



**MINUTES
REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, SEPTEMBER 8, 2020
7:00 P.M. VIA ZOOM OR TELEPHONE**

1. CALL TO ORDER AND ROLL CALL

Mayor Jo Emerson called the meeting to order at 7:00 p.m. under MN Statute Section 13D.021, in which the City Council will be conducting its meetings during this emergency by electronic means until further notice. The clerk took roll call attendance for Councilmembers: Doug Biehn, Kevin Edberg, Steven Engstran, Dan Jones and Bill Walsh. Staff in attendance were City Manager Ellen Hiniker, Assistant City Manager Rick Juba, Community Development Director Anne Kane, Public Works Director/City Engineer Paul Kauppi, Finance Director Kerri Kindsvater, City Clerk Kara Coustry and City Attorney Troy Gilchrist.

2. APPROVAL OF MINUTES

A. Minutes of the Regular City Council Meeting on August 25, 2020

It was moved by Councilmember **Biehn** seconded by Councilmember **Engstran**, to approve the Minutes of the Regular City Council Meeting on August 25, 2020.

Walsh Aye
Biehn Aye
Jones Aye
Edberg Aye
Engstran Aye

Motion carried unanimously.

3. APPROVAL OF THE AGENDA

It was moved by Councilmember **Jones** seconded by Councilmember **Walsh**, to approve the Agenda as presented.

Walsh Aye
Biehn Aye
Jones Aye
Edberg Aye
Engstran Aye

Motion carried unanimously.

4. VISITORS AND PRESENTATIONS

A. Constitution Week Proclamation

Mayor Emerson declared September 17 – 23, 2020 as Constitution Week.

5. PUBLIC HEARINGS

A. Resolution approving Century Hill Townhomes Project for a multi-family housing development and the issuance of revenue bonds

Finance Director Kindsvater reported that Century Hills Partners Limited Partnership (“Century Hills”) is requesting a Public Hearing and final authorization to proceed with the issuance of \$6,250,000 in tax-exempt conduit revenue bonds.

Ms. Kindsvater explained the original plan was to complete the project and bond issue of \$6,000,000 during 2019; however, due to an increase in costs, the need for additional funding delayed the project until 2020. The City and Century Hills obtained additional bonding authority for \$250,000 from the State of Minnesota in July and is now requesting the City issue permanent financing for the project. Tonight, she said, we are hosting the public hearing on the issuance of the additional conduit revenue obligations for the project. Notice of this hearing was published in the 8/19/20 edition of the White Bear Press to inform individuals of their opportunity to share their views on project and related bonds.

Gina Fiorini from Kennedy Graven and Lori Boisclair from Boisclair Corporation were present at the meeting to answer any questions about the bonds or the project.

Mayor Emerson opened the public hearing at 7:06 p.m. There being no one wishing to speak, Mayor Emerson closed the public hearing.

It was moved by Councilmember **Jones** seconded by Councilmember **Biehn**, to approve **Resolution No. 12629**, approving Century Hill Townhomes Project for a multi-family housing development and the issuance of revenue bonds.

Walsh Aye
Biehn Aye
Jones Aye
Edberg Aye
Engstran Aye

6. LAND USE

Nothing scheduled

7. UNFINISHED BUSINESS

Nothing scheduled

8. ORDINANCES

Nothing scheduled

9. NEW BUSINESS

- A. Resolution approving the proposed preliminary 2020 tax levy collectible in 2021 and establishing November 24, 2020 as the date for the City's Truth-in-Taxation Hearing

City Manager Hiniker provided a presentation on the proposed 2021 budget and supporting tax levy. She stated the preliminary tax levy must be certified to the County by the end of September in time for property tax statements to be mailed in late November and once certified, the tax levy may be lowered but not increased. She noted the Truth in Taxation Hearing would be scheduled on November 24th with Council's final budget adoption scheduled on December 8, 2020.

Ms. Hiniker reported the 2020 tax levy collectible in 2021 is proposed to fund just over half of the General Fund operations along with a portion of the City's debt obligation related to capital improvements. The proposed levy is \$7,370,000, which represents a \$462,000 increase over the tax levy collectible in 2020.

	2020 Levy	2021 Levy	Increase
General Fund	6,450,000	6,653,000	203,000
2018A Debt Service	220,000	220,000	0
2018B Debt Service	132,000	132,000	0
2019A Debt Service (Streets)	81,000	81,000	0
2020 Equip Cert.		152,000	152,000
2020 Debt Service (Streets)		107,000	107,000
Interim Const. EAB	25,000	25,000	0
Total Levy	6,908,000	7,370,000	462,000

In response to Councilmember Edberg, Ms. Hiniker stated the budget accounts for the resumption of pre-COVID activity by spring. She clarified that projected revenues anticipate collection of liquor license fees for the new business cycle beginning April 1, 2021.

Councilmember Walsh stated the city is going to spend \$462,000 more next year and received clarification from Ms. Hiniker that due to proportionately higher market value increases for apartment complexes and commercial properties, these properties will be more greatly impacted by the tax levy increase than homeowners. Ms. Hiniker added that future redevelopment and the addition of taxable property will help reduce the tax liability of existing properties.

Councilmember Walsh asked about the General Fund reserve balance, which is 41% of budgeted expenditures. He inquired about the \$300,000 in reserves that is being transferred to the Equipment Fund. Ms. Hiniker indicated that the General Fund reserve balance as a percentage of the budgeted expenditures increased after 2019 due to higher than expected revenues and lower than budgeted expenditures. She also noted that City's Local Government Aid (LGA) has been reduced for 2021 by \$254,580, which is accounted for as a reduction in the City's capital funds. The transfer of funds from the General Fund reserve balance will mitigate the need to

bond for equipment. She further indicated that utilization of reserve funds for revenue to balance the 2021 budget, as opposed to increasing the levy, would need to be made up for in next year's levy. Councilmember Walsh stated, because this is an extraordinary year, perhaps this could be the year the city keeps property taxes down and utilizes its reserve instead.

Councilmember Biehn was not in favor of reducing any proposed tax increases, noting the potential for additional loss of LGA and stating that it will be easier to stay ahead rather than lag behind and make up the difference later.

It was moved by Councilmember **Biehn** seconded by Councilmember **Jones**, to approve **Resolution No. 12630**, approving the proposed preliminary 2020 tax levy collectible in 2021 and establishing November 24, 2020 as the date for the City's Truth-in-Taxation Hearing.

Walsh Nay
Biehn Aye
Jones Aye
Edberg Aye
Engstran Aye

Motion carried 4:1.

B. Resolution approving outdoor music at Cerenity Care facility

City Manager Hiniker noted that Cerenity Care Center hired musicians to perform live music concerts outside of the facility, which has led to some calls for concern over loud music. She mentioned these concerts last one hour and are scheduled at various times through September, adding they are expected to conclude this activity in October when suitable provisions can be made to bring the music back into the facility.

It was moved by Councilmember **Walsh** seconded by Councilmember **Jones**, to approve **Resolution No. 12631**, approving outdoor music at Cerenity Care facility.

Walsh Aye
Biehn Aye
Jones Aye
Edberg Aye
Engstran Aye

Motion carried unanimously.

10. CONSENT

A. Acceptance of Minutes: July White Bear Lake Conservation District, July Park Advisory Commission

It was moved by Councilmember **Biehn** seconded by Councilmember **Jones**, to approve the Agenda as presented.

Walsh Aye

Biehn Aye
Jones Aye
Edberg Aye
Engstran Aye

Motion carried unanimously.

11. DISCUSSION

Nothing scheduled

12. COMMUNICATIONS FROM THE CITY MANAGER

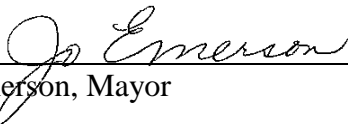
- Environmental updates provided in the packet
- Cares Relief Fund Grants update
 - The Emergency Assistance Grant program is set to start on Monday to provide assistance with daycare, utilities, rent and mortgage payments.
 - SPEDCO is administering the Business Grant Program and will launch September 21st for a two week window.
 - Newtrax has innovative food distribution ideas to serve people needing food and utilizing the restaurants that need additional business.
 - The Places of Worship grants for personnel protective equipment is also live.

13. ADJOURNMENT

There being no further business before the Council, it was moved by Councilmember **Walsh** seconded by Councilmember **Engstran** to adjourn the regular meeting at 7:55 p.m.


Walsh Aye
Biehn Aye
Jones Aye
Edberg Aye
Engstran Aye

Motion carried unanimously



Jo Emerson, Mayor

ATTEST:



Kara Coustry, City Clerk