



**MINUTES
REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, SEPTEMBER 13, 2022
7 P.M. IN THE COUNCIL CHAMBERS**

1. CALL TO ORDER AND ROLL CALL

Mayor Dan Louismet called the meeting to order at 7 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, Assistant City Manager Rick Juba, City Engineer/Public Works Director Paul Kauppi, Community Development Director Jason Lindahl, Finance Director Kerri Kindsvater, Fire Chief Greg Peterson, City Clerk Caley Longendyke, and City Attorney Rachel Tierney.

PLEDGE OF ALLEGIANCE

2. APPROVAL OF MINUTES

A. Minutes of the Regular City Council Meeting on August 23, 2022

It was moved by Councilmember **Engstran**, seconded by Councilmember **Jones**, to approve the minutes. Motion carried unanimously.

B. Minutes of the City Council Work Session on August 23, 2022

It was moved by Councilmember **Jones**, seconded by Councilmember **Engstran**, to approve the minutes. Motion carried unanimously.

3. APPROVAL OF THE AGENDA

It was moved by Councilmember **Edberg**, seconded by Councilmember **Hughes**, to approve the agenda as presented. Motion carried unanimously.

4. CONSENT AGENDA

- A. Acceptance of Minutes: July White Bear Lake Conservation District, July Park Advisory Commission, August Planning Commission
- B. Resolution approving an on-sale intoxicating and Sunday liquor licenses for Little Village **Res. No. 13038**
- C. Resolution approving a special event application for Big Wood Brewery **Res. No. 13039**
- D. Resolution approving a special event application for The Village Sports Bar **Res. No. 13040**
- E. Resolution approving a special event application for Downtown White Bear Lake Main Street **Res. No. 13041**
- F. Resolution authorizing the White Bear Lake Area Hockey Association to conduct charitable gambling at Bear Town Bar and Grill **Res. No. 13042**
- G. Resolution authorizing Merrick, Inc. to conduct charitable gambling at the Little Village **Res. No. 13043**

- H. Resolution accepting a donation from the White Bear Lake Lions Club Foundation **Res. No. 13044**
- I. Resolution accepting a donation from the White Bear Lake Rotary Club **Res. No. 13045**
- J. Resolution approving a Memorandum of Understanding for an Oak Knoll Pond Spent Lime Feasibility Study **Res. No. 13046**
- K. Resolution authorizing a cost share grant agreement between the City of White Bear Lake and VLAWMO **Res. No. 13047**
- L. Resolution approving a Special Home Occupation Permit at 3696 Glen Oaks Ave **Res. No. 13048**
- M. Resolution authorizing an agreement for building inspection services with the City of Vadnais Heights **Res. No. 13049**
- N. Resolution approving an amendment to a Conditional Use Permit for Tside 1, LLC **Res. No. 13050 and Res. No. 13051**

It was moved by Councilmember **Walsh**, seconded by Councilmember **Jones**, to approve the consent agenda as presented. Motion carried unanimously.

5. VISITORS AND PRESENTATIONS

A. Constitution Week Proclamation

Mayor Louismet read a proclamation declaring September 17-23, 2022 as Constitution Week.

B. Bi-annual Fire Department Report

Fire Chief Peterson presented the department's bi-annual report. The Fire Department serves White Bear Lake, White Bear Township, Dellwood, Birchwood and Gem Lake, totaling 35 square miles and over 40,000 people. Chief Peterson said the call volume has steadily increased over the years, and expects 5,312 calls by the end of this year, approximately 8% more than last year. He said the balance of medical and fire calls is typical this year, with approximately 80% for medical and 20% for fire and rescue. The top five categories for medical calls are for a sick person, fall, breathing problem, unconscious person, and mental health needs. Chief Peterson said the average response time for emergency calls is 6 minutes and 10 seconds. He said that average is increasing due to the run volume and crews traveling to hospitals out of the service area.

Chief Peterson shared pictures of recent fire calls in neighboring cities that required the City's assistance. He explained the fire mutual aid ratio, or the services given and received between neighboring cities, and said it is relatively balanced. He said the mutual aid for emergency medical services is unbalanced, saying the City is providing more assistance to agencies, especially Allina and Fairview health systems, than it is receiving. He said the department will no longer be sending all of its resources out at one time to help outside its service area. Chief Peterson shared the department receives an average of 14 calls per day with an average run duration of 39 minutes. The lengthier times involve caring for a patient at the scene and transporting to a nearby hospital.

Chief Peterson said the department has 14 full-time firefighter/paramedics and could use two more so all three shifts have a third crew available. He presented the benefits of having the additional full-time employees. Chief Peterson shared information about department training,

including boat training, diving, crashed plane response and bus extrication. He shared how the Fire Department participates in community outreach.

Chief Peterson answered questions about the mutual aid provided to other cities and agencies, including getting reimbursed for the services and the cause of the imbalance of mutual aid. He elaborated on the toll on the firefighters/paramedics. The City has support systems in place for mental health, but has plans to expand those services. He answered questions about the increased need for full-time firefighters and said there has been an improvement in response times when the department doesn't send out all resources outside the service area.

6. PUBLIC HEARINGS

Nothing scheduled

7. UNFINISHED BUSINESS

Nothing scheduled

8. NEW BUSINESS

A. First Reading of an Ordinance Rezoning the Property Located at 2228 4th Street

Community Development Director Lindahl presented information on the proposed rezoning of 2228 4th Street from Public to Central Business. He said a property that is zoned Public must be publicly owned, so the upcoming proposal to sell the property to the White Bear Lake Area Historical Society necessitates rezoning.

A second reading and vote will be conducted at the September 27th Council meeting.

B. Sale of Armory Building

City Manager Crawford shared a presentation about the Armory building. The City purchased the building in 1996 for \$1 and currently houses the White Bear Lake Area Historical Society (WBLAHS) and the White Bear Lake Lions Club. It has been used for non-profit offices, private events, gym space and blood drives. The State of Minnesota holds a preservation easement on the building. The generated revenue from building activities doesn't cover the operation expenses, so the City often uses money from the general fund to maintain it. WBLAHS approached City staff to purchase the building with interest to expand programming and capabilities of public exhibits. The City is interested in the transfer of ownership because of the limit in other potential uses, it would still be used for the community and there are other spaces to host private events and activities needing gym space. City Manager Crawford explained various topics discussed with the possible transfer of ownership, including parking improvements not needed to be made based on the proposed use, the restrictions of property use based on the easement agreement and the lack of interest to spend money on an appraisal of the property.

City Manager Crawford highlighted areas of the purchase agreement. The sale price is proposed at \$1, the same purchase price from the National Guard in 1996, the City has a right of refusal if the WBLAHS ever wanted to sell, the WBLAHS will be responsible for closing costs, and the use of the property is restricted to non-profit offices and history center.

WBLAHS Executive Director Sara Hanson presented the history of the organization and shared examples of how it has been expanding, and its desire to better serve the people of White Bear Lake. Part of their goal is to find a permanent home for the organization. Hanson shared results of a property acquisition building conditions survey. There are immediate repairs needed, including an elevator replacement, new headhouse roof and brick restoration. Other intermediate needs include HVAC and electrical upgrades and interior renovations. She talked about the planned space for residents and WBLAHS staff. Hanson said the organization has a proven track record of preserving historical sites and has maintained fiscal responsibility.

Councilmember Jones is a paid contractor of the WBLAHS, so he recused from all Council discussion. Mayor Louismet provided a summary of previous conversations in City Council work sessions. He said the Council conducted its due diligence to ensure the WBLAHS was capable of maintaining the preservation of the building and will carry forward the community-oriented use. The property is subject to preservation easement which encumbers its use. He recognizes the other uses that will discontinue after the sale, like indoor pickleball. Mayor Louismet addressed accusations that the City hasn't been transparent with the proposed transfer. As Mayor, he said he continues to be extra vigilant for maintaining open conversations and believes this months-long process of discussing the options and opportunities of the Armory has been fully vetted.

Mayor Louismet opened it up to public comment. Terry Kellerman, business owner at 2222 4th Street, shared comments. There were no other speakers.

Councilmember Walsh recognized the expense required for the upkeep of the building, but also recognized the building as an asset, so he was concerned about the purchase price for \$1. Councilmember Edberg talked about the lack of revenue it generates, so he preferred to discuss the potential programming and purpose, and how the sale to the WBLAHS will better serve the city and to share its history. There was discussion about the right of first refusal and the proposed right that the city can purchase back the building on the same terms under which it's being sold. Mayor Louismet and Councilmembers requested the city reflect this language in the purchase agreement when executed. There was discussion about parking needs in the downtown area. It was concluded that the change in use of the Armory and the discontinued private events would relieve traffic in the area as it relates to the Armory.

Mayor Louismet provided proposed amendment language, in order to vote on a purchase agreement that City staff and he could use for the sale.

Edberg made a motion to authorize the Mayor and City Manager to execute a purchase agreement selling the Armory building to the WBLAHS. **Walsh** seconded the motion. **Edberg** made a motion to amend the motion in order to ensure it is clear in the agreement that the sale price of the building is \$1, the City's right of first refusal at any point in the future on same terms under which it was sold and the City's expectation that the buyer will maintain and make use of the facility for public purposes in compliance with the preservation easement. Edberg's motion to amend the first motion was seconded by **Hughes** and carried, with four members voting in favor and no member voting in opposition, to approve the purchase agreement selling

the Armory building to the WBLAHS with amended language. Jones abstained from the vote to avoid any potential conflict of interest. After the vote, Jones expressed his support of the sale.

C. Final Stage Planned Unit Development – 3600 and 3646 Hoffman Road, Schafer Richardson

Community Development Director Lindahl presented the request of a planned unit development (PUD) on behalf of SRD 2.0 LLC, an affiliate of Schafer Richardson as the developer. The properties located at 3600 and 3646 Hoffman Road are the current Village Sports Bar and a single-unit development parcel, respectively. The developer is in the second of three stages for the PUD process. The application seeks approval of a 244-unit apartment complex in two 4-story buildings. Lindahl explained the first stage was before the Planning Commission in May and the City Council in June. The applicant made changes to their plans based on the comments and concerns made at the meetings. Lindahl provided details about the two buildings, how many units, parking, amenities and connection with the existing complex The Barnum. He explained the purpose of a PUD as allowing flexibility from traditional development standards in return for a higher-quality development. The applicant requested deviation from the height, setback, parking and open space standards, in exchange for enhanced architecture through ground floor walk-up units, indoor bicycle storage, higher-quality open space, additional brick or stone, additional sidewalks, bicycle parking and enhanced stormwater treatment. Lindahl shared what terms were agreed upon based on discussions during the Planning Commission and City Council meetings. He presented images of the site plan and highlighted some areas.

Mayor Louismet welcomed the applicant to make comments. Peter Orth of Schafer Richardson confirmed what Lindahl had shared about the feedback and changes made to the application and answered questions about housing demand, the reason for reduction of total number of bedrooms and the transition from partial affordable project to fully market rate project.

Councilmember Edberg addressed members of the audience who wanted the city to pursue tax increment financing (TIF) for affordable housing. Councilmember Jones acknowledged an opportunity to create affordable housing and wondered if there should be further discussion. Mayor Louismet summarized the Council's earlier conversation and considerations, and recommended the Council moves forward with a vote.

It was moved by Councilmember **Walsh** seconded by Councilmember **Hughes**, to adopt **Resolution No. 13053**, approving the planned unit development stage plan. The Mayor directed the City Clerk to conduct a roll call vote. The following members voted in favor: Edberg, Hughes, Jones, Walsh. Engstran voted in opposition. Motion carried 4-0.

D. Resolution Authorizing Solicitation of Bids for the Public Safety Facility Project

City Engineer/ Public Works Director Kauppi presented information about the public safety facility renovation project. He summarized the project scope involving replacing the fire apparatus bay, an addition of the police garage, interior remodeling to support current and future operations, addition of secure staff parking and other building updates that would've been needed regardless of the renovation. Kauppi shared several images of the site plan. He noted that some of the materials and finishes were specifically selected to match features

public works and city hall facilities. For next steps, he explained the City Council will vote to approve the final plans and specifications and authorize solicitation of bids. If approved, City staff would open bids on October 11, City Council would award construction contracts on October 25, construction would begin in March 2023 and the project would be substantially complete in June 2024. The police department would stay in the building as it gets renovated. The fire department would operate out of the public works building and south fire station.

It was moved by Councilmember **Engstran** seconded by Councilmember **Jones**, to adopt **Resolution No. 13054**, approving the plans and specifications, and allowing City staff to order advertisement for bids for the project. Motion carried unanimously.

E. Classification and Compensation Study

Assistant City Manager Juba opened the presentation for the Classification and Compensation Study for non-union City staff and introduced Dr. Victoria McGrath, CEO of McGrath Human Resources Group. The process to start the study was approved by City Council and started in October 2021. Dr. McGrath shared the study objectives were to review the salary grades to quantitatively evaluate and determine market competitiveness and of each position to develop or update the classification and compensation plan, review the current system and identify problems with the current system, integrate market data and internal position analysis to a competitive compensation plan and make recommendations on keeping the plan current and equitable. She explained the methodology included reviewing the city's current compensation system, job descriptions and policies, administering position questionnaires and soliciting compensation from comparable public organizations.

Dr. McGrath shared specific data about the City and explained that the City's current salary schedule was not competitive and was not providing salary increases sufficient enough to move staff through a competitive salary range. She shared identified issues with the City's current salary structure, explaining there is no objective process and no methodology to move people through the salary schedule or how to place positions within the salary schedule. She shared factors that impact the workforce, including national recruitment trends, competition and the great resignation.

Dr. McGrath recommended the City implement a salary step schedule. The recommended schedule would consist of \$0.25 between steps for part-time and seasonal positions and a 2% increase between steps for full-time employees. The City will place positions on the schedule based on external market, internal comparability, position analysis and compression. She explained that implementation would start with placing positions on the step closest to their current salary with retroactive pay to September 1, 2022, the Council approving a cost-of-living-adjustment for January 1, 2023, and longevity steps starting July 1, 2023. Full implementation of the salary schedule would occur in 2024, with a COLA in January and increased steps on anniversary dates. She explained how the City should maintain its salary schedule with annual adjustments based on COLA, maintain overall competitiveness with the market and annual adjustments to the step increases.

Mayor Louismet thanked Juba for his efforts with bringing this forward. He said there is a need to stay competitive. Councilmember Edberg was concerned there wasn't a specific process and

data source to consistently determine the COLA. Dr. McGrath said there is a recommendation in the report for the City to use a Consumer Price Index for All Urban Consumers, and agreed the City needs to pick a methodology and consistently use it. Juba said comparable cities is the indicator for 2023 were used due to timing of implementation, but the City can determine a more solid indicator for 2024 and beyond.

It was moved by Councilmember **Jones**, seconded by Councilmember **Engstran**, to adopt **Resolution No. 13055**, accepting the Classification and Compensation Study and approving its implementation retroactive to September 1, 2022, with a 3% COLA effective January 1, 2023, longevity steps for employees on July 1, 2023, and full implementation of the Plan in 2024.

Councilmember Walsh acknowledged the various factors considered and shared previous work session discussions about a merit system for recognizing the performance of individual employees, and hopes there is still room for that in the future.

F. 2023 Preliminary Budget and Tax Levy

City Manager Crawford introduced the 2023 preliminary budget and tax levy. She provided an overview of significant revenue and expenditure changes to the budget. She explained the 2023 Capital Improvement Plan components will include fleet and replacements for the Police, Parks and Building departments, police squad equipment and body-worn cameras, routine technology upgrades and replacements, and a fire rescue boat.

Crawford said the preliminary tax levy reflects an increase to the General Fund (approx. \$1 million or 12.48%), street improvement project debt service (\$198,000 or 2.45%) and public safety facility project debt service (\$669,000 or 8.28%), for a total levy increase of \$1.875 million or 23.21%.

In order to offset the tax levy, reserve fund balance cash will be used. The City will maintain a fund balance that is within the balance range recommended by the Office of the State Auditor and meets City Council policy. Crawford said the median-value home of \$306,100 would pay city taxes in the amount of \$724.64, and shared a breakdown of the areas those taxes would fund. She shared a list of comparable nearby cities, showing that White Bear Lake has the lowest tax revenue collection per capita, even less than cities with smaller populations.

Mayor Louismet explained why he supports the increased tax levy, while still acknowledging the substantial increase for taxpayers. He said the city continues to be frugal with its spending, and the increase is needed with the reduction in funding from other revenue sources such as Local Government Aid. Councilmembers Walsh, Jones, Edberg and Hughes shared comments for their support for the tax levy. There was concern about the sustainability of using the City's fund balance from Councilmember Edberg.

It was moved by Councilmember **Walsh** seconded by Councilmember **Jones**, to adopt **Resolution No. 13056**, approving the preliminary tax levy. Motion carried unanimously.

9. DISCUSSION

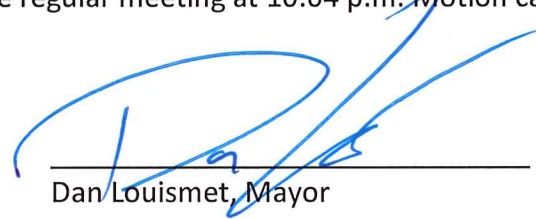
Nothing scheduled

10. COMMUNICATIONS FROM THE CITY MANAGER

City Manager Crawford shared upcoming events including the grand opening of a new Club Pilates location and 5-year anniversary, the first workshop meeting for the County Road E Corridor Study community meeting and a ribbon cutting for Royal Credit Union. She shared the public safety departments will participate in the upcoming homecoming parade. She shared the final layer of pavement will be laid for the street reconstruction project in the coming days.

11. ADJOURNMENT

There being no further business before the Council, it was moved by Councilmember **Engstran**, seconded by Councilmember **Hughes**, to adjourn the regular meeting at 10:04 p.m. Motion carried unanimously.



Dan Louismet, Mayor

ATTEST:



Caley Longendyke, City Clerk