



CITY OF SPRING PARK  
CITY COUNCIL AGENDA  
JUNE 4, 2018 – 7:00 PM  
SPRING PARK CITY HALL

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ADOPT MEETING AGENDA
4. ADOPT CONSENT AGENDA\*
  - a. City Council Work Session Meeting Minutes from May 21, 2018
  - b. Regular City Council Meeting Minutes from May 21, 2018
  - c. Liquor/Cigarette/Dance License Renewals
    1. Tomsec, Inc. d/b/a Lord Fletcher's, 3746 Sunset Drive
      - Liquor, beer, and wine - on, off, and Sunday sale and Dinner Dance
    2. Mike's Tonka Grill & BBQ, Inc., d/b/a Tonka Grill & BBQ, 4016 Shoreline Drive
      - Strong beer and wine – on sale
    3. Back Channel Brewing Collective LLC, 4787 Shoreline Drive
      - Taproom on-sale, Brewer growler off-sale, and Sunday sale
    4. JDK Liquors, Inc. d/b/a MGM Wine & Spirits, 4659 Shoreline Drive
      - Liquor, beer, and wine – off sale and Cigarette
    5. BANDLT Enterprises, Inc. d/b/a Shoreline BP, 4311 Shoreline Drive
      - Cigarette
5. PUBLIC FORUM\*\*
6. PRESENTATIONS & GUEST SPEAKERS
7. PUBLIC HEARINGS
8. PETITIONS, REQUESTS, & APPLICATIONS
9. ORDINANCES & RESOLUTIONS
10. REPORTS OF OFFICERS AND COMMITTEES
  - a. Mayor & Council
  - b. City Staff
  - c. Contract Staff
11. NEW BUSINESS & COMMUNICATIONS
12. CLAIMS FOR PAYMENT
  - a. June 4, 2018 Claims
13. UPCOMING MEETINGS & TRAINING
  - a. June 12 – Administration Committee – 12:00 PM
  - b. June 13 – Police Commission – 8:00 AM
  - c. June 13 – Planning Commission – 7:00 PM
  - d. June 13 – LMCD – 7:00 PM
  - e. June 14 – LMCC – 7:00 PM
14. MISCELLANEOUS (INFORMATION ONLY)
15. ADJOURNMENT

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\* The Consent Agenda lists those items of business which are considered to be routine, recommended for approval, and/or which need no discussion. The several separate items listed on the Consent Agenda are acted upon by one motion. There will be no separate discussion of these items unless a Council Member makes a request, in which event the item will be removed from the Consent Agenda and placed elsewhere on the regular agenda for Council discussion and action.

\*\* Under Public Forum individuals may address the City Council about any item not contained on the regular agenda. Each speaker should keep their statements to three minutes to allow sufficient time for others. The Council will take no official action on items discussed at the forum, with the exception of referral to staff for future report.



CITY OF SPRING PARK  
 WORK SESSION MINUTES  
 MAY 21, 2018 – 6:00 PM  
 SPRING PARK CITY HALL

**CALL TO ORDER** - The work session was called to order by Mayor Rockvam at 6:02 p.m.

Council Members Present: Jerry Rockvam, Mayor; Gary Hughes; Catherine Kane Palen; and Pamela Horton (arrived 6:07 p.m.)

Council Members Absent: Megan Pavot.

Staff Present: Dan Tolsma, City Administrator; Mike Kuno, City Engineer; and Theresa Schyma, City Clerk.

1. RENTAL LICENSING & PROPERTY MAINTENANCE DISCUSSION

City Administrator Tolsma gave a brief summary about history of issues and concerns regarding rental licensing and property maintenance in the City of Spring Park. He added that the Planning Commission is interested in tackling both of these issues in the near future.

Council Member Hughes brought up short-term rentals in the City.

City Administrator Tolsma responded that the language in the City Code regarding short-term rentals needs to be clearer. He also stated that it is a good time to discuss short-term rentals since the general attitude regarding short-term rentals has changed since the issue was last discussed by a previous Council.

Mayor Rockvam asked why the City doesn't allow short-term rentals and if it was mainly due to noise concerns.

City Administrator Tolsma responded that previous Councils decided it was not an allowable use in the City. He added that the rental ordinance issue was listed as a priority at the City Council goal setting session in 2017 so it should definitely be revisited. He continued that his main goal with tonight's discussion was to ask the Council for direction on whether or not they would like the Planning Commission to tackle this issue and provide a recommendation that would eventually come back to the City Council.

Mayor Rockvam stated that referring the Planning Commission to look into the issues surrounding outdoor storage was a clearer task since the end goal was more defined but this discussion is more broad and open-ended. However, they can take a good look at the issue and the many hypothetical situations and give the City Council a proposal to be considered.

Council Member Kane Palen stated that the issues of outdoor storage/nuisance, property maintenance, and rental licensing are all interconnected.

City Administrator Tolsma responded that those issues were the three main priorities that came out of the 2017 City Council goal-setting session. The outdoor storage issue has been addressed so now the Planning Commission can start the process of looking into the other two issues.

The City Council consensus was to direct the Planning Commission to look into rental and property maintenance ordinances and provide a recommendation that would eventually come back to the City Council.

## 2. WATER & SEWER RATE DISCUSSION

Mayor Rockvam stated he was shocked to find out that previous Councils had not raised rates in 10 years since the issue should be looked at on an annual basis with the budget. He added that the City is now subsidizing water and sewer rates out of the reserve account and these are enterprise funds so they should be supporting/funding themselves.

City Administrator Tolsma stated that utility rates can be as complicated as you want them to be but the bottom line is that the City is losing money, especially in the sewer fund. He further discussed revenue and depreciation since 2009.

City Administrator Tolsma added that the rates issue is not a new one since it has been brought up consistently every year but previous Councils were in a pattern of not being concerned about factoring in depreciation. Also, there was a time when the Council decided the water fund basically offset the negative sewer fund so it was not a concern. However, they have two separate infrastructure needs and should be considered separately.

Council Member Hughes asked how much money the City pays the Metropolitan Council.

City Administrator Tolsma responded approximately \$200,000. And he stated that one of the main reasons the rates need to increase is due to the increased rates from the Met Council. He added that since 2009 the City's fees to the Metropolitan Council have basically doubled and the City has not done anything to adjust with those increases.

Council Member Horton asked if less drainage will go through the system as the City works on fixing pipes and if that will make it better.

City Administrator Tolsma responded that there are two components that factor into drainage; public infrastructure and the private connection system. We can work on fixing the entire public infrastructure system but we have no control over the private connection system.

Mayor Rockvam asked about depreciation.

City Administrator Tolsma stated that the City is currently breaking even on water rates including depreciation but once you factor in the costs of maintaining the system and depreciation, that fund will eventually go down as well. The system is an asset and all assets need to factor in depreciation.

Mayor Rockvam stated that the Council needs to factor in depreciation into budgeting and rates or else you get to the end of the line and the City has no money.

Council Member Hughes also stated that previous Councils discussed one rather consistent argument that was made about why current residents should have to put money aside for issues that would only impact future residents.

Mayor Rockvam and Council Member Kane Palen stated that is not a responsible way for any City Council to approach budgeting.

City Administrator Tolsma stated that the City needs to bring the rates current and get on a schedule so that rates are looked at every year. He added that the warning he has been heeding every year is that you don't want to do one major increase when the fund is so low that there are no other options. However, nothing has been done in 10 years so the City's options are more limited since the sewer fund is now underfunded by approximately 25%.

City Administrator Tolsma discussed how it would impact residential bills on a quarterly basis so the Council could see the true impact of changing sewer rates to get the City current. He suggested one option of splitting up the increases over three years to get the City current and putting the City on a schedule for much smaller increases in the future.

Council Member Kane Palen stated that the history of why nothing was done is not the issue; this is something that needs to be taken care of now.

Mayor Rockvam agreed and thinks that both water and sewer rates need to be taken care of immediately.

The City Council consensus was to have staff prepare two proposals (one year option vs. three year option) for the Council to discuss and consider at a future meeting.

### 3. FIRE DEPARTMENT UPDATE

City Administrator Tolsma provided an update on the Fire Department contract and stated that Minnetonka Beach has decided to leave the contract. He added that the City's fees for fire services are likely to increase but it is unclear as to how much of an increase it will be.

4. LMCD BUDGET UPDATE - Council Member Hughes presented the new LMCD budget to the City Council. He asked the Council to review the budget and provide feedback.

5. MISCELLANEOUS – None.

6. ADJOURN - The work session was adjourned by unanimous consent at 6:58 p.m.

Date Approved: June 4, 2018

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Dan Tolsma, City Administrator

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Theresa Schyma, City Clerk



CITY OF SPRING PARK  
CITY COUNCIL MINUTES  
MAY 21, 2018 – 7:00 PM  
SPRING PARK CITY HALL

1. CALL TO ORDER - The meeting was called to order by Mayor Rockvam at 7:03 p.m.

Council Members Present: Jerome P. Rockvam, Mayor; Pamela Horton; Gary Hughes, and Catherine Kane Palen

Council Members Absent: Megan Pavot

Staff Present: Dan Tolsma, City Administrator; Mike Kuno, City Engineer; and Theresa Schyma, City Clerk

2. PLEDGE OF ALLEGIANCE – Mayor Rockvam led the audience in the Pledge of Allegiance.

3. ADOPT MEETING AGENDA

M/Hughes, S/Horton to adopt the meeting agenda.

Motion carried 4-0.

4. ADOPT CONSENT AGENDA

- a. Regular City Council Meeting Minutes from May 7, 2018
- b. R-3 Dock Licenses
- c. June 15 Special Event Permit – Lord Fletcher’s Restaurant
- d. June 28 Special Event Permit – Back Channel Brewery

M/Horton, S/Kane Palen to adopt the Consent Agenda.

Motion carried 4-0.

5. PUBLIC FORUM – None.

6. PRESENTATIONS & GUEST SPEAKERS

a. Gillespie Center Update – Jeanne Brustad, Past President of the Gillespie Center, presented a PowerPoint regarding the services that the Gillespie Center provides for the community. She thanked the City Council for their support and contributions to the center’s success.

The City Council thanked Mrs. Brustad for her service and for providing the update.

Shirley Bren, resident and Council-appointed representative to the Gillespie Center, provided updates from the most recent Board of Directors meeting including the new budget system, website improvements, and fundraising events.

7. PUBLIC HEARINGS

a. MS4 Public Hearing – City Engineer Kuno discussed the City’s municipal separate storm sewer system (MS4) and the annual requirement to have a public hearing. He noted that the hearing is a chance for residents to ask questions and make comments regarding the City’s storm sewer system.

Mayor Rockvam opened the public hearing at 7:23 p.m.

M/Horton, S/Kane Palen to close the public hearing.

Motion carried 4-0.

8. PETITIONS, REQUESTS, & APPLICATIONS – None.

9. ORDINANCES & RESOLUTIONS – None.

10. REPORTS OF OFFICERS AND COMMITTEES

a. Mayor & Council – Council Member Hughes provided an update on the scheduled upgrades to the City’s two parks. He stated that, once started, the upgrades would take approximately three weeks where the playground equipment would be torn down and unusable.

The City Council reiterated their support for informational plaques at the City’s two parks and City Hall as well as rededication ceremonies at the parks once the improvements are complete.

City Administrator Tolsma responded that the park improvements, plaques, and rededication ceremonies are all moving forward.

Council Member Hughes provided an update from the LMCD including notifying residents of a public hearing scheduled for the LMCD Meeting on May 23, 2018 at 7 p.m. The public hearing is for transient dock slips at 5<sup>th</sup> Street Ventures and he encouraged residents to provide input at the meeting.

b. City Staff – City Administrator Tolsma announced hydrant flushing and pothole repair would be occurring May 21 – 25.

c. Contract Staff – None.

11. NEW BUSINESS & COMMUNICATIONS – None.

12. CLAIMS FOR PAYMENT

a. May 21, 2018 Claims

M/Horton, S/Hughes to approve all claims for payment.

Motion carried 4-0.

13. UPCOMING MEETINGS & TRAINING

- a. May 23 – LMCD – 6:00 PM
- b. June 4 – City Council Regular Meeting – 7:00 PM

14. MISCELLANEOUS (INFORMATION ONLY)

- a. Metropolitan Council Preliminary Population & Household Estimate
- b. PeopleService April Report
- c. MFD April Report

15. ADJOURNMENT

M/Hughes, S/Kane Palen to adjourn the City Council Meeting at 7:32 p.m.

Motion carried 4-0.

Date Approved: June 4, 2018

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Dan Tolsma, City Administrator

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Theresa Schyma, City Clerk



STAFF MEMO

2018-2019 ANNUAL LIQUOR, CIGARETTE, & DINNER DANCE RENEWAL LICENSES

1. **BACKGROUND:** Liquor, beer, wine, cigarette, and dinner dance licenses expire on June 30, 2018. All of the currently licensed businesses in the City were sent renewal information in April 2018. All renewal applications cover the period from July 1, 2018 to June 30, 2019. The City Code does not require a public hearing for renewals of these types of licenses. Annual license renewals can be approved as part of the Consent Agenda.
2. **DISCUSSION:** City staff received the following required materials for issuance of a license:
  - Complete & signed renewal license applications
  - Proof of liquor liability insurance (not required for Shoreline BP)
  - Certificate of Compliance – Minnesota Workers’ Compensation Law
  - All required license fees

Orono Police Chief Farniok has reviewed the application materials for the below named businesses. He did not see any basis for denial and submitted his signature for approval.

**Tomsec, Inc. d/b/a Lord Fletcher’s, 3746 Sunset Drive**

- Liquor, beer, and wine - on, off, and Sunday sale
- Dinner Dance

**Mike’s Tonka Grill & BBQ, Inc., d/b/a Tonka Grill & BBQ, 4016 Shoreline Drive**

- Beer and wine – on sale

**Back Channel Brewing Collective LLC, 4787 Shoreline Drive**

- Taproom on-sale, Brewer growler off-sale, and Sunday sale

**JDK Liquors, Inc. d/b/a MGM Wine & Spirits, 4659 Shoreline Drive**

- Liquor, beer, and wine – off sale
- Cigarette

**BANDLT Enterprises, Inc. d/b/a Shoreline BP, 4311 Shoreline Drive**

- Cigarette

3. **FINANCIAL CONSIDERATIONS:** All required licensing fees have been received.
4. **RECOMMENDATION:** Approve the 2018-2019 liquor, beer, wine, cigarette, and dinner dance renewal licenses for Lord Fletcher’s, Tonka Grill & BBQ, Back Channel Brewing Collective LLC, MGM Wine & Spirits, and Shoreline BP.