



**MINUTES
REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, AUGUST 8, 2023
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, Steve Engstran, Heidi Hughes, Dan Jones and Bill Walsh. Staff in attendance were City Manager Lindy Crawford, Police Chief Julie Swanson, Fire Chief Greg Peterson, Community Development Director Jason Lindahl, City Clerk Caley Longendyke, and City Attorney Troy Gilchrist.

PLEDGE OF ALLEGIANCE

2. APPROVAL OF MINUTES

A. Minutes of the Regular City Council Meeting on July 25, 2023

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

3. APPROVAL OF THE AGENDA

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

4. CONSENT AGENDA

- A. Accept minutes: May Park Advisory Commission, June White Bear Lake Conservation District, June Environmental Advisory Committee, July Planning Commission
- B. Resolution approving polling places for the 2024 Presidential Primary Election **Res. No. 13221**
- C. Resolution authorizing renewal of Building and Rental Housing Inspection Services Agreement with the City of Mahtomedi **Res. No. 13222**
- D. Resolution authorizing renewal of Code Enforcement Services Agreement with the City of Mahtomedi **Res. No. 13223**
- E. Resolution granting preliminary and final plat approvals for the White Bear Lake Civic Campus addition **Res. No. 13224**
- F. Resolution granting a setback variance for 4041 Highway 61 **Res. No. 13225**
- G. Resolution granting a height variance for 1876 5th Street **Res. No. 13226**
- H. Resolution authorizing renewal of Fire Department Clinical Site Agreement with Century College **Res. No. 13227**
- I. Resolution approving a temporary liquor license for Church of St. Mary of the Lake **Res. No. 13228**

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

5. VISITORS AND PRESENTATIONS

A. Employee Recognition / Swear-in Police Officer

Police Chief Swanson recognized Jim Kvitrud for his 32 years of service as a police reserve officer and community service officer. Lorin Edmond was given the Oath of Service and sworn in as the newest White Bear Lake Police Officer.

B. Public Safety Employee Recognition

Police Chief Swanson and Fire Chief Peterson recognized public safety employees for their heroic efforts when Officer Ryan Sheak was shot multiple times during a call on January 24, 2023. The Life Saving Award was awarded to the following employees: Fire Captain Matt Stallings, Fire Lieutenant Steve Vobr, Firefighter/Paramedic Josh Cermak, Firefighter/Paramedic Drew Gadbois, Firefighter/Paramedic Jeremy Mach, Firefighter/Paramedic Mitch Brown and Firefighter/EMT Ben Ferderer. The Medal of Honor was awarded to Police Sergeant Eric Gadbois, Police Officer Phonvelai Sorensen and Police Officer Connor Dillon. The Medal of Valor was awarded to Police Officer Ryan Sheak.

C. Legislative Update – Senator Gustafson

Senator Heather Gustafson provided a brief update on her work during the 2023 legislative session, and thanked City Manager Crawford for her communication and collaboration. She talked about state funding that will be provided to local public safety departments. She said she kept cities in mind when advocating for local control on bigger legislation, including the cannabis bill. She said she was successful in increasing sales tax for cannabinoid products so local government can recover some associated costs. Mayor Louismet thanked Senator Gustafson for her engagement and staying connected with the City. Councilmember Jones also thanked her for staying connected with the Council. He talked about the License Bureau and asserted that more needs to be done to help fund these services that the City provides on behalf of the State.

6. PUBLIC HEARINGS

A. First reading of an ordinance amending Chapter 1104 – Tobacco and Related Products

City Manager Crawford presented the first reading of an ordinance that would amend City Code Chapter 1104, Tobacco and Related Products. She explained that the City currently doesn't expressly regulate tobacco shops as a separate use in the zoning code and current regulations for tobacco products need to be updated to keep pace with recent changes in both federal and state laws. She referenced the City's active moratorium prohibiting the expansion or establishment of tobacco shops that became effective September 27, 2022, which provided time for staff to study its regulations and propose ordinance amendments, as needed. She highlighted the proposed amendments, which include updated definitions, including Tobacco Products Shop, a limit on the number of licenses for Tobacco Products Shops, updated regulations aligning with federal and state laws and granting Council the authority to impose administrative penalties for violations.

Mayor Louismet opened up the public hearing at 7:43 p.m. There being no comment, the public hearing was closed. Councilmember Hughes questioned why there is a proposed limit on the number of establishments. City Manager Crawford said there typically hasn't been consistency on where or how many tobacco shops have popped up, and said it is just a suggestion for Council to consider. Mayor Louismet reflected on a previous Council discussion during a work session and noted that there was desire to keep public interest in mind and not become a City saturated with one type of a certain business. Councilmember Edberg challenged the limit when considering there are no limits on other types of businesses. He noted he will not be present at the August 22 meeting when Council votes on the ordinance amendment. Councilmember Jones said if a limit is imposed on Tobacco Products Shops, there should be discussion on limiting other types of businesses. Mayor Louismet noted that tobacco can be purchased at gas stations and convenience stores, in addition to the Tobacco Products Shops. In response to councilmembers questioning the limit, City Attorney Troy Gilchrist clarified that the limit pertains only to tobacco products shop where 90% of its sales are predominantly tobacco-related products. Councilmember Hughes asked if there was a limit on the number of liquor stores in the City, and City Manager Crawford confirmed there was no limit. Councilmember Hughes didn't support limiting certain types of business with City ordinances. Councilmember Walsh expressed support for the limit when taking into consideration the community interest and values, and balancing its retail businesses.

A second reading and City Council vote of the ordinance is scheduled for the August 22 regular meeting. Based on the lack of general consensus on suggested modifications, City Manager Crawford said staff doesn't intend to make changes and will bring back the ordinance as presented.

B. First reading of an ordinance requiring licensing and imposing regulations on the sale of edible cannabinoid products

City Manager Crawford summarized a timeline and information on cannabis-related legislation that passed in 2022 and 2023, and the City's active moratorium that prohibits the sale of edible cannabinoid products. Until the Office of Cannabis Management is established and starts licensing businesses selling lower-potency hemp edibles, estimated in March 2025, local government units need to consider whether or not to establish a licensing system for the sale of these products. At the direction of City Council during a work session on June 13, 2023, the City Attorney and staff prepared an ordinance establishing a licensing structure for edible cannabinoid businesses and regulating the sale of edible cannabinoid products or lower-potency hemp edible products until the Office of Cannabis Management takes over licensing of these products. Highlights of the ordinance include definitions, license qualifications, application procedure, product storage requirements, sale restrictions, information on compliance checks and adverse license actions.

Mayor Louismet opened up the public hearing at 7:59 p.m. There being no comment, the public hearing was closed. Councilmember Jones shared his trust in City Staff and the City Attorney for proposed regulations for this complex topic. Councilmember Edberg recalled a provision in state statute limiting the number of businesses. City Manager Crawford clarified that the limit pertains to cannabis retailer businesses—the proposed licensing and regulations is addressing the sale of

lower-potency hemp edibles, or edible cannabinoids. Separately, Councilmember Walsh referred to the PowerPoint slide and questioned why the City would allow two cannabis retailer licenses when the population of White Bear Lake is below 25,000. It is unclear whether the City has to allow two businesses or can limit the number of cannabis businesses to just one, but City Attorney Gilchrist explained that will be clarified in the forthcoming rules and regulations by the Office of Cannabis Management. City Attorney Gilchrist clarified that the Council is only reviewing the sale of lower-potency hemp edibles for the proposed licensing and regulations.

A second reading and City Council vote of the ordinance is scheduled for the August 22 regular meeting.

7. UNFINISHED BUSINESS

Nothing scheduled.

8. NEW BUSINESS

A. First reading of an ordinance amending zoning regulations regarding tobacco and cannabis uses

Community Development Director Lindahl presented the first reading of an ordinance that would amend zoning regulations as it relates to tobacco and cannabis uses. The proposal would create two new uses in the Zoning Code as it relates to Tobacco Products Shops and Cannabis Retailers. The two uses would be assigned to the B-4, General Business District. The Planning Commission held a public hearing and there was no public comment. He mentioned there are currently six establishments that would qualify as a Tobacco Products Shop and without zoning regulations, they have fallen into various zones in the City. When reviewing the 2040 Comprehensive Plan, land uses, and the descriptions of each zoning district, City staff concluded that B-4, General Business District, is the most appropriate district to locate these establishments. Buffers would be applied so that the businesses are not within 1,000 feet of a school or 500 feet of a day care, residential treatment facility or a public park regularly used by minors. The existing six Tobacco Products Shops are currently not in the B-4 zoning district, so they would become legal non-conforming, or "grandfathered". Sales of the lower-potency hemp edibles at these businesses will also be allowed.

Director Lindahl summarized the review of the Planning Commission, who approved a zoning ordinance that would restrict Tobacco Product Shops, cannabis retailers and lower-potency hemp edibles to the B-4, General Business District (Option A). Staff developed an alternative ordinance amendment for Council to consider (Option B), which proposes a third land use for lower-potency hemp edibles. This would separate the lower-potency hemp edibles from cannabis retail businesses and provides more flexibility on where lower-potency hemp edibles can be sold.

City Attorney Gilchrist provided clarification on the differences between the two proposed amendment options. Councilmember Jones asked staff which version would be easier to manage. City Manager Crawford explained that Option B would be easier to administer and would give more flexibility to certain businesses to sell lower-potency hemp edibles. City Attorney Gilchrist said the zoning amendment and edible cannabinoid licensing structure ordinances are to address the gap between the expiration of the current moratorium on edible

cannabinoids and when the Office of Cannabis Management becomes the regulatory licensing authority. He anticipates the City Council will have to review these areas again. Councilmember Edberg asked why the Central Business District was not considered for an allowable location for a Tobacco Products Shop or a Cannabis Retailer. Director Lindahl clarified that the sale of lower-potency hemp edibles would be allowed in the Central Business District, in Option B, if the business has an on-sale or off-sale liquor license or a tobacco license. It is only Tobacco Products Shops and Cannabis Retailers that would not be allowed in the Central Business District. Councilmember Edberg asked why the City wouldn't allow a cannabis retailer in the Central Business District. Director Lindahl explained that the B-4, General Business District, would allow easier access from higher capacity road for a broader, regional market. He also mentioned comments from Council at a work session to develop regulations similar to tobacco and liquor establishments. Councilmember Hughes expressed support for Option A to better regulate the location where lower-potency hemp edibles are sold.

Councilmember Edberg will not be available for the vote on August 22. Council discussed postponing the second reading and vote from August 22 to September 12. City Attorney Gilchrist recommended the Council provide direction on which proposed zoning amendment to bring forward for a second reading. Councilmember Jones showed support for Option B. Mayor Louismet said Option A may be expanded to the Central Business District. Councilmember Edberg expressed support for separating the regulation of edible cannabinoids from Tobacco Products Shops and Cannabis Retailers. Since there is more consideration to be had, staff will be bringing back the two zoning amendment ordinance options for a second reading.

The second reading of both amendment options and City Council vote is scheduled for the September 12 regular meeting.

B. Review of Burger Bar liquor license violation

City Manager Crawford said the Police Department conducts alcohol compliance checks each year at all licensed business establishments. Burger Bar, located 2125 4th Street, failed two compliance checks within a 12-month period, both for serving alcohol to minor and one of those incidents involving an underage employee serving the alcohol. It has been the practice of the City Council to review the establishment's business license when there are two failed compliance checks within a 12-month period to consider what, if any, action should be taken against its license. Should the Council have the desire to take the same action as it did in 2013 when a different establishment failed two alcohol compliance checks, staff prepared a similar resolution reflecting a 7-day suspension of the liquor license with an effective start date 12 days following the City Council meeting.

Business owner Leonard Pratt, who was notified of the liquor license review and invited to speak to the City Council, shared the corrective course of action being taken to prevent this from happening again, including mandatory alcohol awareness training for all employees and a new alcohol service policy. The plan will be implemented at both Burger Bar and Ingredients Café, both owned by Mr. Pratt.

Mayor Louismet understood that the owners are taking the violations seriously and appreciated

their response plan. However, he felt it would be appropriate to move forward with a 7-day suspension since they failed the two compliance checks. Councilmember Edberg, Councilmember Jones and Councilmember Hughes shared comments agreeing.

It was moved by Councilmember **Jones**, seconded by Councilmember **Engstran**, to approve **Res. No. 13229** authorizing a 7-day suspension of 3.2 on-sale, wine on-sale and Sunday liquor licenses issued to Burger Bar, effective August 20, 2023. Motion carried unanimously.

9. DISCUSSION

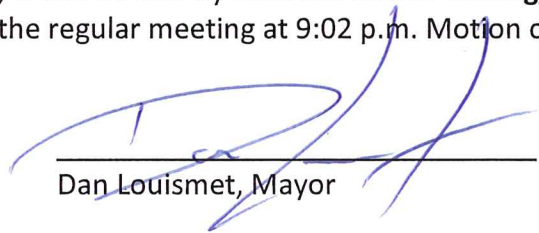
Nothing scheduled.

10. COMMUNICATIONS FROM THE CITY MANAGER

City Manager Crawford shared information about the Lakewood Hills All-Abilities Playground ribbon cutting and thanked the Lions Club for their donations and Public Works staff for their hard work. She recognized Lions Club International, GameTime and T.A. Shifsky & Sons, Inc. for their significant contributions. She shared that Administrative Police Captain Dale Hager will be promoted to Chief of Police effective August 28. She shared event information for Fridays with Firefighters and a car seat clinic with Regions Hospital.

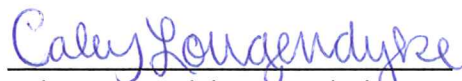
11. ADJOURNMENT

There being no further business before the Council, it was moved by Councilmember **Edberg**, seconded by Councilmember **Engstran**, to adjourn the regular meeting at 9:02 p.m. Motion carried unanimously.



Dan Louismet, Mayor

ATTEST:



Caley Longendyke, City Clerk