



**MINUTES  
REGULAR MEETING OF THE CITY COUNCIL  
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA  
TUESDAY, MAY 10, 2022  
7:00 P.M. IN THE COUNCIL CHAMBERS**

**1. CALL TO ORDER AND ROLL CALL**

Mayor Dan Louismet called the meeting to order at 7:00 p.m. The City Clerk took attendance for Councilmembers Kevin Edberg, Steven Engstran, Heidi Hughes, Dan Jones and Bill Walsh. Staff in attendance were City Manager Lindy Crawford, Finance Director Kerri Kindsvater, Public Works Director / City Engineer Paul Kauppi, Community Development Director Jason Lindahl, City Clerk Kara Coustry and City Attorney Troy Gilchrist.

**PLEDGE OF ALLEGIANCE**

**2. APPROVAL OF MINUTES**

A. Minutes of the Regular City Council Meeting on April 26, 2022

It was moved by Councilmember **Jones** seconded by Councilmember **Engstran**, to approve the Minutes of the April 26, 2022 City Council meeting as presented.

Motion carried. Councilmember Walsh abstained.

**3. APPROVAL OF THE AGENDA**

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

Motion carried unanimously.

**4. CONSENT AGENDA**

- A. Acceptance of Minutes: February Park Advisory Commission, March Environmental Advisory Commission, March White Bear Lake Conservation District, April Planning Commission meeting.
- B. Resolution authorizing food truck operations at Lakewood Hills Park for a graduation party.  
**Resolution No. 12978**
- C. Resolution authorizing execution of a Stormwater Maintenance and Operations Agreement with the Rice Creek Watershed District for a portion of South Shore Blvd. **Resolution No. 12979**
- D. Resolution approving a request by Shawn & Craig Carpenter for two variances and a conditional use permit at 2150 Roth Place. **Resolution No. 12980**
- E. Resolution approving a request by Jerry Rodrique for a conditional use permit at 1961 3rd Street. **Resolution No. 12981**

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

Motion carried unanimously.

## 5. VISITORS AND PRESENTATION

### A. Marketfest and Manitou Days presentations and resolution authorizing financial participation

Past Marketfest Chair and now Vice Chair, Dale Grambush recalled an uncertain but successful Marketfest 2021 and thanked the City for their contributions. He introduced the Marketfest Chair, Dan Perry who presented in absence of the Marketfest Director, Lisa Beecroft.

Dan Perry thanked the Mayor and Council for their time and reported on Marketfest 2022, a community festival that runs seven consecutive Thursdays starting mid-June through the end of July. He noted this marks the 32<sup>nd</sup> year of Marketfest and on any given night, 5,000 people are drawn to the downtown. The two main objectives of Marketfest are to support the downtown businesses of White Bear Lake and to enhance the overall community.

Mr. Perry noted 180 vendors each night and highlighted theme Thursdays as follows:

- June 16 – Manitou Days kickoff and Kiddie Parade
- June 23 – White Bear Lake History Night
- June 30 – Bix Kids / Bix Seniors Night
- July 7 – Public Safety Night
- July 14 – White Bear Hockey Night
- July 21 – AFSA Science and Agriculture Night
- July 28 – Environmental Resources Expo

Mr. Perry displayed a map of the event area and explained that Marketfest is asking for the use of the same footprint as in previous years, which is the square between 3<sup>rd</sup> and 4<sup>th</sup> Street and Banning and Washington Square. He displayed last year's budget in which the event had a net income of \$16,000. And as in past years, Mr. Perry forwarded a request from the City for \$7,000 in funding, use of downtown, support from Public Works, and participation in Marketfest.

Councilmember Edberg thanked Mr. Perry and the group. He asked to have the Marketfest balance sheet forwarded to the City Manager.

It was moved by Councilmember **Edberg** seconded by Councilmember **Jones**, to adopt **Resolution No. 12982** authorizing financial and staff participation in Marketfest and staff participation in Manitou Days 2022.

Motion carried unanimously.

Bill Weigel, Chair of Manitou Days presented an overview of 33 events which kicks off on the first night of Marketfest, June 16<sup>th</sup>, followed by the Grand Parade on Friday, June 17<sup>th</sup>. He explained, this year is a celebration of 100 years of waterskiing and the Lake, thus the slogan, "Lake Bears". He stated the Grand Marshal's this year are Paul Chapin and his sister Evelyn Duvall, both in the waterski Hall of Fame. Mr. Weigel also explained, this year marks the first year to have an honorary Chair, in which Si and Vicky Ford have been named for their support



in the City of White Bear Lake. Volunteers of the year are Pat and Carol McFarland who will also be in the parade. The winner of the button contest, Wesley Kapisak, earned a pizza party for his classmates. Mr. Weigel stated the festival concludes on the 4<sup>th</sup> of July with a fly-over, fireworks and music in the park.

Mr. Weigel thanked the City Finance Department for allowing parade registrants the ability to pay entrance fees with a credit card for the first time. He added that donations and other funding have been collected in the same manner. He thanked the City Council and staff for their continued support of the events as well. Paul Carlson also extended his appreciation and invited the City Council to attend event planning meetings.

Mayor Louismet extended heartfelt thanks to all of the volunteers that make these events possible.

B. 2021 Financial Audit presentation and resolution accepting audit report

Finance Director Kerri Kindsvater introduced the City's Auditor, Brad Faltysek with Abdo who gave a presentation on the City's 2021 Financial Audit. He relayed that the City received an unmodified opinion with no instances of noncompliance and had no internal control findings. He reviewed audited results of the General Fund, other Governmental Funds, Enterprise Funds and key performance indicators.

Mr. Faltysek reported the City increased its fund balances in 2021 by 6.6%, but is still within the Fund Balance Policy of 35 – 50% with \$6.6 million in reserves. He explained the City has eight (8) outstanding bond issues currently, which are supported by tax increment, tax levy or special assessments. In comparison to other Class 2 cities and those with 20-30K populations, White Bear Lake enjoys a tax rate of 22.2% compared to 45%; \$323 in property taxes per capita compared to \$620; long term debt per capita of \$805 compared to \$1,300; expenditures \$567 per capita compared to \$775.

Councilmember Edberg would appreciate charts provided to the City Council in advance of this presentation. Regarding the Housing and Redevelopment Authority (HRA), Councilmember Edberg asked if the City further activates the HRA for Economic Development and Housing Development initiatives, could that trigger a requirement such that accounting for the HRA function would need to be reclassified. Mr. Faltysek said the HRA function can remain within the City's financials.

Regarding debt limitations of \$100 million with the City using only \$3 million roughly Councilmember Edberg asked how the City should think about that differential. Mr. Faltysek explained that the City has flexibility for more debt, especially compared to peers, but it should consider the impact on tax rates and tax levy before issuing additional debt. Councilmember Edberg received assurance that the City is not facing legal or accounting constraints, rather adding debt is more a question of judgement and prudence.

Regarding the City's Balance Sheet, Councilmember Edberg called out roughly \$46 million in assets with sewer and road infrastructure being among the largest. He noted there are no offsetting liabilities and he questioned straight-line accounting (net of depreciation) as an

accurate way of thinking about the true condition of the City's infrastructure. He stated his fear is the City is not budgeting enough for repair and maintenance, most of which is not visible and asked if the financial statements provide any guidance. Mr. Faltysek stated there is a schedule in the notes disclosures that shows gross assets and depreciation and as depreciation is realized, maintenance costs tend to increase as one possible indicator. He explained that with the advent of GASB34 in 2003, when assets were put on the books, those which were fully depreciated were never recorded.

Councilmember Edberg inquired as to unfunded liabilities, specifically pension funds. He mentioned the City has improved from previous years and he wanted to know how much is volatile versus how much can be secured. Mr. Faltysek attributed the improvement to PERA investments doing well, which decreased the unfunded amount significantly. He explained that it would have done better, except that PERA changed its contribution from 7.5% to 6.5%. He further explained that the City shares PERA with all other participants and the City's share is calculated based on how much the City contributes within that plan year. Mr. Faltysek stated that the City would never have to pay off that unfunded liability, it would be allocated to remaining entities if the City were to cease participation.

In response to Mayor Louismet, Mr. Faltysek explained that the City would not be subject to withdraw liability as is the case with private pensions.

Councilmember Edberg mentioned several notes throughout the financials state that the City suffered investment loses. Mr. Faltysek confirmed that these loses were due to market values as of December 31, 2021 and if the market improves, so will the City's position. Lastly, Councilmember Edberg inquired as to risks on tax collectability and whether COVID and other financial stresses in the community has had an impact on that historically low rate of 2-3%. Mr. Faltysek said he has not seen that to be the case.

Councilmember Walsh inquired as to whether the City has any oversight to CARES funding that the City distributed via other human service agencies. He wondered whether those funds were used appropriately and what sort of monitoring the City might consider to ward off potential fraud. Mr. Faltysek stated there are compliance factors depending on the grants awarded. City Manager Crawford interjected, there were specific regulations for how that money could be used and a significant reporting requirements through the State.

It was moved by Councilmember **Edberg** seconded by Councilmember **Walsh**, to adopt **Resolution No. 12983** accepting the 2021 Financial Audit Report.

Motion carried unanimously.

**6. PUBLIC HEARINGS**

Nothing scheduled

**7. UNFINISHED BUSINESS**

Nothing scheduled

**8. NEW BUSINESS**



A. Resolution awarding the sale of General Obligation Improvement Bonds to finance a portion of 2022 Street Improvement Projects

Finance Director Kindsvater reported, the City Council authorized the issuance of \$3,025,000 general obligation bonds to fund the City's portion of the 2022 Street Improvement project costs at the April 12, 2022 Council meeting. Since that time, staff has been working with Ehlers and Associates to prepare for today's bond sale. During this process, Standard and Poor's Global Ratings (S&P) affirmed the City's bond rating at AA+ for the current issue and all outstanding bond issues based on their review of the City's budget, annual financial report, long range planning document and the capital improvement plan. She explained that these strong ratings are attributed to the City Council's accomplishments in developing and implementing long-range financial plans and policies in recent years. S&P indicated that the City would need to add tax capacity and increase fund reserve balances to step up to the AAA rating.

The report noted:

- The city's local economy is experiencing significant residential and commercial development, leading to improved market values.
- Consecutive years of surplus operating results have also sustained very strong reserves and liquidity, which they view as a credit strength.
- Even though future debt plans are expected to weaken their view of the city's debt profile
- S&P considers the city's credit characteristics to correspond with the "AA+" rating requirements.

Ms. Kindsvater stated, four investment firms bid on the City's bond sale. There was a variance of just under half a percent between true interest costs of the lowest and highest bids. The lowest bid came from Northland Securities, Inc. from Minneapolis with a true interest cost of 3.2177%. This rate is just under a tenth of a percent higher than original financial projections created by Ehlers and Associates. Given the changes in the market in recent weeks, she explained, this is a good result.

Ms. Kindsvater reported, the bid included a \$15,000 premium component in which the City could choose to retain the original \$3.025 million sale, or reduce the bond issue by the premium amount to keep the true interest cost closer to the bid amount. Staff chose to reduce the bond sale issue by the premium to make the new issue \$3,010 million, consistent with recent past practice.

The Pre-Sale Report presented to the City Council on April 12, 2022, estimated the annual tax levy for the 15 years of the bond's life to be in the range of \$199,185 to \$203,920. Based on today's bond sale information, Ms. Kindsvater revealed the actual tax levy will be in the range of \$200,438 to \$205,712, which is an average annual increase of about \$1,100. For comparison purposes, the true interest rate on this bond issue is less than the true interest rate of 3.2588% on the City's 2018A issue.

It was moved by Councilmember **Walsh** seconded by Councilmember **Jones**, to adopt **Resolution No. 12984** awarding the sale of General Obligation Improvement Bonds to finance a portion of 2022 Street Improvement Projects.

Councilmember Edberg congratulated staff in the systems and tools they have implemented, which provide for better financial analysis and predictions.

Motion carried unanimously.

- B. Resolution approving a request by Beartown Bar & Grill for an amendment to a conditional use permit and a variance at 4875 Highway 61

Planning and Zoning Coordinator Crosby reported that Beartown Bar & Grill has requested the ability to have outdoor live music on Saturdays between Memorial Day and Labor Day. Consequently, they have requested a Conditional Use Permit Amendment to expand the outdoor seating area, obtain a four (4) foot variance from the ten (10) foot hard-surface setback from the railroad right-of-way, and modification to condition #5, "no outside music shall be allowed".

Ms. Crosby explained that staff supports the hard-surface setback because it is an existing condition with no known adverse impacts for the past several years. Also the improvement eliminates a curb-cut that is uncomfortably close to a major intersection and will be removed when the intersection is reconstructed in association with the north campus high school project. She stated that the area to the north of the new patio is now signed for no-parking, as it must be used for turning around should someone drive and find that there are no parking spaces available.

Ms. Crosby reported that since the original permit was approved, the applicant constructed a 20-inch concrete block retaining wall not shown on the plans. The plans have been amended to include this new wall. Even though a few parking stalls were lost with the expansion and the expansion increased the amount of outdoor seating by 34 seats, parking still meets code. The applicant had requested that the musicians be set up in the southeast corner of the patio, pointing towards the building. Staff recommended that the musicians be located in the northwest corner of the patio so that they can be facing Highway 61.

Ms. Crosby forwarded staff and Planning Commission recommendation of approval for an amended Conditional Use Permit and setback variance, subject to the conditions listed in the staff report. After discussing the location of the musicians and speakers, the Commission voted to delete condition #6, as the issue is sufficiently addressed by condition #10. With that one change the Commission unanimously recommended approval.

It was moved by Councilmember **Walsh** seconded by Councilmember **Engstran**, to adopt **Resolution No. 12985** approving a request by Beartown Bar & Grill for an amendment to a conditional use permit and a variance at 4875 Highway 61.

Motion carried unanimously.



- C. Resolution approving a request by Christianson Companies / Tommy Car Wash for a conditional use permit, site plan review, and three variances at 4061 Highway 61

Planning and Zoning Coordinator Sam forwarded a unanimous recommendation by the Planning Commission to approve a Conditional Use Permit for a car wash in the B-3 – Auto-Oriented Business; a 10 foot variance from the 15 foot hard-surface setback from a street right-of-way; 79 car variance from the 100 car stacking requirement; a variance from the 30% impervious area limit to allow 57.75% impervious surface.

Ms. Crosby reported that the proposed layout eliminates the western access opening. This simplifies traffic flow and increases the amount of greenspace on site. The property narrows towards the south side. Because of the access easement, the site is bound to maintain the eastern curb-line in its existing location. About 30 feet of the curb does not comply with the setback requirement and because of the easement, staff supports the variance.

Ms. Crosby explained, the code requires that stacking be provided to accommodate the number of vehicles that can be washed during a 30 minute period. This particular facility is an express wash with the ability to service 100 cars every half hour. She relayed, the applicant estimates that the peak demand will be an average of 18 vehicles every half hour. The proposed design provides 21 stacking spaces. Given that the estimated demand is significantly less than the capacity of the equipment, staff is confident that the cars will progress quickly and will not utilize all of the stacking spaces provided.

Ms. Crosby noted, the existing infiltration basin located in the northeast corner of the site will hopefully be oversized, if possible, to off-set the impervious area variance being requested. The applicant has agreed to work with staff on exploring the possibility of increasing the size of the basin to accommodate heavier rainfall events. She reported, the applicant also agreed to both increase the number of trees planted and to plant no-mow native prairie in the larger green spaces. These trees will help to both uptake rainfall and to absorb carbon generated by idling vehicles. The native ground cover will help reduce the amount of irrigation required to keep the site looking lush and green.

Ms. Crosby explained that overall, the proposal is a vast improvement over existing conditions both in appearance and code requirements. She explained that since one of the five requested variances was added after the initial public hearing notice was provided, the City Council should allow public an opportunity to comment further.

Mayor Louismet opened up a public hearing at 8:16 p.m. at which time Tanner Brandt with Christianson Companies 4609 33<sup>rd</sup> Ave Suite, 400, Fargo North Dakota made himself available for questions.

Mayor Louismet noted this project will be a high consumer of water and asked if the applicant was aware of the potential for future water restrictions in White Bear Lake. Mr. Brandt acknowledged receipt of this information and noted that this car wash reclaims 30% of the water it uses, and uses less water than washing a car in the driveway.

Councilmember Jones mentioned having lived in the backyard of this site and explained that the area is noisy in general, but that the buffer helps to shield noise, something which was also brought up in the Planning Commission meeting. Councilmember Jones mentioned Saputo's dumping of millions of gallons of clean water into Goose Lake and wondered whether this carwash neighbor could somehow tap into that water resource.

Mayor Louismet said, the concept is interesting and he assumed that if the car wash had an opportunity to buy usable water from its nearby neighbor at a cheaper price, they would certainly entertain that if it is feasible.

Councilmember Hughes asked how 100 cars get cleaned in 30 minutes. Mr. Brandt stated there are three lanes to facilitate stacking in which one lane has a cashier, the second lane is credit card only and the third lane has an electronic license plate reader for those with monthly passes. He added, that the cars are pulled through on a conveyor belt.

In response to Mayor Louismet, Mr. Brandt stated the car wash uses microfiber rollers.

There being no other comments from members of the public, Mayor Louismet called the question at 8:24 p.m.

It was moved by Councilmember **Walsh** seconded by Councilmember **Hughes**, to adopt **Resolution No. 12986** approving a request by Christianson Companies / Tommy Car Wash for a conditional use permit, site plan review, and three variances at 4061 Highway 61.

Motion carried unanimously.

- D. Resolution approving recommendations and authorizing the City Manager to invite participants for County Road E Project Team and Advisory Group

Housing and Economic Development Coordinator Tracy Shimek reported on the County Road E Corridor Planning Study Project Team and Citizen Advisory Group. She explained that a Project Team will be established to identify the goals and objectives of the Corridor Development Initiative (CDI) process, assist with creation of an outreach and communication strategy to recruit community participation, and reach agreement on the final recommendations supported through the CDI process. The Project Team will be comprised of 20 members to include City, County, State, Metropolitan Council and Community Leaders. Three members are appointed at discretion of each City and the remainder in collaboration with project partners.

Ms. Shimek explained that a Citizen Advisory Group will be established to identify outreach strategies to engage underrepresented groups to participate and inform the County Road E Corridor Action Plan, and expand the range of perspectives and expertise that inform the final recommendations. The Citizen Advisory Group will be comprised of up to 20 community members of diverse representation and a range of community interests and backgrounds. Five members are appointed at the discretion of each City and an additional five appointed in collaboration with project partners.



Ms. Shimek shared suggested appointees for the Project Team include Councilmember Edberg, Councilmember Jones, Planning Commissioner Amundsen and Community Leader Jan Johnson. Suggested appointees for the Citizen Advisory Group include a resident from Ward 4 and Ward 5 identified with input from respective Councilmembers, an employee and a business owner working on or near County Road E in White Bear Lake, and a representative of an affordable housing development near County Road E.

Ms. Shimek forwarded staff's recommendation to adopt the resolution appointing the aforementioned community members to the County Road E Project Team and authorizing the City Manager to recruit and invite members to participate in the Citizen's Advisory Group based on parameters contained within the resolution.

It was moved by Councilmember **Walsh** seconded by Councilmember **Hughes**, to adopt **Resolution No. 12987** approving recommendations and authorizing the City Manager to invite participants for County Road E Project Team and Advisory Group.

Motion carried unanimously.

## 9. DISCUSSION

Nothing scheduled

## 10. COMMUNICATIONS FROM THE CITY MANAGER

- Welcome to Jason Lindahl, the City's new Community Development Director.
- Spring Cleanup last Saturday was the reportedly the busiest ever.
- Touch a Truck is at Podvin Park this Thursday, May 12<sup>th</sup> at 5:00 p.m., please bring a donation to fill the Food Shelf Truck.
- NewTrax holding a 10<sup>th</sup> year Anniversary Open House on May 23<sup>rd</sup>, rsvp encouraged.
- On May 21<sup>st</sup>, Mayor Louismet, Councilmember Hughes and City Manager Crawford will be attending Fire Operations 101 in Maplewood with other community leaders.

Mayor Louismet welcomed Jason Lindahl to the City.

Councilmember Walsh provided an update on the Purple Line. He was pleasantly surprised at the group's reception during the first Purple Line Corridor Management Committee meeting on April 29<sup>th</sup>. During the meeting, he was asked to report on the City's resolution and describe the history and discussions about the future of the City and the risk of becoming isolated without a transit option versus the risk of losing the small town character. He described a staff presentation of pros and cons with various options for the Purple Line as follows:

- Continue the Rush Line as originally planned through White Bear Lake.
- Re-route the Rush Line by stopping at Maplewood Mall, then running feeder buses into White Bear Lake.
- Re-route the Rush Line through Buerkle Road up to County Road E in Vadnais Heights, then down I35E to 694, or Willow Lane.

Councilmember Walsh explained the Purple Line Corridor Management Committee will be meeting again in June to vote on suspending the locally preferred alternative route as the next action item, which will then provide a green light to continue planning other routes. He added that Ramsey

County Commissioner Victoria Reinhardt and Metropolitan Council representative Sue Vento are involved in this project.

**11. 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 8:32 p.m.

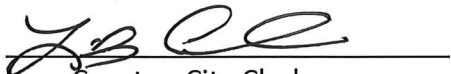
Motion carried unanimously.



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Dan Louismet, Mayor

**ATTEST:**



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~~Kara Coustry, City Clerk~~  
Lindy Crawford, City Manager