TOWER DAYS | \$ 660.00 |
| 59310 | WIPERS AND WIPES INC | PAPER PRODUCTS, GLOVES | \$ 928.60 |
| | | TOTAL DISBURSEMENTS | \$ 787,392.93 |

CITY OF SPRING LAKE PARK
CLAIMS APPROVED AND PAID

DATE: JUNE 2015
PAGE 1 OF 4
CLAIMS RES: 15-12

FUND: LIQUOR OPERATIONS

| <u>VOUCHER</u> <u>VENDOR</u> | <u>EXPLANATION</u> | <u>AMOUNT</u> |
|--|--|---------------|
| 28081 AEM ELECTRIC SERVICES | ELECTRICAL SERVICES | \$ 886.53 |
| 28082 ALLEGRA PRINT & IMAGING | ENVELOPES | \$ 127.37 |
| 28083 ARANGO CIGAR CO | CIGAR PURCHASE | \$ 581.46 |
| 28084 BELLBOY COPORATION | LIQUOR PURCHASE | \$ 63.65 |
| 28085 BERKLEY ADMINISTRATORS | WORKERS COMPENSATION | \$ 24.77 |
| 28086 CENTER POINT ENERGY | GAS SERVICE | \$ 21.04 |
| 28087 CRYSTAL SPRINGS ICE | ICE PURCHASE | \$ 169.04 |
| 28088 DAHLHEIMER BEVERAGE LLC | BEER PURCHASE | \$ 297.00 |
| 28089 HOHENSTEINS INC | BEER PURCHASE | \$ 528.00 |
| 28090 JJ TAYLOR COMPANIES | BEER PURCHASE | \$ 7,069.01 |
| 28091 JOHNSON BROTHERS LIQUOR CO | CREDIT - BEER - LIQUOR - WINE PURCHASE | \$ 14,400.85 |
| 28092 M AMUNDSON LLP | CIGARETTE - JUICE/MIX/POP PURCHASE | \$ 3,527.69 |
| 28093 MY ALARM | SECURITY MONITORING | \$ 164.48 |
| 28094 PAUSTIS & SON'S | WINE PURCHASE | \$ 975.16 |
| 28095 PHILLIPS WINE & SPIRITS CO | LIQUOR - WINE PURCHASE | \$ 2,233.34 |
| 28096 PLUNKETT'S INC | PEST CONTROL | \$ 29.58 |
| 28097 REPUBLIC SERVICES | GARBAGE SERVICES | \$ 260.99 |
| 28098 SAFEGUARD | OPERATING SUPPLIES | \$ 47.49 |
| 28099 SILENT WATCHDOG | SECURITY MONITORING | \$ 60.00 |
| 28100 SOUTHERN WINE & SPIRITS OF MN | CREDIT - LIQUOR - WINE PURCHASE | \$ 7,758.67 |
| 28101 ULINE | OPERATING SUPPLIES | \$ 79.29 |
| 28102 VINOCOPIA INC | LIQUOR PURCHASE | \$ 114.50 |
| 28103 WIRTZ BEVERAGE MN BEER | CREDIT - BEER - WINE PURCHASE | \$ 11,281.61 |
| | LIQUOR - JUICE/MIX/POP PURCHASE | |
| 28104 DEARBORN NATIONAL | PAYROLL 5/31/15-6/13/15 | \$ 74.75 |
| 28105 DELTA DENTAL | PAYROLL 5/31/15-6/13/15 | \$ 103.65 |
| 28106 HEALTH PARTNERS | PAYROLL 5/31/15-6/13/15 | \$ 730.76 |
| | PAYROLL 5/17/15-5/30/15 | \$ (22.56) |
| 28107 MINNESOTA TEAMSTER | PAYROLL 5/24/15-6/6/15 | \$ 54.00 |
| 28108 PERA | PAYROLL 5/31/15-6/13/15 | \$ 648.43 |
| | PAYROLL 5/24/15-6/6/15 | \$ 654.00 |
| 28109 AMARA WINES | WINE PURCHASE | \$ 244.50 |
| 28110 BELLBOY CORPORATION | JUICE/MIX/POP - LIQUOR PURCHASE | \$ 386.28 |
| 28111 BERNICK'S WINE | BEER - JUICE/MIX/POP PURCHASE | \$ 336.00 |
| 28112 CAPITOL BEVERAGE SALES | BEER PURCHASE | \$ 13,041.76 |
| 28113 CITYWIDE WINDOW SERVICES | CONTRACTUAL SERVICES | \$ 30.00 |
| 28114 CRYSTAL SPRINGS ICE | ICE PURCHASE | \$ 289.84 |
| 28115 CULLIGAN | OPERATING SUPPLIES | \$ 38.60 |
| 28116 DAHLHEIMER BEVERAGE LLC | BEER PURCHASE | \$ 3,489.00 |
| 28117 ECKBERG LAMMERS BRIGGS WOLFF & VEIER | DOCUMENT REVIEWING SERVICES | \$ 1,300.00 |
| 28118 ECM PUBLISHERS INC | ADVERTISING | \$ 1,238.25 |
| 28119 G & K SERVICES | CLEANIGN CHEMICALS | \$ 88.20 |
| 28120 HOHENSTEINS INC | BEER PURCHASE | \$ 589.00 |
| 28121 JJ TAYLOR COMPANIES | CREDIT - BEER PURCHASE | \$ 12,751.50 |
| 28122 JOHNSON BROTHERS LIQUOR CO | BEER - JUICE/MIX/POP PURCHASE | \$ 10,337.50 |
| | CREDIT - LIQUOR - WINE PURCHASE | |

CITY OF SPRING LAKE PARK
CLAIMS APPROVED AND PAID

DATE: JUNE 2015
PAGE 2 OF 4
CLAIMS RES: 15-12

FUND: LIQUOR OPERATIONS

| <u>VOUCHER VENDOR</u> | <u>EXPLANATION</u> | <u>AMOUNT</u> |
|-------------------------------------|---------------------------------|---------------|
| 28123 PAUSTIS & SON'S | WINE PURCHASE | \$ 463.32 |
| 28124 PHILLIPS WINE & SPIRITS CO | CREDIT - LIQUOR - WINE PURCHASE | \$ 3,221.25 |
| 28125 PINNACLE DISTRIBUTING | JUICE/MIX/POP PURCHASE | \$ 236.84 |
| 28126 POPP.COM | TELEPHONE SERVICE | \$ 262.24 |
| 28127 RJM DISTRIBUTING | JUICE/MIX/POP PURCHASE | \$ 89.00 |
| 28128 SAM'S CLUB | CREDIT CARD PAYMENT | \$ 82.82 |
| 28129 SILENT WATCHDOG | SECURITY MONITORING | \$ 60.00 |
| 28130 SMITH SCHAFFER & ASSOCIATES | AUDIT | \$ 413.00 |
| 28131 SOUTHERN WIEN & SPIRITS OF MN | LIQUOR - WINE PURCHASE | \$ 2,129.67 |
| 28132 SPRINT | CELL PHONE SERVICE | \$ 177.80 |
| 28133 STAR TRIBUNE | ADVERTISING | \$ 838.30 |
| 28134 TOTAL PAINTING AND REMODELING | EXTERIOR PAINTING | \$ 4,182.50 |
| 28135 TWIN CITIES E MEDIA | ADVERTISING | \$ 503.47 |
| 28136 VARNER TRANSPORTATION | DELIVERY CHARGES | \$ 704.95 |
| 28137 WELLS FARGO | CREDIT CARD PAYMENT | \$ 965.23 |
| 28138 WIRTZ BEVERAGE MINNESOTA BEER | CREDIT - BEER - LIQUOR PURCHASE | \$ 15,769.06 |
| | JUICE/MIX/POP PURCHASE | |
| 28139 XCEL ENERGY | ELECTRICITY | \$ 1,767.01 |
| 28140 DEARBORN NATIONAL | PAYROLL 6/14/15-6/27/15 | \$ 74.75 |
| 28141 DELTA DENTAL | PAYROLL 6/14/15-6/27/15 | \$ 103.65 |
| 28142 FIDELITY SECURITY LIFE | PAYROLL 6/14/15-6/27/15 | \$ 3.13 |
| 28143 HEALTH PARTNERS | PAYROLL 6/14/15-6/27/15 | \$ 724.64 |
| 28144 MN TEAMSTER | PAYROLL 6/7/15-6/20/15 | \$ 54.00 |
| 28145 PERA | PAYROLL 6/7/15-6/20/15 | \$ 611.99 |
| | PAYROLL 6/14/15-6/27/15 | \$ 648.43 |
| 28146 MN DEAPRTMENT OF AGRICULTURE | RETAIL FOOD HANDLER LICENSE | \$ 77.00 |
| 28147 US BANK | CASH FOR ATM REFILL | \$ 5,000.00 |
| 28148 AMARA WINES | WINE PURCHASE | \$ 138.21 |
| 28149 AMERICAN BOTTLING COMPANY | JUICE/MIX/POP PURCHASE | \$ 109.80 |
| 28150 ARANGO CIGAR CO | CIGAR PURCHASE | \$ 766.38 |
| 28151 BELLBOY CORPORATION | LIQUOR PURCHASE | \$ 127.30 |
| 28152 CAPITOL BEVERAGE SALES | BEER PURCHASE | \$ 10,071.95 |
| 28153 CRYSTAL SPRINGS ICE | ICE PURCHASE | \$ 133.10 |
| 28154 DAHLHEIMER BEVERAGE LLC | BEER PURCHASE | \$ 331.00 |
| 28155 EXTREME BEVERAGE | JUICE/MIX/POP PURCHASE | \$ 228.40 |
| 28156 GENERAL CIGAR COMPANY | CIGAR PURCHASE | \$ 1,792.95 |
| 28157 J.C. NEMWAN | BEER - CIGAR PURCHASE | \$ 842.81 |
| 28158 JJ TAYLOR COMPANIES | BEER PURCHASE | \$ 3,964.15 |
| 28159 JOHNSON BROTHERS LIQUOR CO | CREDIT - LIQUOR - WINE PURCHASE | \$ 11,829.71 |
| 28160 MARCO V CIGARS & CO | CIGAR PURCHASE | \$ 354.00 |
| 28161 MIDWEST COCA-COLA BOTTLING | CREDIT - JUICE/MIX/POP PURCHASE | \$ 456.18 |
| 28162 MY ALARM CENTER | RE-ISSUED CHECK | \$ 164.48 |
| 28163 PHILLIPS WINE & SPIRITS CO | LIQUOR - WINE PURCHASE | \$ 1,397.05 |
| 28164 PLAYNETWORK | RADIO SERVICE | \$ 32.01 |

CITY OF SPRING LAKE PARK
CLAIMS APPROVED AND PAID

DATE: JUNE 2015
PAGE 3 OF 4
CLAIMS RES: 15-12

FUND: LIQUOR OPERATIONS

| <u>VOUCHER VENDOR</u> | <u>EXPLANATION</u> | <u>AMOUNT</u> |
|-------------------------------------|---------------------------------|---------------|
| 28165 SOUTHERN WINE & SPIRITS OF MN | LIQUOR - WINE PURCHASE | \$ 1,459.52 |
| 28166 TRIO SUPPLY COMPANY | OPERATING SUPPLIES | \$ 480.63 |
| | JUICE/MIX/POP PURCHASE | |
| 28167 WIRTZ BEVERAGE MN BEER | CREDIT - BEER - LIQUOR PURCHASE | \$ 5,213.68 |
| | LIQUOR - WINE PURCHASE | |
| 28168 Z WINES | WINE PURCHASE | \$ 859.83 |
| | | |
| TRANSFER TO PAYROLL | PAYROLL (6//12/15) | 9,332.17 |
| TRANSFER TO PAYROLL | PAYROLL (6/26/15) | 9,031.63 |
| | SALES TAX (MAY) | 15,762.00 |
| | OTP TAX | 1,414.70 |
| | | |
| | TOTAL DISBURSEMENTS | \$ 212,562.67 |

DATE: JUNE 2015
PAGE 4 OF 4
CLAIM RES: 15-12

WHEREAS,

the City Council of the City of Spring Lake Park has considered the foregoing itemized list of disbursements; and

WHEREAS,

the City Council has determined that all disbursements, as listed, with the following exceptions:

are proper.

NOW, THEREFORE BE IT RESOLVED:

that the Council directs and approves the payment of the aforementioned disbursements this
_____ day of _____, 20_____.

Signed: _____
Mayor

Councilmembers:

ATTEST:

Daniel Buchholtz, Administrator/Clerk-Treasurer



Renewal Application for Optional Liquor 2AM License

License Type: 2AM-500K+

Expires On: September 5, 2015

ID Number: 23749

DBA

Little Biffy's LLC
Biff's Billiards Sports Bar
7777 Hwy 65 NE
Spring Lake Pk MN 55432

Business Phone: 7637849446

If any of the above licensee information is not correct, please make corrections as necessary.

Licensee must report previous 12 month on sale alcoholic beverage gross receipts by checking one of the boxes below. Next to the box you check is your 2 AM license fee. Make check payable to: Alcohol and Gambling Enforcement Division (AGED). Mail this application and check to: AGED, 445 Minnesota St., Suite 222, St. Paul, MN 55101-5133.

- ☐ \$300 2 AM license fee - Up to \$100,000 in on sale gross receipts for alcoholic beverages
☐ \$750 2 AM license fee - Over \$100,000, but not over \$500,000 in on sale gross receipts for alcoholic beverages
☒ \$1000 2 AM license fee - Over \$500,000 in on sale gross receipts for alcoholic beverages
☐ \$200 2 AM license fee - 3.2% On Sale Malt Liquor licensees or Set Up license holders
☐ \$200 2 AM license fee - Did not sell alcoholic beverages for a full 12 months prior to this application

☒ Yes ☐ No Does the city or county that issues your liquor license allow the sale of alcoholic beverages until 2 AM?

City Clerk/County Auditor Signature _____ Date _____

(I certify that the city or county of _____ approves the sale of alcoholic beverages until 2AM)

Licensee Signature Andrew Schum Date 7-13-15

(I certify that I have answered the above questions truthfully and correctly)

Licensee Minnesota Tax ID Number (Required): 8987261

Licensee: Prior to submitting this application to the Alcohol & Gambling Enforcement Division you must have this form signed by your local city or county licensing official

Minnesota Department of Public Safety
Alcohol and Gambling Enforcement Division (AGED)
445 Minnesota Street, Suite 222, St. Paul, MN 55101-5133
Telephone 651-201-7500 Fax 651-297-5259 TTY 651-282-6555
dps.mn.gov

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

Contractors Licenses

July 20, 2015

Mechanical Contractor

AAA Wicks Plumbing, Heating and Air

Action Heating and Air

Plumbing Contractor

American Mechanical, Co.

Linn Star Transfer, Inc.

Mid City Mechanical Corp.

Professional Plumbing Solutions

Sign Contractor

Lawrence Sign

Scenic Sign Corp

Tree Contractor

Western Tree Service

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

Sign Permits

July 20, 2015

Heartland Tire

1111 81st Avenue NE

Monarch Dental

8097 Hwy 65 NE #101

CITY OF SPRING LAKE PARK
1301 81ST AVENUE N E
SPRING LAKE PARK, MN 55432

SIGN PERMIT APPLICATION

DATE: 7/9/15
NAME OF APPLICANT: CROSSTOWN SIGN INC.
ADDRESS OF APPLICANT: 16307 ABERDEEN, HAM LAKE MN 55304
TELEPHONE NUMBER OF APPLICANT: 763-784-7742
NAME OF BUSINESS AND LOCATION of building structure, or lot to which or upon which the sign is
to be attached or erected HEARTLAND TIRE 1111 81ST AV. NE Spring Lk. Park

New Construction: _____ Remodel: _____ Word Change Only: X

Attach a drawing or sketch showing the position of the sign in relation to the nearest building, structures, public streets, right-of-way and property lines. Said drawing to be prepared to scale.

Attach two (2) blueprints or ink drawings of the plans and specifications and method of construction or attachment to the building or in the ground, including all dimensions. Show location of all light sources, wattage, type and color of lights and details of light shields or shades.

Attach a copy of stress sheets and calculations showing the structure is designed for dead load and wind velocity in the amount required by this and all other Ordinances of the City, if requested by the Building Inspection Department.

Name of person, firm or corporation erecting the structure: CROSSTOWN SIGN INC.

Address: 16307 ABERDEEN ST, HAM LAKE MN 55304

Is an Electrical Permit required? NO

- I, the undersigned applicant, do further make the following agreement with the City of Spring Lake Park
- Mn:
- 1) To authorize and direct the City of Spring Lake Park to remove and dispose of any signs and sign structures on which a Permit has been issued but which was not renewed, if the owner does not remove the same within thirty (30) days following the expiration of the Permit.
 - 2) To authorize and direct the City of Spring Lake Park to remove said sign and sign structure, at the expense of the applicant, where maintenance is not furnished, but only after a hearing and after notice of sixty (60) days, specifying the maintenance required by the City.
 - 3) To provide any other additional information which may be required by the Building Inspection Department.


SIGNATURE OF APPLICANT

FOR OFFICE USE ONLY:*****

FEE: \$160.⁰⁰

RECEIPT NUMBER: _____

DATE OF APPROVAL: _____ DATE OF ISSUE: _____

REASON FOR DENIAL: _____

ADDITIONAL REQUIREMENTS FOR SIGN PERMIT:

SQUARE FOOTAGE OF FRONT OF BUILDING: 2550 sq ft

SQUARE FOOTAGE OF ALL EXISTING SIGNS: 150 sq ft x 2 = 300 sq ft

SQUARE FOOTAGE OF PROPOSED SIGN OR SIGNS: 55 sq ft + 65 sq ft = 120 sq ft

INCLUDE A DRAWING SHOWING LOCATION AND MESSAGE ON SIGN.

IF YOU ARE NOT THE OWNER OF THE PROPERTY, INCLUDE A SIGNED LETTER FROM THE OWNER GIVING PERMISSION TO ERECT THE SIGN.

NOTE: ALL APPLICATIONS ARE DUE BY NOON ON THE THURSDAY PRECEEDING THE COUNCIL MEETING.

DRAWING:

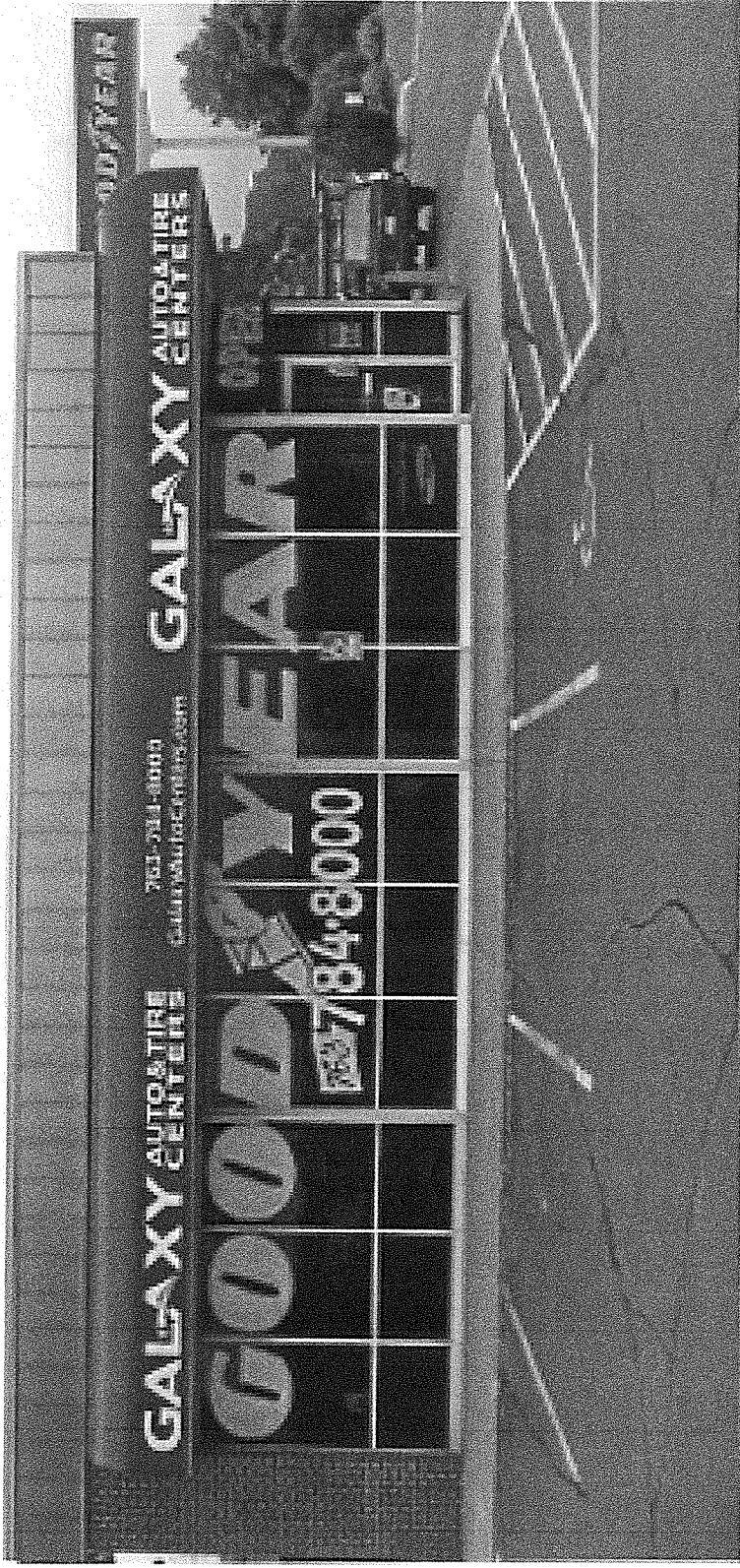
EXISTING AWNINGS TO BE RE-SKINNED
AND LETTERED WITH NEW OWNER'S
LOGO / INFO

NO CHANGE IN EXISTING SIZE OF
STRUCTURE

proposed
55 sq ft - \$60 + \$15 = \$75
65 sq ft - \$60 + \$25 = \$85
\$160

765 sq ft 30%
300 sq ft existing
120 sq ft proposed
345 sq ft Remaining

SOUTH
EXISTING



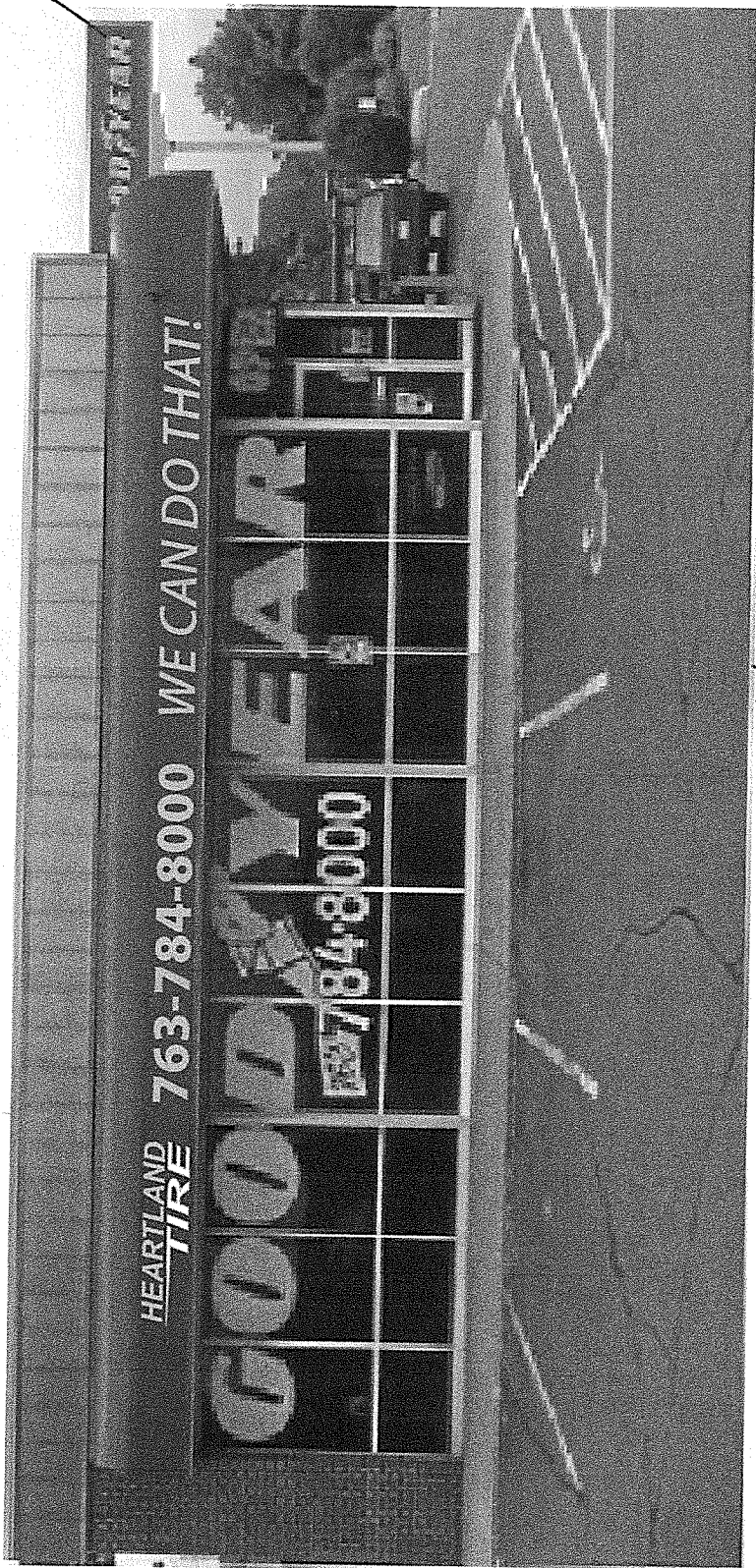
EAST
EXISTING



50' x 12' = 300' \rightarrow

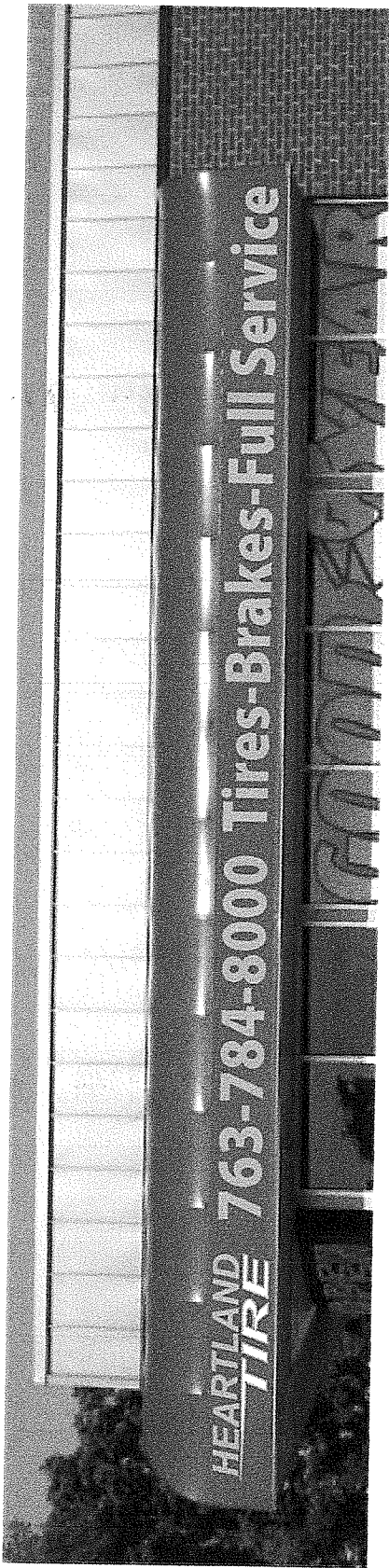
SPRING LAKE PARK

SOUTH ELEVATION
PROPOSED



55' \rightarrow

LOGO HEIGHT 21", PHONE HEIGHT 17"
OVERALL LENGTH 31'-3" - 3'15"



65' \rightarrow

LOGO HEIGHT 21", PHONE HEIGHT 17"
OVERALL LENGTH 37'-4" 4'48"

EAST ELEVATION
PROPOSED

CITY OF SPRING LAKE PARK
1301 81ST AVENUE N E
SPRING LAKE PARK, MN 55432

SIGN PERMIT APPLICATION

DATE: July 14 2015
NAME OF APPLICANT: Albrecht Sign Company
ADDRESS OF APPLICANT: 7775 main st NE
TELEPHONE NUMBER OF APPLICANT: 763 754-2899

NAME OF BUSINESS AND LOCATION of building structure, or lot to which or upon which the sign is to be attached or erected Monarch Dental

8097 Central Ave NE Ste 101
New Construction: X Remodel: _____ Word Change Only: _____

Attach a drawing or sketch showing the position of the sign in relation to the nearest building, structures, public streets, right-of-way and property lines. Said drawing to be prepared to scale.

Attach two (2) blueprints or ink drawings of the plans and specifications and method of construction or attachment to the building or in the ground, including all dimensions. Show location of all light sources, wattage, type and color of lights and details of light shields or shades.

Attach a copy of stress sheets and calculations showing the structure is designed for dead load and wind velocity in the amount required by this and all other Ordinances of the City, if requested by the Building Inspection Department.

Name of person, firm or corporation erecting the structure: Albrecht Sign Company

Address: 7775 main st NE Fridley mn 55432

Is an Electrical Permit required? Yes

I, the undersigned applicant, do further make the following agreement with the City of Spring Lake Park Mn:

- 1) To authorize and direct the City of Spring Lake Park to remove and dispose of any signs and sign structures on which a Permit has been - issued but which was not renewed, if the owner does not remove the same within thirty (30) days following the expiration of the Permit.
- 2) To authorize and direct the City of Spring Lake Park to remove said sign and sign structure, at the expense of the applicant, where maintenance is not furnished, but only after a hearing and after notice of sixty (60) days, specifying the maintenance required by the City.
- 3) To provide any other additional information which may be required by the Building Inspection Department.

Kathy Othor
SIGNATURE OF APPLICANT

FOR OFFICE USE ONLY:*****

FEE: \$218 RECEIPT NUMBER: _____

DATE OF APPROVAL: _____ DATE OF ISSUE: _____

REASON FOR DENIAL: _____

ADDITIONAL REQUIREMENTS FOR SIGN PERMIT:

7 SQUARE FOOTAGE OF FRONT OF BUILDING: 32146

3 SQUARE FOOTAGE OF ALL EXISTING SIGNS: 394.5

1 SQUARE FOOTAGE OF PROPOSED SIGN OR SIGNS: 9x2 = 18 (pylon) 78 Building

INCLUDE A DRAWING SHOWING LOCATION AND MESSAGE ON SIGN.

X IF YOU ARE NOT THE OWNER OF THE PROPERTY, INCLUDE A SIGNED LETTER FROM THE OWNER GIVING PERMISSION TO ERECT THE SIGN.

NOTE: ALL APPLICATIONS ARE DUE BY NOON ON THE THURSDAY PRECEDING THE COUNCIL MEETING.

DRAWING:

See drawings attached

Proposed

9x - \$60

9x \$60

78x - \$60 + 38x = \$98

Caribou
45x3 = 135x Building
8.25x2x 16.5 pylon

Your Xchange
8.25x2 = 16.5x pylon
53x Building

Revitalife
8.25x2 = 16.5 pylon
43x Building

Snap Fitness 18x2 = 36x pylon
59x Building

AKways Barber 19x Building

644x - 30%

394.5x Existing

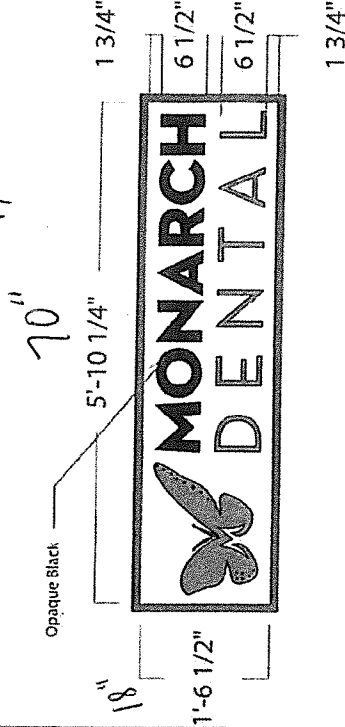
96x proposed

153.5x Remaining

Rendering



Illuminated Tenant Panel Vinyl Graphics
Double-Sided
Faces are existing.



- DESIGN
- FABRICATION
- INSTALLATION
- SERVICE

7775 Main St. N.E.
Fridley, MN 55432
Office: 763-754-2899
Fax: 763-767-7316

Client Name:
Monarch Dental

Location:
8097 Central Ave NE
Suite 101
Minneapolis, MN 55432

Client Approval

Landlord Approval

Start Date: 6/2/15
Last Revision: 7/2/15
Job#: 00000
Drawing Rev #: 3
Page: 2 OF 2

Sales Rep:
Dave Albrecht
Designer:
MCS



LISTED
THIS SIGN INTERIOR OR EXTERIOR IS INSTALLED IN
ACCORDANCE WITH THE REQUIREMENTS
OF ARTICLE 600 OF THE NATIONAL
ELECTRICAL CODES. THIS INCLUDES
PROPER GROUNDING & BONDING OF
SIGN.

* Approved By L.L.
7/14/15

Rendering



29'5" 18'7"

24'-7"

3'-11 1/8"



3'-2"

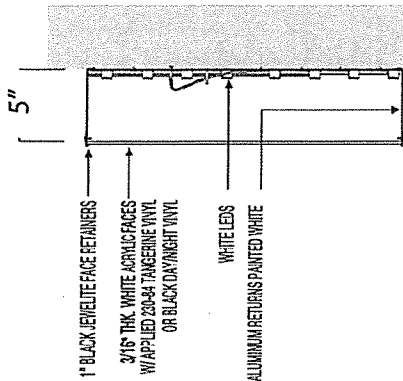
MONARCH DENTAL 1'-4"



Gerber 230-84 Tangerine



Day / Night Black



LETTER SECTION



N.T.S.



- DESIGN
- FABRICATION
- INSTALLATION
- SERVICE

7775 Main St. N.E.,
Fridley, MN 55432
Office: 763-754-2899
Fax: 763-767-7316

Client Name:
Monarch Dental

Location:
8097 Central Ave NE
Suite 101
Minneapolis, MN 55432

Client Approval

Landlord Approval

Start Date: 6/2/15
Last Revision: 6/23/15
Job#: 00000
Drawing Rev #: 3
Page: 1 CF 2

Sales Rep:
Dave Albrecht
Designer:
MCS



THIS SIGN INTENDED TO BE INSTALLED IN
ACCORDANCE WITH THE REQUIREMENTS
OF ARTICLE 690 OF THE NATIONAL
ELECTRICAL CODE. THIS INCLUDES
PROPER GROUNDING & BONDING OF
SIGN.

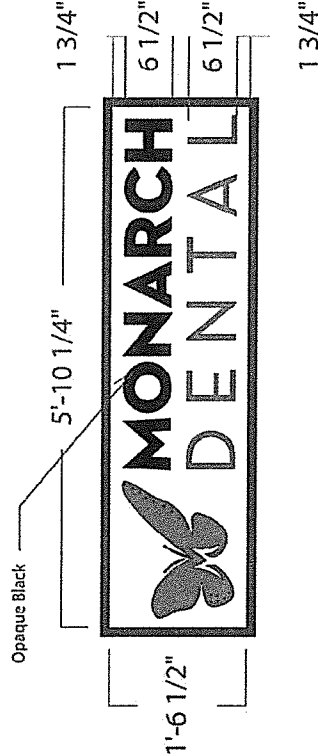
Monarch Dental - Illuminated Channel Letters

Scale 1/4" = 1' For Production / Presentation

Rendering



Illuminated Tenant Panel Vinyl Graphics
Double-Sided
Faces are existing.



- DESIGN
- FABRICATION
- INSTALLATION
- SERVICE

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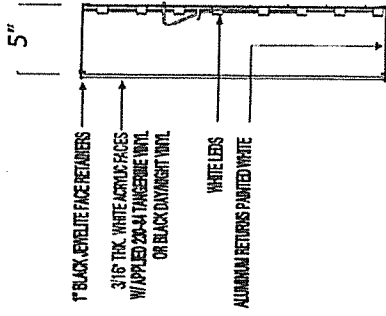
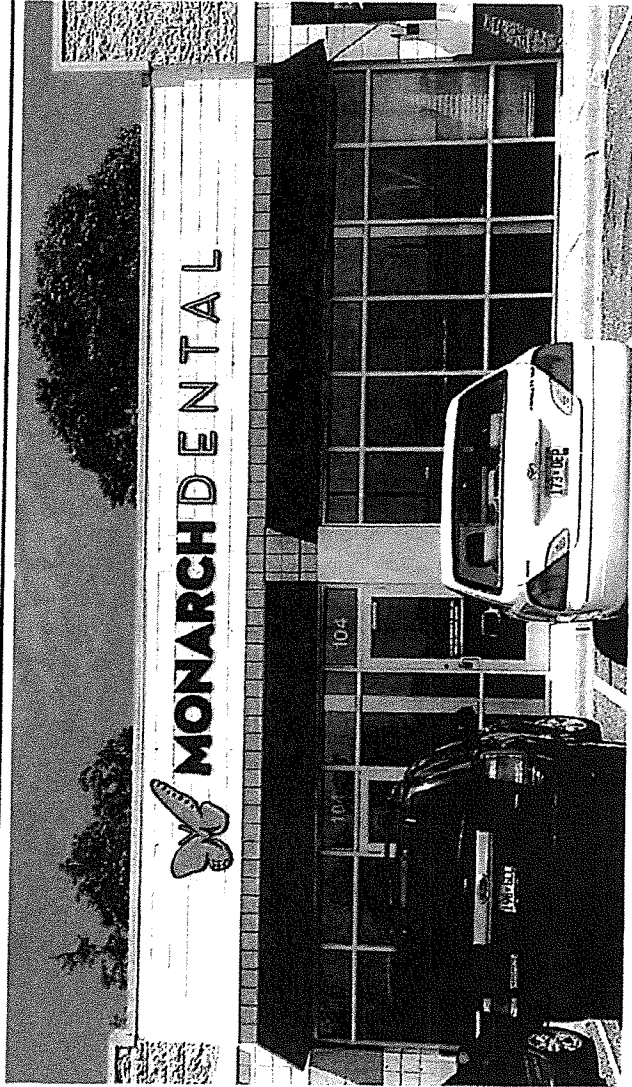
Start Date: 6/2/15
Last Revision: 7/2/15
Job#: 00000
Drawing Rev #: 3
Page: 2 OF 2

Sales Rep:
Dave Albrecht
Designer:
MCS



LISTED
THIS SIGN INTENDED TO BE INSTALLED IN
ACCORDANCE WITH THE NATIONAL
ELECTRICAL CODES. THIS INCLUDES
PROPER GROUNDING & BONDING OF
SIGN.

Rendering



LETTER SECTION

N.T.S.

24'-7"

3'-11 1/8"



MONARCH DENTAL

3'-2"

1'-4"

* Approved By L.L.
[Signature] 7/14/15

2 Monarch Dental - Illuminated Channel Letters
 Scale 1/4" = 1' For Production / Presentation



Gerber 230-84 Tangerine

Day / Night Black



- DESIGN
- FABRICATION
- INSTALLATION
- SERVICE

7775 Main St. N.E.
 Fridley, MN 55432
 Office: 763-754-2899
 Fax: 763-767-7316

Client Name:
 Monarch Dental

Location:
 8097 Central Ave NE
 Suite 101
 Minneapolis, MN 55432

Client Approval

[Signature]
 Landlord Approval

Start Date: 6/2/15
 Last Revision: 6/23/15
 Job#: 00000
 Drawing Rev #: 3
 Page: 1 OF 2

Sales Rep:
 Dave Albrecht
 Designer:
 MCS



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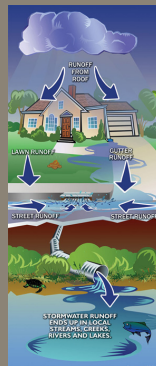
2015 MS4 Permit Annual Public Meeting



City of Spring Lake Park
July 20, 2015



What is an MS4?

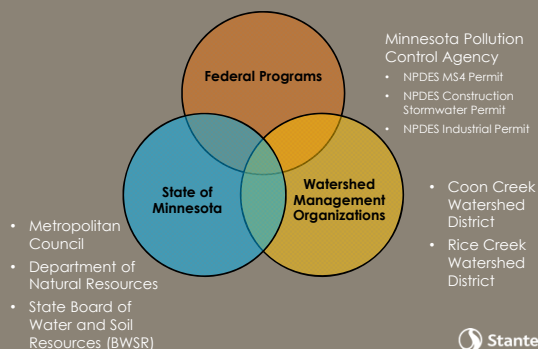


Municipal Separate Storm Sewer Systems (MS4)

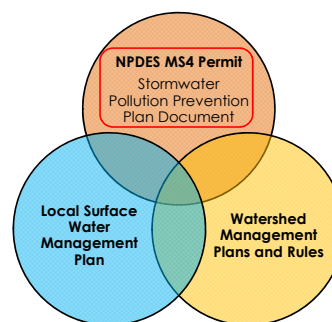
- Owned by a State, City, Village, or Other Public Entity that Discharges to Waters of the U.S.
- Designed or used to Collect or Convey Stormwater
- Not a combined sewer
- Not part of a Publicly Owned Treatment Works (sewage treatment plant)



Who is Involved with Stormwater Management Regulation in Spring Lake Park?



Stormwater Regulatory Documents that Impact Municipal Operations



Basic Components of the MS4 Permit

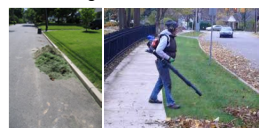
6 Minimum Control Measures

1. Public Education and Outreach
2. Public Participation and Involvement
3. Illicit Discharge Detection and Elimination
4. Construction Site Storm Water Runoff Control
5. Post-Construction Storm Water Management
6. Pollution Prevention and Good Housekeeping for Municipal Operations



Examples of Pollutant Sources

Organic Waste



Illicit Discharges



Construction Runoff



Chemical Application



Nutrients or Pesticides



How Spring Lake Park Currently Complies with the MS4 Permit.

Storm Water Pollution Prevention Plan Document

- Partnerships with Watersheds
- City Ordinance and LWMP Requirements
- Implement Enforcement Response Procedures
- Storm Sewer System Map
- Stormwater Related Brochures and Articles
- MS4 Permit Annual Public Meeting
- Inspections (Illicit discharge, Construction, and MS4 System)
- Provide a Plan Review Checklist
- Street Sweeping
- Staff Training
- Facilities Inventory Assessment
- Pond Assessment
- MS4 Annual Reports



Questions?



**PLEASE DON'T POLLUTE
DRAINS TO
MISSISSIPPI RIVER**



June 26, 2015
Honorable Mayor and Common Council
City of Spring Lake Park, Minnesota

We have audited 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 for the year ended December 31, 2014, and have issued our report thereon dated June 26, 2015. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 10, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

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. 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 estimates affecting the financial statements were:

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.

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.

Maplewood Office • 2035 E County Road D • Suite A • Maplewood MN 55109 • PH (651) 770-8414 • FAX (651) 770-5175
Offices in: Edina, Red Wing, and Rochester • www.smithschafer.com

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as 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 June 26, 2015.

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

With respect to the supplementary information accompanying the financial statements, 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.

This information is intended solely for the use of the city council of the City of Spring Lake Park, Minnesota and the City's management and is not intended to be used by anyone other than those specified parties.

Very truly yours,

Smith, Schafu and Associates, Ltd.

Maplewood, Minnesota

Passed adjustments are immaterial individually and in the aggregate. Pass further review.

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, 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, 2014, 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 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 consider the following deficiencies in the City of Spring Lake Park's internal control to be material weaknesses.

Segregation of Duties

We noted that due to the nature and size of the Company, 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.

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. We did not identify any significant deficiencies in internal control that we consider to be material weaknesses.

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, Schaff and Associates, Ltd.

Maplewood, Minnesota
June 26, 2015

CITY OF SPRING LAKE PARK

FINANCIAL STATEMENTS

DECEMBER 31, 2014



**CITY OF SPRING LAKE PARK
FINANCIAL STATEMENTS
For the Fiscal Year Ended December 31, 2014**

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CITY OF SPRING LAKE PARK

INTRODUCTORY SECTION

DECEMBER 31, 2014

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**CITY OF SPRING LAKE PARK
ELECTED AND APPOINTED OFFICIALS
December 31, 2014**

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

ELECTED OFFICIALS

City Council:

| | | |
|----------------|---------------|-------------------|
| Mayor | Cindy Hansen | December 31, 2014 |
| Council Member | Robert Nelson | December 31, 2016 |
| Council Member | Larry Raymond | December 31, 2014 |
| Council Member | Jeanne Mason | December 31, 2014 |
| Council Member | Bill Nash | December 31, 2016 |

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, 2014

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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, as of and for the year ended December 31, 2014, 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 purposes 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 principles 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, as of December 31, 2014, 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 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'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 June 26, 2015, on our consideration of the City of Spring Lake Park'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 provide an opinion on the 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, Schaff and Associates, Ltd.

Maplewood, Minnesota
June 26, 2015

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, 2014.

FINANCIAL HIGHLIGHTS

- The assets of the City of Spring Lake Park exceeded its liabilities at the close of the most recent fiscal year by \$21,760,866 (*net position*). Of this amount, \$8,107,802 (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 decreased by \$1,002,314. The decrease is attributed to governmental 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 \$5,413,289, an increase of \$977,935 from the prior year.
- At the end of the current fiscal year, fund balance for the general fund was \$1,560,403, or 39.8% of total general fund expenditures.
- The City's total noncurrent liabilities increased by \$1,862,748 due primarily to the issuance of the 2014A general obligation improvement bonds.

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 liabilities, 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 17-19 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 thirty-five 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, the recreation fund, HRA reserve fund, Able & Terrace improvement fund, and the 2014-2015 street improvement project 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 30 to 33) to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 22-29 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.

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 34-39 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 43-74 of this report.

Other Information. The combining statements referred to earlier in connection with non-major governmental funds can be found on pages 79-97 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 exceeded liabilities by \$21,760,866 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, \$12,657,397 (58%) 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 | |
|-----------------------------------|-------------------------|---------------|--------------------------|--------------|---------------|---------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Current and other assets | \$ 6,170,811 | \$ 5,486,972 | \$ 5,916,500 | \$ 5,744,357 | \$ 12,087,311 | \$ 11,231,329 |
| Capital assets | 11,136,089 | 11,060,013 | 5,944,773 | 6,084,179 | 17,080,862 | 17,144,192 |
| Total assets | 17,306,900 | 16,546,985 | 11,861,273 | 11,828,536 | 29,168,173 | 28,375,521 |
| Long-term liabilities outstanding | 4,761,937 | 2,677,605 | 2,041,072 | 2,228,877 | 6,803,009 | 4,906,482 |
| Other liabilities | 377,605 | 506,025 | 226,693 | 199,834 | 604,298 | 705,859 |
| Total liabilities | 5,139,542 | 3,183,630 | 2,267,765 | 2,428,711 | 7,407,307 | 5,612,341 |
| Net position: | | | | | | |
| Net investment in capital assets | 8,687,624 | 9,295,013 | 3,969,773 | 3,919,179 | 12,657,397 | 13,214,192 |
| Restricted | 995,667 | 1,398,863 | | | 995,667 | 1,398,863 |
| Unrestricted | 2,484,067 | 2,669,479 | 5,623,735 | 5,480,646 | 8,107,802 | 8,150,125 |
| Total net position | \$ 12,167,358 | \$ 13,363,355 | \$ 9,593,508 | \$ 9,399,825 | \$ 21,760,866 | \$ 22,763,180 |

An additional portion of the City of Spring Lake Park's net position at December 31, 2014 (5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$8,107,802) 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 56% of the City of Spring Lake Park's net position as of December 31, 2014. The total decrease in net position for governmental activities was \$1,195,997, accounting for all of the decrease in the net position of the City of Spring Lake Park for the year ended December 31, 2014. Key elements of this decrease include:

- General government expenditures increased by \$140,070 from the prior year due primarily to the cost of renovation associated with a municipal building.
- Public works expenditures increased by \$1,393,164 from the prior year due primarily to increased expenditures related to the 2014-2015 street improvement project.

Business-type activities. Business-type activities increased the City of Spring Lake Park's net position by \$193,683.

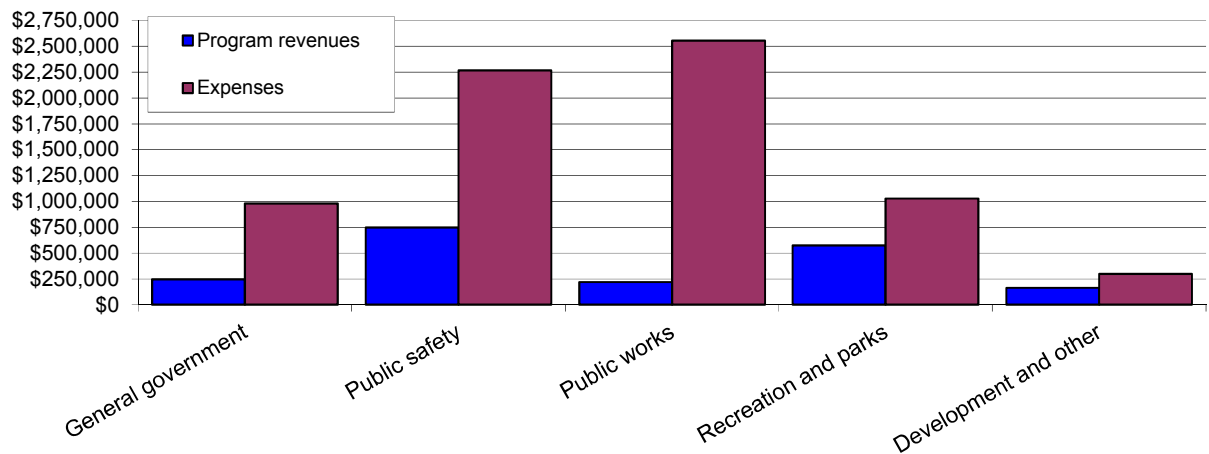
City of Spring Lake Park's Change in Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 1,124,722 | \$ 1,089,411 | \$ 2,094,195 | \$ 2,095,186 | \$ 3,218,917 | \$ 3,184,597 |
| Operating grants and contributions | 705,338 | 270,336 | | | 705,338 | 270,336 |
| Capital grants and contributions | 121,592 | 99,022 | | | 121,592 | 99,022 |
| General revenues: | | | | | | |
| Property taxes | 2,741,152 | 2,587,086 | | | 2,741,152 | 2,587,086 |
| Other | 1,188,985 | 39,083 | 389,169 | 241,909 | 1,578,154 | 280,992 |
| Total revenues | <u>5,881,789</u> | <u>4,084,938</u> | <u>2,483,364</u> | <u>2,337,095</u> | <u>8,365,153</u> | <u>6,422,033</u> |
| Expenses: | | | | | | |
| General government | 981,172 | 841,102 | | | 981,172 | 841,102 |
| Public safety | 2,267,164 | 1,748,527 | | | 2,267,164 | 1,748,527 |
| Public works | 2,554,403 | 1,161,239 | | | 2,554,403 | 1,161,239 |
| Recreation and parks | 1,027,553 | 1,019,720 | | | 1,027,553 | 1,019,720 |
| Development and other | 298,497 | 256,755 | | | 298,497 | 256,755 |
| Interest on long-term debt | 98,878 | 129,103 | | | 98,878 | 129,103 |
| Utility | | | 1,623,954 | 1,585,625 | 1,623,954 | 1,585,625 |
| Liquor | | | 513,846 | 515,038 | 513,846 | 515,038 |
| Total expenses | <u>7,227,667</u> | <u>5,156,446</u> | <u>2,137,800</u> | <u>2,100,663</u> | <u>9,365,467</u> | <u>7,257,109</u> |
| Change in net position | (1,345,878) | (1,071,508) | 345,564 | 236,432 | (1,000,314) | (835,076) |
| Transfers | <u>149,881</u> | <u>224,182</u> | <u>(151,881)</u> | <u>(224,182)</u> | <u>(2,000)</u> | |
| Change in net position after transfers | (1,195,997) | (847,326) | 193,683 | 12,250 | (1,002,314) | (835,076) |
| Net position - beginning of year | <u>13,363,355</u> | <u>14,210,681</u> | <u>9,399,825</u> | <u>9,387,575</u> | <u>22,763,180</u> | <u>23,598,256</u> |
| Net position - end of year | <u>\$ 12,167,358</u> | <u>\$ 13,363,355</u> | <u>\$ 9,593,508</u> | <u>\$ 9,399,825</u> | <u>\$ 21,760,866</u> | <u>\$ 22,763,180</u> |

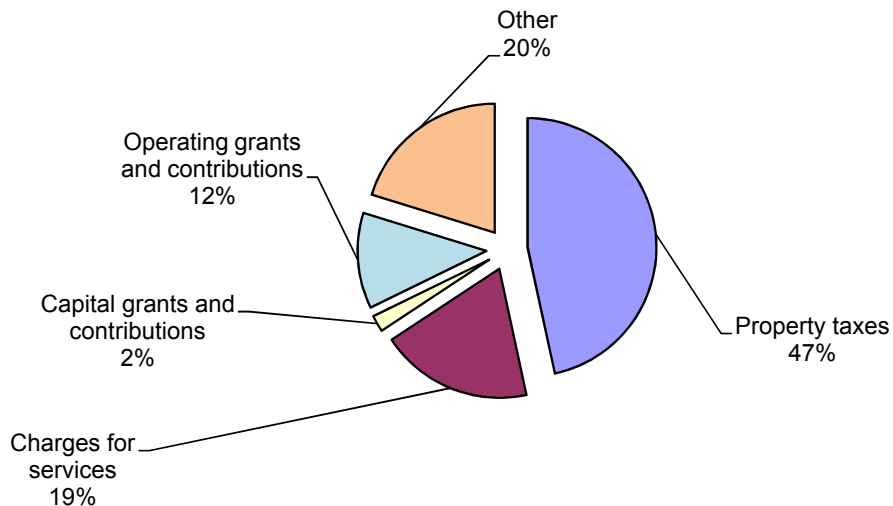
CITY OF SPRING LAKE PARK MANAGEMENT'S DISCUSSION AND ANALYSIS

Below are specific graphs that provide comparisons of the governmental activities direct program revenues with their expenditures for the year ended December 31, 2014. Any shortfalls in direct revenues are primarily supported by property tax levy or general state aid.

Expenses and Program Revenues - Governmental Activities



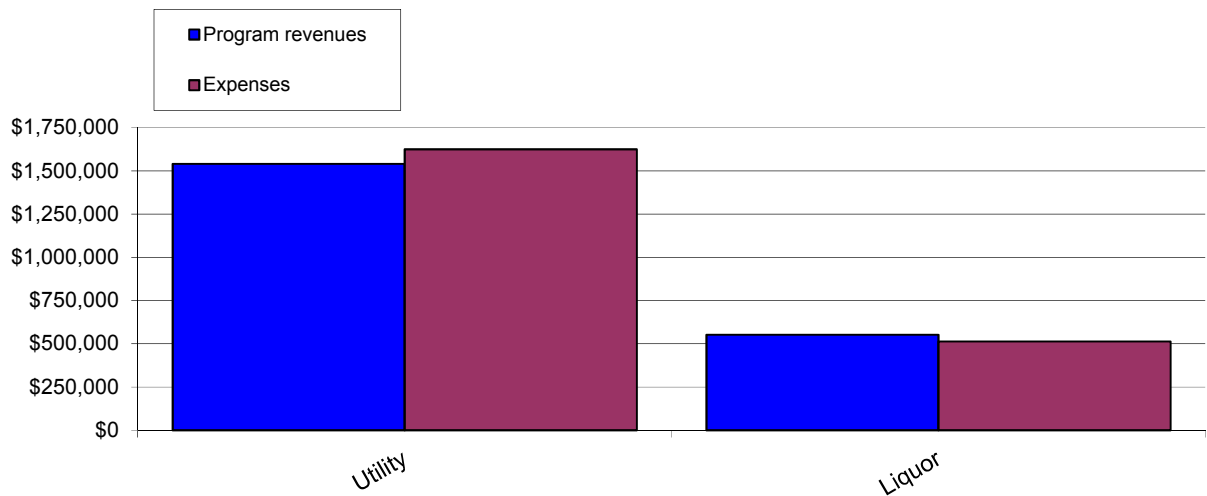
Revenues by Source - Governmental Activities



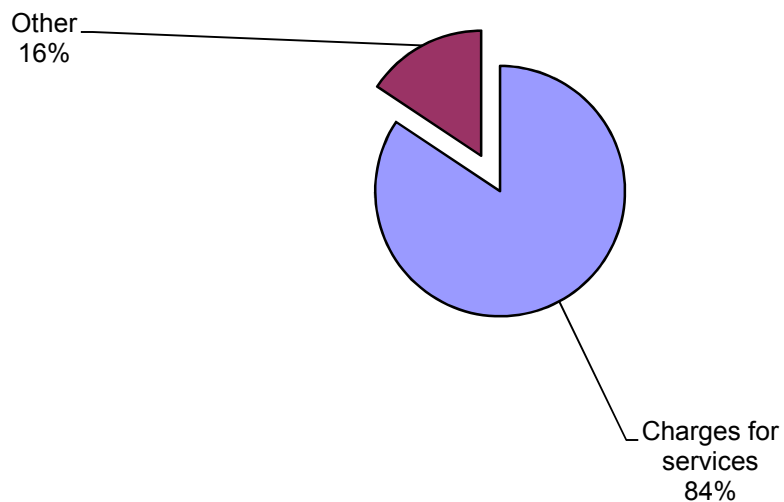
CITY OF SPRING LAKE PARK MANAGEMENT'S DISCUSSION AND ANALYSIS

The following graphs related the business-type activity's program revenues with its expenditures for the year ended December 31, 2014. 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 \$5,413,289, an increase of \$977,935 in comparison with the prior year. Approximately 88% of this total fund balance, or \$4,741,358, constitutes *assigned and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance \$671,931 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 fiscal year, fund balance of the general fund was \$1,560,403. As a measure of the general fund's liquidity, it may be useful to compare the fund balance to total fund expenditures. Fund balance represents 40% of total current year general fund expenditures. The general fund's total fund balance decreased by \$537 during the current fiscal year due primarily to collection of property taxes and intergovernmental revenues that were similar in amount to current year expenditures.

The recreation fund increased its fund balance by \$54,920 due primarily to charges for services in excess of current expenditures for recreation activities.

The HRA reserve fund decreased its fund balance by \$87,949 due primarily to capital outlay for a building purchase in excess of intergovernmental revenues assigned to this fund.

The Able & Terrace improvement capital project fund decreased its fund balance by \$200,917 due to debt service payments in excess of current year collections of special assessments for this project.

The 2014-2015 street improvement project fund increased its fund balance by \$1,442,450 due primarily to bond proceeds received before all expenditures for this project had been incurred.

The special revenue funds, other than the recreation fund and HRA reserve fund described as major funds above, increased their overall fund balances by \$5,121 due primarily to charges for services, fines and forfeitures revenue and intergovernmental revenues in excess of development and other expenses.

The debt service funds decreased their collective fund balance by \$21,416 due primarily to transfers to other funds during the year.

CITY OF SPRING LAKE PARK MANAGEMENT'S DISCUSSION AND ANALYSIS

The capital projects funds, other than the Able & Terrace improvement fund and 2014-2015 street improvement project fund described as major funds previously, decreased their collective fund balance by \$213,737 due primarily to capital outlay and other expenditures in excess of intergovernmental revenues, special assessments collected for capital projects and the funds' investment earnings.

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 and liquor operations at the end of the year amounted to \$4,509,999 and \$1,113,736, respectively. The utility fund increased its net position by \$164,887 while the liquor fund increased its fund balance by \$28,796 for the year ended December 31, 2014. 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 not amended during the year. The budget called for no change in General Fund balance. The actual net change to the General Fund balance was a decrease of \$537. Revenues exceeded budget by \$418,935 for the year ended December 31, 2014 due primarily to receipt of state fire aid that was not anticipated. Total expenditures exceeded budget by \$439,472 for the year. Two departments had expenditures in excess of budget: public safety expenditures exceeded budget by \$405,664 and other expenditures exceeded budget by \$75,284. These over expenditures were primarily related to the unanticipated remittance of state fire aid (related to the receipt of the aid as noted above) to the City's Fire Relief Association and severance payments which were not anticipated.

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, 2014, amounted to \$17,080,862 (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 \$63,330, or less than 1%, for the year ended December 31, 2014, due to depreciation for the year ended December 31, 2014 in excess of capital asset acquisitions.

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------|-------------------------|---------------|--------------------------|--------------|---------------|---------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Land | \$ 604,950 | \$ 354,950 | \$ 127,883 | \$ 127,883 | \$ 732,833 | \$ 482,833 |
| Construction in progress | 613,308 | 590,675 | 179,246 | | 792,554 | 590,675 |
| Land improvements | | | | | | |
| Buildings and improvements | 978,627 | 573,226 | 3,652,718 | 3,917,177 | 4,631,345 | 4,490,403 |
| Machinery and equipment | 785,737 | 786,295 | 153,178 | 149,402 | 938,915 | 935,697 |
| Infrastructure | 8,153,467 | 8,754,867 | 1,831,748 | 1,889,717 | 9,985,215 | 10,644,584 |
| Total | \$ 11,136,089 | \$ 11,060,013 | \$ 5,944,773 | \$ 6,084,179 | \$ 17,080,862 | \$ 17,144,192 |

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 3B beginning on page 60 of this report.

Long-term debt. At the end of the current fiscal year, the City of Spring Lake Park had \$6,373,889 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 | |
|--|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| General obligation bonds and notes payable | \$ 3,936,141 | \$ 1,724,012 | \$ 1,975,000 | \$ 2,165,000 | \$ 5,911,141 | \$ 3,889,012 |
| General obligation certificates | 462,748 | 625,288 | | | 462,748 | 625,288 |
| Total | <u>\$ 4,398,889</u> | <u>\$ 2,349,300</u> | <u>\$ 1,975,000</u> | <u>\$ 2,165,000</u> | <u>\$ 6,373,889</u> | <u>\$ 4,514,300</u> |

The City of Spring Lake Park's total bonds, certificates and notes payable increased by \$1,859,589 during the current fiscal year. The increase was due primarily to the issuance of the City's 2014A general obligation capital improvement bonds.

The City of Spring Lake Park maintains an Aa3 bond rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a Minnesota City may issue 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 2015. While certain of the City's intergovernmental revenues were lost due to a decade long economic crisis in the State of Minnesota, Local Government Aid was restored in 2014. The restoration of Local Government Aid has relieved a financial burden from the taxpayers of the City and allowed the City to make much needed capital investments in the community.

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 2015 are:

- Arthur Street, 81st Avenue NE, and Highway 65 Service Drive improvement projects. Bonds were issued to finance these projects, as well as the University Avenue and Monroe Street improvements projects, in 2014.
- Acquisition of capital assets with the proceeds from equipment certificates issued in January 2013.
- Completion of renovation of the Public Works facility at the intersection of Highway 65 and 85th Avenue.
- 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.

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, 2014

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**CITY OF SPRING LAKE PARK
STATEMENT OF NET POSITION**

December 31, 2014

| | Governmental Activities | Business-Type Activities | Total |
|-----------------------------------|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Cash and investments | \$ 5,539,370 | \$ 5,126,583 | \$ 10,665,953 |
| Receivables | 612,821 | 459,450 | 1,072,271 |
| Internal fund balances | 11,186 | (11,186) | |
| Inventory | | 341,653 | 341,653 |
| Prepaid items and other | 7,434 | | 7,434 |
| Capital assets: | | | |
| Nondepreciable | 1,218,258 | 307,129 | 1,525,387 |
| Depreciable, net | 9,917,831 | 5,637,644 | 15,555,475 |
| Total Assets | <u>17,306,900</u> | <u>11,861,273</u> | <u>29,168,173</u> |
| LIABILITIES | | | |
| Accounts payable | 87,892 | 171,994 | 259,886 |
| Accrued payroll and related taxes | 27,288 | 6,659 | 33,947 |
| Accrued interest | 35,777 | 18,558 | 54,335 |
| Unearned revenue | 15,891 | | 15,891 |
| Deposits and other liabilities | 210,757 | 29,482 | 240,239 |
| Noncurrent liabilities: | | | |
| Due within one year | 462,284 | 226,928 | 689,212 |
| Due in more than one year | 4,299,653 | 1,814,144 | 6,113,797 |
| Total Liabilities | <u>5,139,542</u> | <u>2,267,765</u> | <u>7,407,307</u> |
| NET POSITION | | | |
| Net investment in capital assets | 8,687,624 | 3,969,773 | 12,657,397 |
| Restricted | 995,667 | | 995,667 |
| Unrestricted | 2,484,067 | 5,623,735 | 8,107,802 |
| Total Net Position | <u>\$ 12,167,358</u> | <u>\$ 9,593,508</u> | <u>\$ 21,760,866</u> |

See Notes to Financial Statements

CITY OF SPRING LAKE PARK
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------------|---------------------|---------------------------------|---|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental activities: | | | | |
| General government | \$ 981,172 | \$ 247,261 | \$ | \$ |
| Public safety | 2,267,164 | 161,857 | 584,463 | |
| Public works | 2,554,403 | 38,497 | 65,076 | 116,592 |
| Recreation and parks | 1,027,553 | 569,241 | 4,175 | |
| Development and other | 298,497 | 107,866 | 51,624 | 5,000 |
| Interest on long-term debt | 98,878 | | | |
| Total governmental activities | 7,227,667 | 1,124,722 | 705,338 | 121,592 |
| Business-Type activities: | | | | |
| Utility | 1,623,954 | 1,541,155 | | |
| Liquor | 513,846 | 553,040 | | |
| Total business-type activities | 2,137,800 | 2,094,195 | | |
| Total | \$ 9,365,467 | \$ 3,218,917 | \$ 705,338 | \$ 121,592 |

General revenues:

General property taxes

Grants and contributions not restricted to specific programs

Lease revenue

Investment earnings (loss)

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

Net (Expense) Revenue
and Changes in Net Position

| Governmental Activities | Business-Type Activities | Total |
|----------------------------|-----------------------------|----------------------|
| \$ (733,911) | | \$ (733,911) |
| (1,520,844) | | (1,520,844) |
| (2,334,238) | | (2,334,238) |
| (454,137) | | (454,137) |
| (134,007) | | (134,007) |
| (98,878) | | (98,878) |
| <u>(5,276,015)</u> | | <u>(5,276,015)</u> |
| | \$ (82,799) | (82,799) |
| | 39,194 | 39,194 |
| | <u>(43,605)</u> | <u>(43,605)</u> |
| <u>(5,276,015)</u> | <u>(43,605)</u> | <u>(5,319,620)</u> |
| 2,741,152 | | 2,741,152 |
| 1,059,481 | | 1,059,481 |
| | 186,709 | 186,709 |
| 105,862 | 189,833 | 295,695 |
| 23,642 | 12,627 | 36,269 |
| 149,881 | (151,881) | (2,000) |
| <u>4,080,018</u> | <u>237,288</u> | <u>4,317,306</u> |
| (1,195,997) | 193,683 | (1,002,314) |
| <u>13,363,355</u> | <u>9,399,825</u> | <u>22,763,180</u> |
| <u>\$ 12,167,358</u> | <u>\$ 9,593,508</u> | <u>\$ 21,760,866</u> |

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CITY OF SPRING LAKE PARK
FUND FINANCIAL STATEMENTS
December 31, 2014

**CITY OF SPRING LAKE PARK
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014**

| | <u>Special Revenue Fund</u> | | |
|--|-----------------------------|-------------------|--------------------|
| | <u>General Fund</u> | <u>Recreation</u> | <u>HRA Reserve</u> |
| ASSETS | | | |
| Cash and investments | \$ 1,254,886 | \$ 294,869 | \$ 61,589 |
| Accounts receivable | 63,921 | | |
| Taxes receivable | 84,524 | | |
| Special assessments receivable | 684 | | |
| Due from other funds | 331,453 | | |
| Due from other governmental units | 24,759 | | |
| Accrued interest receivable | 34,104 | | |
| Prepaid expenses | 5,459 | 1,975 | |
| TOTAL ASSETS | <u>\$ 1,799,790</u> | <u>\$ 296,844</u> | <u>\$ 61,589</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 48,725 | \$ 13,431 | \$ 240 |
| Accrued payroll and taxes | 27,288 | | |
| Deposits and other liabilities | 78,166 | | |
| Due to other funds | | | |
| Unearned revenue | | 15,891 | |
| Total liabilities | <u>154,179</u> | <u>29,322</u> | <u>240</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue: | | | |
| Property taxes | 84,524 | | |
| Special assessments | 684 | | |
| Total deferred inflows of resources | <u>85,208</u> | | |
| FUND BALANCE | | | |
| Nonspendable | 5,459 | 1,975 | |
| Restricted | | | |
| Assigned | 1,554,944 | 265,547 | 61,349 |
| Unassigned | | | |
| Total Fund Balance | <u>1,560,403</u> | <u>267,522</u> | <u>61,349</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | <u>\$ 1,799,790</u> | <u>\$ 296,844</u> | <u>\$ 61,589</u> |

See Notes to Financial Statements

| Capital Project Funds | | | |
|----------------------------------|---|--------------------------------|---------------------|
| Able & Terrace Improvement | 2014-2015 Street Improvement Project | Other Governmental Funds | Total |
| \$ | \$ 1,445,564 | \$ 2,482,462 | \$ 5,539,370 |
| | | 68,870 | 132,791 |
| | | | 84,524 |
| 207,231 | | 123,255 | 331,170 |
| | | | 331,453 |
| 802 | | 4,671 | 30,232 |
| | | | 34,104 |
| | | | 7,434 |
| <u>\$ 208,033</u> | <u>\$ 1,445,564</u> | <u>\$ 2,679,258</u> | <u>\$ 6,491,078</u> |

| | | | |
|----------------|--------------|----------------|----------------|
| \$ | \$ 3,114 | \$ 22,382 | \$ 87,892 |
| | | | 27,288 |
| | | 132,591 | 210,757 |
| 148,905 | | 171,362 | 320,267 |
| | | | 15,891 |
| <u>148,905</u> | <u>3,114</u> | <u>326,335</u> | <u>662,095</u> |

| | | | |
|----------------|--|----------------|----------------|
| | | | 84,524 |
| <u>207,231</u> | | <u>123,255</u> | <u>331,170</u> |
| <u>207,231</u> | | <u>123,255</u> | <u>415,694</u> |

| | | | |
|------------------|------------------|------------------|------------------|
| | | | 7,434 |
| | | 664,497 | 664,497 |
| | 1,442,450 | 1,676,748 | 5,001,038 |
| <u>(148,103)</u> | | <u>(111,577)</u> | <u>(259,680)</u> |
| <u>(148,103)</u> | <u>1,442,450</u> | <u>2,229,668</u> | <u>5,413,289</u> |

| | | | |
|-------------------|---------------------|---------------------|---------------------|
| <u>\$ 208,033</u> | <u>\$ 1,445,564</u> | <u>\$ 2,679,258</u> | <u>\$ 6,491,078</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, 2014

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

| | |
|--|--------------|
| Total governmental fund balances (pages 22-23) | \$ 5,413,289 |
|--|--------------|

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

| | | |
|-------------------------------------|---------------------|------------|
| Governmental funds - capital assets | \$ 23,897,240 | |
| Accumulated depreciation | <u>(12,761,151)</u> | |
| | | 11,136,089 |

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

| | | |
|---------------------------|----------------|---------|
| Delinquent property taxes | \$ 84,524 | |
| Special assessments | <u>331,170</u> | |
| | | 415,694 |

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

| | | |
|-------------------------------|-----------------|--------------------|
| Bonds payable | \$ (4,398,889) | |
| Compensated absences | (329,269) | |
| Accrued interest | (35,777) | |
| Net unamortized bond premiums | <u>(33,779)</u> | |
| | | <u>(4,797,714)</u> |

| | |
|---|-----------------------------|
| Net position of governmental activities (page 17) | <u><u>\$ 12,167,358</u></u> |
|---|-----------------------------|

CITY OF SPRING LAKE PARK
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

| | <u>Special Revenue Fund</u> | | |
|--|-----------------------------|-------------------|--------------------|
| | <u>General Fund</u> | <u>Recreation</u> | <u>HRA Reserve</u> |
| REVENUES | | | |
| Property taxes | \$ 2,585,538 | \$ | \$ |
| Special assessments | | | |
| Licenses and permits | 129,862 | | |
| Intergovernmental revenues | 852,938 | | 633,662 |
| Charges for services | 109,918 | 548,289 | |
| Fines and forfeitures | 87,292 | | |
| Investment income (loss) | 4,296 | 10,540 | 3,958 |
| Other revenues | 85,740 | | 777 |
| TOTAL REVENUES | <u>3,855,584</u> | <u>558,829</u> | <u>638,397</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government | 740,546 | | 52,807 |
| Public safety | 2,211,147 | | |
| Public works | 218,592 | | |
| Recreation and parks | 530,242 | 443,909 | |
| Development and other | 168,534 | | |
| Capital Outlay | | | |
| General government | | | 673,539 |
| Public safety | 45,202 | | |
| Public works | | | |
| Recreation and parks | | | |
| Debt Service | | | |
| Principal | | | |
| Interest and other | | | |
| Bond issuance costs | | | |
| TOTAL EXPENDITURES | <u>3,914,263</u> | <u>443,909</u> | <u>726,346</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(58,679)</u> | <u>114,920</u> | <u>(87,949)</u> |
| OTHER FINANCING SOURCES | | | |
| Transfers from other funds | 182,470 | | |
| Transfers to other funds | (124,328) | (60,000) | |
| Premium on issuance of debt | | | |
| Bond proceeds | | | |
| Total other financing sources (uses) | <u>58,142</u> | <u>(60,000)</u> | |
| Net change in fund balances | (537) | 54,920 | (87,949) |
| FUND BALANCES (DEFICIT), Beginning | <u>1,560,940</u> | <u>212,602</u> | <u>149,298</u> |
| FUND BALANCES (DEFICIT), Ending | <u>\$ 1,560,403</u> | <u>\$ 267,522</u> | <u>\$ 61,349</u> |

See Notes to Financial Statements

| Capital Project Funds | | | |
|----------------------------------|---|--------------------------------|--------------|
| Able & Terrace Improvement | 2014-2015 Street Improvement Project | Other Governmental Funds | Total |
| \$ 99,694 | \$ | \$ 158,255 | \$ 2,743,793 |
| | | 156,658 | 256,352 |
| | | | 129,862 |
| | | 236,917 | 1,723,517 |
| | | 160,946 | 819,153 |
| | | 26,036 | 113,328 |
| 9,140 | 4,605 | 73,323 | 105,862 |
| | | 32,471 | 118,988 |
| 108,834 | 4,605 | 844,606 | 6,010,855 |
| | | 25,024 | 818,377 |
| | | 12,481 | 2,223,628 |
| 2,586 | | 149,622 | 370,800 |
| | | 4,213 | 978,364 |
| | | 180,063 | 348,597 |
| | | | 673,539 |
| | | | 45,202 |
| 25,605 | 1,418,465 | 270,539 | 1,714,609 |
| | | 20,035 | 20,035 |
| | | 795,411 | 795,411 |
| | | 52,549 | 52,549 |
| | 25,510 | | 25,510 |
| 28,191 | 1,443,975 | 1,509,937 | 8,066,621 |
| 80,643 | (1,439,370) | (665,331) | (2,055,766) |
| 271,940 | | 955,641 | 1,410,051 |
| (553,500) | | (520,342) | (1,258,170) |
| | 36,820 | | 36,820 |
| | 2,845,000 | | 2,845,000 |
| (281,560) | 2,881,820 | 435,299 | 3,033,701 |
| (200,917) | 1,442,450 | (230,032) | 977,935 |
| 52,814 | | 2,459,700 | 4,435,354 |
| \$ (148,103) | \$ 1,442,450 | \$ 2,229,668 | \$ 5,413,289 |

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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, 2014

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

| | | |
|--|----|---------|
| Net change in fund balances - total governmental funds (pages 26-27) | \$ | 977,935 |
|--|----|---------|

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 | \$ | 926,477 | |
| Depreciation expense | | (850,401) | |
| | | | 76,076 |

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 | \$ | 415,694 | |
| Unavailable revenue, beginning of year | | (558,095) | |
| | | | (142,401) |

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 | \$ | (329,269) | |
| Compensated absences, beginning of year | | 328,305 | |
| | | | (964) |

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 | \$ | 795,411 | |
| Issuance of long-term debt | | (2,845,000) | |
| Change in accrued interest, bond premiums, bond discounts and deferred charges | | (57,054) | |
| | | | (2,106,643) |

| | | |
|---|----|-------------|
| Change in net position of governmental activities (pages 18-19) | \$ | (1,195,997) |
|---|----|-------------|

**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, 2014

| | Budgeted Amounts | | 2014 Actual Amounts | Variance with Final Budget- Positive (Negative) |
|-----------------------------|------------------|------------------|---------------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| General property taxes | \$ 2,610,930 | \$ 2,610,930 | \$ 2,585,538 | \$ (25,392) |
| Licenses and Permits | | | | |
| Licenses | 49,752 | 49,752 | 55,429 | 5,677 |
| Permits | 70,656 | 70,656 | 74,433 | 3,777 |
| Total Licenses and Permits | 120,408 | 120,408 | 129,862 | 9,454 |
| Intergovernmental | | | | |
| Police aids | 75,600 | 75,600 | 87,316 | 11,716 |
| Other aids | 290,971 | 290,971 | 765,622 | 474,651 |
| Total Intergovernmental | 366,571 | 366,571 | 852,938 | 486,367 |
| Charges for Services | | | | |
| General government | 47,090 | 47,090 | 54,628 | 7,538 |
| Public safety | 2,000 | 2,000 | 1,575 | (425) |
| Housing registration | 70,000 | 70,000 | 53,715 | (16,285) |
| Total Charges for Services | 119,090 | 119,090 | 109,918 | (9,172) |
| Fines and forfeits | 119,000 | 119,000 | 87,292 | (31,708) |
| Investment earnings (loss) | 20,000 | 20,000 | 4,296 | (15,704) |
| Miscellaneous Revenue | | | | |
| Liaison officer | 69,450 | 69,450 | 69,450 | |
| Insurance dividends | 7,000 | 7,000 | 8,193 | 1,193 |
| Reimbursements and other | 4,200 | 4,200 | 8,097 | 3,897 |
| Total Miscellaneous Revenue | 80,650 | 80,650 | 85,740 | 5,090 |
| TOTAL REVENUES | 3,436,649 | 3,436,649 | 3,855,584 | 418,935 |
| EXPENDITURES | | | | |
| General Government | | | | |
| Mayor and Council | | | | |
| Personnel services | 34,023 | 34,023 | 34,268 | (245) |
| Supplies and services | 1,961 | 1,961 | 1,538 | 423 |
| Other charges | 10,329 | 10,329 | 9,071 | 1,258 |
| Total Mayor and Council | \$ 46,313 | \$ 46,313 | \$ 44,877 | \$ 1,436 |

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, 2014

| | Budgeted Amounts | | 2014 Actual Amounts | Variance with Final Budget- Positive (Negative) |
|----------------------------|------------------|------------|---------------------------|--|
| | Original | Final | | |
| Administration | | | | |
| Personnel services | \$ 409,420 | \$ 409,420 | \$ 390,454 | \$ 18,966 |
| Supplies | 7,910 | 7,910 | 9,622 | (1,712) |
| Contracted services | 6,845 | 6,845 | 6,114 | 731 |
| Other services and charges | 15,590 | 15,590 | 12,059 | 3,531 |
| Total Administration | 439,765 | 439,765 | 418,249 | 21,516 |
| Election | | | | |
| Temporary Employees | | | 10,113 | (10,113) |
| Other services and charges | | | 1,940 | (1,940) |
| Total Elections | | | 12,053 | (12,053) |
| Assessing | | | | |
| Contracted services | 35,500 | 35,500 | 35,270 | 230 |
| Accounting and Auditing | | | | |
| Contracted services | 8,700 | 8,700 | 8,700 | |
| Information Technology | | | | |
| Contracted services | 21,333 | 21,333 | 22,531 | (1,198) |
| Legal | | | | |
| Contracted services | 132,000 | 132,000 | 102,705 | 29,295 |
| Engineering | | | | |
| Contracted services | 11,500 | 11,500 | 3,315 | 8,185 |
| Planning and Zoning | | | | |
| Supplies and other charges | 666 | 666 | 321 | 345 |
| Government Buildings | | | | |
| Personnel services | 19,497 | 19,497 | 19,331 | 166 |
| Supplies | 14,292 | 14,292 | 16,853 | (2,561) |
| Contracted services | 40,109 | 40,109 | 55,465 | (15,356) |
| Other charges | 940 | 940 | 876 | 64 |
| Total Government Buildings | 74,838 | 74,838 | 92,525 | (17,687) |
| Total General Government | \$ 770,615 | \$ 770,615 | \$ 740,546 | \$ 30,069 |

**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, 2014

| | Budgeted Amounts | | 2014 Actual Amounts | Variance with Final Budget- Positive (Negative) |
|----------------------------|------------------|--------------|---------------------------|--|
| | Original | Final | | |
| EXPENDITURES | | | | |
| Public Safety | | | | |
| Police Protection | | | | |
| Personnel services | \$ 1,395,799 | \$ 1,395,799 | \$ 1,342,098 | \$ 53,701 |
| Supplies | 39,618 | 39,618 | 33,507 | 6,111 |
| Contracted services | 28,148 | 28,148 | 26,063 | 2,085 |
| Other charges | 45,686 | 45,686 | 43,779 | 1,907 |
| Capital outlay | 32,075 | 32,075 | 31,569 | 506 |
| Total Police Protection | 1,541,326 | 1,541,326 | 1,477,016 | 64,310 |
| Fire Protection | | | | |
| Contracted services | 181,511 | 181,511 | 656,162 | (474,651) |
| Capital outlay | 12,438 | 12,438 | 13,184 | (746) |
| Total Fire Protection | 193,949 | 193,949 | 669,346 | (475,397) |
| Code Enforcement | | | | |
| Personnel services | 103,998 | 103,998 | 101,393 | 2,605 |
| Supplies | 3,814 | 3,814 | 4,269 | (455) |
| Contracted services | 986 | 986 | 1,245 | (259) |
| Other charges | 3,300 | 3,300 | 1,545 | 1,755 |
| Total Code Enforcement | 112,098 | 112,098 | 108,452 | 3,646 |
| Emergency Management | | | | |
| Services and other charges | 1,848 | 1,848 | 1,086 | 762 |
| Capital outlay | 464 | 464 | 449 | 15 |
| Total Emergency Management | 2,312 | 2,312 | 1,535 | 777 |
| Animal Control | | | | |
| Contracted services | 1,000 | 1,000 | | 1,000 |
| Total Public Safety | 1,850,685 | 1,850,685 | 2,256,349 | (405,664) |
| Public Works | | | | |
| Street Maintenance | | | | |
| Personnel services | 180,880 | 180,880 | 172,205 | 8,675 |
| Supplies | 37,202 | 37,202 | 45,251 | (8,049) |
| Contracted services | 1,212 | 1,212 | 984 | 228 |
| Other charges | 500 | 500 | 152 | 348 |
| Total Street Maintenance | 219,794 | 219,794 | 218,592 | 1,202 |
| Total Public Works | \$ 219,794 | \$ 219,794 | \$ 218,592 | \$ 1,202 |

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, 2014

| | Budgeted Amounts | | 2014 Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|--------------|---------------------------|--|
| | Original | Final | | |
| EXPENDITURES | | | | |
| Recreation and Parks | | | | |
| Recreation | | | | |
| Personnel services | \$ 273,091 | \$ 273,091 | \$ 261,511 | \$ 11,580 |
| Supplies | 6,175 | 6,175 | 7,769 | (1,594) |
| Contracted services | 9,857 | 9,857 | 9,476 | 381 |
| Other charges | 1,105 | 1,105 | 1,843 | (738) |
| Total Recreation | 290,228 | 290,228 | 280,599 | 9,629 |
| Parks and Forestry | | | | |
| Personnel services | 190,120 | 190,120 | 187,656 | 2,464 |
| Supplies | 37,681 | 37,681 | 39,190 | (1,509) |
| Contracted services | 7,693 | 7,693 | 9,190 | (1,497) |
| Other charges | 14,725 | 14,725 | 13,607 | 1,118 |
| Total Parks and Forestry | 250,219 | 250,219 | 249,643 | 576 |
| Total Recreation and Parks | 540,447 | 540,447 | 530,242 | 10,205 |
| Other | | | | |
| General insurance | 40,050 | 40,050 | 42,038 | (1,988) |
| Other charges | 500 | 500 | 493 | 7 |
| Permit surcharges | 2,600 | 2,600 | 2,948 | (348) |
| Severance payments | | | 72,955 | (72,955) |
| Contingency expense | 50,100 | 50,100 | 50,100 | |
| Total Other | 93,250 | 93,250 | 168,534 | (75,284) |
| Total Expenditures | 3,474,791 | 3,474,791 | 3,914,263 | (439,472) |
| Excess (deficiency) of revenues over (under) expenditures | (38,142) | (38,142) | (58,679) | (20,537) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers from other funds | 186,970 | 186,970 | 182,470 | (4,500) |
| Transfers to other funds | (148,828) | (148,828) | (124,328) | 24,500 |
| Total Other Financing Sources (Uses) | 38,142 | 38,142 | 58,142 | 20,000 |
| NET CHANGE IN FUND BALANCE | | | (537) | (537) |
| FUND BALANCE, January 1 | 1,560,940 | 1,560,940 | 1,560,940 | |
| FUND BALANCE, December 31 | \$ 1,560,940 | \$ 1,560,940 | \$ 1,560,403 | \$ (537) |

See Notes to Financial Statements

CITY OF SPRING LAKE PARK
PROPRIETARY FUNDS
Statement of Net Position
December 31, 2014

| | <u>Utility Fund</u> | <u>Liquor Fund</u> | <u>Total</u> |
|--------------------------------------|-----------------------------|----------------------------|-----------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and investments | \$ 1,252,337 | \$ 184,966 | \$ 1,437,303 |
| Accounts receivable | 459,309 | 141 | 459,450 |
| Inventory | | 341,653 | |
| | <u>1,711,646</u> | <u>526,760</u> | <u>2,238,406</u> |
| Noncurrent Assets | | | |
| Property and Equipment | | | |
| Construction in progress | 179,246 | | 179,246 |
| Land and improvements | | 133,648 | 133,648 |
| Buildings and structures | 6,553,078 | 808,717 | 7,361,795 |
| Distributions and collection systems | 3,277,265 | | 3,277,265 |
| Furniture, fixtures and equipment | 649,252 | 290,845 | 940,097 |
| Total Property and Equipment | <u>10,658,841</u> | <u>1,233,210</u> | <u>11,892,051</u> |
| Less: Accumulated depreciation | <u>5,116,265</u> | <u>831,013</u> | <u>5,947,278</u> |
| Net Property and Equipment | <u>5,542,576</u> | <u>402,197</u> | <u>5,944,773</u> |
| Reserved Assets | | | |
| Cash and investments | <u>2,962,312</u> | <u>726,968</u> | <u>3,689,280</u> |
| Total Noncurrent Assets | <u>8,504,888</u> | <u>1,129,165</u> | <u>9,634,053</u> |
| TOTAL ASSETS | <u><u>\$ 10,216,534</u></u> | <u><u>\$ 1,655,925</u></u> | <u><u>\$ 11,872,459</u></u> |

See Notes to Financial Statements

CITY OF SPRING LAKE PARK
PROPRIETARY FUNDS
Statement of Net Position (Continued)
December 31, 2014

| | <u>Utility Fund</u> | <u>Liquor Fund</u> | <u>Total</u> |
|---|-----------------------------|----------------------------|-----------------------------|
| LIABILITIES AND NET POSITION | | | |
| Current Liabilities | | | |
| Accounts payable | \$ 89,603 | \$ 77,306 | \$ 166,909 |
| Accrued payroll and taxes | 3,818 | 2,841 | 6,659 |
| Accrued interest | 18,558 | | 18,558 |
| Unearned revenue | 8,085 | | 8,085 |
| Other accrued liabilities | 4,968 | 21,514 | 26,482 |
| Due to other funds | | 11,186 | 11,186 |
| Current portion of compensated absences | 18,161 | 12,767 | 30,928 |
| Current portion of note payable | <u>196,000</u> | | <u>196,000</u> |
| Total Current Liabilities | <u>339,193</u> | <u>125,614</u> | <u>464,807</u> |
| Long-term Liabilities | | | |
| Compensated absences payable | 20,766 | 14,378 | 35,144 |
| Note payable | <u>1,779,000</u> | | <u>1,779,000</u> |
| Total Long-term Liabilities | <u>1,799,766</u> | <u>14,378</u> | <u>1,814,144</u> |
| Total Liabilities | <u>2,138,959</u> | <u>139,992</u> | <u>2,278,951</u> |
| Net Position | | | |
| Net investment in capital assets | 3,567,576 | 402,197 | 3,969,773 |
| Unrestricted | <u>4,509,999</u> | <u>1,113,736</u> | <u>5,623,735</u> |
| Total Net Position | <u>8,077,575</u> | <u>1,515,933</u> | <u>9,593,508</u> |
| TOTAL LIABILITIES AND NET POSITION | <u><u>\$ 10,216,534</u></u> | <u><u>\$ 1,655,925</u></u> | <u><u>\$ 11,872,459</u></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, 2014

| | <u>Utility Fund</u> | <u>Liquor Fund</u> | <u>Total</u> |
|--|----------------------------|----------------------------|----------------------------|
| Sales and Cost of Goods Sold | | | |
| Sales | \$ | \$ 2,100,732 | \$ 2,100,732 |
| Cost of goods sold | | 1,547,692 | 1,547,692 |
| Gross Profit | | <u>553,040</u> | <u>553,040</u> |
| Operating Revenue | | | |
| Charges for services | <u>1,541,155</u> | | <u>1,541,155</u> |
| Operating Expenses | | | |
| Personnel services | 341,251 | 297,704 | 638,955 |
| Supplies | 130,004 | 10,852 | 140,856 |
| Contracted services and other | 219,599 | 88,578 | 308,177 |
| Treatment charges | 450,517 | | 450,517 |
| Depreciation | 341,135 | 43,994 | 385,129 |
| Other charges | 82,202 | 72,718 | 154,920 |
| Total Operating Expenses | <u>1,564,708</u> | <u>513,846</u> | <u>2,078,554</u> |
| Operating Income (Loss) | <u>(23,553)</u> | <u>39,194</u> | <u>15,641</u> |
| Other Revenue (Expense) | | | |
| Lease revenue | 186,709 | | 186,709 |
| Commissions and other revenue | 6,978 | 5,649 | 12,627 |
| Investment income | 130,880 | 58,953 | 189,833 |
| Interest and other expense | (59,246) | | (59,246) |
| Total Other Revenue (Expense) | <u>265,321</u> | <u>64,602</u> | <u>329,923</u> |
| Income (Loss) Before Transfers | 241,768 | 103,796 | 345,564 |
| Transfers to other funds | <u>(76,881)</u> | <u>(75,000)</u> | <u>(151,881)</u> |
| Net Income (Loss) | 164,887 | 28,796 | 193,683 |
| Net Position, Beginning of Year | <u>7,912,688</u> | <u>1,487,137</u> | <u>9,399,825</u> |
| Net Position, End of Year | <u><u>\$ 8,077,575</u></u> | <u><u>\$ 1,515,933</u></u> | <u><u>\$ 9,593,508</u></u> |

See Notes to Financial Statements

**CITY OF SPRING LAKE PARK
PROPRIETARY FUNDS
Statement of Cash Flows**
For the Year Ended December 31, 2014

| | <u>Utility Fund</u> | <u>Liquor Fund</u> | <u>Total</u> |
|---|----------------------------|--------------------------|----------------------------|
| Cash Flows from Operating Activities | | | |
| Cash received from customers | \$ 1,722,469 | \$ 2,106,381 | \$ 3,828,850 |
| Cash paid to suppliers | (825,475) | (1,761,499) | (2,586,974) |
| Cash paid to employees | (346,475) | (300,512) | (646,987) |
| Net Cash Provided By (Used In) Operating Activities | <u>550,519</u> | <u>44,370</u> | <u>594,889</u> |
| Cash Flows From Investing Activities | | | |
| Investment income | <u>130,880</u> | <u>60,334</u> | <u>191,214</u> |
| Cash Flows from Noncapital Financing Activities | | | |
| Transfers to other funds | <u>(76,881)</u> | <u>(75,000)</u> | <u>(151,881)</u> |
| Cash Flows from Capital and Related Financing Activities | | | |
| Acquisition of capital assets | (241,019) | (4,704) | (245,723) |
| Principal paid on long-term debt | (190,000) | | (190,000) |
| Interest paid on long-term debt | (61,032) | | (61,032) |
| Net Cash Provided By (Used In) Capital and Related Financing Activities | <u>(492,051)</u> | <u>(4,704)</u> | <u>(496,755)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 112,467 | 25,000 | 137,467 |
| Cash and Cash Equivalents, January 1 | <u>4,102,182</u> | <u>886,934</u> | <u>4,989,116</u> |
| Cash and Cash Equivalents, December 31 | <u><u>\$ 4,214,649</u></u> | <u><u>\$ 911,934</u></u> | <u><u>\$ 5,126,583</u></u> |
| Classified as: | | | |
| Cash and investments - current assets | \$ 1,252,337 | \$ 184,966 | \$ 1,437,303 |
| Cash and investments - reserved assets | 2,962,312 | 726,968 | 3,689,280 |
| Total Cash and Cash Equivalents, December 31 | <u><u>\$ 4,214,649</u></u> | <u><u>\$ 911,934</u></u> | <u><u>\$ 5,126,583</u></u> |

See Notes to Financial Statements

CITY OF SPRING LAKE PARK
PROPRIETARY FUNDS
Statement of Cash Flows (Continued)
For the Year Ended December 31, 2014

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

| | | | | | | |
|---|----|----------|----|----------|----|----------|
| Operating income (loss) | \$ | (23,553) | \$ | 39,194 | \$ | 15,641 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | | | | | |
| Depreciation | | 341,135 | | 43,994 | | 385,129 |
| Lease and other revenues | | 193,687 | | 5,649 | | 199,336 |
| (Increase) decrease in: | | | | | | |
| Accounts receivable | | (6,586) | | | | (6,586) |
| Inventory | | | | (29,471) | | (29,471) |
| Other receivables | | | | | | |
| Increase (decrease) in: | | | | | | |
| Accounts payable | | 56,847 | | (10,046) | | 46,801 |
| Accrued payroll and taxes | | (6,642) | | (3,585) | | (10,227) |
| Unavailable revenue | | (5,787) | | | | (5,787) |
| Other accrued liabilities | | | | (2,142) | | (2,142) |
| Estimated liability for compensated absences | | 1,418 | | 777 | | 2,195 |
| Net Cash Provided By Operating Activities | \$ | 550,519 | \$ | 44,370 | \$ | 594,889 |

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CITY OF SPRING LAKE PARK
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

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.

Blended Component Unit

The Spring Lake Park Economic Development Authority (EDA) is an entity legally separate from the City. The EDA was created by the City and operates in accordance with applicable Minnesota statutes. The primary purpose of the EDA is to assist and support economic, housing and other development projects undertaken within the City, which are under the statutory authority of the EDA. The governing board and management of the EDA are appointed by the City Council. The EDA has not been involved in any development projects requiring financial assistance; as such there are no financial activities of the EDA to be included in this financial report. The EDA does not issue separate financial statements.

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Related Organizations

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 8.8884% in 2014.
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.
4. The city of Blaine issued \$1,555,000 G.O. Equipment Certificates of Indebtedness, Series 2011B on November 1, 2011 to purchase certain pieces of fire equipment including three fire trucks. The City of Spring Lake Park has recorded its share of the debt related to this bond issuance.
5. 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 will record its share of this debt when the refunding occurs.
6. Each city has a non-measurable equity interest in the property that is held in the city of Blaine's name.

The City's share of operating costs were \$181,511, capital costs were \$13,184 and debt service costs were \$81,149 during 2014. The operating and capital costs were recorded as expenditures in the General Fund. The debt service costs were recorded as expenditures in the Fire Bond - Building and Fire Bond – Equipment 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.

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

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.

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.

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.

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

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

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.

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 measureable 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.

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

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

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 *recreation fund* is an accumulation of resources for city-sponsored recreation activities for citizens.

The *HRA reserve fund* is an accumulation of resources and costs associated with the acquisition of property to be used for economic revitalization of the City.

The *Able and Terrace improvement fund* is an accumulation of resources and costs associated with the Able Street and Terrace Road improvement project.

The *2014-2015 street improvement project fund* is an accumulation of resources and costs associated with the 2014-2015 street improvement project.

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.

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

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

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.

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.

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

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, 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.

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.

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

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

2. Receivables and payables (continued)

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 7.0%. 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

1. Summary of Significant Accounting Policies (Continued)

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

4. 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 fair market 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

1. Summary of Significant Accounting Policies (Continued)

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

5. 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.

6. 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

1. Summary of Significant Accounting Policies (Continued)

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

7. 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.

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.

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

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

7. Fund equity (continued)

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

2. Stewardship, Compliance and Accountability

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 and certain Special Revenue Funds. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.

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.
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 the same for the year ended December 31, 2014).

The City does not use encumbrance accounting.

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

2. Stewardship, Compliance and Accountability (Continued)

B. Expenditures Exceeding Appropriations

For the year ended December 31, 2014, the following General Fund departments had expenditures exceeding the latest amended budget:

| | <u>2014 Budgeted Expenditures</u> | <u>2014 Actual Expenditures</u> | <u>Amount Exceeding Budgeted Amount</u> |
|---------------|---------------------------------------|-------------------------------------|---|
| Public safety | \$ 1,850,685 | \$ 2,256,349 | \$ 405,664 |
| Other | 93,250 | 168,534 | 75,284 |

The above listed overexpenditures were approved by the City Council.

C. Fund Balance Deficits

As of December 31, 2014, the following funds had deficit fund balances:

| <u>Fund</u> | <u>Amount</u> |
|----------------------------|---------------|
| Major: | |
| Able & Terrace Improvement | \$ 148,103 |
| Nonmajor: | |
| Developer's Escrow | 11,439 |
| Fire Bond - Building | 1,324 |
| 81st Avenue Rehabilitation | 98,814 |

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

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

3. Detailed Notes on All Funds

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, 2014.

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.

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

3. Detailed Notes on All Funds (Continued)

A. Deposits and Investments (Continued)

- (g) Money market funds with institutions that have portfolios consisting exclusively of United States Treasury obligations and Federal Agency issues.
- (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.

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:

| <u>Investment</u> | <u>Range of Maturities</u> | <u>Rating</u> | <u>Value</u> |
|----------------------------|----------------------------|---------------|----------------------|
| Cash | N/A | N/A | \$ 2,031,089 |
| Certificates of Deposit | 12/28 | N/A | 6,069,917 |
| Municipal Bonds | 2/21 | D - AAA | 612,296 |
| U.S. Government Securities | 3/33 | AAA | 1,952,651 |
| Total cash and investments | | | <u>\$ 10,665,953</u> |

N/A Not applicable or not available

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

3. Detailed Notes on All Funds (Continued)

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, 2014 were as follows:

| <u>Issuer</u> | <u>Investment Type</u> | <u>Value</u> |
|------------------------|------------------------|--------------|
| UBS Financial Services | Cash Accounts | \$ 900,000 |
| Wells Fargo | Cash Accounts | 682,316 |

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, 2014, all investments were insured or registered or the securities were held by the City or its agent in the City's name.

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

3. Detailed Notes on All Funds (Continued)

B. Capital Assets

Capital asset activity for the City for the year ended December 31, 2014 was as follows:

| Governmental Activities | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|------------------|-----------|----------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 354,950 | \$ 250,000 | \$ | \$ 604,950 |
| Construction in progress | 590,675 | 22,633 | | 613,308 |
| Total capital assets, not being depreciated | 945,625 | 272,633 | | 1,218,258 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 2,145,625 | 486,412 | | 2,632,037 |
| Machinery and equipment | 2,709,552 | 167,432 | | 2,876,984 |
| Infrastructure | 17,169,961 | | | 17,169,961 |
| Total capital assets, being depreciated | 22,025,138 | 653,844 | | 22,678,982 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 1,572,399 | 81,011 | | 1,653,410 |
| Machinery and equipment | 1,923,257 | 167,990 | | 2,091,247 |
| Infrastructure | 8,415,094 | 601,400 | | 9,016,494 |
| Total accumulated depreciation | 11,910,750 | 850,401 | | 12,761,151 |
| Total capital assets, being depreciated, net | 10,114,388 | (196,557) | | 9,917,831 |
| Governmental activities capital assets, net | <u>\$ 11,060,013</u> | <u>\$ 76,076</u> | <u>\$</u> | <u>\$ 11,136,089</u> |

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

3. Detailed Notes on All Funds (Continued)

B. Capital Assets (Continued)

| Business-Type Activities | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|---------------------|-----------|---------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 127,883 | \$ | \$ | \$ 127,883 |
| Construction in progress | | 179,246 | | 179,246 |
| Total capital assets, not being depreciated | 127,883 | 179,246 | | 307,129 |
| Capital assets, being depreciated: | | | | |
| Land improvements | 5,765 | | | 5,765 |
| Buildings and improvements | 7,361,795 | | | 7,361,795 |
| Machinery and equipment | 899,035 | 41,062 | | 940,097 |
| Infrastructure | 3,251,850 | 25,415 | | 3,277,265 |
| Total capital assets, being depreciated | 11,518,445 | 66,477 | | 11,584,922 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 5,765 | | | 5,765 |
| Buildings and improvements | 3,444,618 | 264,459 | | 3,709,077 |
| Machinery and equipment | 749,633 | 37,286 | | 786,919 |
| Infrastructure | 1,362,133 | 83,384 | | 1,445,517 |
| Total accumulated depreciation | 5,562,149 | 385,129 | | 5,947,278 |
| Total capital assets, being depreciated, net | 5,956,296 | (318,652) | | 5,637,644 |
| Business-type activities capital assets, net | <u>\$ 6,084,179</u> | <u>\$ (139,406)</u> | <u>\$</u> | <u>\$ 5,944,773</u> |

Depreciation expense for the year ended December 31, 2014 was charged to functions/programs as follows:

Governmental Activities

| | |
|----------------------|-------------------|
| General government | \$ 105,311 |
| Public safety | 23,626 |
| Public works | 668,358 |
| Recreation and parks | 53,106 |
| Total | <u>\$ 850,401</u> |

Business-Type Activities

| | |
|---------|-------------------|
| Utility | \$ 341,135 |
| Liquor | 43,994 |
| Total | <u>\$ 385,129</u> |

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

3. Detailed Notes on All Funds (Continued)

C. 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.

A summary of long-term debt outstanding at December 31, 2014 is as follows:

| | <u>Issue Date</u> | <u>Range of Interest Rates</u> | <u>Final Maturity</u> | <u>Balance 12/31/14</u> |
|--|-------------------|------------------------------------|---------------------------|-----------------------------|
| General obligation bonds: | | | | |
| 2005 Capital Improvement Bonds | 12/20/2005 | 3.80% - 4.00% | 2026 | \$ 466,141 |
| 2013B Capital Improvement Bonds | 12/18/2013 | 0.55% - 3.00% | 2023 | 625,000 |
| 2014A Capital Improvement Bonds | 6/18/2014 | 2.00% - 2.75% | 2025 | 2,845,000 |
| General obligation certificates: | | | | |
| 2011A Equipment Certificates | 11/16/2011 | 1.00% - 1.45% | 2017 | 57,748 |
| 2013A Equipment Certificates | 2/28/2013 | 1.00% | 2017 | 405,000 |
| General obligation note payable: | | | | |
| Note Payable - Public Facilities Authority | 7/8/2003 | 2.819% | 2023 | 1,975,000 |
| Other Liabilities: | | | | |
| Net unamortized premium on bonds | | | | 33,779 |
| Compensated Absences | | | | <u>395,341</u> |
| Total Long-Term Debt | | | | <u>\$ 6,803,009</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, 2014, the City had not utilized \$10,298,144 of its net legal debt margin.

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

3. Detailed Notes on All Funds (Continued)

C. Long-Term Debt (Continued)

The following is a summary of the changes in long-term debt obligations for the year ended December 31, 2014:

| | Beginning Balance | Additions | Reductions | Ending Balance | Amounts Due Within One Year |
|--|----------------------|---------------------|---------------------|---------------------|-----------------------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| Bonds and Notes Payable: | | | | | |
| General obligation bonds: | | | | | |
| 2009 Refunding Bonds | \$ 540,000 | \$ | \$ 540,000 | \$ | \$ |
| 2005 Capital Improvement Bonds | 499,012 | | 32,871 | 466,141 | 34,203 |
| 2013B Capital Improvement Bonds | 685,000 | | 60,000 | 625,000 | 65,000 |
| 2014A Capital Improvements Bonds | | 2,845,000 | | 2,845,000 | |
| General obligation certificates: | | | | | |
| 2011A Equipment Certificates | 85,288 | | 27,540 | 57,748 | 28,429 |
| 2013A Equipment Certificates | 540,000 | | 135,000 | 405,000 | 135,000 |
| Other Liabilities: | | | | | |
| Compensated Absences | 328,305 | 200,031 | 199,067 | 329,269 | 199,652 |
| Unamortized premium | | 78,073 | 6,447 | 71,626 | |
| Less: unamortized (discount) | | (41,253) | (3,406) | (37,847) | |
| Governmental Activities | | | | | |
| Long-Term Liabilities | <u>2,677,605</u> | <u>3,081,851</u> | <u>997,519</u> | <u>4,761,937</u> | <u>462,284</u> |
| BUSINESS-TYPE ACTIVITIES | | | | | |
| Bonds and Notes Payable: | | | | | |
| General obligation note payable: | | | | | |
| Note Payable - Public Facilities Authority | 2,165,000 | | 190,000 | 1,975,000 | 196,000 |
| Other Liabilities: | | | | | |
| Compensated Absences | <u>63,877</u> | <u>32,096</u> | <u>29,901</u> | <u>66,072</u> | <u>30,928</u> |
| Business-Type Activities | | | | | |
| Long-Term Liabilities | <u>2,228,877</u> | <u>32,096</u> | <u>219,901</u> | <u>2,041,072</u> | <u>226,928</u> |
| Total | <u>\$ 4,906,482</u> | <u>\$ 3,113,947</u> | <u>\$ 1,217,420</u> | <u>\$ 6,803,009</u> | <u>\$ 689,212</u> |

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

3. Detailed Notes on All Funds (Continued)

C. Long-Term Debt (Continued)

Debt service requirements to maturity for long-term debt, excluding compensated absences, as of December 31, 2014 were as follows:

| Year | General Obligation Improvement and Refunding Bonds | | General Obligation Equipment and Refunding Certificates | | General Obligation Note Payable | |
|-----------|--|------------|---|----------|------------------------------------|------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2015 | \$ 99,550 | \$ 120,622 | \$ 163,717 | \$ 4,805 | \$ 196,000 | \$ 55,675 |
| 2016 | 300,896 | 88,658 | 164,031 | 3,110 | 201,000 | 50,150 |
| 2017 | 362,242 | 82,544 | 135,000 | 1,350 | 207,000 | 44,484 |
| 2018 | 403,588 | 75,159 | | | 213,000 | 38,649 |
| 2019 | 410,383 | 66,569 | | | 219,000 | 32,644 |
| 2020-2024 | 2,022,491 | 192,129 | | | 939,000 | 67,120 |
| 2025 | 336,991 | 8,870 | | | | |
| Totals | \$ 3,936,141 | \$ 634,548 | \$ 462,748 | \$ 9,265 | \$ 1,975,000 | \$ 288,722 |

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

3. Detailed Notes on All Funds (Continued)

D. Interfund Receivables and Payables

The following schedule reports the interfund receivables and payables within the City's funds as of December 31, 2014:

| | Due From Other Funds | Due To Other Funds |
|--------------------------------|-------------------------|-----------------------|
| Major Governmental Funds: | | |
| General Fund | \$ 331,453 | \$ |
| Able & Terrace Improvement | | 148,905 |
| Subtotal | <u>331,453</u> | <u>148,905</u> |
| Non-Major Governmental Funds: | | |
| Special Revenue | | |
| Cable | | 4,967 |
| Debt Service | | |
| Fire Bond - Building | | 58,941 |
| Capital Projects | | |
| 81st Avenue Rehabilitation | | 102,110 |
| Park Equipment and Improvement | | 5,344 |
| Subtotal | | <u>171,362</u> |
| Total Governmental Funds | 331,453 | 320,267 |
| Proprietary Funds: | | |
| Liquor | | <u>11,186</u> |
| Total All Funds | <u>\$ 331,453</u> | <u>\$ 331,453</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

3. Detailed Notes on All Funds (Continued)

E. 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 was used to finance general operations in the City's General Fund.

Interfund transfers during the year ended December 31, 2014 were as follows:

| | Transfers In | Transfers Out |
|------------------------------------|--------------|---------------|
| Major Governmental Funds: | | |
| General Fund | \$ 182,470 | \$ 124,328 |
| Recreation Fund | | 60,000 |
| Able & Terrace Improvement | 271,940 | 553,500 |
| Subtotal | 454,410 | 737,828 |
| Non-Major Governmental Funds: | | |
| Special Revenue | | |
| Recycling Fund | | 3,500 |
| Debt Service | | |
| 2009 Refunding Bonds | 553,500 | 271,940 |
| Fire Bond - Building | 50,000 | |
| Fire Bond - Equipment | 57,613 | |
| 2013B GO Capital Improvement Bonds | 72,911 | |
| Capital Projects | | |
| Highway 10 Frontage Road | 187,289 | |
| Storm Water | 25,000 | |
| Building Maintenance | 7,328 | |
| Public Safety Replacement | 2,000 | |
| 81st Avenue Rehabilitation | | 187,289 |
| 2013 Equipment Certificates | | 57,613 |
| Subtotal | 955,641 | 520,342 |
| Total Governmental Funds | 1,410,051 | 1,258,170 |
| Proprietary Funds: | | |
| Utility | | 76,881 |
| Liquor | | 75,000 |
| Total Proprietary Funds | | 151,881 |
| Total All Funds | \$ 1,410,051 | \$ 1,410,051 |

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

3. Detailed Notes on All Funds (Continued)

F. Fund Equity

In accordance with the requirements of GASB Statement No. 54, below is a schedule of ending fund balances as of December 31, 2014:

| | General Fund | Recreation Fund | HRA Reserve | Able & Terrace Improvement | 2014-2015 Street Improvement Project | Other Governmental Funds | Total Governmental Funds |
|----------------------------|--------------|-----------------|-------------|----------------------------|--------------------------------------|--------------------------|--------------------------|
| Nonspendable | | | | | | | |
| Prepaid items | \$ 5,459 | \$ 1,975 | \$ | \$ | \$ | \$ | \$ 7,434 |
| Restricted | | | | | | | |
| Police activities | | | | | | 2,116 | 2,116 |
| Debt service | | | | | | 234,667 | 234,667 |
| Capital acquisitions | | | | | | 163,246 | 163,246 |
| Park acquisition | | | | | | 249,604 | 249,604 |
| Community development | | | | | | 14,864 | 14,864 |
| Total Restricted | | | | | | 664,497 | 664,497 |
| Assigned | | | | | | | |
| Working capital reserve | 1,177,162 | | | | | | 1,177,162 |
| Compensated absences | 329,269 | | | | | | 329,269 |
| Elections | 48,513 | | | | | | 48,513 |
| Recreation programs | | 265,547 | | | | | 265,547 |
| Recycling | | | | | | 69,799 | 69,799 |
| Street lighting | | | | | | 32,270 | 32,270 |
| Cable activities | | | | | | 14,178 | 14,178 |
| Public safety supplies | | | | | | 12,358 | 12,358 |
| HRA reserve | | | 61,349 | | | | 61,349 |
| Street improvement | | | | | 1,442,450 | 712,795 | 2,155,245 |
| Street sealcoating | | | | | | 154,089 | 154,089 |
| Storm water runoff program | | | | | | 62,745 | 62,745 |
| Capital replacement | | | | | | 459,849 | 459,849 |
| Building maintenance | | | | | | 92,832 | 92,832 |
| Park acquisition | | | | | | 31,237 | 31,237 |
| Other activities | | | | | | 34,596 | 34,596 |
| Total Assigned | 1,554,944 | 265,547 | 61,349 | | 1,442,450 | 1,676,748 | 5,001,038 |
| Unassigned | | | | (148,103) | | (111,577) | (259,680) |
| Total Fund Balance | \$ 1,560,403 | \$ 267,522 | \$ 61,349 | \$ (148,103) | \$ 1,442,450 | \$ 2,229,668 | \$ 5,413,289 |

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

4. Other Information

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 year.

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

4. Other Information (Continued)

C. Pension Plans

The following disclosures are made in accordance with GASB Statement No. 50:

1. Public Employees Retirement Association (PERA) - Defined Benefit

A. Plan Description

All full-time and certain part-time employees of the City of Spring Lake Park are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF), the Public Employees Police and Fire Fund (PEPFF) and the Local Government Correctional Service Retirement Fund, called the Public Employees Correctional Fund (PECF), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, firefighters and peace officers who qualify for membership by statute are covered by the PEPFF. Members who are employed in a county correctional institution as a correction guard or officer, a joint jailer/dispatcher, or as a supervisor of correctional guards or officers or of joint jailers/dispatchers and are directly responsible for the direct security, custody and control of the county correctional institution and its inmates are covered by the PECF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after five years of credited service. The defined retirement 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.

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

4. Other Information (Continued)

D. Pension Plans (Continued)

1. Public Employees Retirement Association (PERA) - Defined Benefit (Continued)

A. Plan Description (continued)

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. The annuity accrual rate is 1.9 percent for each year of service for PECF members.

For all PEPFF members, PECF members and GERP members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF and PECF members and 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree--no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service, in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants.

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

4. Other Information (Continued)

D. Pension Plans (Continued)

1. Public Employees Retirement Association (PERA) - Defined Benefit (Continued)

A. Plan Description (continued)

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERP, PEPFF and PECF. That report may be obtained on the internet at www.mnpera.org, by writing to PERA, 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

B. Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERP Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.25%, respectively, of their annual covered salary in 2014. PEPFF members were required to contribute 10.2% of their annual covered salary in 2014. PECF members were required to contribute 5.83% of their annual covered salary. In 2014, the City of Spring Lake Park was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan members, 7.25% for Coordinated Plan members, 15.3% for PEPFF members and 8.75% for PECF members. The City's contributions to the Public Employees Retirement Fund for the years ending December 31, 2014, 2013 and 2012 were \$101,921, \$99,405 and \$104,218, respectively. The City's contributions to the Public Employees Police and Fire Fund for the years ending December 31, 2014, 2013 and 2012 were \$135,348, \$132,276 and \$130,247, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute. Contribution rates will increase on January 1, 2015 in the Coordinated Plan (6.5% for members and 7.5% for employers) and the Police and Fire Fund (10.8% for members and 16.2% for employers).

2. Public Employees Retirement Association (PERA) - Defined Contribution

Several council members of the City of Spring Lake Park are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by the Public Employees Retirement Association of Minnesota (PERA). The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

4. Other Information (Continued)

D. Pension Plans (Continued)

2. Public Employees Retirement Association (PERA) - Defined Contribution (Continued)

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 5 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 2 percent of employer contributions and twenty-five hundredths of one percent of the assets in each member's account annually.

Total contributions made by the City of Spring Lake Park during fiscal year 2014 were:

| <u>Contribution Amount</u> | | <u>Percentage of Covered Payroll</u> | | <u>Required Rates</u> |
|----------------------------|-----------------|--------------------------------------|-----------------|---------------------------|
| <u>Employee</u> | <u>Employer</u> | <u>Employee</u> | <u>Employer</u> | |
| \$ 1,239 | \$ 1,239 | 5% | 5% | 5% |

3. Spring Lake Park Firemen's Relief Association

A. Plan Description

The City participates with the cities of Blaine and Mounds View in supporting an independent fire department which provides fire protection services for its three member cities. Part of the operating budget of the fire department contains provisions for contributions to the Spring Lake Park Firemen's Relief Association (the Association). The Association is the administrator of a single employer retirement system established to provide pension and other benefits to its membership in accordance with Minnesota Statutes. The Association maintains a separate Special Pension Trust Fund to accumulate assets to fund the retirement benefits earned by its membership.

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

4. Other Information (Continued)

D. Pension Plans (Continued)

3. Spring Lake Park Firemen's Relief Association

Funding of the Association is derived primarily from an insurance premium tax in accordance with the Volunteer Firefighter's Relief Association Financing Guidelines Act of 1971 (Chapter 261 as amended by Chapter 509 of Minnesota Statutes 1980). The financial requirements of the Special Pension Trust Fund are determined in accordance with Minnesota Statutes, which requires the payment of pension benefits in a lump sum or optionally in annual installments. Minnesota Statutes require this plan to fund current service as it accrues and prior year service cost amortized over a period of ten years. Primary funding of the Special Pension Trust Fund is from state aids and contributions by the fire department to fund the pension and other benefit requirements of the Association for its membership. Financial information regarding the Association was not available for inclusion in this report.

E. Other Postemployment Benefits

The City has considered the accounting pronouncement, GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions*. Management determined the OPEB liability at December 31, 2014 is not material and therefore is not recorded in these financial statements.

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.

CITY OF SPRING LAKE PARK

NOTES TO FINANCIAL STATEMENTS

4. Other Information (Continued)

F. Joint Powers Agreements (continued)

Payments to the Department by the City of Spring Lake Park in 2014 totaled \$194,695, including a provision for capital expenditures. This total was approximately 10% 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 \$5,217 for the year ended December 31, 2014.

5. Accounting Standards Issued But Not Yet Adopted

GASB 68, *Accounting and Financial Reporting for Pensions*, will be effective for the City beginning with its year ending December 31, 2015. This statement requires the reporting of unfunded pension liabilities in the government-wide and proprietary financial statements. Management has not determined the impact adoption of this new standard will have on the City's financial position.

CITY OF SPRING LAKE PARK
COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES

December 31, 2014

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**CITY OF SPRING LAKE PARK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2014**

| | Special Revenue | Debt Service | Capital Projects | Total |
|--|--------------------|-------------------|---------------------|---------------------|
| ASSETS | | | | |
| Cash and investments | \$ 216,093 | \$ 290,912 | \$ 1,975,457 | \$ 2,482,462 |
| Accounts receivable | 68,870 | | | 68,870 |
| Special assessments receivable | | | 123,255 | 123,255 |
| Due from other funds | | | | |
| Due from other governmental units | | 1,372 | 3,299 | 4,671 |
| TOTAL ASSETS | <u>\$ 284,963</u> | <u>\$ 292,284</u> | <u>\$ 2,102,011</u> | <u>\$ 2,679,258</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 13,259 | \$ | \$ 9,123 | \$ 22,382 |
| Deposits payable | 132,591 | | | 132,591 |
| Due to other funds | 4,967 | 58,941 | 107,454 | 171,362 |
| Total liabilities | <u>150,817</u> | <u>58,941</u> | <u>116,577</u> | <u>326,335</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue: | | | | |
| Special assessments | | | 123,255 | 123,255 |
| FUND BALANCE (DEFICIT) | | | | |
| Restricted | 16,980 | 234,667 | 412,850 | 664,497 |
| Assigned | 128,605 | | 1,548,143 | 1,676,748 |
| Unassigned | (11,439) | (1,324) | (98,814) | (111,577) |
| Total Fund Balance (Deficit) | <u>134,146</u> | <u>233,343</u> | <u>1,862,179</u> | <u>2,229,668</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | <u>\$ 284,963</u> | <u>\$ 292,284</u> | <u>\$ 2,102,011</u> | <u>\$ 2,679,258</u> |

CITY OF SPRING LAKE PARK
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

| | Special Revenue | Debt Service | Capital Projects | Total |
|--|--------------------|-------------------|---------------------|---------------------|
| REVENUES | | | | |
| Property and franchise taxes | \$ 19,145 | \$ 139,091 | \$ 19 | \$ 158,255 |
| Special assessments | | 87,895 | 68,763 | 156,658 |
| Intergovernmental revenues | 36,993 | 134,848 | 65,076 | 236,917 |
| Charges for services | 152,106 | | 8,840 | 160,946 |
| Fines and forfeitures | 26,036 | | | 26,036 |
| Investment income | 7,178 | 2,626 | 63,519 | 73,323 |
| Other revenues | 20,955 | | 11,516 | 32,471 |
| TOTAL REVENUES | <u>262,413</u> | <u>364,460</u> | <u>217,733</u> | <u>844,606</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 25,024 | | | 25,024 |
| Public safety | 12,481 | | | 12,481 |
| Public works | 36,224 | | 113,398 | 149,622 |
| Recreation and parks | | | 4,213 | 4,213 |
| Development and other | 180,063 | | | 180,063 |
| Capital Outlay | | | | |
| Public works | | | 270,539 | 270,539 |
| Recreation and parks | | | 20,035 | 20,035 |
| Debt Service | | | | |
| Principal | | 795,411 | | 795,411 |
| Interest and other | | 52,549 | | 52,549 |
| TOTAL EXPENDITURES | <u>253,792</u> | <u>847,960</u> | <u>408,185</u> | <u>1,509,937</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>8,621</u> | <u>(483,500)</u> | <u>(190,452)</u> | <u>(665,331)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers from other funds | | 734,024 | 221,617 | 955,641 |
| Transfers to other funds | <u>(3,500)</u> | <u>(271,940)</u> | <u>(244,902)</u> | <u>(520,342)</u> |
| Total other financing sources (uses) | <u>(3,500)</u> | <u>462,084</u> | <u>(23,285)</u> | <u>435,299</u> |
| Net change in fund balances | 5,121 | (21,416) | (213,737) | (230,032) |
| FUND BALANCES (DEFICIT), Beginning | <u>129,025</u> | <u>254,759</u> | <u>2,075,916</u> | <u>2,459,700</u> |
| FUND BALANCES (DEFICIT), Ending | <u>\$ 134,146</u> | <u>\$ 233,343</u> | <u>\$ 1,862,179</u> | <u>\$ 2,229,668</u> |

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**CITY OF SPRING LAKE PARK
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

December 31, 2014

| | Recycling | Street Lighting | Cable | Police Forfeiture |
|--|------------------|------------------|------------------|----------------------|
| ASSETS | | | | |
| Cash and investments | \$ 36,668 | \$ 26,074 | \$ | \$ 12,810 |
| Accounts receivable | 40,428 | 9,297 | 19,145 | |
| TOTAL ASSETS | <u>\$ 77,096</u> | <u>\$ 35,371</u> | <u>\$ 19,145</u> | <u>\$ 12,810</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 7,297 | \$ 3,101 | \$ | \$ 452 |
| Deposits payable | | | | |
| Due to other funds | | | 4,967 | |
| Total liabilities | <u>7,297</u> | <u>3,101</u> | <u>4,967</u> | <u>452</u> |
| FUND BALANCE (DEFICIT) | | | | |
| Restricted | | | | |
| Assigned | 69,799 | 32,270 | 14,178 | 12,358 |
| Unassigned | | | | |
| Total Fund Balance (Deficit) | <u>69,799</u> | <u>32,270</u> | <u>14,178</u> | <u>12,358</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | <u>\$ 77,096</u> | <u>\$ 35,371</u> | <u>\$ 19,145</u> | <u>\$ 12,810</u> |

| Police Reserves | Developers Escrow | Tower Days | Traffic Education | Total |
|--------------------|----------------------|-----------------|----------------------|-------------------|
| \$ 2,116 | \$ 123,561 | \$ 8,954 | \$ 5,910 | \$ 216,093 |
| | | | | 68,870 |
| <u>\$ 2,116</u> | <u>\$ 123,561</u> | <u>\$ 8,954</u> | <u>\$ 5,910</u> | <u>\$ 284,963</u> |
| | | | | |
| \$ | \$ 2,409 | \$ | \$ | \$ 13,259 |
| | 132,591 | | | 132,591 |
| | | | | 4,967 |
| | <u>135,000</u> | | | <u>150,817</u> |
| | | | | |
| 2,116 | | 8,954 | 5,910 | 16,980 |
| | (11,439) | | | 128,605 |
| <u>2,116</u> | <u>(11,439)</u> | <u>8,954</u> | <u>5,910</u> | <u>(11,439)</u> |
| | | | | 134,146 |
| | | | | |
| <u>\$ 2,116</u> | <u>\$ 123,561</u> | <u>\$ 8,954</u> | <u>\$ 5,910</u> | <u>\$ 284,963</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, 2014

| | Recycling | Street Lighting | Cable | Police Forfeiture |
|--|------------------|------------------|------------------|----------------------|
| REVENUES | | | | |
| Franchise taxes | \$ | \$ | \$ 19,145 | \$ |
| Intergovernmental revenue | 36,993 | | | |
| Charges for services | 107,866 | 38,497 | | |
| Fines and forfeitures | | | | 26,036 |
| Investment income (loss) | 1,187 | 747 | 220 | 720 |
| Other revenues | | | | 1,324 |
| TOTAL REVENUES | <u>146,046</u> | <u>39,244</u> | <u>19,365</u> | <u>28,080</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | | | 25,024 | |
| Public safety | | | | 12,083 |
| Public works | | 36,224 | | |
| Development and other | 140,398 | | | |
| Capital Outlay | | | | |
| Public safety | | | | |
| TOTAL EXPENDITURES | <u>140,398</u> | <u>36,224</u> | <u>25,024</u> | <u>12,083</u> |
| Excess (deficiency) of revenues over (under) expenditures | 5,648 | 3,020 | (5,659) | 15,997 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers to other funds | <u>(3,500)</u> | | | |
| Net change in fund balances | 2,148 | 3,020 | (5,659) | 15,997 |
| FUND BALANCES (DEFICIT), Beginning | <u>67,651</u> | <u>29,250</u> | <u>19,837</u> | <u>(3,639)</u> |
| FUND BALANCES (DEFICIT), Ending | <u>\$ 69,799</u> | <u>\$ 32,270</u> | <u>\$ 14,178</u> | <u>\$ 12,358</u> |

| Police Reserves | Developers Escrow | Tower Days | Traffic Education | Total |
|--------------------|----------------------|------------|----------------------|------------|
| \$ | \$ | \$ | \$ | \$ |
| | | | | 19,145 |
| | | | | 36,993 |
| | | | 5,743 | 152,106 |
| | | | | 26,036 |
| 68 | 3,747 | 322 | 167 | 7,178 |
| | 5,000 | 14,631 | | 20,955 |
| | | | | |
| 68 | 8,747 | 14,953 | 5,910 | 262,413 |
| | | | | |
| | | | | 25,024 |
| 398 | | | | 12,481 |
| | | | | 36,224 |
| | 21,477 | 18,188 | | 180,063 |
| | | | | |
| 398 | 21,477 | 18,188 | | 253,792 |
| | | | | |
| (330) | (12,730) | (3,235) | 5,910 | 8,621 |
| | | | | |
| | | | | (3,500) |
| (330) | (12,730) | (3,235) | 5,910 | 5,121 |
| | | | | |
| 2,446 | 1,291 | 12,189 | | 129,025 |
| | | | | |
| \$ 2,116 | \$ (11,439) | \$ 8,954 | \$ 5,910 | \$ 134,146 |

**CITY OF SPRING LAKE PARK
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
December 31, 2014**

| | 2013 Equipment Certificates | 2009 Refunding Bonds |
|--|-----------------------------------|----------------------------|
| ASSETS | | |
| Cash and investments | \$ 8,497 | \$ |
| Due from other governmental units | 1,368 | |
| TOTAL ASSETS | <u>\$ 9,865</u> | <u>\$</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | |
| LIABILITIES | | |
| Due to other funds | \$ | \$ |
| FUND BALANCE (DEFICIT) | | |
| Restricted | 9,865 | |
| Unassigned | | |
| Total Fund Balance (Deficit) | <u>9,865</u> | |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | <u>\$ 9,865</u> | <u>\$</u> |

| Fire Bond - Building | Fire Bond - Equipment | 2014A G.O. Improvement Bonds | 2013B G.O. Capital Improvement Bonds | Total |
|-------------------------|--------------------------|------------------------------------|---|---------------------|
| \$ 57,613 4 | \$ | \$ 224,802 | \$ | \$ 290,912 1,372 |
| \$ 57,617 | \$ | \$ 224,802 | \$ | \$ 292,284 |
| \$ 58,941 | \$ | | \$ | \$ 58,941 |
| (1,324) | | 224,802 | | 234,667 (1,324) |
| (1,324) | | 224,802 | | 233,343 |
| \$ 57,617 | \$ | \$ 224,802 | \$ | \$ 292,284 |

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, 2014

| | 2013 Equipment Certificates | 2009 Refunding Bonds |
|--|-----------------------------------|----------------------------|
| REVENUES | | |
| Taxes | \$ 139,091 | \$ |
| Special assessments | | |
| Intergovernmental revenue | | |
| Investment income | 544 | |
| TOTAL REVENUES | <u>139,635</u> | |
| EXPENDITURES | | |
| Debt Service | | |
| Principal | 135,000 | 540,000 |
| Interest and other charges | 5,400 | 13,500 |
| TOTAL EXPENDITURES | <u>140,400</u> | <u>553,500</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(765)</u> | <u>(553,500)</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers from other funds | | 553,500 |
| Transfers to other funds | | (271,940) |
| Total other financing sources (uses) | | <u>281,560</u> |
| Net change in fund balances | (765) | (271,940) |
| FUND BALANCES (DEFICIT), Beginning | <u>10,630</u> | <u>271,940</u> |
| FUND BALANCES (DEFICIT), Ending | <u><u>\$ 9,865</u></u> | <u><u>\$</u></u> |

| Fire Bond - Building | Fire Bond - Equipment | 2014A G.O. Improvement Bonds | 2013B G.O. Capital Improvement Bonds | Total |
|-------------------------|--------------------------|------------------------------------|---|------------|
| \$ | \$ | \$ | \$ | \$ 139,091 |
| | | 87,895 | | 87,895 |
| | | 134,848 | | 134,848 |
| 23 | | 2,059 | | 2,626 |
| 23 | | 224,802 | | 364,460 |
| 32,871 | 27,540 | | 60,000 | 795,411 |
| 19,716 | 1,022 | | 12,911 | 52,549 |
| 52,587 | 28,562 | | 72,911 | 847,960 |
| (52,564) | (28,562) | 224,802 | (72,911) | (483,500) |
| 50,000 | 57,613 | | 72,911 | 734,024 |
| | | | | (271,940) |
| 50,000 | 57,613 | | 72,911 | 462,084 |
| (2,564) | 29,051 | 224,802 | | (21,416) |
| 1,240 | (29,051) | | | 254,759 |
| \$ (1,324) | \$ | \$ 224,802 | \$ | \$ 233,343 |

**CITY OF SPRING LAKE PARK
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2014**

| | State Aid Street Fund | 81st Avenue Rehabilitation | Street Sealcoating | Storm Water |
|--|--------------------------|-------------------------------|-----------------------|------------------|
| ASSETS | | | | |
| Cash and investments | \$ 19,726 | \$ | \$ 154,089 | \$ 66,039 |
| Special assessments receivable | | 120,382 | | |
| Due from other governmental units | | 3,296 | | |
| TOTAL ASSETS | <u>\$ 19,726</u> | <u>\$ 123,678</u> | <u>\$ 154,089</u> | <u>\$ 66,039</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 1,162 | \$ | \$ | \$ 3,294 |
| Due to other funds | | 102,110 | | |
| Total liabilities | <u>1,162</u> | <u>102,110</u> | | <u>3,294</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue: | | | | |
| Special assessments | | 120,382 | | |
| FUND BALANCE (DEFICIT) | | | | |
| Restricted | | | | |
| Assigned | 18,564 | | 154,089 | 62,745 |
| Unassigned | | (98,814) | | |
| Total Fund Balance (Deficit) | <u>18,564</u> | <u>(98,814)</u> | <u>154,089</u> | <u>62,745</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | <u>\$ 19,726</u> | <u>\$ 123,678</u> | <u>\$ 154,089</u> | <u>\$ 66,039</u> |

| Capital Replacement | 2013 Equipment Certificates | Right of Way | Building Maintenance | Public Safety Replacement |
|------------------------|-----------------------------------|------------------|-------------------------|------------------------------|
| \$ 434,031 | \$ 163,421 | \$ 16,032 | \$ 92,832 | \$ 25,818 |
| <u>\$ 434,031</u> | <u>\$ 163,421</u> | <u>\$ 16,032</u> | <u>\$ 92,832</u> | <u>\$ 25,818</u> |
| | | | | |
| \$ | \$ 175 | \$ | \$ | \$ |
| <u></u> | <u>175</u> | <u></u> | <u></u> | <u></u> |
| | | | | |
| | | | | |
| 434,031 | 163,246 | 16,032 | 92,832 | 25,818 |
| <u>434,031</u> | <u>163,246</u> | <u>16,032</u> | <u>92,832</u> | <u>25,818</u> |
| | | | | |
| <u>\$ 434,031</u> | <u>\$ 163,421</u> | <u>\$ 16,032</u> | <u>\$ 92,832</u> | <u>\$ 25,818</u> |

CITY OF SPRING LAKE PARK
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2014

| | Park Special Projects | Park Acquisition and Improvement | Lakeside Lions Park Improvement | Small Equipment |
|--|--------------------------|---|---------------------------------------|--------------------|
| ASSETS | | | | |
| Cash and investments | \$ 18,859 | \$ 224,210 | \$ 6,535 | \$ 25,408 |
| Special assessments receivable | | | | |
| Due from other governmental units | | | | |
| TOTAL ASSETS | <u>\$ 18,859</u> | <u>\$ 224,210</u> | <u>\$ 6,535</u> | <u>\$ 25,408</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ | \$ | \$ | \$ 331 |
| Due to other funds | | | | |
| Total liabilities | | | | <u>331</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue: | | | | |
| Special assessments | | | | |
| FUND BALANCE (DEFICIT) | | | | |
| Restricted | 18,859 | 224,210 | 6,535 | |
| Assigned | | | | 25,077 |
| Unassigned | | | | |
| Total Fund Balance (Deficit) | <u>18,859</u> | <u>224,210</u> | <u>6,535</u> | <u>25,077</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | <u>\$ 18,859</u> | <u>\$ 224,210</u> | <u>\$ 6,535</u> | <u>\$ 25,408</u> |

| Park Equipment and Improvement | Highway 10 Frontage Road | Revolving Fund | Total |
|---|--------------------------------|-------------------|---------------------|
| \$ 11,504 | \$ | \$ 716,953 | \$ 1,975,457 |
| | | 2,873 | 123,255 |
| | | 3 | 3,299 |
| <u>\$ 11,504</u> | <u>\$</u> | <u>\$ 719,829</u> | <u>\$ 2,102,011</u> |
| | | | |
| \$ 5,344 | \$ | \$ 4,161 | \$ 9,123 |
| <u>5,344</u> | <u>\$</u> | <u>4,161</u> | <u>107,454</u> |
| <u>5,344</u> | <u>\$</u> | <u>4,161</u> | <u>116,577</u> |
| | | | |
| | | 2,873 | 123,255 |
| | | | |
| 6,160 | | 712,795 | 412,850 |
| <u>6,160</u> | <u>\$</u> | <u>712,795</u> | <u>1,548,143</u> |
| | | | (98,814) |
| <u>6,160</u> | <u>\$</u> | <u>712,795</u> | <u>1,862,179</u> |
| | | | |
| <u>\$ 11,504</u> | <u>\$</u> | <u>\$ 719,829</u> | <u>\$ 2,102,011</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, 2014

| | State Aid Street Fund | 81st Avenue Rehabilitation | Street Sealcoating | Storm Water |
|--|--------------------------|-------------------------------|-----------------------|------------------|
| REVENUES | | | | |
| Taxes | \$ | \$ | \$ | \$ |
| Special assessments | | 66,284 | | |
| Intergovernmental revenues | 65,076 | | | |
| Charges for services | | | | |
| Investment income (loss) | 686 | 735 | 4,760 | 1,897 |
| Other revenues | | | | |
| TOTAL REVENUES | <u>65,762</u> | <u>67,019</u> | <u>4,760</u> | <u>1,897</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public Works | 56,222 | | | 25,684 |
| Recreation and Parks | | | | |
| Capital Outlay | | | | |
| Public works | | | | |
| Recreation and Parks | | | | |
| TOTAL EXPENDITURES | <u>56,222</u> | | | <u>25,684</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>9,540</u> | <u>67,019</u> | <u>4,760</u> | <u>(23,787)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers from other funds | | | | 25,000 |
| Transfers to other funds | | (187,289) | | |
| Total other financing sources (uses) | | <u>(187,289)</u> | | <u>25,000</u> |
| Net change in fund balances | 9,540 | (120,270) | 4,760 | 1,213 |
| FUND BALANCES (DEFICIT), Beginning | <u>9,024</u> | <u>21,456</u> | <u>149,329</u> | <u>61,532</u> |
| FUND BALANCES (DEFICIT), Ending | <u>\$ 18,564</u> | <u>\$ (98,814)</u> | <u>\$ 154,089</u> | <u>\$ 62,745</u> |

| <u>Capital Replacement</u> | <u>2013 Equipment Certificates</u> | <u>Right of Way</u> | <u>Building Maintenance</u> | <u>Public Safety Replacement</u> |
|--------------------------------|--|---------------------|---------------------------------|--------------------------------------|
| \$ | \$ | \$ | \$ | \$ |
| 13,360 | 5,137 | 496 | 2,687 | 748 |
| <u>2,355</u> | | | | |
| <u>15,715</u> | <u>5,137</u> | <u>496</u> | <u>2,687</u> | <u>748</u> |
| | 172,025 | | | |
| | <u>172,025</u> | | | |
| <u>15,715</u> | <u>(166,888)</u> | <u>496</u> | <u>2,687</u> | <u>748</u> |
| | (57,613) | | 7,328 | 2,000 |
| | <u>(57,613)</u> | | <u>7,328</u> | <u>2,000</u> |
| 15,715 | (224,501) | 496 | 10,015 | 2,748 |
| <u>418,316</u> | <u>387,747</u> | <u>15,536</u> | <u>82,817</u> | <u>23,070</u> |
| <u>\$ 434,031</u> | <u>\$ 163,246</u> | <u>\$ 16,032</u> | <u>\$ 92,832</u> | <u>\$ 25,818</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, 2014

| | Park Special Projects | Park Acquisition and Improvement | Lakeside Lions Park Improvement | Small Equipment |
|--|--------------------------|---|---------------------------------------|--------------------|
| REVENUES | | | | |
| Taxes | \$ | \$ | \$ | \$ |
| Special assessments | | | | |
| Intergovernmental revenues | | | | |
| Charges for services | 3,281 | | | 5,559 |
| Investment earnings | 580 | 6,927 | 201 | 927 |
| Other revenues | | | | 4,986 |
| TOTAL REVENUES | 3,861 | 6,927 | 201 | 11,472 |
| EXPENDITURES | | | | |
| Current | | | | |
| Public Works | | | | |
| Recreation and Parks | 3,126 | | | 1,087 |
| Capital Outlay | | | | |
| Public works | | | | |
| Recreation and Parks | | | | 14,844 |
| TOTAL EXPENDITURES | 3,126 | | | 15,931 |
| Excess (deficiency) of revenues over (under) expenditures | 735 | 6,927 | 201 | (4,459) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers from other funds | | | | |
| Transfers to other funds | | | | |
| Total other financing sources (uses) | | | | |
| Net change in fund balances | 735 | 6,927 | 201 | (4,459) |
| FUND BALANCES (DEFICIT), Beginning | 18,124 | 217,283 | 6,334 | 29,536 |
| FUND BALANCES (DEFICIT), Ending | \$ 18,859 | \$ 224,210 | \$ 6,535 | \$ 25,077 |

| Park Equipment and Improvement | Highway 10 Frontage Road | Revolving Fund | Total |
|---|--------------------------------|-------------------|---------------------|
| \$ | \$ | \$ 19 | \$ 19 |
| | | 2,479 | 68,763 |
| | | | 65,076 |
| | | | 8,840 |
| 344 | | 24,034 | 63,519 |
| <u>4,175</u> | | | <u>11,516</u> |
| <u>4,519</u> | | <u>26,532</u> | <u>217,733</u> |
| | | | |
| | | 31,492 | 113,398 |
| | | | 4,213 |
| | | 98,514 | 270,539 |
| <u>5,191</u> | | | <u>20,035</u> |
| <u>5,191</u> | | <u>130,006</u> | <u>408,185</u> |
| | | | |
| <u>(672)</u> | | <u>(103,474)</u> | <u>(190,452)</u> |
| | | | |
| | 187,289 | | 221,617 |
| | | | <u>(244,902)</u> |
| | <u>187,289</u> | | <u>(23,285)</u> |
| | | | |
| (672) | 187,289 | (103,474) | (213,737) |
| <u>6,832</u> | <u>(187,289)</u> | <u>816,269</u> | <u>2,075,916</u> |
| <u>\$ 6,160</u> | <u>\$</u> | <u>\$ 712,795</u> | <u>\$ 1,862,179</u> |

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CITY OF SPRING LAKE PARK

OTHER REPORT SECTION

December 31, 2014

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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

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 as of and for the year ended December 31, 2014, 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 June 26, 2015.

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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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 described in the accompanying *Schedule of Findings and Responses*, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 over financial reporting 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. We consider the deficiencies described in the accompanying *Schedule of Findings and Responses* to be material weaknesses.

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

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.

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 responses to the findings identified in our audit have been included in the accompanying *Schedule of Findings and Responses*. The City's responses were not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting 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 over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Smith, Schafn and Associates, Ltd.

Maplewood, Minnesota
June 26, 2015

**CITY OF SPRING LAKE PARK
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Audit Finding 2014-01 - 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.

Auditing Finding 2014-02 - 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.

Management's Response: Management agrees with our recommendation.

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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, as of and for the year ended December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2015.

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the State Auditor pursuant to Minnesota State Statutes Sec. 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, except that we did not test for compliance with the provisions for tax increment financing because the City's lone tax increment financing district was decertified in 2012.

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 Political Subdivisions*. 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.

Maplewood, Minnesota
June 26, 2015

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Police Report

June 2015

Submitted for Council Meeting – July 20, 2015

The Spring Lake Park Police Department responded to four hundred and twenty-six calls for service for the month of June 2015. This compared to responding to four hundred and fifty-nine calls for service in June 2014.

The police department for the month of June 2015 issued one hundred and thirty-four citations, this compared to issuing one hundred and fifty-two citations in June of 2014. The police department for the month of June 2015 has deployed our speed trailer ten times at different locations around our city to help those driving on our local streets to monitor their speeds.

Investigator Baker reports handling eighty-one cases for the month of June 2015, forty-six of these cases were felony in nature, nineteen of these cases were gross misdemeanor in nature and sixteen of these cases were misdemeanor in nature. Investigator Baker continues to work on these cases in a diligent manner to bring them to a conclusion as quickly as possible. For further details, see Investigator Bakers attached report.

The Spring Lake Park Police Department Office Staff remain steadfast in their duties, typing and imaging reports, filing, answering and dispensing phone calls for service and information, while continuing to address citizen concerns at the "Police Public Walk up Window" along with other duties that may be assigned on a daily basis.

The month of June 2015 has been a busy month for myself as well, besides handling the day to day operations of the police department, I have attended numerous meetings to include but not limited to:

- Orchestrating a meeting with Mark Warner from furnitureWorx regarding research for office staff chairs for the police department and city hall.
- Attending a Department Head meeting held here at City Hall

- Orchestrating and hold a meeting with Scott Adkisson of Diversion Solutions, LLC., to finalize set up of our Traffic Education Program
- Assisting with the City Celebration "Tower Days Parade" with staffing the parade route and monitoring the festivities associated with it, including weather conditions.
- I attended both council meetings for the month
- I attended a workshop held here at City Hall with the Mayor, Council and Department Heads regarding the cities "Capital Improvement Plan"
- I attended the Anoka County Chiefs of Police monthly meeting
- I attended a webinar regarding equipment research for the police department sponsored by Taser, Inc.
- I performed departmental evaluations of the Spring Lake Park Police Department Sergeants.
- I had a phone meeting with Larry Johnson of Emmanuel Christian Center regarding the event "Convoy of Hope" to be held at the Spring Lake Park High School on August 1, 2015
- I attended a meeting of the Governance Committee for the Public Safety Data System
- I attended a meeting with Administrator Buchholtz, Law Enforcement Labor Services Representative Adam Burnside and an employee regarding city/labor issues.

This will conclude my report for the month of June 2015.

Are there any questions?



Investigator
Brad Baker

Spring Lake Park Police Department

Investigations Monthly Report

June 2015

Total Case Load

Case Load by Level of Offense: 81

| | |
|--------------------------|-----------|
| Felony | 46 |
| Gross Misdemeanor | 19 |
| Misdemeanor | 16 |

Case Dispositions:

| | |
|---------------------------------|-----------|
| County Attorney | 5 |
| Juvenile County Attorney | 0 |
| City Attorney | 1 |
| Forward to Other Agency | 0 |
| SLP Liaison | 0 |
| Carried Over | 57 |
| Unfounded | 0 |
| Exceptionally Cleared | 1 |
| Closed/Inactive | 5 |
| Active Forfeitures | 9 |
| Forfeitures Closed | 3 |

Notes: .

MEMORANDUM

TO: MAYOR HANSEN AND MEMBERS OF THE CITY COUNCIL
FROM: DANIEL R. BUCHHOLTZ, CITY ADMINISTRATOR
SUBJECT: LIQUOR ORDINANCE UPDATE
DATE: JUNE 23, 2015

At the April 13 workshop, staff reviewed a proposed liquor ordinance with the City Council. The proposed ordinance, based on a template provided by the League of Minnesota Cities, would repeal and replace the existing liquor ordinance. The Council reviewed the draft and authorized staff to send the proposed ordinance to our liquor licensees for review and comment. Staff provided licensees three weeks to respond with comments. Comments were due on June 22. The City did not receive any calls or written comments in regards to the ordinance.

The proposed liquor ordinance:

- Adopts Minnesota Statutes Chapter 340A by reference. M.S. 340A is the State Liquor Law.
- Permits the City to be more restrictive than State Law concerning the sale and possession of alcoholic beverages.
- Defines “liquor” and “restaurant” as those terms are used in the ordinance.
- Makes it unlawful for liquor licenses to permit nudity on the premises of a licensed establishment.
- Provides that no person shall consume intoxicating or 3.2 percent malt liquor on any public street, sidewalk, parking lot or alley or in any public place other than on the premises of an establishment licensed under this ordinance, in a municipal liquor dispensary if one exists in the city, or where the consumption and display of liquor is lawfully permitted. Provides that no person shall consume or possess intoxicating or 3.2 percent malt liquor in any public park unless specifically approved by the City Council.
- Limits the number of licenses which may be issued to those authorized under M.S. 340A.413.
- Establishes the term and expiration of licenses.
- Establishes the kinds of liquor licenses which may be issued
 - 3.2 percent malt liquor on-sale licenses
 - Temporary 3.2 percent malt liquor licenses
 - On-sale intoxicating liquor licenses (includes club licenses)
 - Sunday on-sale intoxicating liquor licenses
 - Temporary on-sale intoxicating liquor licenses
 - On-sale wine licenses
 - Consumption and display permit

- Culinary class limited on-sale licenses
 - Brew pub on-sale licenses
 - Brew pub off-sale licenses
 - Brewer tap room licenses
- Authorizes the establishment of license fees by ordinance
- Permits the Council, in its sound discretion, to grant or deny applications for licenses, or for the transfer or renewal of any license.
- Describes the information required in an application for a license.
- Requires a specific description of the premises to be licensed.
- Provides that applications for renewal of licenses be filed at least 60 days before the date of expiration and permits the Council, in its sound discretion, to renew or not renew a license.
- Prohibits the transfer of a license without Council approval.
- Requires background and financial investigation of applicants for a license, renewal of a license or transfer of a license.
- Provides for a hearing on the issuance of a license.
- Establishes restrictions on the issuance of a license.
- Establishes the conditions of a liquor license that a licensee must follow to avoid suspension or revocation. The failure of a licensee to meet any one of the conditions of the license shall result in a suspension of the license until the condition is met.
 - Within 90 days after employment, every person selling or serving liquor in an establishment which has an "on-sale" license shall receive training regarding the selling or serving of liquor to customers. The training shall be provided by an organization approved by the Council. Proof of training of the servers shall be provided by the licensee.
 - Every licensee is responsible for the conduct of the place of business and the conditions of sobriety and order in it. The act of any employee on the licensed premises is deemed the act of the licensee as well, and the licensee shall be liable to all penalties provided by this ordinance and the law equally with the employee.
 - Every licensee shall allow any peace officer, health officer, city employee, or any other person designated by the Council to conduct compliance checks and to otherwise enter, inspect and search the premises of the licensee during business hours and after business hours during the time when customers remain on the premises without a warrant.
 - No on-sale establishment shall display liquor to the public during hours when the sale of liquor is prohibited.
 - Compliance with financial responsibility requirements of state law and of this ordinance is a continuing condition of any license.
- Establishes hours and days of sale which are consistent with those established by state law. Provides that:
 - No person shall consume nor shall any on-sale licensee permit any consumption of intoxicating liquor or 3.2 percent malt liquor in an on-sale

licensed premises more than 30 minutes after the time when a sale can legally occur.

- No on-sale licensee shall permit any glass, bottle or other container containing intoxicating liquor or 3.2 percent malt liquor to remain upon any table, bar, stool or other place where customers are served, more than 30 minutes after the time when a sale can legally occur.
- No person, other than the licensee and any employee, shall remain on the on-sale licensed premises more than 30 minutes after the time when a sale can legally occur.
- Prohibits minor and underage persons on license premises except under certain conditions.
- Prohibits persons from mixing or preparing liquor for consumption in any public place of business unless it has a license or permit.
- Establishes the circumstances and procedures for suspension and revocation a license. The Council is required to either suspend for a period not to exceed 60 days or revoke any liquor license upon finding that the licensee has failed to comply with any applicable statute, regulation or provision of this ordinance relating to liquor. Lapse of required proof of financial responsibility shall effect an immediate suspension of any license issued pursuant to this ordinance or state law without further action of the Council. Notice of cancellation or lapse of a current liquor liability policy shall also constitute notice to the licensee of the impending suspension of the license. A schedule of minimum periods of suspension and for revocation is established.
- Provides for the continued establishment of an “off-sale” municipal liquor store.
- Provides for the location of the municipal liquor store.
- Provides for the operation of the municipal liquor store.
- Provides for proof of financial responsibility of municipal liquor stores.
- Provides for penalties for violating this ordinance, including a schedule of civil penalties.

Staff wishes to thank the City’s liquor licensees for their time in reviewing the ordinance. Staff also wishes to thank the City Council for their time in reviewing and providing comments on the proposed ordinance.

If the ordinance appears to be in order, staff would recommend approval of Ordinance 417, an Ordinance Regulating the Possession, Sale and Consumption of Intoxicating and 3.2 Percent Malt Liquor within the City of Spring Lake Park, Minnesota.

If you have any questions, please don’t hesitate to contact me at 763-784-6491.

ORDINANCE NO. 417
AN ORDINANCE REPEALING AND REPLACING CHAPTER 111 OF THE SPRING
LAKE PARK CITY CODE REGULATING THE POSSESSION, SALE AND
CONSUMPTION OF INTOXICATING AND 3.2 PERCENT MALT LIQUOR WITHIN
THE CITY OF SPRING LAKE PARK

THE CITY COUNCIL OF THE CITY OF SPRING LAKE PARK, MINNESOTA, DOES
HEREBY ORDAIN:

Section 1. The language and content of the current Chapter 111 of the Spring Lake Park shall be and hereby is repealed in its entirety and that a new ordinance with the same title be enacted as follows:

CHAPTER 111: LIQUOR REGULATIONS

§111.01 ADOPTION OF STATE LAW BY REFERENCE.

The provisions of Minn. Stat. Ch. § 340A as they may be amended from time to time, with reference to the definition of terms, conditions of operation, restrictions on consumption, provisions relating to sales, hours of sale, and all other matters pertaining to the retail sale, distribution, and consumption of intoxicating liquor and 3.2 percent malt liquor are hereby adopted by reference and are made a part of this Ordinance as if set out in full. It is the intention of the City Council that all future amendments to Minn. Stat. Ch. § 340A are hereby adopted by reference or referenced as if they had been in existence at the time this Ordinance is adopted.

§111.02 CITY MAY BE MORE RESTRICTIVE THAN STATE LAW.

The Council is authorized by the provisions of Minn. Stat. § 340A.509 as it may be amended from time to time, to impose, and has imposed in this ordinance, additional restrictions on the sale and possession of alcoholic beverages within its limits beyond those contained in Minn. Stat. Ch. 340A as it may be amended from time to time.

§111.03 DEFINITIONS

In addition to the definitions contained in Minn. Stat. § 340A.101 as it may be amended from time to time, the following terms are defined for purposes of this ordinance:

LIQUOR. As used in this ordinance, without modification by the words An “intoxicating” or a “3.2 percent malt,” includes both intoxicating liquor and 3.2 percent malt liquor.

RESTAURANT. An eating facility, other than a hotel, under the control of a single proprietor or manager, where meals are regularly prepared on the premises, where full waitress/waiter table service is provided, where a customer orders food from printed menus and where the main food course is served and consumed while seated at a single location. To be a restaurant as defined by this section, an establishment shall have a license from the state as

required by Minn. Stat. §157.16, as it may be amended from time to time, and meet the definition of either a “small establishment,” “medium establishment” or “large establishment” as defined in Minn. Stat. §157.16, subd. 3(d), as it may be amended from time to time. An establishment which serves prepackaged food that receives heat treatment and is served in the package or frozen pizza that is heated and served, shall not be considered to be a restaurant for purposes of this ordinance unless it meets the definitions of a “small establishment”, “medium establishment” or “large establishment”.

§111.04 NUDITY ON THE PREMISES OF LICENSED ESTABLISHMENTS PROHIBITED.

- (A) The City Council finds that it is in the best interests of the public health, safety, and general welfare of the people of the city that nudity is prohibited as provided in this section on the premises of any establishment licensed under this ordinance. This is to protect and assist the owners, operators, and employees of the establishment, as well as patrons and the public in general, from harm stemming from the physical immediacy and combination of alcohol, nudity, and sex. The Council especially intends to prevent any subliminal endorsement of sexual harassment or activities likely to lead to the possibility of various criminal conduct, including prostitution, sexual assault, and disorderly conduct. The Council also finds that the prohibition of nudity on the premises of any establishment licensed under this ordinance, as set forth in this section, reflects the prevailing community standards of the city.
- (B) It is unlawful for any licensee to permit or allow any person or persons on the licensed premises when the person does not have his or her buttocks, anus, breasts, and genitals covered with a non-transparent material. It is unlawful for any person to be on the licensed premises when the person does not have his or her buttocks, anus, breasts, and genitals covered with a non-transparent material.
- (C) A violation of this section is a misdemeanor punishable as provided by law, and is justification for revocation or suspension of any liquor, wine, or 3.2 percent malt liquor license or any other license issued under this ordinance or the imposition of a civil penalty under the provisions of §111.27(B).

§111.05 CONSUMPTION IN PUBLIC PLACES.

No person shall consume intoxicating liquor or 3.2 percent malt liquor on any public street, sidewalk, parking lot or alley, or in any public place other than on the premises of an establishment licensed under this ordinance, in a municipal liquor dispensary if one exists in the city, or where the consumption and display of liquor is lawfully permitted.

No person shall consume or possess intoxicating liquor or 3.2 percent malt liquor in any city park unless specifically approved by the City Council. This prohibition shall include parking areas connected with the park.

§111.06 NUMBER OF LICENSES WHICH MAY BE ISSUED.

The number of licenses which may be granted under this ordinance is limited to the number of licenses authorized under Minn. Stat. §340A.413. The Council is not required to issue the full number of licenses that it has available.

§111.07 TERM AND EXPIRATION OF LICENSES.

Each license shall be issued for a maximum period of one year. All licenses, except temporary licenses, shall expire on December 31 of each year unless another date is provided by ordinance. All licenses shall expire on the same date. Temporary licenses expire according to their terms. Consumption and display permits issued by the Commissioner of Public Safety, and the accompanying city consent to the permit, shall expire on March 31 of each year.

§111.08 KINDS OF LIQUOR LICENSES.

The Council is authorized to issue the following licenses and permits, up to the number specified in §111.06 of this Chapter.

- (A) 3.2 percent malt liquor on-sale licenses, which may be issued only to golf courses, restaurants, hotels, clubs, bowling centers, and establishments used exclusively for the sale of 3.2 percent malt liquor with the incidental sale of tobacco and soft drinks.
- (B) Temporary 3.2 percent malt liquor licenses which may be issued only to a club, charitable, religious, or nonprofit organization.
- (C) On-sale intoxicating liquor licenses, which may be issued to the following establishments as defined by Minn. Stat. § 340A.101, as it may be amended from time to time, and this ordinance: hotels, restaurants, bowling centers, theaters, clubs or congressionally chartered veterans organizations, theaters and exclusive liquor stores. Club licenses may be issued only with the approval of the Commissioner of Public Safety. The fee for club licenses established by the Council under §111.09 of this ordinance shall not exceed the amounts provided for in Minn. Stat. § 340A.408, subd. 2(b) as it may be amended from time to time. The following license classifications are established:
 - (1) Class A: for establishments which are conducted in such a manner that the business of serving food for a license year is a minimum of 55% of the total business of serving food and intoxicating liquor.
 - (2) Class B: for establishments which are conducted in such a manner that the business of serving food for a license year which is less than 55% of the total business of serving food and intoxicating liquor.

The Council may in its sound discretion authorize a retail on-sale licensee to dispense intoxicating liquor off the licensed premises at a community festival held within the city under the provisions of Minn. Stat. § 340A.404, subd. 4(b) as it may be amended from time to time. The Council may in its sound discretion authorize a retail on-sale licensee to dispense intoxicating liquor off the licensed premises at any convention, banquet, conference, meeting, or social affair conducted on the premises of a sports, convention, or cultural facility owned by the city, under the provisions of Minn. Stat. § 340A.404, subd. 4(a) as it may be amended from time to time; however, the licensee is prohibited from dispensing intoxicating liquor to any person attending or participating in an amateur athletic event being held on the premises.

- (D) Sunday on-sale intoxicating liquor licenses, only after authorization to do so by voter approval at a general or special election as provided by Minn. Stat. § 340A.504, subd. 3, as it may be amended from time to time. Sunday on-sale intoxicating liquor licenses may be issued only to a restaurant as defined in §111.04 of this ordinance, club, bowling center, or hotel which has a seating capacity of at least 30 persons, which holds an on-sale intoxicating liquor license, and which serves liquor only in conjunction with the service of food. The maximum fee for this license, which shall be established by the Council under the provisions of §111.09 of this ordinance, shall not exceed \$200, or the maximum amount provided by Minn. Stat. § 340A.504, subd. 3(c) as it may be amended from time to time.
- (E) Temporary on-sale intoxicating liquor licenses, with the approval of the Commissioner of Public Safety, which may be issued only in connection with a social event sponsored by a club, charitable, religious or other nonprofit corporation that has existed for at least three years. No license shall be for longer than four consecutive days and the City shall issue no more than twelve days worth of temporary licenses to any one organization in one calendar year.
- (F) On-sale wine licenses, with the approval of the Commissioner of Public Safety to: theaters, restaurants that have facilities for seating at least 25 guests at one time and meet the criteria of Minn. Stat. § 340A.404, subd. 5, as it may be amended from time to time, and which meet the definition of restaurant in §111.03; to licensed bed and breakfast facilities which meet the criteria in Minn. Stat. § 340A.401, subd. 1, as it may be amended from time to time and to theaters that meet the criteria of Minn. Stat. § 340A.404(b) as it may be amended from time to time. The fee for an on-sale wine license established by the Council under the provisions of §111.09 of this ordinance, shall not exceed one-half of the license fee charged for an on-sale intoxicating liquor license. The holder of an on-sale wine license who also holds an on-sale 3.2 percent malt liquor license is authorized to sell malt liquor with a content over 3.2 percent (strong beer) without an additional license.
- (G) Approval of the issuance of a consumption and display permit by the Commissioner of Public Safety. The maximum amount of the additional fee which may be imposed by the Council on a person who has been issued a consumption and display permit under the provisions of §111.09 of this ordinance shall not exceed \$300, or the

maximum amount permitted by Minn. Stat. § 340A.414, subd. 6, as it may be amended from time to time. Consumption and display permits shall expire on March 31 of each year.

- (H) Culinary class limited on-sale licenses may be issued to a business establishment not otherwise eligible for an on-sale intoxicating liquor license that, as part of its business, conducts culinary or cooking classes for which payment is made by each participant or advance reservation required. The license authorizes the licensee to furnish to each participant in each class, at no additional cost to the participant, up to a maximum of six ounces of wine or 12 ounces of intoxicating malt liquor, during and as part of the class, for consumption on the licensed premises only.
- (I) Brewer taproom licenses may be issued to brewers licensed under Minn. Stat. § 340A.301 for the on-sale of malt liquor produced on a licensed premises, subject to the following conditions:
 - (1) The on-sale of malt liquor may only be made during the days and hours that “on-sale” of liquor may be made, as prescribed by State Law or within this Chapter.
 - (2) A brewer may only hold one (1) Brewer Taproom License within the City.
 - (3) The only alcoholic beverage that may be sold or consumed on the premises of a licensed Brewer Taproom will be the malt liquor produced by the Brewer upon the Brewer Taproom premises.
 - (4) Nothing in this subdivision precludes the holder of a Brewer Taproom License from also holding a license to operate a restaurant on the premises of the brewery.
 - (5) A Brewer Taproom License may not be issued to a brewer if the brewer seeking the license, or any person having an economic interest in the brewer seeking the license or exercising control over the brewer seeking the license, is a brewer that brews or produces more than 250,000 barrels of malt liquor annually or a winery that produces more than 250,000 barrels of wine annually, as defined and prescribed by Minn. Stat. § 340.301.
- (J) On-sale brew pub licenses shall be issued only to hotels, clubs, restaurants, bowling centers or exclusive liquor stores and shall permit the sale of malt liquor produced on the licensed premises. A licensee cannot sell more than 3,500 barrels of the malt liquor produced on the licensed premises per year. A licensee may hold both an on-sale license and an on-sale brew pub license.
- (K) Off-sale brew pub licenses may be issued to a licensee that hold a brewer taproom license or an on-sale brew pub license to sell growlers of the malt liquor produced on the licensed premises, subject to the following conditions:

- (1) The growler must be packaged in a 64 ounce container.
- (2) The growler must be properly sealed with a twist type closure, cork, stopper or plug.
- (3) At time of sale, the growler must also bear a plastic or paper adhesive band, strip or sleeve that extends over the top of the container forming a seal that must be broken upon opening the growler.
- (4) The seal and the growler must bear the name and address of the brew pub and will be considered intoxicating liquor.
- (5) Off-sale brew pub hours shall be as provided in §111.19.
- (6) Not more than 500 barrels of the brew pub's annual production may be sold at off-sale.

§111.09 LICENSE FEES; PRO RATA.

- (A) No license or other fee established by the city shall exceed any limit established by Minn. Stat. Ch. 340A, as it may be amended from time to time, for a liquor license.
- (B) The Council may establish from time to time in the Ordinance Establishing Fees and Charges the fee for any of the liquor licenses it is authorized to issue. The license fee may not exceed the cost of issuing the license and other costs directly related to the enforcement of the liquor laws and this ordinance. No liquor license fee shall be increased without providing mailed notice of a hearing on the proposed increase to all affected licensees at least 30 days before the hearing.
- (C) The fee for all licenses, except temporary licenses, granted after the commencement of the license year shall be prorated on a monthly basis.
- (D) All license fees shall be paid in full at the time the application is filed with the city. If the application is denied, the license fee shall be returned to the applicant.
- (E) A refund of a monthly pro rata share of an annual license fee may be refunded, less the cost of issuance as determined by the Administrator, Clerk/Treasurer, if:
 - (1) The license is transferred to a new licensee in accordance with §111.14 and the City receives a license fee for the remainder of the license term from the transferee; or
 - (2) A premises licensed to sell wine receives an on-sale intoxicating liquor license prior to the expiration of the wine license. In this instance, a pro rata share of the wine license may be refunded.

§111.10 COUNCIL DISCRETION TO GRANT OR DENY A LICENSE.

- (A) The Council in its sound discretion may either grant or deny the application for any license or for the transfer or renewal of any license. No applicant has a right to a license under this ordinance.
- (B) The Council may take into consideration any nuisance call or calls relating to the premises when considering the operation of the premises, application, transfer, modification or renewal of any license. For the purposes of this section, “nuisance call” shall be defined as follows: any activity, conduct, or condition occurring on or related to the licensed premises which results in a call or report to the Spring Lake Park Police Department, other law enforcement agency or the Spring Lake Park Code Enforcement Department, including, but not limited to, calls and reports related to the following:
 - (1) Any conduct, activity or condition alleged to constitute disorderly conduct, pursuant to Minn. Stat. §609.72.
 - (2) Any conduct, activity or condition alleged to constitute a public nuisance, pursuant to Minn. Stat. §609.74 and/or §94.15-94.18 of the City Code.
 - (3) Any conduct, activity or condition alleged to constitute an assault pursuant to Minn. Stat. §609.224.
 - (4) Any conduct, activity or condition alleged to constitute a violation of Minnesota Statutes relating to prostitution, controlled substances, use of firearms, criminal sexual conduct, and gambling.
 - (5) Any conduct, activity or condition alleged to constitute a disorderly house pursuant to §609.33.
 - (6) Any conduct, activity or condition alleged to constitute a violation of this article.
 - (7) A failure to meet the minimum criteria for a restaurant or license holder.
- (C) Any violation of any provision of this article, or any nuisance call, regardless whether or not a criminal charge has been brought or a criminal conviction has been obtained, may be used by the Council, at its discretion, when considering the granting, denying, suspension, revocation, transfer, modification, or renewal of any license.

§111.11 APPLICATION FOR LICENSE.

- (A) *Form.* Every application for a license issued under this ordinance shall be on a form provided by the city. Every application shall state the name of the applicant, the

applicant's age, representations as to the applicant's character, with references as the Council may require, the type of license applied for, the business in connection with which the proposed license will operate and its location, a description of the premises, whether the applicant is owner and operator of the business, how long the applicant has been in that business at that place, and other information as the Council may require from time to time. An application for an on-sale intoxicating liquor license shall be in the form prescribed by the Commissioner of Public Safety and shall also contain the information required in this section. The form shall be verified and filed with the city. No person shall make a false statement in an application.

- (B) *Responsible party.* Such application must identify a responsible party relative to each license. If the responsible party for a licensee will change, an application for the change shall be provided to the Administrator, Clerk/Treasurer at least 30 days prior to such change and shall be treated the same as an application for a new license. In the event that a 30-day prior notice is not feasible, a written explanation will be submitted to the Administrator, Clerk/Treasurer within one week of the known change documenting the reason(s) for the deviation; this is subject to approval by the police chief or his/her designee. Failure to file a timely application or explanation for a change in responsible party shall be grounds for revocation, suspension or non-renewal of any license.
- (C) *Financial responsibility.* Prior to the issuance of any license under this ordinance, the applicant shall demonstrate proof of financial responsibility as defined in Minn. Stat. § 340A.409, as it may be amended from time to time, with regard to liability under Minn. Stat. § 340A.801, as it may be amended from time to time. This proof will be filed with the city and the Commissioner of Public Safety. Any liability insurance policy filed as proof of financial responsibility under this section shall conform to Minn. Stat. § 340A.409, as it may be amended from time to time. Operation of a business which is required to be licensed by this ordinance without having on file with the city at all times effective proof of financial responsibility is a cause for revocation of the license. The licensee shall name the City as a certificate holder on the insurance policy or bond.

§111.12 DESCRIPTION OF PREMISES.

The application shall specifically describe the compact and contiguous premises within which liquor may be dispensed and consumed. The description may not include any parking lot or sidewalk. An application for the proposed enlargement, alteration or extension of any premises previously licensed shall be provided to the Administrator, Clerk/Treasurer at least 30 days prior to such proposed enlargement, alteration or extension and shall be treated the same as an application for a new license. Failure to file an application for such enlargement, alteration or extension shall be grounds for revocation, suspension or non-renewal of any license. All premises licensed under this article shall be in compliance with all federal, state, municipal, building, zoning, and fire regulations. Failure to comply with any such federal, state, municipal, building, zoning and fire regulations shall be grounds for revocation, suspension or non-renewal of any license.

§111.13 APPLICATION FOR RENEWAL.

At least 60 days before a license issued under this ordinance is to be renewed, an application for renewal shall be filed with the city. If, in the judgment of the Council, good and sufficient cause is shown by the applicant for his/her failure to file for a renewal within the time provided, the Council may, if the other provisions of this chapter are complied with, grant the application. The decision whether or not to renew a license rests within the sound discretion of the Council. No licensee has a right to have the license renewed.

§111.14 TRANSFER OF LICENSE.

No license issued under this ordinance may be transferred without the approval of the Council. Any transfer of stock of a corporate licensee is deemed to be a transfer of the license, and a transfer of stock without prior Council approval is a ground for revocation of the license. An application to transfer a license shall be treated the same as an application for a new license, and all of the provisions of this code applying to applications for a license shall apply.

§111.15 INVESTIGATION.

- (A) Preliminary background and financial investigation. On an initial application for a license, on an application for transfer of a license and, in the sound discretion of the Council that it is in the public interest to do so, on an application for renewal of a license, the city shall conduct a preliminary background and financial investigation of the applicant or it may contract with the Commissioner of Public Safety for the investigation. The applicant shall pay with the application an investigation fee of \$500 which shall be in addition to any license fee. If the cost of the preliminary investigation is less than \$500, the unused balance shall be returned to the applicant. The results of the preliminary investigation shall be sent to the Commissioner of Public Safety if the application is for an on-sale intoxicating liquor license or an on-sale wine license.
- (B) Comprehensive background and financial investigation. If the results of a preliminary investigation warrant, in the sound discretion of the Council, a comprehensive background and financial investigation, the Council may either conduct the investigation itself or contract with the Commissioner of Public Safety for the investigation. The investigation fee for this comprehensive background and financial investigation to be paid by the applicant shall be \$500, less any amount paid for the initial investigation if the investigation is to be conducted within the state, and \$10,000, less any amount paid for the initial investigation, if the investigation is required outside the state. The unused balance of the fee shall be returned to the applicant whether or not the application is denied. The fee shall be paid in advance of any investigation and the amount actually expended on the investigation shall not be refundable in the event the application is denied. The results of the comprehensive investigation shall be sent to the Commissioner of Public Safety if the application is for an on-sale intoxicating liquor license or an on-sale wine license.

§111.16 HEARING AND ISSUANCE.

The Council shall investigate all facts set out in the application and not investigated in the preliminary or comprehensive background and financial investigations. Opportunity shall be given to any person to be heard for or against the granting of the license. After the investigation and hearing, the Council shall in its sound discretion grant or deny the application. No license shall become effective until the proof of financial security has been approved by the Commissioner of Public Safety.

§111.17 RESTRICTIONS ON ISSUANCE.

- (A) Each license shall be issued only to the applicant for the premises described in the application.
- (B) Not more than one license shall be directly or indirectly issued within the city to any one person.
- (C) No license shall be granted or renewed for operation on any premises on which taxes, assessments, utility charges, service charges, or other financial claims of the city are delinquent and unpaid. In the event an action has been commenced pursuant to the provisions of M.S. Ch. 278, as it may be amended from time to time, questioning the amount of validity of taxes, the Council may, on application by the licensee, waive strict compliance with this provision. No waiver may be granted, however, for taxes or any portion thereof which remain unpaid for a period exceeding one year after becoming due.
- (D) No license shall be issued for any place or any business ineligible for a license under state law.
- (E) No license shall be granted if the applicant, responsible party, owner, manager or any other person involved with the licensee:
 - (1) Is under 21 years of age;
 - (2) Who is not of good moral character and repute;
 - (3) Who, if an individual, is not a U.S. citizen or resident alien, or upon whom it is impractical to conduct a background and financial investigation due to the lack of availability of information.
 - (4) Who has been convicted, within five years prior to the application of such license, of any violation of any law of the United States, this state or any other state or territory, or of any local ordinance regarding the manufacture, sale or distribution of intoxicating liquor or whose liquor license has been revoked for any violation of any law or ordinance;

- (5) Who is a manufacturer or wholesaler of intoxicating liquor; and no manufacturer or wholesaler shall either directly or indirectly own or control or have any financial interest in any retail business selling intoxicating liquor;
- (6) Who is directly or indirectly interested in any other establishment in the city to which an on-sale liquor license has been issued under this chapter;
- (7) Who, if a corporation, does not have a manager who is eligible pursuant to the provisions of this section; or
- (8) Who is the spouse or a person ineligible for a license pursuant to this section or who, in the judgment of the Council, is not a real party in interest or beneficial owner of the business operated, or to be operated, under the license.
- (9) For the purpose of this section, the following definition shall apply unless the content clearly indicates or requires a different meaning.

INTEREST. Includes any pecuniary interest in the ownership, operation, management or profits of a retail liquor establishment, but does not include bona fide loans, bona fide rental agreements, bona fide open accounts, or other obligations arising out of the ordinary and regular course of the business of selling or leasing merchandise, fixtures or supplies to the establishment.

- (F) No license, other than a temporary 3.2 percent malt liquor license or temporary on-sale intoxicating license, shall be granted within 500 feet of any school or church. The distance is to be measured from the closest side of the church to the closest side of the structure on the premises within which liquor is to be sold.
- (G) No license shall be issued for a premises owned, operated or managed by a person or by the spouse of a person, who is the holder of a sexually oriented business special use permit pursuant to Chapter 120 of the City Code.

§111.18 CONDITIONS OF LICENSE.

The failure of a licensee to meet any one of the conditions of the license specified below shall result in a suspension of the license until the condition is met.

- (A) Within 90 days after employment, every person selling or serving liquor in an establishment which has an on-sale license shall receive training regarding the selling or serving of liquor to customers. The training shall be provided by an organization approved by the Council. Proof of training shall be provided by the licensee.
- (B) Every licensee is responsible for the conduct of the place of business and the conditions of sobriety and order in it. The act of any employee on the licensed

premises is deemed the act of the licensee as well, and the licensee shall be liable to all penalties provided by this ordinance and the law equally with the employee.

- (C) Every licensee shall allow any peace officer, health officer, city employee, or any other person designated by the Council to conduct compliance checks and to otherwise enter, inspect, and search the premises of the licensee during business hours and after business hours during the time when customers remain on the premises without a warrant.
- (D) No on-sale establishment shall display liquor to the public during hours when the sale of liquor is prohibited.
- (E) Compliance with financial responsibility requirements of state law and of this ordinance is a continuing condition of any license.

§111.19 HOURS AND DAYS OF SALE.

- (A) The hours of operation and days of sale shall be those set by Minn. Stat. § 340A.504, as it may be amended from time to time, except that the City Council may, by resolution or ordinance, provide for more restrictive hours than state law allows.
- (B) No person shall consume nor shall any on-sale licensee permit any consumption of intoxicating liquor or 3.2 percent malt liquor in an on-sale licensed premises more than 30 minutes after the time when a sale can legally occur.
- (C) No on-sale licensee shall permit any glass, bottle, or other container containing intoxicating liquor or 3.2 percent malt liquor to remain upon any table, bar, stool, or other place where customers are served, more than 30 minutes after the time when a sale can legally occur.
- (D) No person, other than the licensee and any employee, shall remain on the on-sale licensed premises more than 30 minutes after the time when a sale can legally occur.
- (E) Any violation of any condition of this section may be grounds for revocation or suspension of the license.

§111.20 MINORS ON PREMISES.

- (A) No person under the age of 18 years shall be employed in any rooms constituting the place in which intoxicating liquors or 3.2 percent malt liquor are sold at retail on sale, except that persons under the age of 18 may be employed as musicians or to perform the duties of a bus person, host or dishwashing services in places defined as a restaurant, hotel, motel or other multi-purpose building serving food in rooms in which intoxicating liquors or 3.2 percent malt liquor are sold at retail on sale.

- (B) No person under the age of 21 years may enter a licensed establishment except to work, consume meals on premises that qualify as a restaurant, or attend social functions that are held in a portion of the premises where liquor is not sold.

§111.21 RESTRICTIONS ON PURCHASE AND CONSUMPTION.

No person shall mix or prepare liquor for consumption in any public place of business unless it has a license to sell on-sale, or a permit from the Commissioner of Public Safety under the provisions of Minn. Stat. § 340A.414, as it may be amended from time to time, which has been approved by the Council, and no person shall consume liquor in any such place.

§111.22 SUSPENSION AND REVOCATION.

- (A) The Council shall either suspend for a period not to exceed 60 days or revoke any liquor license upon finding that the licensee has failed to comply with any applicable statute, regulation, or provision of this ordinance relating to liquor. Except in cases of lapse of proof of financial responsibility, no suspension or revocation shall take effect until the licensee has been afforded an opportunity for a hearing pursuant to the Administrative Procedures Act, Minn. Stat. §§ 14.57 to 14.70, as it may be amended from time to time. The Council may act as the hearing body under that act, or it may contract with the Office of Hearing Examiners for a hearing officer.
- (B) The following are the minimum periods of suspension or revocation which shall be imposed by the Council for violations of the provisions of this ordinance or Minn. Stat. Ch. 340A, as it may be amended from time to time or any rules promulgated under that chapter as they may be amended from time to time:
 - (1) For commission of a felony related to the licensed activity, sale of alcoholic beverages while the license is under suspension, sale of intoxicating liquor where the only license is for 3.2 percent malt liquor, or violation of §111.04, the license shall be revoked.
 - (2) The license shall be suspended by the Council after a finding under division (A) that the licensee has failed to comply with any applicable statute, rule, or provision of this ordinance for at least the minimum periods as follows:
 - (a) For the first violation within any three-year period, at least one day suspension in addition to any criminal or civil penalties which may be imposed.
 - (b) For a second violation within any three-year period, at least three consecutive days suspension in addition to any criminal or civil penalties which may be imposed.

- (c) For the third violation within any three-year period, at least seven consecutive days suspension in addition to any criminal or civil penalties which may be imposed.
 - (d) For a fourth violation within any three-year period, the license shall be revoked.
- (3) The Council shall select the day or days during which the license will be suspended.
- (C) Lapse of required proof of financial responsibility shall effect an immediate suspension of any license issued pursuant to this ordinance or state law without further action of the Council. Notice of cancellation or lapse of a current liquor liability policy shall also constitute notice to the licensee of the impending suspension of the license. The holder of a license who has received notice of lapse of required insurance or of suspension or revocation of a license may request a hearing thereon and, if a request is made in writing to the Clerk, a hearing before the Council shall be granted within ten days. Any suspension under this division (B) shall continue until the Council determines that the financial responsibility requirements of state law and this ordinance have again been met.
- (D) The provisions of §111.99 pertaining to administrative penalty may be imposed in addition to or in lieu of any suspension or revocation under this ordinance.

§111.40 EXISTING MUNICIPAL LIQUOR DISPENSARY CONTINUED.

The Municipal Liquor Dispensary for the sale at off-sale of intoxicating liquor in existence on the effective date of this ordinance is continued. No intoxicating liquor may be sold elsewhere in the city or by anyone not employed in the Municipal Liquor Dispensary.

§111.41 LOCATION.

The municipal liquor store shall be located at a suitable place in the city as the Council determines by motion. However, no premises upon which taxes, assessments, or other public charges are delinquent shall be leased for municipal liquor store purposes. The Council shall have the right to establish additional off-sale stores at other locations as it may, from time to time, by motion, determine.

§111.42 OPERATION.

- (A) *Manager.* The municipal liquor store shall be in the immediate charge of a Liquor Store Manager selected by the Council and paid compensation as is fixed by the Council. The Manager shall not be a person who would be prohibited by law or any provision of this ordinance from being eligible for an intoxicating liquor license. The Manager shall furnish a surety bond to the city, conditioned upon the faithful discharge of the duties of the office, in a sum as specified by the Council. The bond premium

may be paid by the city or the Manager, in the discretion of the Council. The Manager shall operate the municipal liquor store under the Council's direction and shall perform those duties in connection with the store as may be established by the Council. The Manager shall be responsible to the Council for the conduct of the store in full compliance with this ordinance and with the laws relating to the sale of intoxicating liquor and 3.2 percent malt liquor.

- (B) *Other employees.* The Council may also appoint additional employees as may be required and shall fix their compensation. All employees, including the Manager, shall hold their positions at the pleasure of the Council. No person under the age of 18 shall be employed in the store. The Council may require the employees to furnish surety bonds conditioned for the faithful discharge of their duties in a sum as specified by the Council. The premium on the bond may be paid by the city or the employees, as the Council determines.
- (C) *Municipal liquor store fund.* All of the revenues received from the operation of a municipal liquor store shall be deposited in a municipal liquor store fund from which all ordinary operating expenses, including compensation of the Manager and employees, shall be paid. Surpluses accumulating in the fund may be transferred to the general fund of the city or to any other appropriate fund of the city by resolution of the Council, and may be expended for any municipal purpose. The handling of municipal liquor store receipts and disbursements shall comply with the procedure prescribed by law and charter for the receipts and disbursements of city funds generally.
- (D) *Financial statement.* The Council shall provide within 90 days following the end of the calendar year for publication a balance sheet using generally accepted accounting procedures and a statement of operations of the municipal liquor store for that year. The balance sheet and statement shall be published in accordance with the provisions of Minn. Stat. § 471.6985, as it may be amended from time to time.
- (E) *Hours of operation.* The hours during which the sale of intoxicating liquor may be sold shall be as provided in §111.19. No person, other than the Manager or a store employee, may remain in the municipal liquor store longer than one-half hour after the time when the sale of intoxicating liquor must cease.

§111.43 PROOF OF FINANCIAL RESPONSIBILITY.

The city shall demonstrate proof of financial responsibility required by licensees of retail intoxicating liquor establishments under the provisions of Minn. Stat. § 340A.409, as it may be amended from time to time.

§111.99 PENALTIES.

- (A) Any person violating the provisions of this ordinance or Minn. Stat. Ch. 340A as it may be amended from time to time or any rules promulgated under that chapter as

they may be amended from time to time is guilty of a misdemeanor and upon conviction shall be punished as provided by law.

- (B) The Council shall impose a civil penalty of up to \$2,000 for each violation of Minn. Stat. Ch. 340A, as it may be amended from time to time, and of this ordinance. Conviction of a violation in a court of law is not required in order for the Council to impose the civil penalty. A hearing under the Administrative Procedures Act, Minn. Stat. §§ 14.57 to 14.70, as it may be amended from time to time, is not required before the penalty is imposed, but the Council shall hold a hearing on the proposed violation and the proposed penalty and hear any person who wishes to speak. Non-payment of the penalty is grounds for suspension or revocation of the license. The following is the minimum schedule of presumptive civil penalties which must be imposed in addition to any suspension unless the license is revoked:
- (1) For the first violation within any three-year period, \$500.
 - (2) For the second violation within any three-year period, \$1,000.
 - (3) For the third and subsequent violations within any three-year period, \$2,000.
- (C) The term “violation” as used in §111.22 includes any and all violations of the provisions in this section, or of Minn. Stat. Ch. 340A, as it may be amended from time to time or any rules promulgated under that chapter as they may be amended from time to time. The number of violations shall be determined on the basis of the history of violations for the preceding three-year period. Revocation shall occur within 60 days following a violation for which revocation is imposed.

Section 2. Effective Date. This ordinance becomes effective on the date of its publication, or upon the publication of a summary of the ordinance as provided by Minn. Stat. § 412.191, subd. 4, as it may be amended from time to time, which meets the requirements of Minn. Stat. § 331A.01, subd. 10, as it may be amended from time to time.

Section 3. Summary Approved. The Council hereby determines that the text of the summary of this ordinance marked “Official Summary of Ordinance No. 417,” and a copy of which is attached to this ordinance, clearly informs the public of the intent and effect of this ordinance. The Council further determines that publication of the title and this summary will clearly inform the public of the intent and the effect of this ordinance. The Clerk shall file a copy of this ordinance and the summary in the Clerk’s office which shall be available for inspection by any person during regular office hours.

Passed by the City Council of the City of Spring Lake Park, Minnesota, this 20th day of July, 2015.

APPROVED BY:

Cindy Hansen, Mayor

ATTEST:

Daniel R. Buchholtz, Administrator, Clerk/Treasurer

OFFICIAL SUMMARY OF ORDINANCE NO. 417
AN ORDINANCE REGULATING THE POSSESSION, SALE AND CONSUMPTION OF
INTOXICATING AND 3.2 PERCENT MALT LIQUOR WITHIN THE CITY OF
SPRING LAKE PARK, MINNESOTA

The following is the official summary of Ordinance No. 417, which was passed by the City Council on July 20, 2015.

A printed copy of this ordinance is available for inspection by any person at the office of the Administrator, Clerk/Treasurer during normal business hours or on the City's website at www.slpmn.org.

The ordinance regulating the possession, sale and consumption of intoxicating and 3.2 percent malt liquor within this city contains the following provisions.

§111.01 adopts M.S. Ch. §340A, as it may be amended from time to time, by reference.

§111.02 permits the City to be more restrictive than state law concerning the sale and possession of alcoholic beverages.

§111.03 defines "liquor" and "restaurant" as those terms are used in the ordinance.

§111.04 makes it unlawful for any licensee to permit or allow any person or persons on the licensed premises when the person does not have his or her buttocks, anus, breasts and genitals covered with a non-transparent material. It is unlawful for any person to be on the licensed premises when the person does not have his or her buttocks, anus, breasts and genitals covered with a non-transparent material. A violation of this section is a misdemeanor punishable as provided by law, and is justification for revocation or suspension of any liquor, wine or 3.2 percent malt liquor license or the imposition of a civil penalty under the provisions of §111.27 of this ordinance.

§111.05 provides that no person shall consume intoxicating liquor or 3.2 percent malt liquor on any public street, sidewalk, parking lot or alley, or in any public place other than on the premises of an establishment licensed under this ordinance, in a municipal liquor dispensary if one exists in the city, or where the consumption and display of liquor is lawfully permitted. No person shall consume or possess intoxicating liquor or 3.2 percent malt liquor in any public park unless specifically approved by the City Council.

§111.06 limits the number of licenses which may be issued.

§111.07 establishes the term and expiration dates for licenses.

§111.08 establishes the kinds of liquor licenses which may be issued:

- 3.2 percent malt liquor on-sale licenses
- Temporary 3.2 percent malt liquor licenses
- On-sale intoxicating liquor licenses
- Sunday on-sale intoxicating liquor licenses
- Temporary on-sale intoxicating liquor licenses
- On-sale wine licenses

- Consumption and display permit
- Culinary class limited on-sale licenses
- Brew pub on-sale licenses
- Brew pub off-sale licenses
- Brewer tap room licenses

§111.09 authorizes the establishment of license fees by ordinance.

§111.10 permits the Council, in its sound discretion, to grant or deny applications for licenses, or for the transfer or renewal of any license.

§111.11 describes the information required in an application for a license.

§111.12 requires a specific description of the premises to be licensed.

§111.13 provides that applications for renewal of licenses must be filed at least 60 days before the date of expiration and permits the Council, in its sound discretion, to renew or not renew a license.

§111.14 prohibits the transfer of a license without Council approval.

§111.15 requires background and financial investigation of applicants for a license, renewal of a license or transfer of a license.

§111.16 provides for a hearing on the issuance of a license.

§111.17 establishes restrictions on the issuance of a license.

§111.18 establishes the conditions of a liquor license that a licensee must follow to avoid suspension or revocation. The failure of a licensee to meet any one of the conditions of the license specified below shall result in a suspension of the license until the condition is met.

- Within 90 days after employment, every person selling or serving liquor in an establishment which has an "on-sale" license shall receive training regarding the selling or serving of liquor to customers. The training shall be provided by an organization approved by the Council. Proof of training of the servers shall be provided by the licensee.
- Every licensee is responsible for the conduct of the place of business and the conditions of sobriety and order in it. The act of any employee on the licensed premises is deemed the act of the licensee as well, and the licensee shall be liable to all penalties provided by this ordinance and the law equally with the employee.
- Every licensee shall allow any peace officer, health officer, city employee, or any other person designated by the Council to conduct compliance checks and to otherwise enter, inspect and search the premises of the licensee during business hours and after business hours during the time when customers remain on the premises without a warrant.
- No on-sale establishment shall display liquor to the public during hours when the sale of liquor is prohibited.
- Compliance with financial responsibility requirements of state law and of this ordinance is a continuing condition of any license.

§111.19 establishes hours and days of sale which are consistent with those established by state law. In addition, the ordinance provides that:

- No person shall consume nor shall any on-sale licensee permit any consumption of intoxicating liquor or 3.2 percent malt liquor in an on-sale licensed premises more than 30 minutes after the time when a sale can legally occur.
- No on-sale licensee shall permit any glass, bottle or other container containing intoxicating liquor or 3.2 percent malt liquor to remain upon any table, bar, stool or other place where customers are served, more than 30 minutes after the time when a sale can legally occur.
- No person, other than the licensee and any employee, shall remain on the on-sale licensed premises more than 30 minutes after the time when a sale can legally occur.

§111.20 prohibits minor and underage persons on licensed premises except under certain conditions.

§111.21 prohibits persons from mixing or preparing liquor for consumption in any public place of business unless it has a license or permit.

§111.22 establishes the circumstances and procedures for suspension and revocation of a license. The Council is required to either suspend for a period not to exceed 60 days or revoke any liquor license upon finding that the licensee has failed to comply with any applicable statute, regulation or provision of this ordinance relating to liquor. Lapse of required proof of financial responsibility shall effect an immediate suspension of any license issued pursuant to this ordinance or state law without further action of the Council. Notice of cancellation or lapse of a current liquor liability policy shall also constitute notice to the licensee of the impending suspension of the license. A schedule of minimum periods of suspension and for revocation is established.

§111.40 provides for the continued establishment of an “off-sale” municipal liquor store.

§111.41 provides for the location of the municipal liquor store(s).

§111.42 provides for the operation of the municipal liquor store.

§111.43 provides for proof of financial responsibility of municipal liquor stores.

§111.99 provides for penalties for violating this ordinance, including a schedule of civil penalties.

The effective date of the ordinance is the date of the publication of this summary of the ordinance. The ordinance adopts this summary of the ordinance.

This summary was approved by the City Council of Spring Lake Park, Minnesota, on July 20, 2015.

APPROVED BY:

Cindy Hansen, Mayor

ATTEST:

Daniel R. Buchholtz, Administrator, Clerk/Treasurer

City of Spring Lake Park

Proposal for Subscription to a SunShare Community Solar Garden



June 24, 2015

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

Dear Mr. Buchholz,

SunShare is pleased to present a solar energy proposal to the City of Spring Lake Park for a subscription to SunShare's Community Solar Gardens. We believe our offer is uniquely positioned to provide the City of Spring Lake Park with the best possible access to Community Solar energy.

Our proposal features a subscription of 895 kW, which will begin construction in early - mid 2016. SunShare currently has 89 MW of the Community Garden applications deemed complete by Xcel Energy, making us an ideal partner for the City of Spring Lake Park to move forward with this year. As a subscriber, the company can begin saving on its utility bills and meeting its environmental goals.

As part of our subscription with the City of Spring Lake Park, we are also offering several additional programs, including an employee benefit program that would allow all the City of Spring Lake Park employees serviced by Xcel Energy an opportunity to source their energy from the sun.

At the end of this proposal, you will find a Letter of Intent. This reservation form reserves your capacity in our gardens to ensure our ability to service you. As SunShare is in the process of reserving our final capacity for 2015, signing by July 31, 2015 will insure your capacity is reserved. After that date, we will start assigning customers to our 2016 capacity.

We look forward to helping the City of Spring Lake Park in achieving its renewable energy goals, engaging its employees and community, and fostering global leadership in renewable energy and local environmental sustainability. Should you have any questions or comments about this proposal, please contact me at any time.

Best regards,

A handwritten signature in black ink, appearing to read 'K Roach', is shown within a rectangular border.

Kyle Roach
Commercial Sales Specialist
kroach@mysunshare.com
612-325-4918

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Background and Qualifications

About Community Solar

In 2013, the Minnesota State Legislature passed a landmark Community Solar Gardens law that established a new market in the solar industry. Community Solar Gardens are simply solar energy systems that are connected directly to Xcel Energy's grid. Residents, businesses, institutions, and governmental customers can opt to purchase electricity from a Community Solar Garden and receive the benefits of clean energy without having to install panels on their roof or property. Community Solar subscribers receive solar credits which lower their overall electricity costs. In addition, Community Solar arrays are typically larger than residential or commercial-scale systems, which means that subscribers benefit from economies of scale and lower solar costs. Community Solar companies handle the land acquisition, solar array design, construction, financing, customer enrollment, and ongoing maintenance of the solar energy systems. Community Solar allows more energy users to utilize solar energy than ever before, and it is the easiest way to procure clean, affordable, locally generated energy.

About SunShare

Founded in 2011, SunShare is one of the first and largest Community Solar companies in the United States. Our mission is to make solar energy simple, affordable, and accessible to everyone. We helped Colorado Springs Utilities establish its pilot Community Solar Gardens program in 2011 and we are Xcel Energy's partner in Colorado, having won 100% of its competitive RFP awards in 2013. In Minnesota, SunShare currently has 89 MW of the Community Garden applications deemed complete by Xcel Energy,

SunShare's success has been gained by engaging churches, schools, and local governments, while building a local presence through community relationships. Our ability to develop Community Solar Gardens with a wide subscriber base of diverse community members is highly unique within the solar industry. We have years of experience engaging the communities where we operate. Our experience and expertise will provide the added benefit of brand recognition and public relations to the City of Spring Lake Park as an anchor customer.



Partnerships

SunShare has partnered with Mortenson, one of the nation's largest construction companies to provide engineering, procurement, and construction (EPC) for our Gardens. SunShare's and Mortenson's collective experience with financing, construction, operations, and maintenance creates an unsurpassed partnership and ability to execute successful Community Solar Gardens.



With revenues surpassing \$2.3 billion, Mortenson is recognized nationally as 14th in power construction, according to Engineering News Record's (ENR) 2014 ranking, and the 3rd largest solar EPC contractor, according to Bloomberg New Energy Finance's 2014 ranking. Having secured over 1,200 MW of solar energy facilities, Mortenson has proven to be a reliable and bankable EPC partner. Below is a sample of projects completed by SunShare and Mortenson:

| Company | Project | Location | Size | Status |
|-----------|---------------------------------|----------------------|-----------|----------|
| Mortenson | Alamosa | Alamosa, CO | 30MW AC | Complete |
| Mortenson | Saint John's Abbey & University | Collegeville, MN | 400kW AC | Complete |
| Mortenson | Solar Star I | Rosamond, CA | 318MW AC | Ongoing |
| Mortenson | Solar Star II | Rosamond, CA | 279MW AC | Ongoing |
| Mortenson | Quinto Solar | Los Banos, CA | 110MW AC | Ongoing |
| Mortenson | Alamo 4 | Bracketville, TX | 39.6MW AC | Ongoing |
| SunShare | Venetucci Solar Garden | Colorado Springs, CO | 500kW AC | Complete |
| SunShare | Good Shepherd Solar Garden | Colorado Springs, CO | 500kW AC | Complete |
| SunShare | Imboden Solar Garden | Watkins, CO | 4MW DC | Ongoing |
| SunShare | PPSG1 Solar Garden | Colorado Springs, CO | 2.6MW DC | Ongoing |
| SunShare | White Ranch Garden | Golden, CO | 1.5MW AC | Ongoing |
| SunShare | Colorado Springs Solar Garden | Colorado Springs, CO | 500kW AC | Ongoing |
| SunShare | Arapahoe County | Watkins, CO | 500kW DC | Ongoing |

A Sample of Our Customers



Site Management, Monitoring, and Maintenance

SunShare and our partners are responsible for ongoing monitoring, maintenance, and repair of the Community Solar Gardens. Solar arrays have few moving parts, which means maintenance is fairly limited. SunShare maintains a maintenance & repair budget and adheres to a standard operations and maintenance plan, which includes the following:

- 1) Monitoring: SunShare's remote monitoring systems provides notice when a module or inverter repair is needed. When this occurs, we dispatch a licensed electrician to make the equipment repair or replacement. The rest of the system continues to function even if one of our panels goes down.
- 2) System preventative maintenance: This includes visual inspection of PV arrays, electrical equipment, mounting structure, foreign debris, fence, shading, trackers, corrosion, and discolored panels. In addition, SunShare's maintenance team inspects mounting system and components for abnormal wear or excess corrosion, inspects modules for signs of degradation, inspects string wiring and electrical connectors, and inspects visible conduit and raceways for signs of damage or wear.
- 3) Inverter preventative maintenance: SunShare's maintenance team inspects and cleans the interior of inverters, inspects air filters, replaces and cleans air filters, inspects seals and replaces them if necessary, inspects electrical connections and wiring, mechanically inspects connections and wiring, re- torques electrical connections as needed, and completes IR scans of inverter connections, wiring, and electronics.
- 4) Other site maintenance: SunShare's team inspects general site conditions regularly. We maintain vegetation within the fence line including under panels to prevent shading and risk of fire, clear debris within the fenced area, and clean modules if necessary due to excessive dust or soil buildup. We also conduct regular system testing and verification, and have emergency response procedures in place to respond 24 hours a day if something happens at one of our Gardens.

SunShare also pledges to maintain or add value to the land we use to host our Gardens, including a pledge to plant pollinator-friendly habitat as described below.

SunShare Pollinator Pledge

We recognize and acknowledge that Community Solar developers can play an important role in creating on-site habitats that support and generate environmentally beneficial pollinators, including monarch butterflies and various bee species. For this reason, we pledge to evaluate (and when feasible, adopt) the use of pollinator-friendly ground-cover and vegetation-management practices for all the solar PV sites that we develop and/or manage in Minnesota.

Co-locating solar arrays with native wildflowers is a well-established practice and offers a wide range of habitats both around garden perimeters and beneath the arrays. Pollinator plants are known to enrich soils, increase rainwater infiltration and prevent erosion. These native grasslands can be maintained without the use of fertilizers or pesticides.



SunShare's Minnesota Leadership Team

Jonathan W. Postal (J.W.), Senior Vice President



JW oversees SunShare's strategic efforts, including sales, marketing, business development, business expansion, and public policy. Before joining SunShare, JW served as the Renewable Energy Executive for Milender White Construction Co. He also co-founded Main Street Power in 2008 and helped to grow it to one of the largest owner/operators of solar assets in the country. He brings 14 years of financial experience as a fiduciary investment advisor prior to his career in solar. He currently serves as Treasurer of the Board of the Solar Electric Light Fund, an international non-profit working to deploy solar power in the developing world. JW is a graduate of the University of Colorado and has a Master's in Public Policy from Georgetown University.

Ken Bradley, Director of Business Development



Ken leads sales, marketing, press, and policy work in the Minnesota market. Ken was CEO of Minnesota Community Solar where he led business development, regulatory work, and sales. He served as Director of Environment Minnesota and Clean Water Action, leading these organizations' efforts to protect the environment and promote clean energy. He serves on the Minneapolis Community & Technical Colleges Foundation Board of Directors, raising scholarship funds for students, and is on the Steering Committee for the Blue Green Alliance. He currently resides in Minneapolis.

Ross Abbey, Director of Regulatory and Legal



Ross is responsible for governmental sales in Minnesota, as well as writing and helping to pass Community Solar legislation across the nation. Prior to joining SunShare, Ross was an expert advocate with Fresh Energy in St. Paul, where he was involved in solar market analysis, policy development, and regulatory rule making and co-authored Market Transformation Pathways for Grid-Connected Rooftop Solar PV in Minnesota. As an attorney, Ross has served as plaintiff counsel for a range of corporations, and as business counsel for social entrepreneurs. Ross holds a J.D. from the University of Chicago Law School and a B.S. in Chemical Engineering from Texas A&M University. He lives in Minneapolis with his wife and child.

Matthew Bowers, Director of Commercial Sales



Matthew is currently building and growing the Minnesota Sales and Marketing team. Matthew was a District Sales Manager for a division of Siemens Energy and during graduate school, he participated in a fellowship with the National Renewable Energy Laboratory. He has a B.S. in Mechanical Engineering from the University of Colorado and an M.B.A. (Finance) from the University of Denver. He currently resides in Minneapolis.

Mortenson's Leadership Team

Trent Mostaert, Vice President and General Manager



With over 20 years of construction experience, Trent is the vice president and general manager for the Solar and Emerging Renewables operating group. He is responsible for the overall strategy development and direction of all facets of the group, including market selection, business development, design, construction, and maintenance activities, as well as P&L responsibilities. He is driven by the desire to continuously drive waste out of all processes, while developing innovative ways to deliver far superior results to the customer.

Dan Biere, Director of Operations



Dan oversees the operations of solar and emerging renewables projects and provides direction from project concept to completion. His responsibilities include management of Mortenson personnel, oversight of all subcontractor coordination and administration, quality assurance, safety management, cost control, and labor relations. Dan's depth of experience includes managing preconstruction processes such as estimating, scheduling, project planning, constructability, and site utilization.

Bradley Heitland, Design Phase Manager



As Design Phase Manager II, Bradley guides the preconstruction phase of the electrical, structural, and civil engineering disciplines of our solar projects. His core responsibilities include leading the estimating services team in translating customer desires into technical and financial documentation as well as coordinating design team members and preconstruction services. These services include estimating, scheduling, project planning, operations, quality and safety plans, site utilization, integration of 3-D/4-D modeling technology into the preconstruction phase of the projects, vendor qualifications, and contract management. Bradley also manages internal and external communications related to preconstruction planning and estimating.

Proposal Options

We are pleased to present the City of Spring Lake Park with plans for 100% offset of your energy use with Community Solar. Our offer gives the City of Spring Lake Park access to clean solar energy at no upfront cost and minimal risk, while providing long-term savings for 25 years. This option also allows for an unlimited amount of employee subscriptions.

| Option | Description | Benefits to the City of Spring Lake Park |
|-----------------------------|--|---|
| Option 1: Fixed Rate | <ul style="list-style-type: none">▪ 985 kW subscription▪ \$0.1050 per-kWh SunShare solar electricity rate▪ 2% annual escalation on SunShare rate | <ul style="list-style-type: none">▪ \$18,600 estimated savings in year 1▪ \$775,000 estimated cumulative savings by year 25▪ \$0 down |
| Option 2: Fixed Discount | <ul style="list-style-type: none">▪ 985 kW subscription▪ 15% fixed discount to bill credit▪ Rate floor of \$0.1000 | <ul style="list-style-type: none">▪ \$23,500 estimated savings in year 1▪ \$740,000 estimated cumulative savings by year 25▪ \$0 down |

*All pricing is subject to final site due diligence, engineering, and market factors at time of contract closing.

**Savings assume 2.75% annual utility escalation.

Pricing Details

Option 1: Fixed Rate of \$0.1050 and 2% Escalator

0.985 MW Option

10.5-cent SunShare SSA with 2% escalator, \$0 upfront pre-pay
0.985 MW Solar Services Agreement

| Year | 1 | 5 | 10 | 25 |
|------|---|---|----|----|
|------|---|---|----|----|

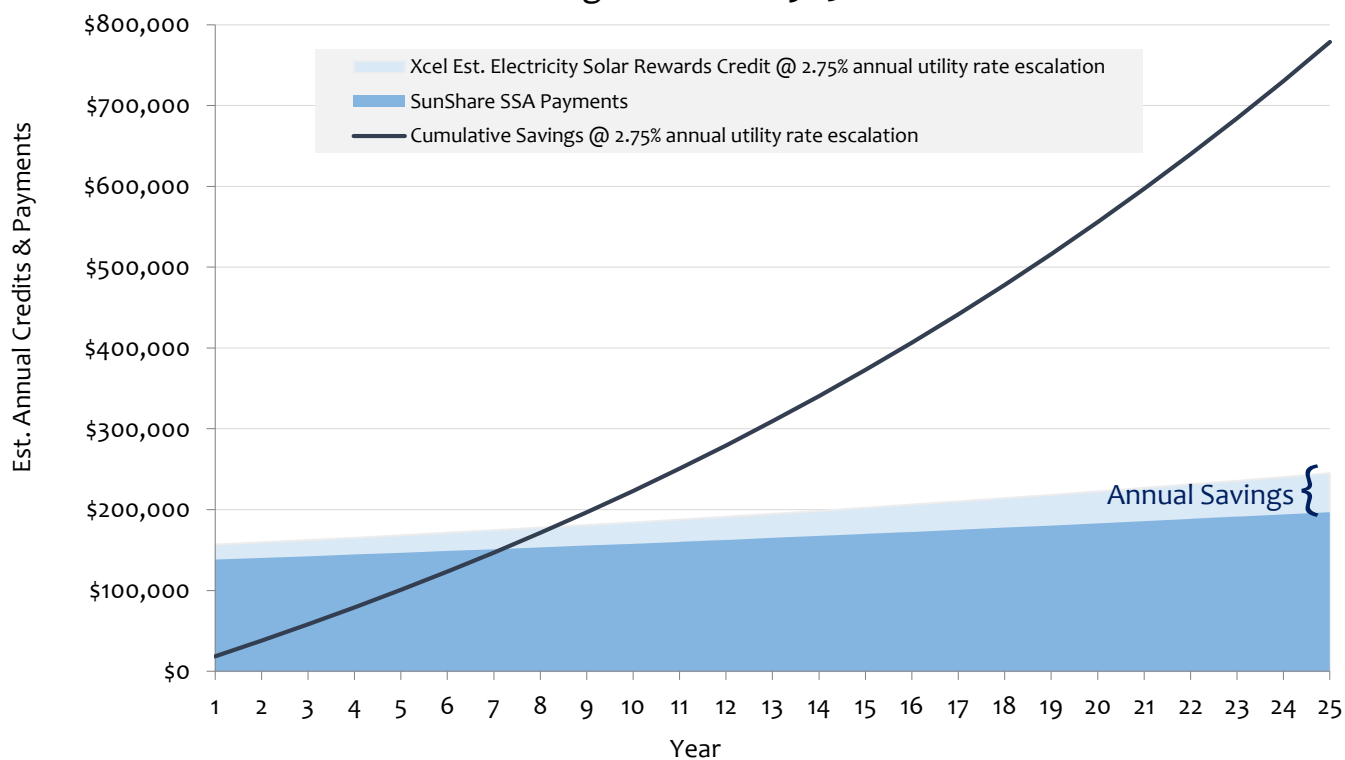
| | | | | |
|---|-----------|-----------|-----------|-----------|
| Est. Annual Panel Degradation Rate: 0.5% | | | | |
| Estimated kWh Production | 1,315,960 | 1,289,838 | 1,257,912 | 1,166,801 |

| | | | | |
|---|-----------|-----------|-----------|-----------|
| Est. Annual Utility Rate Increase: 2.75% | | | | |
| Xcel Est. Electricity Solar Rewards Credit/kWh | \$0.119 | \$0.131 | \$0.147 | \$0.210 |
| Projected Annual Credit | \$156,783 | \$168,328 | \$184,356 | \$245,160 |

| | | | | |
|--|-----------|-----------|-----------|-----------|
| Annual SunShare SSA Rate Increase: 2% | | | | |
| SunShare SSA Price/kWh | \$0.105 | \$0.114 | \$0.125 | \$0.169 |
| SunShare SSA Payments | \$138,176 | \$146,597 | \$157,849 | \$197,056 |

| | | | | |
|---|----------|-----------|-----------|-----------|
| Savings (\$*RC Credit vs. Est. Xcel Rates) | | | | |
| Estimated Annual Savings | \$18,608 | \$21,731 | \$26,507 | \$48,104 |
| Estimated Cumulative Savings | \$18,608 | \$100,667 | \$223,239 | \$778,459 |

Savings Profile - 0.985 MW



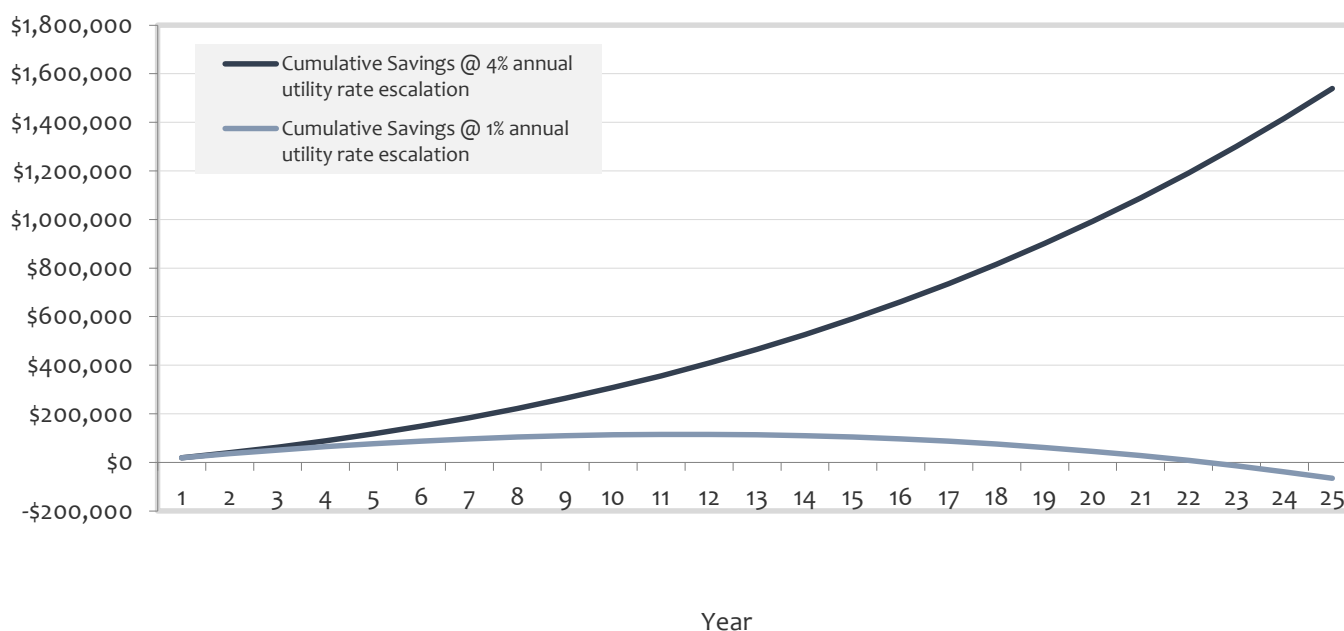
The following table and graph show alternative utility rate tests, demonstrating the savings the City of Spring Lake Park would achieve under various utility rate increases:

CUMULATIVE ALTERNATIVE SAVINGS

with Alternative Xcel Rate Increases

| Year | 1 | 5 | 10 | 25 |
|---|-----------|-----------|-----------|-------------|
| Estimated kWh Production | 1,315,960 | 1,289,838 | 1,257,912 | 1,166,801 |
| Annual Utility Rate Increase: 4% | | | | |
| Estimated Net Savings/year vs. Xcel | \$18,608 | \$28,795 | \$44,810 | \$122,794 |
| Estimated Cumulative Savings | \$18,608 | \$117,841 | \$308,278 | \$1,539,282 |
| Annual Utility Rate Increase: 1% | | | | |
| Estimated Net Savings/year vs. Xcel | \$18,608 | \$12,266 | \$3,702 | -\$26,842 |
| Estimated Cumulative Savings | \$18,608 | \$77,322 | \$113,255 | -\$65,882 |

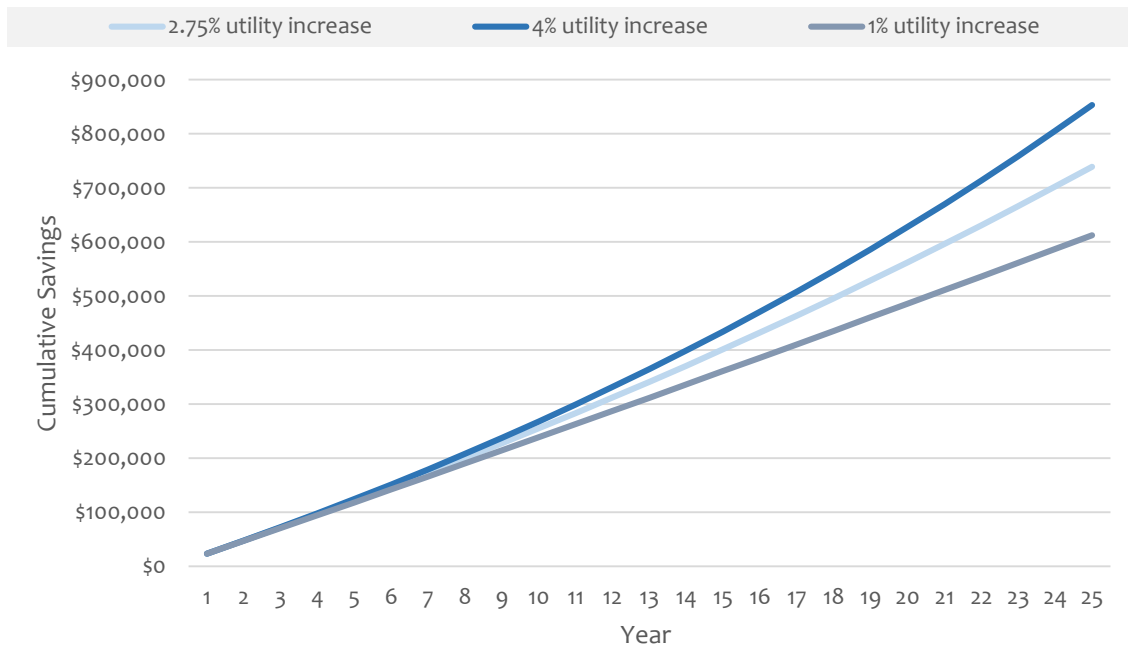
Cumulative Alternative Savings - 0.985 MW, \$0 Upfront Payment



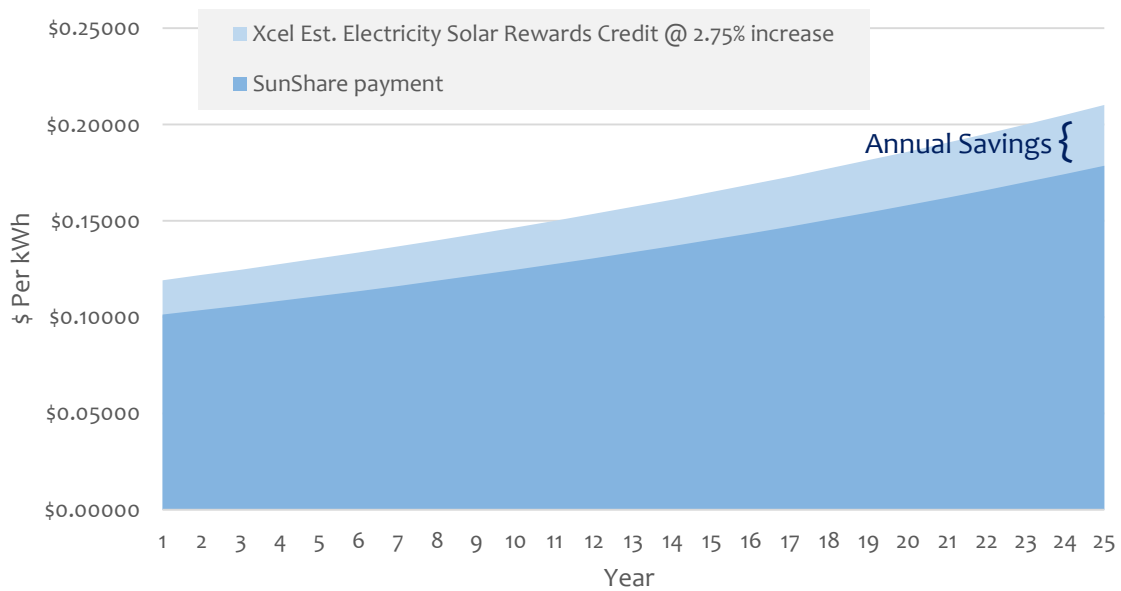
Option 2: 15% Fixed Discount Off Bill Credit

| Utility Escalator | Year 1 | Year 5 | Year 10 | Year 25 |
|--|-----------|-----------|-----------|-----------|
| Annual kWh Production | | | | |
| | 1,315,960 | 1,289,838 | 1,257,912 | 1,166,801 |
| Annual Utility Bill Credit Rate | | | | |
| 2.75% | \$0.119 | \$0.131 | \$0.147 | \$0.210 |
| 4.00% | \$0.119 | \$0.136 | \$0.161 | \$0.274 |
| 1.00% | \$0.119 | \$0.123 | \$0.128 | \$0.146 |
| Annual SunShare Rate | | | | |
| 2.75% | \$0.101 | \$0.111 | \$0.125 | \$0.179 |
| 4.00% | \$0.101 | \$0.116 | \$0.137 | \$0.233 |
| 1.00% | \$0.101 | \$0.105 | \$0.109 | \$0.124 |
| Annual Utility Bill Credit | | | | |
| 2.75% | \$156,783 | \$168,328 | \$184,356 | \$245,160 |
| 4.00% | \$156,783 | \$175,392 | \$202,659 | \$319,850 |
| 1.00% | \$156,783 | \$158,863 | \$161,551 | \$170,215 |
| Annual SunShare Payment | | | | |
| 2.75% | \$133,266 | \$143,079 | \$156,702 | \$208,386 |
| 4.00% | \$133,266 | \$149,083 | \$172,260 | \$271,873 |
| 1.00% | \$133,266 | \$135,034 | \$137,318 | \$144,682 |
| Annual Net Savings | | | | |
| 2.75% | \$23,518 | \$25,249 | \$27,653 | \$36,774 |
| 4.00% | \$23,518 | \$26,309 | \$30,399 | \$47,978 |
| 1.00% | \$23,518 | \$23,830 | \$24,233 | \$25,532 |
| Net Cumulative Savings | | | | |
| 2.75% | \$23,518 | \$121,866 | \$255,213 | \$739,083 |
| 4.00% | \$23,518 | \$124,443 | \$267,969 | \$853,206 |
| 1.00% | \$23,518 | \$118,365 | \$238,716 | \$612,432 |

Cumulative Savings Over Time w/ 15% Fixed Discount To Bill Credit vs. Variable Utility Rates



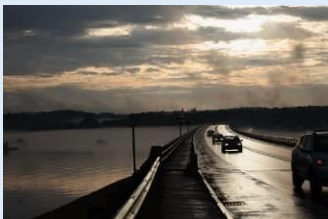


Projected Xcel Bill Credit vs. 15% Discounted SunShare Charge Per kWh



Environmental Impacts

Community Solar projects create significant benefit to the environment, including avoidance of emissions of pollutants such as CO₂, NO_x, and SO₂. These pollutants impact climate change, pulmonary diseases, and acid rain. With any subscription size the City of Spring Lake Park chooses, the City of Spring Lake Park can realize significant impacts on the environment and the communities in which it operates.

Here we have listed sample projected cumulative emission offsets for a 985 kW option.

| Your Offset Impact | | Equivalent to: |
|--|---|--|
| 64,270,734 lbs of CO ₂ a leading cause of climate change |  | 64,712,681 miles of driving avoided |
| 174,803 lbs of SO ₂ a leading cause of acid rain |  | 13,257,459 gallons of water saved from use in coal plants |
| 104,673 lbs of NO _x a leading cause of smog |  | 747,584 CO ₂ -absorbing trees planted |

City of Spring Lake Park's Employee Benefit Program

We are excited to invite the City of Spring Lake Park's employees the opportunity to participate in a City of Spring Lake Park-branded Community Solar benefits program, which SunShare will develop to the City of Spring Lake Park's specifications and in line with its existing benefits programs for employees.

With the City of Spring Lake Park as an anchor customer, SunShare will provide the City of Spring Lake Park employees with a unique recruitment story for employees to integrate Community Solar seamlessly with the City of Spring Lake Park's existing benefits programs so that employees can choose discounted solar energy just as they would select a health care plan. While the program will be developed to the City of Spring Lake Park's specifications, minimal effort or responsibility will be required on the City of Spring Lake Park's part to enroll participants into the program.

SunShare will work closely with the City of Spring Lake Park's sustainability or human resources team to develop a co-branded program that will engage employees, educate them about the benefits of Community Solar, and congratulate the City of Spring Lake Park for its continued global leadership in sustainability. Events can include, at the City of Spring Lake Park's request, breakfast, lunch, and after-work/school social events; video, animation, and other digital educational tools; social media engagement including Twitter, Facebook, and YouTube; outreach and education, including visits to a Community Solar Garden; marketing materials; and full public relations and media support to externally educate and message the City of Spring Lake Park's leadership in sustainability.



Attachment A: Subscription Reservation Letter

NON-BINDING LETTER OF INTENT Reservation for Subscription to a SunShare Community Solar Garden

June 24, 2015

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

Dear Mr. Buchholz,

SunShare is excited that you have expressed interest in subscription to our Community Solar program in Minnesota and we look forward to moving forward with you as a subscriber.

This letter of intent reserves capacity in a program under which you would enter into a subscription agreement with SunShare, LLC. This letter is not a formal or binding agreement for you nor for SunShare. However, it reflects both of our intentions to enter into a binding agreement for your subscription to one of our Community Solar gardens of 985 kW in size within 60 days.

If the above arrangement is acceptable, please sign below and return a copy to the address below.

We look forward to continuing discussions with you!

Sincerely,



Kyle Roach
Commercial Sales Specialist
kroach@mysunshare.com
612-325-4918

SunShare, LLC

City of Spring Lake Park

By: _____

By: _____

Printed Name: _____

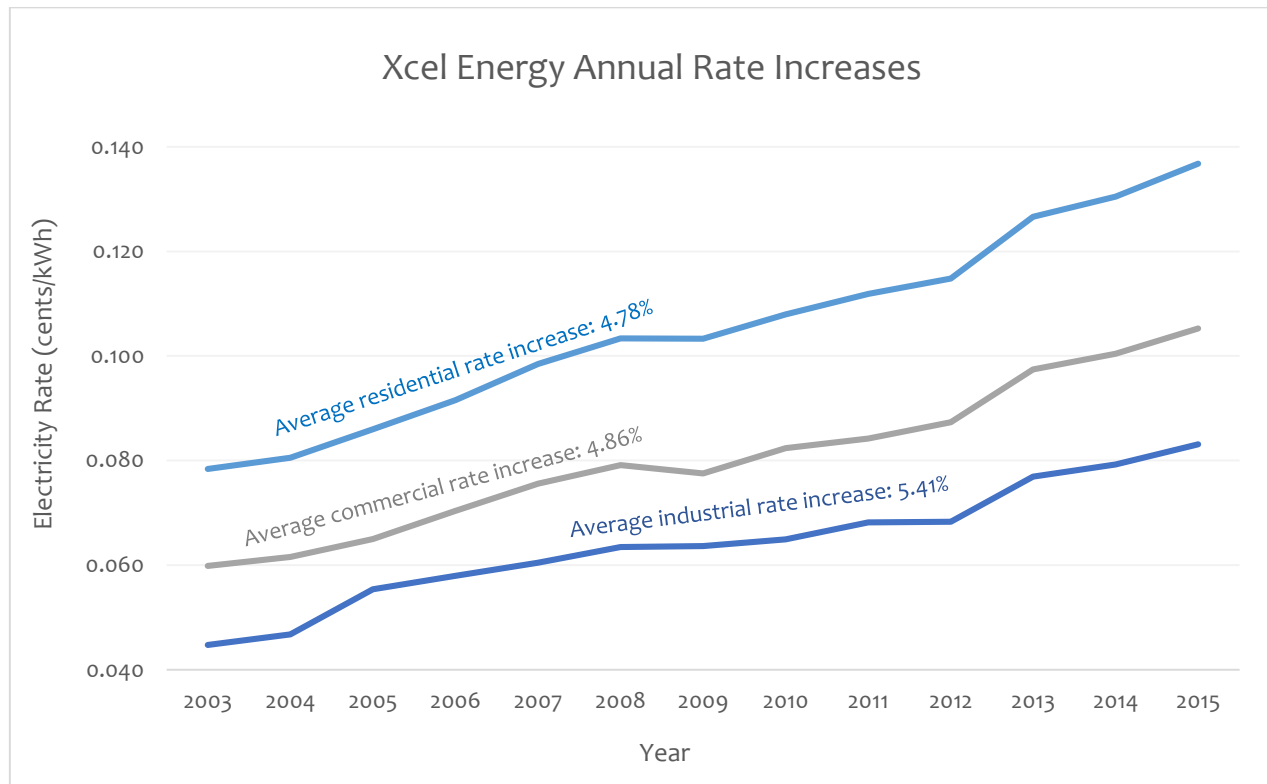
Printed Name: _____

Date: _____

Date: _____

Attachment B: Historical Xcel Rate Increases

Our projected Xcel rate increase (2.75%) is a conservative estimate based on Xcel's 10-year historical rate increases.





What is Community Solar?

- ✧ Allows subscribers to realize both financial and environmental benefits from offsite solar as if it was on the subscriber's roof
- ✧ Any Xcel Energy customer in Minnesota can now choose solar



What is Community Solar?

- ✧ New program passed as part of 2013 comprehensive solar legislation
- ✧ Helps Xcel meet its requirement of 1.5% solar by 2020 and goal of 10% solar by 2030

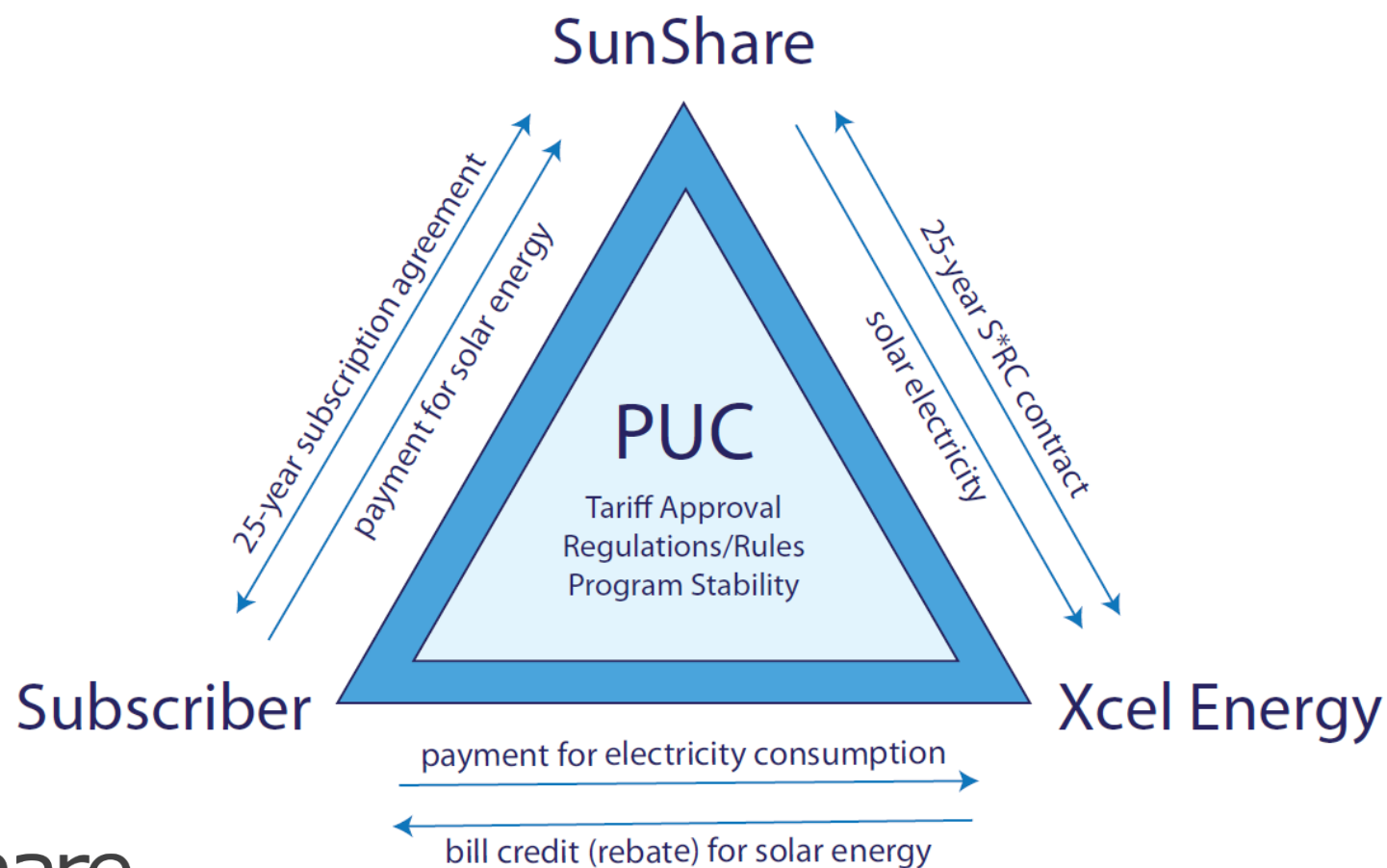


Why Community Solar?

- ✧ Many individuals, businesses, institutions, and organizations do not own their own roofs
- ✧ About 80% of roofs are unsuitable for rooftop solar
- ✧ Anyone can subscribe to an offsite solar garden



How Does It Work?



How Does It Work?

- ✧ No upfront costs
- ✧ Subscribers receive bill credits (rebates) for the energy generated by solar panels in our gardens
- ✧ Can subscribe up to 120% of energy usage
- ✧ Subscription costs are designed to be lower than utility bills, creating monthly savings from day one



Why SunShare?

- ✧ Developed the first competitive Community Solar program in the nation in Colorado
- ✧ Won 100% of Xcel Energy's 2013 Colorado RFPs
- ✧ Community roots
- ✧ Major partners



Why SunShare?

- ✧ Local office with locally hired staff in Minneapolis
- ✧ Partnered with Mortenson for our engineering, procurement, and construction
- ✧ Third-largest solar EPC in the country

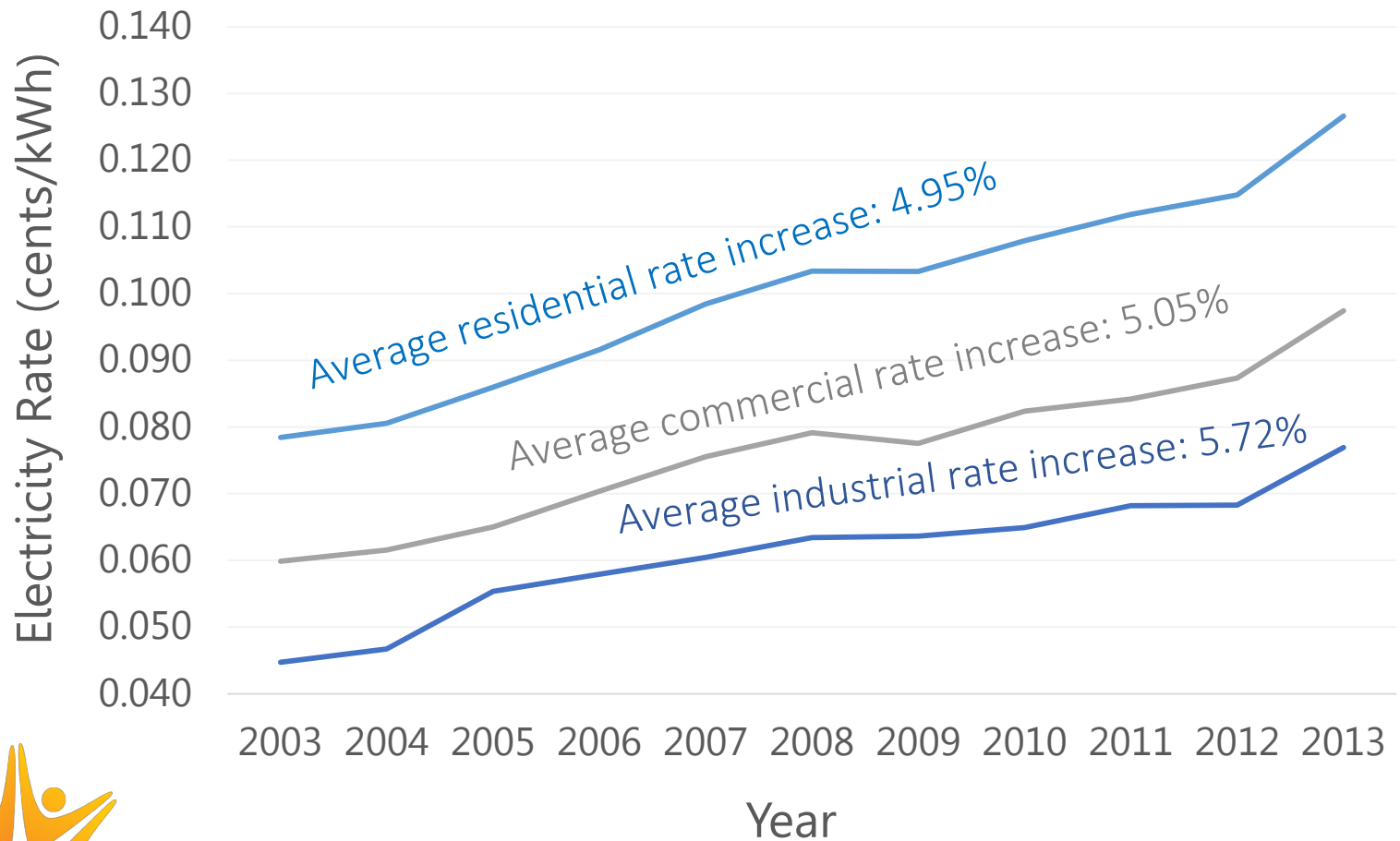


Why SunShare?

- ✧ Achieve savings and meet environmental goals with a SunShare subscription
- ✧ Employees can participate through our employee-benefit program
- ✧ Protect against unpredictable future utility rates
- ✧ Community engagement opportunities, including curricula for academic subscribers

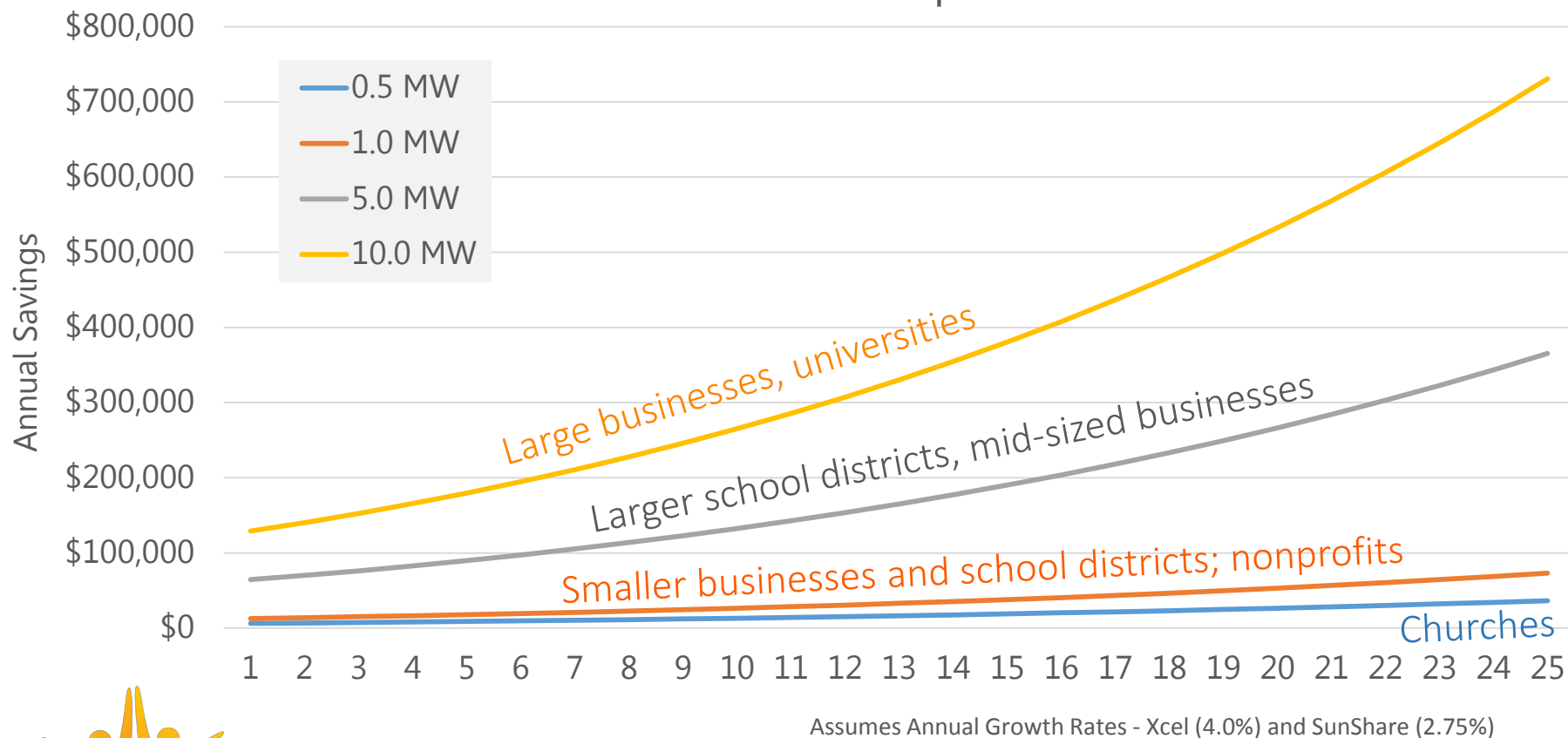


Xcel Energy Annual Rate Increases



Source: Energy Information Administration

Annual Savings Comparison Based on Subscription Size



Next Steps

- ✧ Day 1: initial customer meeting
- ✧ Week 1: customer sends electricity data or consent form to access data to SunShare
- ✧ Weeks 1-2: SunShare prepares and presents a proposal for subscription
- ✧ Week 2: customer signs non-binding subscription reservation letter
- ✧ Week 3: contract review and signing



Next Steps

- ✨ After 6-12 months: once solar gardens are fully constructed and interconnected, solar panels begin generating energy
- ✨ After a month of garden operations, subscriber begins receiving credits



Any Questions?

Kyle Roach

612.325.4918

kroach@mysunshare.com



Additional Information



Projects from Us and Our Partners

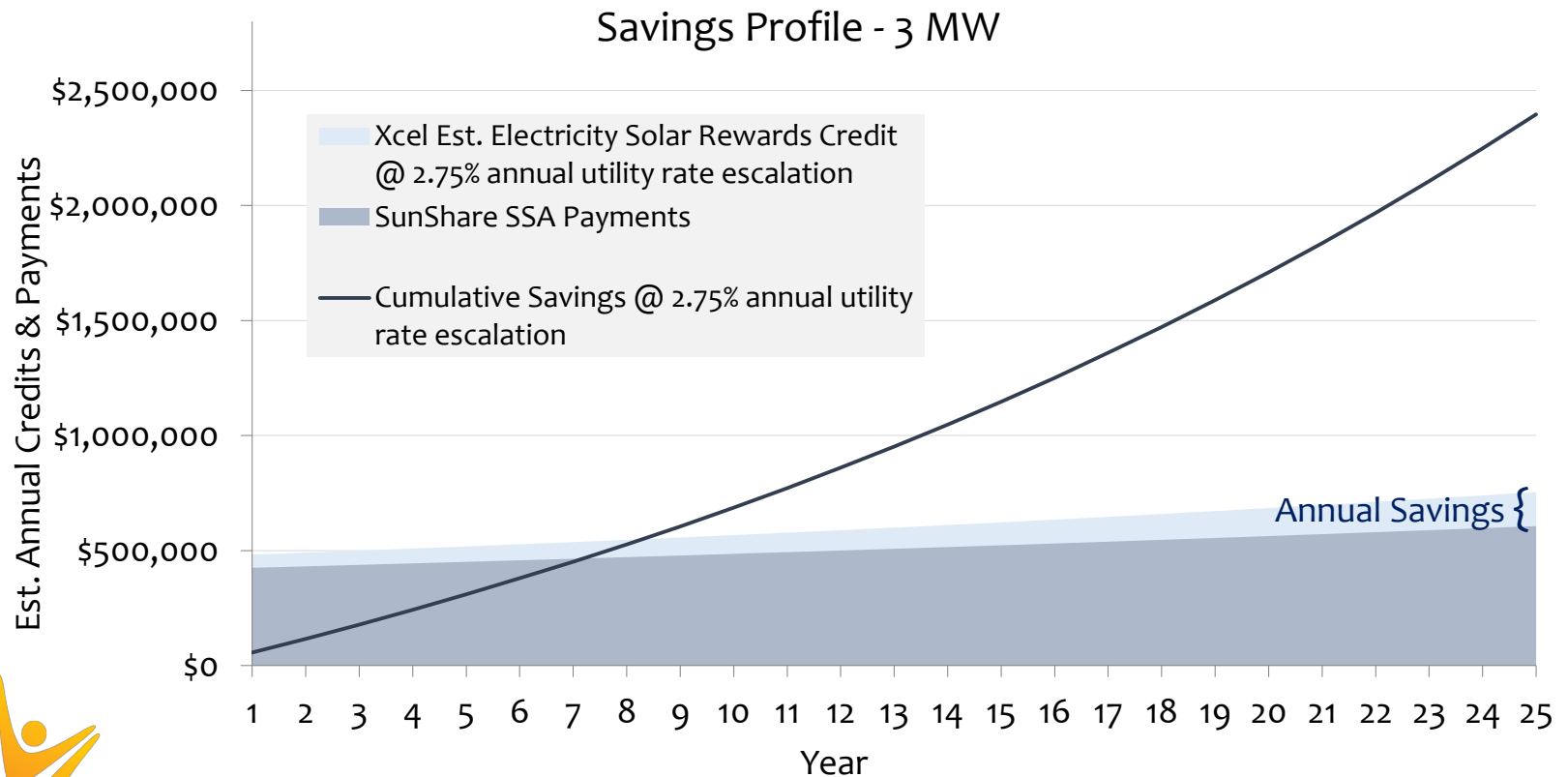
| Company | Project | Location | Size | Status |
|------------------|---------------------------------|----------------------|-----------|----------|
| Mortenson | Alamosa | Alamosa, CO | 30MW AC | Complete |
| Mortenson | Saint John's Abbey & University | Collegeville, MN | 400kW AC | Complete |
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Our Customers



Projected Savings (for a 3-MW subscription)





A Powerful Choice for Minnesota Businesses

No Upfront Costs

Unlike traditional solar models, a SunShare subscription saves you money from day one. Any customer of Xcel in Minnesota, including residents, businesses, organizations, and institutions, can subscribe to community solar to offset up to 120% of their energy costs. Subscribe to begin saving on your utility bills and reducing your environmental impact today.

Immediate Savings

Thanks to Minnesota's landmark 2013 community legislation, you can benefit from offsite solar panels as if they are on your own roof. Our customers subscribe to panels in our gardens, and Xcel Energy gives them credits (essentially rebates) on their electricity bills for the energy generated by their subscribed panels. Customers pay a subscription fee to SunShare, but that fee is designed to be lower than what they were paying to Xcel Energy for electricity, resulting in reduced energy costs. We fix subscription fees for the life of your contract, insulating you against unpredictable changes in fossil-fuel costs and utility rates.

Environmental Benefits

Switching to community solar means switching to an energy source that produces electricity without polluting. SunShare can help you meet your environmental goals and create positive name recognition for you as an environmental leader.

Why SunShare

SunShare has a history of successfully developing, building, and financing community solar garden projects. We take pride in our ability to execute on time and on budget, maintaining our reputation as the first private company in the United States to develop, build, and fully subscribe a community solar garden.

We bring unparalleled experience in providing the full scope of services required to successfully complete community solar gardens. In Minnesota, we have teamed up with Mortenson, a national leader in renewable energy engineering and construction.



Subscribe Today

Subscribing with SunShare is easy. Call us, email us, or visit our website to connect with our sales team to find out more about how a SunShare subscription can benefit your company.

609 S. 10th Street, Suite 210
Minneapolis, MN 55104
612.345.8881
www.mysunshare.com
contactmn@mysunshare.com





Cologne, Minn., signs deal to go all solar for its municipal electricity

The Carver County city expects to save about \$40,000 annually over the next 25 years.

By David Shaffer
JUNE 11, 2015

The city of Cologne on the western edge of the Twin Cities on Thursday signed a deal that would make it the first local government in the state to entirely offset its municipal electricity with solar power.

The city of 1,500 in Carver County will go all solar by subscribing to a Community Solar Garden planned by energy developer SunShare at the nearby Bongards cheese plant, which also would be a solar subscriber.

Under the deal, city's share of the solar garden — the output of about 2,700 panels — will generate during sunny times more power than the city needs for its City Hall, water pumps and other uses. The extra solar power goes on the grid, offsetting electricity drawn at other times from Xcel Energy, which remains the city's power supplier.

Cologne, which expects to save \$1.1 million on the deal over 25 years, likely is one of many local governments taking an interest in Xcel's Solar Rewards Community program. It allows any customer to subscribe to centralized solar projects or "gardens," whose output is sold at favorable rates to Xcel, offsetting all or part of the customer's monthly bills.

"It is something we couldn't even have imagined talking about four or five years ago," said Ken Bradley, a SunShare executive who negotiated the deal and lobbied for the 2013 law that made it possible.

The city of St. Cloud and the Metropolitan Council recently solicited bids for multiple, large solar garden projects. The Metro Council is planning a second solar bid open for metro counties and cities, including Minneapolis and St. Paul, to participate and offset their city power with solar energy.

Jessie Dickson, city administrator for Cologne, said its City Council, which approved the project 5-0, liked the idea that the solar power will be generated nearby even though the electricity goes straight to Xcel's distribution system, not directly to city buildings. SunShare hopes to complete this and other solar gardens by the end of 2016 to capture an expiring 30 percent federal solar tax credit.

The city's electric bill savings, which is expected to average more than \$40,000 a year, could be used for road, parks or other city infrastructure needs. "It is a pretty healthy chunk of change," he said.

Businesses and residents of the city won't get any of the solar power, but have the option of signing up for solar gardens themselves. Bradley said many other cities are considering similar deals.

"In the last six weeks, I have met with 25 cities," the SunShare executive said. "I am driving all over the state."

Several other cooperative utilities also offer solar gardens. Only Xcel's program allows independent energy developers like SunShare to develop solar projects, market them to Xcel customers and sell the power to Xcel at rates exceeding the retail price of electricity.

Xcel says it has received more than 600 solar garden proposals since December. As it reviews them, the Minneapolis-based utility has raised concerns that too many projects are clustered together, resembling large-scale solar projects built by utilities at a lower cost to ratepayers. If all of the proposed solar projects are built, it could boost rates 2 percent or more to all customers, Xcel says.

The utility is negotiating with the solar industry to resolve those concerns. The state Public Utilities Commission has said it will take up the issue later this month. Despite the uncertainty over the scope of the solar garden program, energy developers and cities are working on deals, hoping that issue will be resolved.

david.shaffer@startribune.com
612-673-7090

The New York Times

New Concept in Solar Energy Poised to Catch on Across US

By THE ASSOCIATED PRESS MARCH 7, 2015

MINNEAPOLIS — A new concept in renewable energy is catching fire across the country, allowing customers who might find solar panels too expensive or impractical to buy green energy anyway.

Community solar gardens first took off in Colorado a few years ago, and the model — also known as community or shared solar — has spread to Minnesota, California, Massachusetts and several other states. Capacity is expected to grow sharply this year, and interest is up among both residential customers who just like the idea and large companies that want to cut their carbon footprints.

The gardens feed electricity to the local power grid. Customers subscribe to that power and get credit on their utility bills, with contracts that typically lock in for 25 years and shelter against rate increases. Some developers say customer bills will drop below regular retail rates within a few years; others say the savings begin immediately.

"This is really the year that community solar becomes mainstream," said David Amster-Olszewski, CEO of Denver-based solar garden developer SunShare LLC, which runs two operations in Colorado and is developing more with Xcel Energy Inc., including in Minnesota.

Rooftop solar panels are becoming more popular among homeowners as the cost comes down, but that market is limited to only about one-fourth of U.S. residences, according to the National Renewable Energy Laboratory, an arm of the U.S. Department of Energy. Community solar opens the door to many more, including renters, customers with shaded roofs and those who can't afford solar panels.

It's friendly to big customers, too. Ecolab Inc. is the first major corporate customer to commit to Minnesota's program. The Fortune 500 sanitation technology company will get enough electricity from a

project in the suburbs to provide most of the power for its St. Paul headquarters.

At least 10 states promote ways for multiple customers to share renewable energy systems, according to the advocacy group Vote Solar, and a dozen states are actively promoting community solar.

California issued community solar regulations in late January, requiring three of the state's largest utilities to contract for 600 megawatts of new solar capacity. San Francisco-based Pacific Gas and Electric Co. will build the largest share, which could supply 30,000-50,000 customers, spokesman Jonathan Marshall said.

"A large number of our customers simply can't go solar on their own," Marshall said. "This is a tremendous opportunity for them to go to 100 percent solar if they want it."

In Massachusetts, Clean Energy Collective expects to complete three community solar facilities in June in Uxbridge that'll provide enough juice for 400-500 residential and commercial customers in the southern part of the state. Colorado-based developer CEC has two other facilities in Massachusetts that serve about 100-200 customers and expects to announce more projects soon, spokesman Tim Braun said.

Minnesota's Legislature passed a community solar gardens law in 2013, and solar backers were amazed when Xcel Energy got a flood of proposals soon after opening the approval process in December.

But Xcel complained to regulators that many turned out to be "utility-scale projects," saying it didn't believe that's what the Legislature had in mind. The law defines a garden as 1 megawatt or less, and Xcel said developers simply planned multiple small gardens next to each other to get around it. Xcel worried that its grid might need expensive upgrades to handle all that new electricity.

Solar developers and advocates dismissed Xcel's concerns, saying the more solar that displaces electricity from coal and gas the better.

One solar garden powering up this summer is at Bethel Evangelical Lutheran Church in Minneapolis, where roof panels will serve both the church and other subscribers. Pastor Brenda Froisland said her congregation has a progressive theology and wants to be good stewards of the Earth.

"As we learned more, it became a no-brainer for us," Froisland said. "We talked about using the power of the sun, s-u-n, to glorify the power of the Son, S-o-n."



Memorandum

Date: July 20, 2015

To: Mayor and City Council

From: Chief Doug Ebeltoft

Re: Authorization to begin testing process for a Police Officer position

Mayor and City Council Members,

With the pending retirement of Officer Gary King on September 30, 2015, I am requesting to start the testing process on July 22, 2015 by advertising the position of police officer, accepting applications, provide written testing and conduct interviews to determine top candidates for the position.

It is my intent to create an eligibility list for the future hire of a police officer which will allow the City of Spring Lake Park and the Police Department to be able to proceed with doing background checks on the top candidates and then make a tentative job offer to the appropriate candidate pending passing a psychological, chemical and physical examine.

I am seeking authorization at this time for this process to minimize the amount of time that the police department will be short staffed and to maximize our ability to provide the citizens of our community with the police services that they are accustomed to and expect.

This authorization is contingent upon the expiration (July 21, 2015) of Officer King's time frame to rescind his retirement request.

MEMORANDUM

TO: MAYOR HANSEN AND MEMBERS OF THE CITY COUNCIL
FROM: DANIEL R. BUCHHOLTZ, CITY ADMINISTRATOR
SUBJECT: MAUREEN GOERTZ RETIREMENT NOTICE
DATE: JULY 16, 2015

Maureen Goertz submitted her letter of resignation on Thursday, July 16. Rene has served as the City's Payroll/Assessment Clerk for 17 years. Over that time, she has processed the City's payroll that has become increasingly complex over that time, assisting employees with benefit and payroll questions, and answering citizen inquiries on special assessments. On behalf of our City staff, I would like to sincerely thank Rene for her service to the citizens of Spring Lake Park. Her retirement is effective August 28, 2015.

Staff is in the process of reviewing and updating the job description for the Payroll/Assessment Clerk position to reflect changes in the position over the years. Once that is complete, staff will begin the work of recruiting for the position. Recruitment for the position includes advertising for the position, accepting and scoring applications and conducting interviews to determine a finalist to present to the City Council for approval.

Staff asks that the City Council accept Rene's letter of resignation with sincere thanks for her years of service to the City and authorize staff to proceed with candidate recruitment for the position.

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

Maureen Goertz
9655 275th Avenue NE
North Branch MN
July 15, 2015

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

Dear Daniel Buchholtz:

Due to some events in my personal life I am submitting my resignation. The last 17 years at City of Spring Lake Park have been wonderful. However, it is time for me to retire. I am looking forward to traveling, playing golf, and most importantly, spending time with my family.

My last day at City of Spring Lake Park will be August 28th 2015. I would be happy to meet with you at your convenience to discuss the transition of my duties to my successor.

I wish the City and all its employees much success in the coming years.

Sincerely,


Rene Goertz



City of Spring Lake Park

Engineer's Project Status Report

To: Council Members and Staff
From: Phil Gravel

Re: **Status Report for 7.20.15 Meeting**
File No.: R-18GEN

Note: Updated information is shown in *italics*.

2015 Sanitary Sewer Lining Project (193803135).

This project includes lining and wye grouting in the northeast corner of the city. *The Contractor, Visu-Sewer, will begin preliminary televising. A Pre-construction conference will be scheduled when the preliminary televising has been completed.*

2015 Seal Coat Project (193803134).

The pavement markings have been completed. Next step is issue final payment.

2014-2015 Street Improvement Project (193801577).

A majority of the work has been completed. A punch-list inspection on the project has been prepared. The punch-list includes several clean-up and seeding items that need to be addressed by the contractor.

The public assessment hearing for 81st Avenue, Arthur Street, and the TH65 Service Drive will be held on August 17th.

CSAH 35 Turn Lanes and Sidewalk (193802914).

This project includes CSAH 35 improvements required as part of the SUP for 8299 Central Ave. Preliminary plans are being revised based on comments received from Anoka County. The wetland permitting process has started. A purchase agreement for required wetland credits has been approved. *We are having some RCWD permit issues.*

MS4 Permit (193802936).

The annual Public Meeting to discuss MS4 activities will be held at the July 20th meeting.

Lift Station No. 1 Equipment (193802805).

We have been working with the 3 equipment suppliers for to make schedule adjustments in lieu of the re-bidding of the lift station construction project.

Lift Station No. 1 Reconstruction (193803115).

Bids were rejected on May 18th. Project will be re-bid this fall.

Other issues/projects.

We continue to work with T-Mobile and Sprint on their applications for antenna modifications. There is an issue with T-Mobile and their handrail modification on the Able Street tower that needs to be resolved.

Feel free to contact Harlan Olson, Cristina Mlejnek, Phil Carlson, Jim Engfer, Mark Rolfs, Tim Grinstead, Peter Allen, or me if you have any questions or require any additional information.

MEMORANDUM

July 14, 2015

TO: Mayor and City Council

FROM: Wanda Brown, Recycling Coordinator

RE: Summer Multi-City Residential Recycling Drop-Off Event

Spring is fleeting and residents don't always have time to clean out old electronic or hard-to-get-rid-of recycling items. So the Cities of Columbia Heights, Hilltop, Fridley and Spring Lake Park are once again combining forces to host a Summer Drop-off Event on Saturday, July 25th from 9:00 a.m. - 1:00 p.m. located at the Fridley Public Works Garage at 400 - 71st Ave. NE (behind Columbia Arena).

Residents have an opportunity to get rid of old fluorescent tubes and bulbs (free), electronics like televisions and DVD players (first 3 free, except oversize TVs), appliances (first 3 free), mattresses (\$10/piece), scrap metal, old bikes, car batteries, small engines like lawnmowers, drained and bulky cardboard. Charges apply for air conditioners and larger quantities of some items. Free unlimited secure paper shredding is a bonus! No furniture or construction debris accepted. Any metal doors or metal patio sets must have all non-metal removed prior to bringing to event. No plastic outdoor kid's equipment.

I have attached a copy of the flyer/postcard residents should have received in the mail. It is important for residents to bring the form and their photo id with them to the event.

Thank you.

**Recycle**

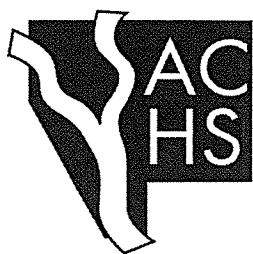
Multi-City Summer Residential Recycling Drop-off Day

Saturday, July 25, 2015, Open 9 a.m. - 1 p.m.**400 - 71st Ave. Fridley (host city)****Event is Rain or Shine. Fees apply to some items.****Bring form to event, cash or checks accepted (payable to City of Fridley)**Please circle your city: **Fridley • Spring Lake Park • Hilltop • Columbia Heights • Other**

| | Qty/Chargeable Qty | Fee For Each | Subtotal |
|--|--------------------|----------------|----------------------------|
| Air Conditioners | _____ | \$ <u>10</u> | \$ _____ |
| Appliances (first 3 FREE) | _____ | \$ <u>5</u> | \$ _____ |
| Stove, refrigerator, dishwasher, oven, washer, dryer, microwave, hot water heater (drained), dehumidifier, heater and other appliances | | | |
| Electronics (first 3 FREE except oversized) | | | |
| • TVs & monitors 30" or smaller, printer, _____ | | \$ <u>5</u> | \$ _____ |
| laptop, speaker, DVD player, vacuum, computer (hard drives shredded), stereo, coffee maker, toaster/oven, sm household appliances | | | \$ _____ |
| • Oversized TVs, Consoles or rear projection (larger than 30") _____ | | \$ <u>20</u> | \$ _____ |
| • Keyboard, mouse, cell phone, hand held games, circuit boards, cables, cords, holiday lights and small items | | \$ <u>FREE</u> | \$ _____ <u>0</u> |
| Mattress & Box Spring: (per piece) _____ | | \$ <u>10</u> | \$ _____ |
| Small Engines, Scrap Metal & Bicycles | | \$ <u>FREE</u> | \$ _____ <u>0</u> |
| Lawn mower, snow blower, weed whip, generator (please drain all fluids) metal fencing, shelving, pipes, gutters, metal doors (without glass) & posts | | | |
| Fluorescent Bulbs (pack last) | | \$ <u>FREE</u> | \$ _____ <u>0</u> |
| Circular, 4 ft, 8 ft, compact, all types | | | |
| Batteries | | \$ <u>FREE</u> | \$ _____ <u>0</u> |
| Vehicles and rechargeable batteries | | | |
| Paper for Shredding (confidential and secure) | | \$ <u>FREE</u> | \$ _____ <u>0</u> |
| Carpeting | | | |
| (Carpeting & Pad in 6 ft jute- tied segments, no scraps, not wet) | | \$ <u>FREE</u> | \$ _____ <u>0</u> |
| Cardboard (unlimited residential) | | \$ <u>FREE</u> | \$ _____ <u>0</u> |
| <i>Furniture, Hide-A-Beds and Construction Debris NOT ACCEPTED.</i> | | | Total Paid \$ _____ |

Bring this form and photo ID

CORRESPONDENCE



SERVING:

Andover
Anoka
Bethel
Blaine
Centerville
Circle Pines
Columbia Heights
Columbus
Coon Rapids
East Bethel
Fridley
Ham Lake
Hilltop
Lexington
Lino Lakes
Linwood
Nowthen
Oak Grove
Ramsey
St. Francis
Spring Lake Park



School mates of 6th grade

Miss Marion Dunham

By Sara Given, ACHS Volunteer Coordinator

The twelfth annual Anoka Heritage Home and Garden Tour features the Dunham Oaks neighborhood next to the County Fair Grounds in Anoka. The neighborhood came together because of one teacher and principal at Washington Elementary: Marion Dunham.

Born in 1894, Marion Dunham lived her entire life in the city of Anoka. Marion's father, Dwight Clinton Dunham, was born in Ohio and received his medical degree from Cleveland Medical College in 1867. He moved to Anoka with his first wife Margaret and their three children where he had a medical practice as well as participated in the lumber business in town. After Margaret died in 1888, Dr. Dunham remarried in 1891 to Ruth Dunham and had a son, Dwight, and daughter, Marion.

Marion attended Anoka High School and studied in the "Normal Training Department." Normal Training was a preparatory program for those students who wanted to become teachers. Half of the school day was spent learning grade subjects from a teacher's view point that included music, drawing, American literature, civics, school law, hygiene, and agriculture. The other half was devoted to

practical application and practice teaching in the local city schools. The students also had the opportunity to stand in as substitute teachers when a grade teacher was absent.

As a member of this department, Marion graduated with a first grade teaching certificate in 1912 at the age of 18. It's not clear where her first teaching post was after graduation, but by 1927 she taught 6th grade at Washington Elementary in the city of Anoka. After many years as a teacher at the school, she became its Principal and remained in that position until she retired in 1963 at the age of 69.

Past students remembered Miss Dunham as "a force" in the halls of the school. One student had Miss Dunham as her 8th grade teacher and said; "She was a disciplinarian. She demanded and got respect and no one escaped homework." Another student, Barb Thurston, had Miss Dunham as her Principal at Washington and remembered her as a tiny woman, always dressed in black with sensible heels clicking down the hallways.

Marion's father died in 1908 before she graduated from

Above: Marion Dunham and her 6th grade class, circa 1927

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by the Anoka County Historical Society
six times yearly as a member benefit.*

Anoka County History Center & Library

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Anoka, MN 55303
(763) 421-0600
Fax (763) 323-0218
E-mail: achs@ac-hs.org
AnokaCountyHistory.org

History Center Hours

Tuesday, 10 a.m. - 8 p.m.
Wednesday-Friday, 10 a.m. - 5 p.m.
Saturday, 10 a.m. - 4 p.m.

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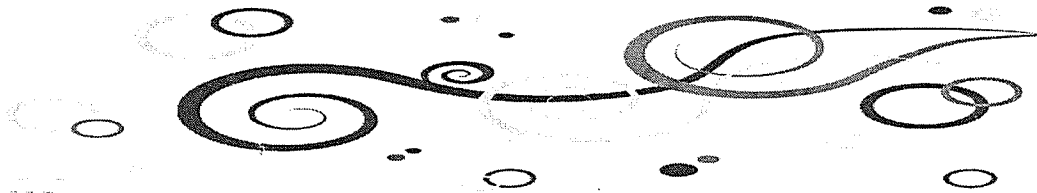
From the President...

By William Erhart

The continuing changes in the weather patterns, the increased intensity of storms, occurrences of floods, etc., have received a lot of attention in the press of late. Upon reviewing the history of Anoka County, it has had its fair share of extreme weather events. Currently, the Historical Society has an exhibit on display of the 1965 tornadoes that went through Fridley and Spring Lake Park. Also, a recent documentary that was aired on local television received significant information from the Anoka County Historical Society.

Although each of these tornadic events brought up a host of memories to the residents of Anoka County, the remnants were also seen elsewhere. My father was a farmer in Pine County. He remembers shortly after the 1939 tornado picking up several bank notes from the First National Bank of Anoka while working in one of the farm fields that was more than 60 miles away. Tony Elfelt remembers his in-laws talking about retrieving letters from their property near Stanchfield, Minnesota addressed to local residents after the 1939 tornado.

Although tornadoes' effects can be devastating, the drought of the 1930s continued for years, causing Anoka residents to lose their homes and property. Most would agree that we need to remember the vast impact that weather can have on our lives and livelihood. We all need to respect the weather, and to keep an open mind on whether our activities are having an effect on it.



From the Director...

By Rebecca Ebnet Mavencamp

The number of clichés I could use about now to explain month #2 as the Executive Director are more numerous than the stars in the sky. But I wouldn't want to spend time explaining how it's full steam ahead on the wedding dress exhibit (Wedding Belles and Beaus) that will open July 11, or how we've been busy as bees putting the polish on the Heritage Home and Garden Tour ready for July 12. That would be over the top and certainly boasting, as it's really all in a day's work.

I'm up to my eyeballs in new names, having had the privilege of meeting still more volunteers, community members, and business owners. This baptism by fire has produced a long list of ideas and projects the ACHS would like to hone and consider for the future. The first would simply document businesses where they are along their growth journey—a questionnaire marking five, 10, 15 and 20 years in business. The second would expand on this information to create a tool for business owners to connect with the history of their building and the heritage of their occupation—a booklet publication to be sold to customers. The third would take research to another level entirely with the intention of publishing a book on the business history, thus creating a legacy for the community and generations down the road. The fourth and on will come to you like grains of sand through an hourglass...

Thank you again for your continued support of the ACHS. I'm quickly coming to understand and appreciate how special the members and patrons of the museum and library are! It's a gift to serve you and I will strive to go the extra mile—no matter how cliché it may sound.

Continued from page 1



Marion Dunham
"Peaceful, studious and silent"

Marion Dunham senior
photograph and quote, 1912.

high school and Marion continued to live with her mother at their home on 5th Ave until her mother's death in 1966.

With such a long teaching career, how did that translate into owning and selling the land to create the Dunham Oaks Neighborhood? Miss Dunham could not purchase the land herself with her teacher's salary and census records do not indicate that she had any supplementary income. She must have inherited the land. In order to figure out the connection of how the land came to her, plat maps of Anoka County are a great resource. The land that encompasses Dunham Oaks is noted on the earliest plat map of Anoka County in 1888 as owned by James McCann. Following the ownership through these maps, that section of land was owned by W.S. Bailey before transferring to Ruth and Marion Dunham.

Wendell Bailey was Marion's uncle, having married her mother's sister Olive Thurston, and he is noted as a lodger in Ruth and Marion's home in the 1940 census. On November 24, 1940 Wendell passed away and the *Anoka Union* reported on the circumstances surrounding his death: "Mr. Bailey had been taking care of a wolf for someone at his place beyond the fair grounds and wanted to take a picture of the animal when the light was just right...he asked his niece, Miss Marian [sic] Dunham, to accompany him and take the picture." The photograph with the wolf went without incident, but after caging the animal again, Bailey suffered from a heart attack and died.

After his death, the land "north of the fairgrounds" was transferred to Ruth and Marion Dunham. It's unclear what the women did with their new land holdings, but it wasn't until after Ruth's death in 1966 that Marion set about to sell parcels for developing a new neighborhood.

Marion sold the sections of her land carefully. She screened potential homeowners, and favored teachers and educators in the area. She also approved any home designs and designated what trees could and could not be torn down during construction. A resident of the neighborhood remembers as a child that Miss Dunham would often drive the streets, her head barely clearing the steering wheel of her 1960's era Chrysler Imperial making sure all was in order. Her investment in the neighborhood has created a haven away from the busier downtown Anoka streets.

Marion Dunham died at the Twin Rivers Care Center in Anoka on June 2, 1981, and was buried at Oakwood Cemetery next to her mother. With no direct children of her own, she was survived by her niece and grandnieces, none of whom lived near Anoka, as well as the neighborhood she created and planned and which still bears her name: Dunham Oaks.

Tour Dunham Oaks!

In the 12th Annual Anoka Heritage Home & Garden Tour
July 12, 1-5 p.m.

Advanced tickets \$12

Purchase tickets at AnokaCountyHistory.org or call 763-421-0600

Anoka Heritage

Home & Garden Tour

Sunday, July 12 ♦ 1 pm—5 pm

12th Annual

Tour beautiful Dunham Oaks neighborhood
Visit historic Downtown Anoka Businesses
Chance to WIN Raffle Prizes—
before and on the day!

Buy tickets at
AnokaCountyHistory.org

Thank you to our local sponsors!

Story from the Archives

Wedding Dress Connections

By Marilyn Anderson, Collections Manager

Sometimes the roundabout way donations come to ACHS can be a bit strange and at times downright spooky. As the Collections Manager for ACHS, I love to see when stories and artifacts come together, like the most recent donations that started with a very small, thin fountain pen. A man named Jerry stopped in to ask me if we might be interested in this pen along with a school bell used by his mother, Dorothy Richardson, who taught in the Lino Lakes school district from 1934-1936. The two items, and the story they told, fit perfectly with our mission to tell the history and stories of Anoka County.

He was interested in donating the items to us, but was worried they would be packed away forever in a box, never to be seen. We are currently in the process of putting together a large wedding exhibit and I pointed out how much we look forward to getting items out of the box and showcasing their wonderful stories.

Since I mentioned weddings, he asked if we might consider adding his mother & grandmother's wedding dresses to our collection. Already aware of his family's history in the county, we suggested he bring them in.

This is where it gets spooky. Jerry received a call from his cousins, one who lives in Anoka and one visiting from out of town, inviting him to lunch. He told them about his visit with us and what he will be donating.

Shortly after this, I received a visit from the cousins who brought not only their mother Betty's wedding dress from 1945, but photographs of the wedding party - where Jerry's mother Dorothy was featured as one of the bridesmaids.

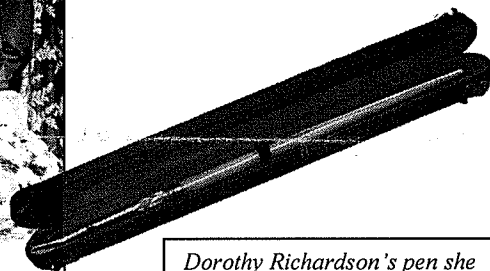
It turns out Michelle & Linda's father, Clifford Richardson, was stationed in the South Pacific during WWII when he received notice his mother was very ill and he was granted emergency leave. While in transit home, his mother's health improved and his fiancé decided to take full advantage of this unexpected trip and planned the entire wedding. A service member coming home on leave had no idea he would be returning married.

With money and time short, each bridesmaid wore her own wedding dress for Clifford and Betty's ceremony. In Michelle and Linda's photograph of the wedding party was their mother Betty in the dress they were donating, but also Jerry's mother as bridesmaid wearing the wedding dress he had donated the previous week. What started with a pen, a school bell and a little conversation, added three wonderful dresses with great county history and an opportunity to share a unique story.

The exhibit opens on Saturday July 11th during RiverFest. Be sure and stop by to see the Richardson family wedding dresses and the rest of this amazing collection!



*Dorothy Richardson (back row 2nd from left)
Clifford and Betty Richardson (front row, middle)*



*Dorothy Richardson's pen she
used as a school teacher in Lino
Lakes circ 1934*

You are Cordially Invited

The Anoka County Historical Society requests the honor of your presence at the opening reception for the exhibit

Wedding Belles & Beaus

When: Saturday, July 11

Time: 10a.m.—4 p.m.

What: Exhibit opening for ACHS's newest addition to the exhibit hall. Day's events will include a special recognition to family members with wedding artifacts on display, a wedding dance on the front lawn, and special wedding themed photo opportunities. Come in your favorite "bad" (or good) formal or wedding attire to be eligible for a special prize drawing!

This opening event is held as part of Anoka's RiverFest City Celebration



*Bessie B. Over & Norman Jackson,
married Oct. 21, 1903. See both
garments on display*

The History Center is Hopping

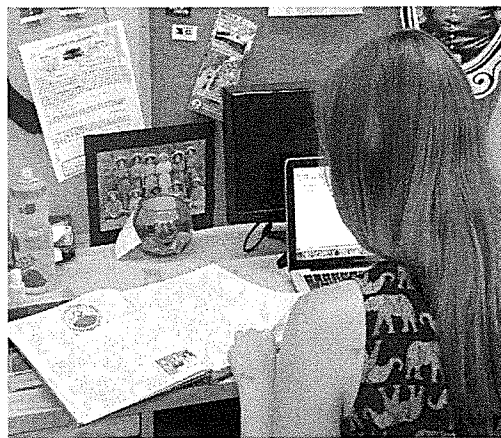
The history center is bustling with activity and volunteers coming in every day to work on projects for ACHS! If anyone ever told you that history was dull, do not believe them. It certainly hasn't been dull lately with so many great volunteers coming in each day. Let me give you a taste of what a day at the history center is like.

The day I am writing this is a typical Tuesday. This morning I came to work a little before we opened at 10 am and volunteers from our partners, the Anoka County Genealogical Society, were already here, hard at work. They come every Tuesday morning and help people who stop in with genealogical research and even helped me find family information for this newsletter's article on Marion Dunham. Molly, our summer intern, came in right after I did and began working in a cubical in our back office area. She is working on creating a traveling Museum Box about immigration to go to 6th grade classrooms in the county. Next, new volunteer Brian came in to work. He came bearing a box of donuts to share (thank you Brian!) and sat down to create a finding aid for our collection of Anoka County Agricultural Reports. A finding aid is a detailed list of the contents and background of a collection in order to help anyone working with that collection.

Take a deep breath because we've only made it to 11 am so far. Volunteer Alison came in next. She is our master Headline Hunter and makes sure articles relevant to Anoka County from various newspapers are recorded properly so they can be added to our Manuscript Collection. Then, Ghost Tour Docent Lynne came to bring her wedding photos to Vickie to accompany her wedding dress in the exhibit. After Lynne's visit, volunteer Sandy arrived in the early afternoon. Sandy is a master photo scanner. She helps digitize photographs for our internal database so they can be searchable by staff and the public who wish to conduct research here. Our dedicated photo-scanning volunteers have scanned over 14,000 photographs already.

Throughout the day other volunteers emailed, or called wanting to be a part of our great summer events at RiverFest, the Home & Garden Tour, and the Anoka County Fair. In addition to the volunteers coming in, patrons came in to pick-up library books they requested from the Anoka County Library system, a couple examined a quilt from our collection, a gentleman printed out his resume for a job interview, Vickie dressed mannequins for the new wedding exhibit, and a woman came in with a donation of a bridesmaid's dress for the collection.

On Tuesdays the History Center stays open until 8 p.m., but my part of the story ends at 4 p.m. I'm always amazed by the variety of things that go on during the day and the work that our volunteers accomplish. If you are interested in getting in on the bustling action, we are currently looking for great volunteers to organize our very messy work room, enter manuscripts into our database, and amateur photographers to document changes around the county. If you would like more information or would like to help, give me a call at 763-421-0600 or email me directly at Sara@AnokaCountyHistory.org



Intern Molly hard at work

An Evening Honoring

Natalie Haas Steffen

Survivor of Life's Unexpected Curveballs



Professionally, Natalie Haas Steffen is known in Anoka County as one of the first two female County Commissioners. Growing up and in her personal life, Ms. Haas Steffen is a force. She gained local notoriety as a child in her hometown of Hendrum as the town boxing champion and was a wiz on the baseball field. She notes with pride, "I was chosen for the teams before the boys because I was better than they were."

Join in an evening to celebrate a pioneer in local and state politics and culture. During the evening enjoy a plated dinner, listen to special guest speakers as they reminisce on Ms. Haas Steffen's wit, work and wisdom and enjoy some unexpected surprises.

Reserve your table of eight soon for the best seating options. Table reservations and individual seat sales available now by calling 763-421-0600 or go to AnokaCountyHistory.org to purchase your tickets.

When: September 17, 2015

Time: Social time begins at 5:30

Where: Courtyards of Andover
13545 Martin St NW, Andover

Contributions & New Members – Thank You

All lists are current to June 25, 2015

General Donations

Jan Anderson
Kevin & Patti Bellows
Benevity Community Impact Fund
Gregory & Jackie Bornem
David & Kathy Carlson
Eva Mae Cleator
Katie DeMarco
Dan & Waldeane Felix
Janet Galvin
Guila Ann & Thomas Hunt
Lorraine Keith
Judith O'Connor
Tom & Linda Sullivan

Donations Made in

Memory of
Wayne Coleman
Naomi Johnson

New Members

Aaron, Bahe

Doug Dehn
Mary Kirby
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John Sundsrud

Artifact Donors

Shirley Christenson
Sue Coleman
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& Linda
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Lotus Hubbard
Greg Johnson
John Jost
Doris Irvine Korthof

Marlys Manthey
Mary Mourkas
Gerri Olson
Jared Richardson
Ceili Ternes
Barb Thurston
Tom Ward

ACHS Remembers

To those members, volunteers, friends and neighbors who are no longer with us —you will be missed.

Wayne Coleman
1941-2014

Naomi Johnson
1934-2015

ACHS Business Members

Nowthen Historical Power Association

ACHS Business Sponsors



James "Jake" Collins
Senior Risk Management Consultant
651.900.1221 cell
651.457.4444 office
888.494.9593 toll free

1349 South Robert Street
Saint Paul, MN 55118
jake.collins@complynet.com

Become a Business Sponsor or Business Member with ACHS!

As a Business Member you receive membership benefits, a listing in our newsletter and website, and an ACHS window cling to display.

Business Sponsors receive membership benefits, a business card sized ad in our newsletter, an ad with a link on our web site, credit towards event sponsorships and an ACHS window cling to display.

If you want more information or your business would like to become a member or sponsor with ACHS call 763.421.0600, email Audra@AnokaCountyHistory.org or visit our website AnokaCountyHistory.org

Programs & Events

Ghosts of Anoka Walking Tours

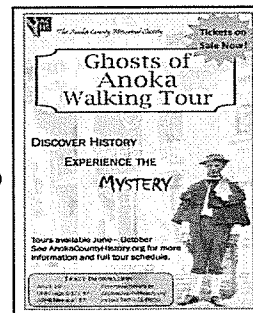
7:30p.m., select Thursdays & Saturdays May, June, July, August

Location: Anoka County History Center

Join us for history and mystery at 7:30p.m., every other Thursday and Saturday as you venture through downtown Anoka with a costumed tour guide. Anoka County Historical Society's Ghosts of Anoka Walking Tours run throughout the summer. Enjoy an evening walk around the city and beat the fall crowds by signing up for a summer tour to hear the history and unexplained stories of homes and businesses in this historic city.

Advanced registration required. Tickets can be purchased at the History Center, at 763-421-0600 or online at AnokaCountyHistory.org

Cost: \$9 Adults, \$7 Children (6-17), \$7 ACHS Members



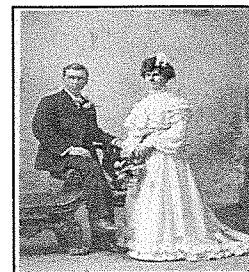
RiverFest at the History Center

10 a.m. - 4 p.m. Saturday, July 11

Location: Anoka History Center

The History Center is joining the fun at Anoka's RiverFest by celebrating wedding season. ACHS will hold an official opening for our new wedding exhibit, *Wedding Bells & Beaus*. There will be music, a reception and photo opportunities. Dress up in a wedding themed clothes to be eligible for a special prize. See page 4 or AnokaCountyHistory.org for full details of the days wedding activities.

Cost: FREE



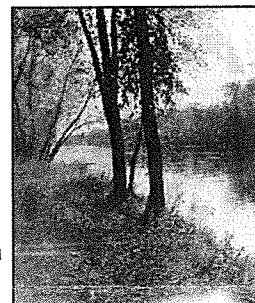
Anoka Heritage Home and Garden Tour

1p.m. - 5p.m. Sunday July 12

Location: The Dunham Oaks neighborhood and downtown area, city of Anoka

It's a summer tradition that community members look forward to each year. This year's 12th Annual Home and Garden tour will be explore the beautiful Dunham Oaks Neighborhood. This lovely community is located just north of the Anoka Fair Grounds on the Rum River. The Home and Garden Tour is presented by the Anoka Heritage Preservation Commission and the Anoka County Historical Society. Join the tour this year and view homes and gardens in the city as well as historic downtown Anoka businesses for raffle prizes. Tickets can be purchased in advance at the History Center, at 763-421-0600 or online at AnokaCountyHistory.org and on the day at The Big White House, 1900 Third Ave S., Anoka.

Cost: \$12/advanced ticket, \$15/day-of ticket



Anoka County Fair

July 21-26

Location: Anoka County Fairgrounds,

3200 St Francis Blvd NW, Anoka, MN 55303

Visit the ACHS at the Old Farm Place's Farmhouse during the Anoka County Fair. Step back in time and imagine life with an icebox or no running water. Each day the farmhouse changes: people making crafts, churning butter, swinging on our porch, telling stories or learning about Anoka County history through our new Museum Boxes. Drop on by and join the history fun!

Cost: Admission to Anoka County Fair (\$9 adult admission price) See AnokaCountyFair.com for full admission and Fair details.



Book Talk and Signing

Images of America: Ham Lake by Mel Aanerud

Tuesday August 4

5-7 p.m. book signing, 5:30 p.m. book talk

Location: Anoka History Center

Ham Lake is a perfect geographical township, six miles by six miles square as provided in the Northwest Territories Act of 1787. This book on the history of Ham Lake by Mel Aanerud follows the process of those lives as they farmed, built houses of worship, houses of learning and houses of commerce. It follows a few interesting characters, award winning businesses and some who had political prowess. Book signing held 5—7 p.m., book talk to be held at 5:30p.m. No registration required.

Cost: FREE



We've updated our email addresses!

All ACHS staff email addresses have been updated to match our website name. Each staff email is our name @AnokaCountyHistory.org. Example: Vickie@AnokaCountyHistory.org Our old email addresses that ended in @ac-hs will still work for the next year, but remember to update those contact lists.

Anoka County Historical Society
2135 Third Avenue North
Anoka, MN 55303
(763) 421-0600

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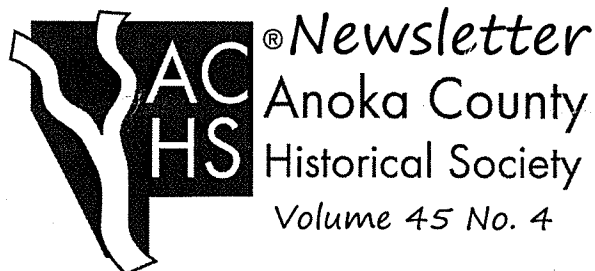
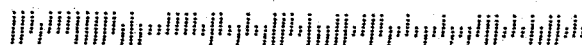
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North Metro Telecommunications Commission Meeting Talking Points

July 15, 2015

- ▶ NMTV is covering the USA Cup Soccer Tournament. In total, 30 games and Opening Ceremonies will be cablecast live. Viewers can see the games on channel 15 and via the North Metro TV website. DVD sales are typically quite strong for this event.
- ▶ The new NMTV website has finally been launched. There hasn't been a big PR campaign to advertise it yet, as there are some bugs to be worked out. Everyone on staff is going through every process and detail to make sure it works the way we want it to. It is hoped that everything is running smoothly by the end of July.
- ▶ The Master Control portion of the HD Equipment Upgrade Analysis has been completed. Alpha Video presented the plan in early July, along with a preliminary plan for the production truck and studios. Master Control will need to be upgraded first in any upgrade plan.
- ▶ The Commission approved the NMTC 2016 Capital Budget at \$301,000. The Master Control Upgrade will be scheduled for the fall of 2015, with a completion date of December 2015. The upgrade will be paid for with the approved 2015 capital budget and the recommended 2016 funds. The timing of the upgrade will allow us to split payments between the two years. This will allow for a timely upgrade of Master Control without the need for bonding. The capital budget also includes computer, software updates, and software licenses.
- ▶ Negotiations with CenturyLink on a cable franchise continue. We are very close, but need to resolve a couple of issues. It should also be noted that Jim Campbell, one of the negotiators for CenturyLink, recently left the company.

PLEASE encourage your council members to call me if they have any questions you can't answer. I would be happy to answer any questions they may have. Heidi Arnson at NMTV. Direct line is 763-231-2801. Email is harnson@northmetrotv.com.



June 2015 Activity Report

Administration I am sure we worked on something other than budgets but difficult for me to recall anything else! The budget process did dominate the month as we spent the first week preparing for the joint council/board meeting which was held June 9, another week on follow up, and the latter part of the month used to finalize all the documents and forward onto the cities.

The final proposal removed the consultant for the chief's replacement process as that was the consensus of the Board and the councils. There was minimal interest in the full time positions and replenishing of reserves thus; those items were not included in the final proposal documents either.

Thus, the final proposed operating budget includes: increases for wages and salaries; a 3% overall increase and \$35,000 more towards the market rate compensation plan and \$13,000 to continue increasing the volunteer pension program; \$18,000 for historical/inflation increases (software licenses and such), and \$18,000 for a variety of items including augmenting our training budget, prevention budget and adding air cards for the new Surface Tablets in the engines.

This results in a proposed increase of \$132,062 or 5.9% which is reduced by the MAC contract and other revenues to a 4.2% increase.

Our Capital Budget proposal totaled \$342,000 of which \$125,000 was the second portion of the Station Four upgrade. Other items included a replacement chief's vehicle, washing and drying machines for gear, additional bunker gear and our standard requests for building maintenance, computer replacement and our joint training tower.

We also spent some time on evaluating and educating the crew members on migrating our pension plan to the state. I presented the pros and cons of the program at drill and offered to meet with each Station. Station One is the only one that has taken me up on the offer and that meeting went very well. A final vote of membership will occur at our meeting in August. The Fire Board will also have to vote. The enrollment period is November/December so we are well ahead of the game.

We had two officer meetings this month, all the officers and the Battalion Chiefs. Mostly routine business at both; however, we will begin an officer academy this fall. The academy will consist of advance training one evening a month.

As our ladder trucks continue to age and Ladder 12 was in the shop for over a month, we have started the evaluation process to determine to refurbish or replace.

Personnel

Lots of activity this past month with personnel, our six new recruits started training this month.

Todd Miller received his city proclamation at Blaine and was presented his badge at drill.

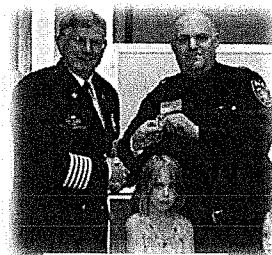


Vandeville

We held promotion ceremonies for Lieutenant's Jeff Lundquist Station One, Mike Mattson Station Three, and Steve Smith Station Four as well as the promotion ceremony for Battalion Chief Cory Vandeville.



Lundquist



Mattson



Smith

I had lunch with retired member Kathi Osmonson, she is doing very well in her new role at the State.

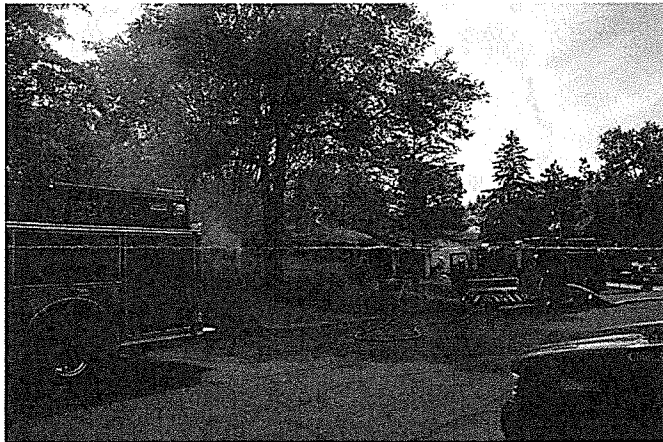
Brian Zuchowski returned from his leave.

The Explorers had a very successful garage sale at station three to raise funds for their trip next year to the National Fire & EMS exploring conference.

Serious and Unusual

Mutual Aid Fires: We helped out our neighboring departments twice in June. On the 14, Engine 4 and Chief 3 went to Ham Lake to help with an attached garage fire. Engine 4 crew made entry into the home to check for extension and then assisted with overhaul. Then on the 25, Engine 3, Tender 3, Utility 16 and Chief 5 went to Lino Lakes to assist Centennial with a large garage fire. Engine 3 crew assisted with extinguishment and overhaul and Utility 16 provided air for the SCBA bottles. We were in Lino lakes for a couple hours on this one.

Pet Rescue: On June 10, we responded to our only house fire of the month. At about a quarter to three we were toned out for a house fire in central Blaine. Crews arrived to a home with smoke showing. We were notified pretty quickly that there were a number of animals in the home. One crew went in to fight the fire while another went in to search for people and pets. There were no people home but we took out a total of 5 cats and 2 dogs. Most of the cats came willingly but one dog got pretty aggressive as we tried to get it outside. Once it was outside, the dog was a lot friendlier. The home owner arrived and rushed some of the cats to the vet (the dogs seemed fine).



Power Line Fireworks: On the 27 of June, we had a duty chief call to a power line down. Chief 5 arrived on scene and was immediately met by the neighbor of the home in question. The neighbor stated that they were lighting off the “big” fireworks and they were “not the kind you can buy in Minnesota!” The home in question was owned by a sweet young lady in her 70’s. She was in bed when the very large oak tree came down on the powerlines pulling the service right off of her house. The live wires landed on her air conditioner and were arcing for a moment (fireworks?) which tripped the transformer. The neighbor was still insisting that there were fireworks involved and continued to press the issue with Chief 5 and police – until the pizza man arrived, then he lost interest.

Community Risk Reduction

Code Enforcement: Blaine continues to work through code issues with Creative Wood Products which has until September to comply.

Tom Stepaniak will be assisting Jeremiah Anderson with inspections in Mounds View.

Fire Corps: Fire Corps has provided assistance with photos, checking child safety seats, rehabilitation, and investigation. Station one was kept clean and the grass cut and weeds were removed from Station Three and One. Mechanic Vacco utilized a Fire Corps member to assist with parts pick up, vehicle shuffling, and work order filing. Chief Forster and Martin utilized Fire Corps for Station Three administration support.

Driving Simulation was the training topic for the group. Chief Martin and Chad Martin set up a training course for the members to prove their driving skills, the members also reviewed all policy, rules and guidelines associated with driving a department vehicle.

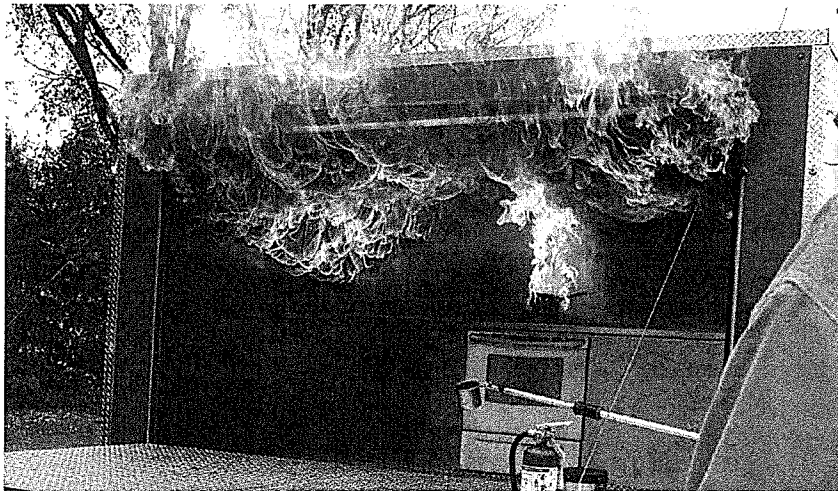
Investigations: The fire in Blaine on June 10, was an electrical fire called in by neighbor-started in basement.

The investigation team is finalizing the planning for burn cell training on August 19. This training is free and open to all but we need registrations to plan for seating.

Public Fire and Life Safety Education: Prevention works. At a recent home safety survey, a woman reported she had a cooking fire but she was able to put it out safely by sliding a lid on it-something she had learned at a presentation she had recently attended.

The first apartment night of the season occurred on June 23 at Northgate Woods. Approximately 75 residents joined fire department staff for this event. Messages focused on cooking and general home safety. Twenty five residents signed up for home surveys at this event.

NEXT DATE: July 8 at Silver Lake Commons.



We are trying a different version of canvassing neighborhoods-focusing on more than just smoke alarms. We are calling it the Hot Shots Campaign. The first one took place on June 18. A team of personnel including suppression, educators, fire corps and explorers go to target neighborhoods and do a quick version of the home safety survey-15 minutes-focusing on smoke alarms, cooking safety, smoking, fire escape planning, and candle safety. The team knocked on 62 doors, and were able to make contact at 32 homes. They installed 15 smoke alarms and found three homes with no working alarms.

NEXT DATE: July 15th

Training: This month started with medical training, our topic designated as Environmental Emergencies. Jennifer aka Dr Z with Allina led our required training. Crews were given a lecture on effects of heat and cold climates on patients and also discussed drug over doses. Practical evolution dealt with reading heart monitors and the use of an Epi-Pen.

The second week of training was also designated as one of the officer meetings. This allows each Station to determine specific training for each of their crews.

Station One reviewed pumping and air-bags, Station Two practiced RIT (rapid intervention team)/MAYDAY, Station Three had a few scenarios for extrication, Station Four set up for extrication, day drill was led by Chief Fiske and focused on accessing remote areas such as a golf course, walking trails and parks.

The final drill of this month was the administration "State of the Fire Department" presentation held twice each year. Chief Zikmund leads these informative drills that explain where the department is and its plans for the future. Chief Zikmund also presented four promotion badges; Lundquist, Mattson and Smith to Lieutenants; Vandeville to Battalion Chief and one retirement badge to Todd Miller.

The following week was left open to allow exam scheduling for those needing to complete the required annual officer exam, we had a total of 21 individuals take and pass the exam this year. Of that total, 12 were required by holding rank of Officer and another 8 took it to qualify for recertification of Officer I and II with the MN Certification Board.

Additional trainings this month;

Drive Simulation: 4 sessions

Command Simulation: 1 internal and 1 external session

Station based- Station Three reviewed the use of airbag use and operation. Station Four did some search and rescue with RIT equipment.

Retiree News: Annual reports are done. If you would like a copy please call Shannon at Station One. The new website is up and running, if you haven't logged on or you need your password give us a call.

Annual picnic is July 30 at Station Three 6-8P, hope to see you there.



