



**MINUTES  
REGULAR MEETING OF THE CITY COUNCIL  
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA  
TUESDAY, DECEMBER 12, 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, Steven Engstran, Heidi Hughes, Dan Jones and Bill Walsh. Staff in attendance were City Manager Lindy Crawford, Assistant City Manager Rick Juba, Finance Director Kerri Kindsvater, Public Works Director/City Engineer Paul Kauppi, 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 November 28, 2023

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

**3. APPROVAL OF THE AGENDA**

Mayor Louismet reported the addition of a resolution accepting various donations to *Consent* and recognition comments by former elected officials to *Visitors and Presentations*. It was moved by Councilmember **Engstran**, seconded by Councilmember **Edberg**, to approve the agenda as amended. Motion carried unanimously.

**4. CONSENT AGENDA**

- A. Accept minutes: September & October Environmental Advisory Commission, October White Bear Lake Conservation District, October Park Advisory Commission, November Planning Commission
- B. Resolution not waiving the monetary limits on municipal tort liability **Res. No. 13284**
- C. Resolution renewing the final plat for Wildwood Rowhomes – 2502 County Road E **Res. No. 13285**
- D. Resolution approving an electrical inspection services agreement with Nykanen Inspections **Res. No. 13286**
- E. Resolution accepting restricted donations as established by Minnesota Statutes 465.03 **Res. No. 13287**

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

**5. VISITORS AND PRESENTATIONS**

## A. Northeast Youth and Family Services Annual Report and Service Agreements

City Manager Crawford introduced Angela Lewis-Dmello, president and CEO of Northeast Youth and Family Services (NYFS), to present an annual report on the organization, followed by a Council vote for the 2024 service agreements. NYFS is a non-profit social service agency whose mission is to meet the unmet development needs of at-risk youth and families within the community through collaboration and coordination with existing community resources. Lewis-Dmello shared general information about the organization's mission and values, and the services provided. The organization is partnered with 16 municipalities, five law enforcement agencies, four school districts, the Ramsey County Attorney's Office, and Sheriff's Department. She reviewed the strategic plan launched for 2023-2026. She reported demographic data on the 603 clients served in 2022-2023 and talked about the types of meetings that were scheduled in the last year, with the number of appointments totaling 11,630. The top three treated diagnoses were generalized anxiety disorder, major depressive disorder and post-traumatic stress disorder.

Lewis-Dmello provided an overview of the budget, including the revenue sources and expenditures. She described the clinic-based mental health programs, school-based mental health programs, and the adolescent day treatment program. The programs serve various ages in different settings and fit the needs for individuals, couples, families and groups. She provided an overview of the last year as they continue to grow, including launching the Child Centered Play Therapy Services, expanding services to the New Brighton-St. Anthony School District, adding Arden Hills as a municipal partner, launching the community connections youth development program, renovating the White Bear Lake location, and more. For the future, Lewis-Dmello said NYFS would like to continue to expand the size of the clinic-based therapy team, develop additional group therapy services and launch a domestic and sexual violence program.

Mayor Louismet thanked Lewis-Dmello for her work and for the services provided by NYFS. Councilmember Edberg asked about the financial strategies of the organization. Lewis-Dmello mentioned the recent success of renegotiating insurance contracts and realigning fair rates. She said this will be key for long-term sustainability, but also talked about other strategies like investing in the development program, individual donor connection, grant writing and local marketing. She talked more about the expenses and restrictive billing structure at the legislature when asked about financial barriers. Councilmember Edberg stated to the rest of the Council that there is opportunity for allying with organizations to align legislative priorities to improve the community. Councilmember Walsh, former NYFS board member, observed more intention and focus within the services than previous years. Lewis-Dmello responded by saying the focused services better sustain funding and programming. Councilmember Hughes, current NYFS board member, shared her high regards of Lewis-Dmello and appreciation for her thoroughness leading the organization.

It was moved by Councilmember **Hughes**, seconded by Councilmember **Engstran**, to approve **Res. No. 13288** resolution authorizing agreements between the City and Northeast Youth and Family Services. Motion carried unanimously.

## B. Visitors Recognizing Councilmember Jones

Doug Biehn, former councilmember, and Jo Emerson, former mayor, shared comments recognizing Councilmember Jones, who will soon conclude his 16-year tenure on the Council. Councilmember Jones will be officially recognized by the Council and staff at the January 9, 2024 regular meeting.

## 6. PUBLIC HEARINGS

### A. 2024 Final Budget, Tax Levy, and Truth-in-Taxation Hearing

City Manager Crawford presented the 2024 final city budget, 2024 tax levy and 2023 revised city budget. At the September 12 regular meeting, the preliminary budget and tax levy was presented to and adopted by the Council. Crawford likened building a budget to building a sailboat, with each component (or department) being crucial for it to work and move forward. She provided an overview of the budget timeline, which is a year-round process involving Council and staff, and public engagement opportunities. Crawford provided an overview of the budget commitments that stayed at the forefront when staff prepared the 2024 budget. These commitments include supporting a public safety model that is oriented to be proactive, preventative and prepared while meeting the staffing, support and facility needs; gradually eliminating reliance of Local Government Aid (LGA); maintaining a 10-year Capital Improvement Plan (CIP) and Financial Management Plan (FMP), and maintaining a fund balance not less than 35% of the subsequent year's budgeted operating expenditures. She said the purpose of the truth-in-taxation (TNT) hearing is to provide a summary of the general fund budget, explain property tax implications of the budget and allow for comment from the public.

Crawford outlined each significant revenue and expenditure change that was considered while preparing the budget. Other areas of note and reminders included the debt service issued that provided funding for the Public Safety Facility renovation and expansion project, the conclusion of the American Rescue Plan Act (ARPA) federal aid, and the need to continue acknowledging that LGA is a temporary funding source that may be reduced or eliminated by the state at any time. Crawford explained the purpose of a property tax levy, and said the Council approved a preliminary tax levy on September 12 for a total of \$12,200,000, or an increase of \$2,245,000 (22.55%). In response to Councilmembers' request to find potential reductions prior to the final tax levy, staff analyzed the budget further and now proposed a tax levy of \$12,003,000, or an increase of \$2,048,000 (20.57%) over the 2023 tax levy. The proposed final tax levy consists of an increase of \$1,497,000 for general fund operations and an increase of \$551,000 for the debt service levy for the public safety facility project. The tax capacity rate is 27.263%.

Crawford presented a breakdown of property taxes, explaining that taxes are divided among the county, the school district, special taxing districts, and the city, and the City of White Bear Lake receives only about 18 cents per tax dollar. She explained the expenditure categories of property taxes, with the major categories including police service, general government, debt service, fire service, and public works. She presented data comparing revenue collection with comparable cities and said White Bear Lake, despite having a larger population than some

other comparable cities, collects less revenue in taxes. She showed a chart depicting comparisons of tax levy amounts and increases over the past five years among comparable cities, with White Bear Lake continuing to have the lowest tax levy. Crawford described 2024 projects and expenditures that will be supported by non-tax-supported funds. Finally, revisions to the 2023 budget were proposed. The City was planning to use unrestricted surplus cash to offset a planned deficit in 2023 of \$670,021, but no longer needs to due to multiple position vacancies and higher year-to-date revenues. In fact, there is an anticipated surplus of \$76,991, but Crawford said the surplus is at the expense of understaffed operations, which takes a toll on the quality of services the City is able to provide. She provided a list of resources for property tax assistance programs. Crawford asked the Council to approve resolutions adopting the 2024 budget, the 2023 revised budget, and the 2023 tax levy for taxes collected in 2024, and a resolution committing fund balances for specific purposes.

Mayor Louismet opened up the truth-in-taxation hearing at 7:53 p.m. Andrea McKee, resident of 2507 Homewood Place, raised concerns about increasing property taxes for senior citizens. Beverly Farraher, resident of 3470 Rolling View Court, raised concern on the sustainability of increasing property taxes. She also noted the condition of the mill and overlay and the quality of recent crack sealing in her neighborhood. There being no further comment, Mayor Louismet closed the hearing at 8:00 p.m.

Councilmember Jones addressed Ms. McKee's comments and clarified that only a portion of her increased taxes is from the City. He provided more explanation about the increase, specifically increased ambulance costs as an example, and inflated costs in general. He stated that taxes have been too low for too long to sustain the City's operations, and there is some catching up that needs to happen. Based on the services the City wants to provide, he couldn't see any room for cuts and said the overall increase involves a lot for public safety. Mayor Louismet responded to additional comments by Ms. McKee by reaffirming Councilmember Jones' observation that significant cuts would sacrifice essential services necessary for the community, and also clarified again that property tax increases aren't solely from the City. Councilmember Jones and Councilmember Edberg shared history of the City's low tax increases over the years and how it has impacted the City today.

Before continuing the discussion, Councilmember **Walsh** made a motion, seconded by Councilmember **Jones**, to approve the resolution adopting the 2024 budget and revising the 2023 budget as adopted. Councilmember Walsh recognized the work of staff and acknowledged the reduction in the proposed levy from when the preliminary levy was approved. Although not funded by the tax levy, he was not supportive of the new communications specialist position in 2024. Therefore, Councilmember **Walsh** made a motion, seconded by Councilmember **Hughes**, to amend the 2024 budget by striking the communications specialist position. Councilmember Walsh continued his argument against the position saying that he didn't believe it was a core service. He attributed the City's taxes being lower than other communities because it has focused on staff with core services. He said he may be more supportive if staff could identify a better funding source for the position or make it a contracted service on an as-needed basis. Councilmember Edberg recommended approving the budget as presented, but defer the City Manager's ability to fill the position until staff evaluates a different funding source. Councilmember Jones was not supportive of the

amendment to strike the position, referencing the City Manager's memorandum, requested by Council, explaining the need for the position and the positive impact it would have across all departments. He made an argument supporting staff's need for the position and detested staff having to pay the price for the City being behind in resources compared to other cities.

Councilmember Hughes shared her personal employment history with communications coworkers and noted that communications staff still rely on others for their work, indicating that the new position wouldn't completely relieve staff. She mentioned the difference between City government and a business that needs to sell something, explaining there is not a need to prioritize how materials look. She recognized the request from staff, but would be more supportive to push it off a year or until another plan is proposed for funding the position. Mayor Louismet pushed back on Councilmember Jones' comments about community members demanding for better communications, but took seriously the City Manager's memorandum outlining how a lack of a communication specialist impacts staff. He supported the idea of analyzing a different funding source. Councilmember Walsh referenced a different added position for general facilities maintenance and was more supportive of that position. Councilmember Jones told councilmembers to consider how the communications specialist could be the lead in interacting with various service organizations, like the Chamber of Commerce, Mainstreet Inc., Economic Development Corporation, and more.

The earlier motion made by Councilmember **Walsh** and seconded by Councilmember **Hughes** to strike the communications specialist position from the budget passed 3-2. Engstran, Hughes and Walsh voted in support; Jones and Edberg voted in opposition.

Councilmember Walsh proposed cutting funds for 2024 that would be used to address trees infested with emerald ash borer (EAB), therefore Councilmember **Walsh** made a motion to strike the funds from the budget. Councilmember **Jones** seconded the motion, but challenged the proposal. Councilmember Walsh said he thinks the tax levy is too high and wants to make cuts to help taxpayers with all the economic pressures. Based on initial reaction from other councilmembers and staff, Councilmember Walsh said he was open to amending his own motion to reduce funds instead of eliminating them. Mayor Louismet invited Public Works Director/City Engineer Kauppi to elaborate on the need for the funds. Director Kauppi said the EAB program started in 2018 when a tree inventory was conducted. There are about 2,000 boulevard ash trees and the City spends about \$25,000 a year treating a total of 600 trees to try to delay the costs of removal, at Council's direction. In the last two years, there has been a significant decline in the condition of the trees being treated. Staff cannot keep up with inspecting and tagging trees that need to be removed. Kauppi said staff have applied for state grants that require monetary contributions from the City. In other words, if the City receives the grant but doesn't have the money to contribute, staff can't fulfill the terms of the grant and would need to reject the grant. He noted that Council directed staff to take ownership and responsibility for the trees in the boulevards, which was included in the grant applications.

Mayor Louismet asked Kauppi to clarify how the funds would be used to address EAB. Kauppi said there is tree removal, hauling, stump removal, restoration and tree replacement. Grant funds only cover certain components. He said the City is behind on addressing the trees and Public Works staff cannot keep up at this point. There are also inconsistencies in expectations,

when residents are required to remove their dead/diseased/dying trees, but the City isn't removing trees in the boulevard. Kauppi foresees massive die-off of infested trees over the next two to three years. He provided a breakdown of the removal and replacement program, which will cost the City approximately \$3 million over the span of five to seven years. Of the total, \$2 million will be used for removal and \$1 million for restoration and replanting. He talked more about what would be covered by grant funds. Councilmember Jones didn't think \$150,000 is enough and is concerned about dead/diseased/dying trees falling and becoming a public safety matter.

In response to his original amendment to cut all EAB funds, Councilmember **Walsh** made a motion to amend his amendment, seconded by Councilmember **Hughes**, to reduce EAB funds to \$75,000 instead of cutting all funds. The motion failed 2-3. Hughes and Walsh voted in support of amending the amendment; Edberg, Engstran and Jones voted in opposition.

Councilmember Hughes sought further clarification on how the funds would be spent. She raised concern of the idea to delay the treatment and removal of these trees.

The Council voted on the original amendment to cut all EAB funds, an earlier motion made by **Walsh** and seconded by Councilmember **Jones**. The motion failed 1-4, with Councilmember Walsh voting in support of the amendment and the rest of the Council voting in opposition.

It was moved by Councilmember **Walsh**, seconded by Councilmember **Jones**, to approve **Res. No. 13289** adopting the 2024 budget as amended and revising the 2023 budget as adopted by Res. No. 13111. Motion carried 4-1. Councilmember Walsh voted in opposition.

It was moved by Councilmember **Engstran**, seconded by Councilmember **Hughes**, to approve **Res. No. 13290** approving the 2023 tax levy for taxes collectible in 2024. Motion carried 4-1. Councilmember Walsh voted in opposition.

It was moved by Councilmember **Engstran**, seconded by Councilmember **Jones**, to approve **Res. No. 13291** committing fund balances for specific purpose. Motion carried unanimously.

## 7. UNFINISHED BUSINESS

### A. Second reading of an ordinance adopting the 2024 fee schedule

At the November 28 regular Council meeting, City Manager Crawford presented a first reading of an ordinance adopting the 2024 fee schedule. She reported no changes for the second reading and asked for Council to adopt the ordinance. Mayor Louismet proposed reducing the increase in fees for certain background checks for alcohol licenses. Crawford clarified that the increases would align with background check fees for other business licenses and would better reflect costs of staff time spent conducting the background checks. Mayor Louismet was not in favor of the significant increase in one year and preferred spreading out the increase over the span of a couple years. Councilmember Walsh was interested in discussing the Mayor's suggestion further.



It was moved by Councilmember **Walsh**, seconded by Councilmember **Engstran**, to approve the ordinance adopting the 2024 fee schedule. Based on the Mayor's comments about the background fee increases, Councilmember **Walsh** made a motion to amend the proposed fee schedule to reduce the new proposed background check fee for a malt liquor license from \$500 to \$300 and reduce the new proposed background check fee for an on-sale wine license from \$500 to \$400. Councilmember **Hughes** seconded the motion to amend the fee schedule, though she supported increasing background check fees to \$500 to account for staff time. She didn't feel it appropriate for taxpayers to make up fees that should've been increased by the City years ago. The motion to amend the proposed fee schedule failed 1-4, with Councilmember Walsh voting in support and the rest of the Council voting in opposition.

There being no further discussion, it was moved by Councilmember **Walsh**, seconded by Councilmember **Engstran**, to adopt **Ordinance No. 23-12-2071** adopting the 2024 Fee Schedule as presented. Motion carried unanimously.

It was moved by Councilmember **Edberg**, seconded by Councilmember **Engstran**, to approve **Res. No. 13292** approving the summary publication of the ordinance adopting the 2024 Fee Schedule. Motion carried unanimously.

## 8. NEW BUSINESS

### A. Cheri Court Addition Lot Split – 1788 Cheri Court

Community Development Director Lindahl summarized a lot split request for an existing vacant property located in a subdivision of Cheri Court. The Cheri Court addition was originally platted in 2000. Lot 11, the subject parcel, was originally planned for both a stormwater pond and single-family dwelling. The developer is requesting the lot split to retain a portion of Lot 11 for development and the other portion for a stormwater pond to be dedicated to the City. Lindahl explained that this lot split is less complex than others, because the two parcels will meet minimum lot sizes and the split is creating less than three lots.

It was moved by Councilmember **Engstran**, seconded by Councilmember **Hughes**, to approve **Res. No. 13293** granting a lot split for 1788 Cheri Court (PID 263022320087). Motion carried unanimously.

### B. 2024 Classification and Compensation Plan

In September 2022, Council accepted a Classification and Compensation Study and Plan conducted by McGrath Human Resources Group, which became effective for 2022 and 2023. Assistant City Manager Juba described 2024 as being the first "regular year" under the new plan. He said Council will annually consider a cost-of-living adjustment (COLA) for the upcoming year and suggest any changes for the Classification Plan. Juba noted that union groups are compensated based on their labor agreements, but positions are still recognized and outlined within the overall Classification Plan. As previously shared with Council, staff recommended a 3% COLA adjustment and a shift for some positions to different pay grades.

It was moved by Councilmember **Engstran**, seconded by Councilmember **Hughes**, to approve **Res. No. 13294** adopting the 2024 Classification and Compensation Plan. Motion carried unanimously.

**9. DISCUSSION**

Nothing scheduled.

**10. COMMUNICATIONS FROM THE CITY MANAGER**

City Manager Crawford announced the next regular Council meeting for January 9, 2024, when three councilmembers will be given the oath of office and sworn in. She thanked Council for their hard work in 2023.

**11. ADJOURNMENT**

There being no further business before the Council, it was moved by Councilmember **Jones**, seconded by Councilmember **Walsh**, to adjourn the regular meeting at 9:29 p.m. Motion carried unanimously.

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Dan Louismet, Mayor

**ATTEST:**

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Caley Longendyke, City Clerk