



**MINUTES**  
**REGULAR MEETING OF THE CITY COUNCIL OF**  
**THE CITY OF WHITE BEAR LAKE, MINNESOTA**  
**TUESDAY, SEPTEMBER 12, 2017**  
**7:00 P.M. IN THE COUNCIL CHAMBERS**

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

Mayor Jo Emerson called the meeting to order at 7:00 p.m. Councilmembers Bill Walsh, Doug Biehn, Dan Jones, Kevin Edberg and Steven Engstran were present. Staff members present were City Manager Ellen Richter, Finance Director Don Rambow, City Engineer Mark Burch, Community Development Director Anne Kane, City Clerk Kara Coustry and City Attorney Andy Pratt.

PLEDGE OF ALLEGIANCE

**2. APPROVAL OF MINUTES**

It was moved by Councilmember **Biehn** seconded by Councilmember **Jones**, to approve the Minutes of August 22, 2017, as presented.

The motion carried unanimously.

**3. APPROVAL OF THE AGENDA**

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

The motion carried unanimously.

**4. VISITORS AND PRESENTATIONS**

A. Constitution Week Proclamation

Mayor Emerson read a Proclamation recognizing Constitution Week (September 17-23, 2017), which coincides with the 230<sup>th</sup> anniversary of the drafting of the Constitution of the United States.

Mayor Emerson proclaimed the week of September 17, 2017 as Constitution Week in the City of White Bear Lake, Minnesota.

**5. PUBLIC HEARINGS**

Nothing scheduled

**6. LAND USE**

A. Consent

1. Consideration of a Planning Commission recommendation for approval of a request by All Energy Solar on behalf of William R. Feldhusen for a variance from the code requirement that residential roof-mounted systems be flush mounted on pitched roofs for the property located at 4600 Carolyn Lane. (17-18-V). **Resolution No. 12083**
2. Consideration of a Planning Commission recommendation for approval of a request by John Reinhart for two variances to allow the installation of a 155-foot long, 6-foot high, wood privacy fence along the east property line for the property located at 1531 N. Birch Lake Blvd. (17-19-V). **Resolution No. 12084**
3. Consideration of a Planning Commission recommendation for approval of a request by Polar Mazda for a Conditional Use Permit Amendment to remove the existing sales building and a one sign variance to allow a second free-standing sign for the property located at 4095 Highway 61. (76-15-Sa and 17-16-V). **Resolution Nos. 12085 - 12087**

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

The motion carried unanimously.

## 7. UNFINISHED BUSINESS

Nothing scheduled

## 8. ORDINANCES

Nothing scheduled

## 9. NEW BUSINESS

- A. Resolution approving the proposed preliminary 2017 tax levy collectible in 2018

City Manager Richter reported on the preliminary tax levy, which must be certified to the County by the end of September for property tax statements mailed in late November. Once certified, tax levy may be lowered but not increased. 80% of the tax levy goes toward the General Fund, with the remaining revenues dedicated to capital and debt service. The tax levy represents 50% of General Fund revenues from which 57% of the proposed 2018 General Fund expenditures would go toward Public Safety.

Ms. Richter provided a 10-year review of revenue sources including tax levy, local government aid and interest earnings.

Ms. Richter explained that the proposed 2018 budget maintains tax supported expenditures at the same levels over 2017 and does not include any new or expanded operational programs or services. To support the shift from reliance on reserves, maintain current service levels, and to provide additional revenues to support capital requirements, it is recommended that the 2018 tax levy be adjusted by \$452,000 over 2017 as shown:

<u>General Fund</u>	<u>2017</u>	<u>Add't Levy</u>	<u>2018</u>
Operations	4,891,000	80,000	4,971,000
Reserve Utilization Adjust.		226,000	226,000
Total General Fund	4,891,000	306,000	5,197,000
<u>Capital &amp; Debt Service</u>			
Equipment	50,000	146,000	196,000
Building	100,000	-	100,000
YMCA Debt	132,000	-	132,000
<b>TOTAL</b>	<b><u>5,173,000</u></b>	<b><u>452,000</u></b>	<b><u>5,625,000</u></b>

Ms. Richter stated the Employee Expense Fund has been utilized to offset operational costs and prevent a levy increase since 2013. The Employment Expense Fund is intended to operate on a “break even” basis, which requires each operating department to fund its appropriate share of personnel service costs. Beginning in 2013, a portion of the costs associated with personnel service adjustments were assigned to the Employee Expense Fund, which at the time had the available reserves. This helped to keep the levy increase lower. Over the last four years (2013 – 2016), the fund recorded a reserve drawdown totaling \$1.3 million.

Ms. Richter indicated that to reestablish a revenue stream to the Employee Expense Fund that supports actual expenditures, personnel service chargebacks in the General Fund need to be increased by an additional \$151,000 over the 2017 budget, totally \$226,000 in the proposed 2018 budget. If adopted, the General Fund will no longer rely on the Employee Expense Fund for operational expenses; the Employee Expense Fund will recognize revenues equal to expenditures as intended.

Ms. Richter stated, in summary, the key components of the preliminary tax levy are the elimination of reliance on reserves for operations, which accounts for approximately 50%, or \$226,000 of the levy increase; capital replacement of equipment represents 32% or \$146,000, of committed resources; and 18% of the proposed increase is a results of General Operations costs.

Ms. Richter reviewed market value history and potential tax impact related to specific homes, apartment complexes and commercial properties within the City. She presented a comparison of Minnesota cities with populations between 16,000 – 37,000. She added the City of White Bear Lake is the lowest ranking among all cities in terms of per capita tax levy.

In response to a question from Councilmember Walsh, Finance Director Rambow stated the purchase of the fire truck is anticipated, but budgeted items are not always expended. He added \$400,000 is being transferred from the non-bonded debt service fund to pay for a significant portion of the fire truck. He noted that money will be transferred to the Construction Fund to offset street costs, if it is determined that is will not be spent on a fire truck.

Councilmember Walsh stated \$500,000 is budgeted in 2021 for Dispatch, and that could be a variable depending upon a potential City Council decision regarding Dispatch. City Manager Richter confirmed this.

Councilmember Walsh requested clarification regarding \$1 million that is budgeted through 2021-2022 for Fire. City Manager Richter stated the original Capital Improvement Plan (CIP) included equipment which has since been removed, and the Fire Department will undergo an evaluation after the arrival of the new Fire Chief. She added purchase of fire equipment has been delayed for years, and anticipated costs are distributed over a longer time frame. She reiterated that these issues will be reviewed with the new Fire Chief.

Finance Director Rambow stated \$330,000 is budgeted for the Equipment Fund for replacement of self-contained breathing apparatuses. He added budget projections were based on grant funding that the City did not receive.

City Engineer Richter stated funding for Engine 7 was adopted into the 2017 budget, but since grant funding was not received, that item has been moved to the 2018 budget. This requires additional evaluation.

Councilmember Walsh asked whether the line item for \$479,850 in 2017 for Fire would have included the replacement self-contained breathing apparatuses. City Manager Richter confirmed this.

Councilmember Edberg stated City Staff have done an excellent job of engaging the City Council in the budget process, providing information and insight at work meetings, as well as discussions at Regular City Council Meetings.

Councilmember Jones stated the City has experienced a 5% budgetary increase over 10 years as compared to inflationary rates of 18%. He added an increase in the operational and capital budget. He noted he would like to resolve the Employee Fund issue.

City Manager Richter reported that the direct tax levy to fund current operational requirements is recommended to increase \$80,000 or 1.64%. The effort to eliminate the financial reliance on reserves will require \$226,000, and an additional allocation of \$146,000 for capital equipment is recommended.

It was moved by Councilmember **Jones** seconded by Councilmember **Biehn**, to adopt **Resolution No. 12088** approving the proposed 2017 tax levy collectible in 2018.

Councilmember Biehn stated budget increases are necessary to eliminate the City's reliance on reserves, and that is important to him, as well as committing resources to fund capital replacement. He added a general increase is necessary, and he appreciates the hard work that City Staff have put into this process. He noted he supports the resolution.

Councilmember Walsh stressed the importance of recognizing that 8.73%, or \$452,000, is a significant increase over last year's budget. He stated he supports the operations increase, as City Staff runs the City efficiently with no extravagant spending. He added new police officers should be discussed in the future. He noted an increase for City employees is reasonable, and he supports it.

Councilmember Walsh expressed concern regarding borrowing from one fund to cover another. He struggles with the \$146,000 tax levy for capital equipment. He expressed his

support of waiting to do that transfer next year, especially since no decision has been made on the Dispatch issue. He noted there would be some savings for the tax payer if the City Council were to postpone the \$146,000 capital levy, and a 5.9% increase is more in line with last year's 4.9 % increase.

Councilmember Walsh stated he supports the decreased budget amount, and he will not support the motion. He added the City's budget can be decreased before December 2018.

Councilmember Edberg addressed Councilmember Walsh, stating he would like to hear why the City Council should vote to forego the \$146,000 tax levy, as a vote will still be necessary to set the final number.

Councilmember Walsh stated approval without the \$146,000 tax levy would allow City Staff to prepare a revised capital investment spreadsheet before the next vote. He added the numbers are large, including projected potential costs related to Dispatch, and purchase of capital equipment. He encouraged Councilmembers to vote with him on a lower levy, to apply downward pressure.

Councilmember Jones stated he appreciates Councilmember Walsh's comments, but he agrees with Councilmember Edberg that many capital improvements have not been addressed for 10 years, and no funding action has been taken, and they cannot be delayed any longer.

Mayor Emerson stated the new Fire Chief will want to review everything, and there could be new recommendations.

City Manager Richter addressed Councilmember Walsh, stating that the Capital Improvement Plan (CIP) experiences a yearly shift in numbers with on-going discussions with staff, and it is adjusted accordingly. She added the tax levy amount is proposed as a source of revenue for the equipment acquisition fund in need of additional funding sources.

Finance Director Rambow stated City Staff have reviewed alternative revenue sources, as they must come from some place other than City taxpayers. He added it is preferable to show it as a tax rather than a billing fee.

Councilmember Walsh stated he understands increases are necessary, and he will support them. He added he supports starting the tax levy into the Capital Fund next year instead of this year, which will help determine what it will look like over the course of five years.

Councilmember Edberg stated the City's per capita tax amount, at \$208, is the lowest of 44 Minnesota municipalities of the same size. He added he does not believe it is prudent to go lower than that, and this should be considered carefully as it can be taken too far.

The motion carried 4:1 Councilmember Walsh nay.

## 10. CONSENT

- A. Acceptance of June Environmental Commission Minutes, July Park Commission Minutes and August Planning Commission Minutes

- B. Resolution approving proof of parking agreement. **Resolution No. 12089**
- C. Resolution authorizing municipal consent of State issued Consumption and Display permit for Create Space, LLC. **Resolution No. 12090**
- D. Resolution authorizing a massage therapist license. **Resolution No. 12091**

## 11. DISCUSSION

Nothing scheduled

## 12. COMMUNICATIONS FROM THE CITY MANAGER

- City Manager Richter stated the Annual Volunteer Recognition Dinner will be held October 17, 2017, at the Armory. She added this is a special annual event, and a wonderful way to express gratitude to the City's volunteers who give back so much to the community in so many ways.
- City Manager Richter stated the City of White Bear Lake's new Fire Chief, Greg Peterson, will be starting on Monday, September 18, 2017. She added he has served most recently as Battalion Chief for the City of Roseville. She noted he will be introduced at the City Council's September 2, 2017, Regular Meeting, at which City Staff will present a few agenda items that are pertinent to the Fire Department.
- City Manager Richter stated Public Safety and Fire Prevention Day will be held October 14, 2017, from 10:00 a.m.-1:00 p.m. at Station 2. She added this event is always fun and well-attended.
- City Manager Richter provided an update on the License Bureau's transition to MNLARS technology, which caused back log and delays in service, including the way transactions are completed, at License Bureaus across the State of Minnesota. She added there is still some back log in transactions, but the City's License Bureau has gained two significant car dealerships due to communication issues at the Department of Motor Vehicles. She noted City Staff will re-evaluate servicing when the Bureau is running smoothly, and any potential staffing changes will be reviewed that will not affect the levy.

Mayor Emerson stated the License Bureau staff have done an outstanding job throughout the transition process, which proved to be a stressful situation.

- City Engineer Burch stated the Sports Center is moving through the design phase, and there will be more to report to the City Council in October.
- City Engineer Burch stated street projects are almost completed, except for the area around City Hall. He added pipelining is almost done, and concrete will be poured on Wednesday, September 13, 2017, at 8:00 a.m.
- Community Development Director Kane stated the Sports Center design review is under way, with a public hearing, as required by the Public Zoning District, that is scheduled for September 25, 2017, and notice has been sent to neighbors and the local newspaper. Any



significant capital improvements require a recommendation for site plan approval from the Planning Commission.

- Community Development Director Kane stated City Staff had a preliminary meeting with representatives of Lund's and Byerly's, who have entered into contract for the 2<sup>nd</sup> lot in the Tower Crossing, with a smaller building footprint than the proposed Hy-Vee building. She added the proposed building does not include the White Oak Center property, and the important components of the original site plan are being accommodated, which has proven helpful in paving the way for a workable solution. She noted a formal application is anticipated in early November, although a press release has already made it public knowledge.


Councilmember Walsh stated he received many resident comments and concerns about traffic at that intersection on National Night Out. He added he reassured residents that traffic studies were completed, but there is still a lot of concern.

### 13. ADJOURNMENT

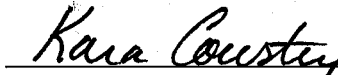
Mayor Emerson explained that next on the agenda is a proposal to close the meeting, under the attorney-client privilege exception to the Open Meeting Law, found at Minnesota Statutes, Section 13D.05, Subdivision 3, clause b. The purpose of the closed session is to discuss the Ramsey County District Court Order dated August 30, 2017, in the White Bear Lake Restoration Association v. Minnesota Department of Natural Resources case, of which the City of White Bear Lake was a Defendant/Intervener. The City Council, City staff, the City attorney, and special legal counsel for the City will discuss this active litigation in the closed session

There being no further business before the Council, it was moved by Councilmember Jones seconded by Councilmember Engstran to adjourn the regular meeting at 8:09 p.m.

### 14. CLOSED SESSION – LAKE LEVEL LAWSUIT

  
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Jo Emerson, Mayor

ATTEST:

  
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Kara Coustry, City Clerk