



**MINUTES
REGULAR MEETING OF THE CITY COUNCIL OF
THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, NOVEMBER 14, 2017
7:00 P.M. IN THE COUNCIL CHAMBERS**

1. CALL TO ORDER AND ROLL CALL

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

PLEDGE OF ALLEGIANCE

2. APPROVAL OF MINUTES

Minutes of the Regular City Council Meeting on October 24, 2017.

It was moved by Councilmember **Jones** seconded by Councilmember **Biehn**, to approve the Minutes of the Regular City Council Meeting on October 24, 2017.

Motion carried unanimously.

3. APPROVAL OF THE AGENDA

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

Motion carried unanimously.

4. VISITORS AND PRESENTATIONS

A. Greg Pariseau – Environmental Advisory Commission

Mayor Emerson welcomed Connie Taillon, Environmental Specialist for the City of White Bear Lake, and invited her to address the City Council.

Ms. Taillon recognized Greg Pariseau for his service on the Environmental Advisory Commission. She noted Mr. Pariseau has served on the Commission since 2013, and has recently stepped down. During his tenure, he was instrumental in the Green Step Cities Program, the Pollinator Friendly ordinance, Medicine Drop Box Program and Random Acts of Environmental Kindness. He supported the new water rate structure and helped organized the Annual Environmental Resources Expo.

Ms. Taillon noted Mr. Pariseau's attendance at community environmental events on behalf of the Environmental Advisory Commission. She personally thanked Mr. Pariseau for his volunteer services to the City of White Bear Lake. She added it has been an honor to have him on the Commission.

Mayor Emerson presented Mr. Pariseau with a plaque, and thanked him for his service to the City of White Bear Lake through his work on the Environmental Advisory Commission. She noted there were many fellow Commissioners present at the meeting to recognize Mr. Pariseau's contributions.

Mr. Pariseau thanked Ms. Taillon and Mayor Emerson. He stated he has enjoyed his tenure on the Commission, and serving the City of White Bear Lake. He thanked the City Council for their contributions. He humbly accepted the plaque and recognition, and thanked the Environmental Advisory Commissioners who were present.

5. PUBLIC HEARINGS

Nothing scheduled

6. LAND USE

A. Consent

1. Consideration of a request by Muellner Family, LLLP for a parking variance for the property located at 4801 Highway 61 (Case No. 17-22-V). **Resolution No. 12112**

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

Motion carried unanimously.

7. UNFINISHED BUSINESS

Nothing scheduled

8. ORDINANCES

A. First reading of an ordinance establishing 2018 annual fee and utility rate schedule

City Manager Richter covered some of the proposed changes to the 2018 annual fee and utility rate schedule that were not included in the initial adoption, such as dangerous dogs and bee keeping permit fees. She noted the City does not have many dangerous dog misdemeanors, but there are currently three pending cases. She explained that the fee schedule is reviewed annually so that the budget can be built accordingly.

Ms. Richter stated rate changes are proposed for the sewer fund, related to a sewer rate adjustment based on Metropolitan Council charges. She added approximately 75% of total expenditures from this fund cover the Metropolitan Council's environmental services charges.

Ms. Richter stated the sewer fund experienced a \$521,000 operating loss between 2011-2015, and a \$200,000 transfer from the non-bonded fund is proposed to eliminate the sewer operating deficit. She added, moving forward, fee adjustments will directly correspond with operational charges within the fund.

Finance Director Rambow stated that staff designated \$200,000 from the non-bonded fund to cover the sewer fund deficit and return it to a positive fund balance in 2018. He added a similar solution was considered for the water fund, as the fee structure would have otherwise resulted in too much of an impact on rates.

Finance Director Rambow stated the non-bonded fund was created using purchased street projects assessments, and funds are then transferred to the construction fund. He added this year's interest rate is 5%, up from 4.25% last year, and is based on the market rate for bonds. He added this is a revolving fund that collects interest and builds up over time, and the fund is designated for whatever is required by the City Council through the budget process. He noted, although typically returned to the construction fund, this year's sewer fund deficit was a more pressing issue.

Councilmember Edberg asked whether this will be a one-time transfer, or if the non-bonded fund will be repaid. In response, Ms. Richter stated the proposed transfer is an attempt to bring the sewer fund into balance, using resources from the non-bonded fund. She added it was not anticipated in this proposal that revenue from the sewer fund will be used to reimburse the non-bonded fund.

Councilmember Edberg stated the non-bonded fund is a valuable and flexible resource that can be used to support a variety of projects. He added, however, he does not believe it should be used to bail out the sewer fund. He noted, in his opinion, assessments to the users of the sewers should be used to pay for sewer fund expenses.

Mr. Rambow stated the Metropolitan Council has indicated that disposal costs will increase 6-10% annually for the foreseeable future, and recovering the sewer fund deficit would require an increased rate of 50-75 cents per cubic feet, which would be significant for residents. He noted, if it is the intent of the City Council, the sewer fund deficit can be repaid through increased sewer rates.

Councilmember Edberg stated he is not opposed to the idea of transferring from the non-bonded fund to balance the sewer budget, but would like to see the impact of additional rate increase needed to bring it to balance. With other Councilmembers in agreement, Ms. Richter agreed to provide an analysis of other options for the City Council's review at the next meeting.

Councilmember Edberg asked whether there was consensus from the City Council, to prevent City Staff from doing unnecessary research. Councilmember Walsh stated he would like to see alternatives, as he is not generally supportive of such funds as they tend to be less transparent. He added, however, he supports the intended goal. Councilmember Jones stated he would also be interested to see alternative solutions. Councilmember Biehn agreed.

In response to Councilmember Jones, Mr. Rambow stated Birchwood and other municipalities are charged as a commercial accounts, with one commercial meter, and their fees are higher than residential fees. He added Birchwood is one of the City's highest commercial account user.

Councilmember Jones stated it does not seem that Birchwood would have any incentive to conserve water if they are using one meter.

Mayor Emerson stated this item will be reviewed again at the City Council's December 12, 2017, Regular Meeting, for a second reading and public hearing.

9. NEW BUSINESS

A. Resolution authorizing Mayor and City Manager to enter into agreement with Gem Lake for Police Services

City Manager Richter stated the City of Gem Lake has approached the City of White Bear Lake regarding contract police patrol services. She added the community has 414 residents over a 1.1 square mile area, and approximately 50 calls per year. She noted an annual fee of \$63,800 would be charged to Gem Lake for these services, which are based budgeted 2018 operational and capital.

City Manager Richter stated the Police Officer who was assigned to Birchwood would be reassigned to Gem Lake. She added City Staff would meet with Gem Lake administrative staff quarterly before committing to a long-term arrangement. She noted the additional revenues will help offset costs associated with wage step increases in the Police Department.

It was moved by Councilmember **Edberg**, seconded by Councilmember **Jones**, to adopt **Resolution No. 12113** authorizing a contract to provide law enforcement services to the City of Gem Lake.

Councilmember Biehn stated he is uncomfortable with the arrangement. The City is not required to provide this service for Gem Lake, which could result in a risk to the City of White Bear Lake and its residents. He added he understands there is a slight financial benefit, but he is not certain it is worth the risk. He noted the service should not be provided at the same cost as White Bear Lake residents.

Councilmember Edberg asked whether Councilmember Biehn is more concerned about contracting with other entities, or that the cost is not being properly assessed.

Councilmember Biehn stated the responsibility for this belongs with Ramsey County. He reiterated his concern that the risk is not worth the financial savings.

Motion carried 4:1, Councilmember Biehn abstained.

B. Resolution canvas results from General Election held on November 7, 2017

City Manager Richter stated the City Council serves as the Canvassing Board for the General Election, and election results were included in the meeting packet. She added the election was managed by Ramsey County, who piloted a program for absentee voting and early voting in centralized voting locations for residents using their new equipment. She noted Ramsey County felt that the centralized voting was a positive change.

City Manager Richter stated the polling places looked different and some election judges expressed confusion regarding the process. She added that Ramsey County provides the same materials and training to all judges for all precincts within Ramsey County, but it was a change for the White Bear Lake judges. She requested that City Councilmembers forward any feedback from election judges to city staff. She indicated results were not

available on the State's website in a timely manner, and Ramsey County is working with the State to identify the issue.

City Manager Richter stated Mayor Emerson was re-elected by 80% of the vote. She added Councilmember Doug Biehn was re-elected for Ward 2, and Councilmember Edberg was re-elected for Ward 4. She indicated that 7.5% of the ballots cast were absentee ballots.

City Manager Richter stated City Staff recommends approval of a resolution canvassing 2017 General Election results.

Councilmember Jones expressed his frustration regarding the fact that the complete election results were not posted on the State website until 7:00 a.m. the following morning. He added the flag used at Ward 3 was placed in a cone, which was disgraceful. He requested an apology for Ward 3, and noted the County's future election management efforts must be clearly defined before the contract for their services is renewed.

It was moved by Councilmember **Jones**, seconded by Councilmember **Biehn**, to adopt **Resolution No. 12114** canvassing results from General Election 2017.

Motion carried unanimously.

C. Resolution approving/adopting assessment policy revisions for alleys and water services

City Engineer Burch stated assessment rates to be applied to improvement projects are adjusted annually based on approximate construction rates. He added 1/3 of the project costs are assessed for street reconstruction and mill and overlay projects. He noted a water service replacement assessment rate of \$1,200 is being introduced at a 50/50 cost share with homeowners, as well as an alley improvement assessment of \$2,200 per unit, which is anticipated to be a 100% assessment of alley improvement costs. Storm sewer assessments are recommended to remain at \$.12 per square foot.

City Engineer Burch stated that staff recommends a 15-year assessment period in 2018, as there is a combination of assessments. He added the longer time frame will help property owners spread out the payments. He noted, if approved, the assessment rates will be formalized in the assessment roles.

Councilmember Edberg asked whether there has been feedback from residents with alleys, who will be assessed for their alleys for the first time. He asked whether staff has notified everyone who needs to be notified for 2018 and for future assessments.

City Engineer Burch confirmed this, adding residents are receptive to the water service rates and alley rates as they understand the need for these improvements.

City Manager Richter stated to Councilmember Edberg that there has not been an effort to reach out to those residents who will be affected by the 2019 project, but there are only a few alleys in that project area, with the vast majority located in the 2018 project area.

Edberg stated the 3% inflationary increase is acceptable, as well as alley assessments. He requested clarification regarding sanitary sewer and water service replacement, and whether value is 50% of the replacement cost, and whether city staff will complete that work. He also asked whether residents will have an option to service the line into their

homes, and whether landscaping and trees will be affected.

City Engineer Burch confirmed the value is based on 50% cost, and the work will be done by contractors. He added, the city will replace the service line at the curb to the main line in the street. Homeowners will be responsible to hire plumbing contractors to replace the water service line to the house.

It was moved by Councilmember **Jones**, seconded by Councilmember **Walsh**, to adopt **Resolution No. 12115** adopting special assessment rates for the 2018 Street, Alley and utility improvement projects.

Councilmember Jones asked whether the alleys will require ongoing maintenance that will continue to be assessed to property owners. City Engineer Burch stated that is a policy that will have to be considered.

Motion carried unanimously.

D. Resolution accepting bids from EPS for fiber project

City Manager Richter stated the City Council recently approved an agreement with the School District to tap into two of their fiber optic strands. EPS came in with the low bid of \$66,995, which is considerably less than the \$100,000 budgeted for this work. LOGIS, the organization which provides the City's Information Technology services, will coordinate the project.

It was moved by Councilmember **Biehn**, seconded by Councilmember **Jones**, to adopt **Resolution No. 12116** accepting bids and awarding contract for the 2017 Fiber Optic Connection Project

Motion carried unanimously.

E. Resolution authorizing a lease agreement for the restaurant space located at 2125 4th Street

Community Development Director Kane stated that based on preliminary discussions with the City Council at the October 24 City Council meeting, staff has been working with a local restaurant operator who has expressed interest in leasing restaurant space at 2125 4th Street, and a lease agreement has been drafted. The agreement includes \$250,000 in property improvements, with approximately \$105,000 on the part of the City for permanent improvements. The City would recoup the investment over the 5-year lease period. A February 2018 opening is anticipated.

Councilmember Walsh asked what risk there is to the City if the restaurant concept is not successful. Community Development Director Kane stated the lease would be renewed with another restaurant tenant.

It was moved by Councilmember **Jones**, seconded by Councilmember **Edberg**, to adopt **Resolution No. 12117** authorizing a lease agreement for the restaurant space located at 2125 4th Street.

Councilmember Walsh stated he does not support owning and leasing the property, and having the City of White Bear Lake be in the position of landlord. He added he loves the

concept and hopes the venture is successful. He reiterated his opposition and added that he would vote no.

Motion carried 4:1, Councilmember Walsh nay.

10. CONSENT

- A. Resolution approving annual designation of polling places for 2018 election activities. **Resolution No. 12118**
- B. Acceptance of September Minutes of the Environmental Advisory Commission, Park Advisory Commission and White Bear Lake Conservation District; October Minutes of the Planning Commission
- C. Resolution approving Score Grant application. **Resolution No. 12119**
- D. Resolution approving 2017 Payment to White Bear Lake Area Historical Society. **Resolution No. 12120**
- E. Resolution approving a massage therapist license. **Resolution No. 12121**

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

Councilmember Jones requested consideration of moving the Ward 3 polling place from Sunrise Middle School. He added he appreciates the reasons that the school moved the polls entrance to the back, near the parking area, which is difficult to access during school hours. He noted, however, it is not an appropriate place for a polling place, especially on election days when there is a large national election.

Councilmember Edberg stated the Consent Agenda should be used in as appropriate, with Agenda items for discussion when a Councilmember has a question or objection.

Councilmember Walsh cautioned that it is difficult to move a polling location.

Motion carried unanimously.

11. DISCUSSION

- A. Xcel Energy franchise agreement and rate evaluation

City Manager Richter stated the 20-year Xcel Energy franchise agreement, regulated by state statute, is up for renewal. She added no action is needed, but presented information on other municipalities who use franchise fee operations to collect revenues.

Finance Director Rambow stated a 1.5% fee on electrical consumption is budgeted in the general fund, and used to offset street lighting and costs related to street maintenance fees. There is not currently a fee on natural gas. City Manager Richter stated a 1% gas rate is a possibility that could be explored as the City reviews long range planning.

Mayor Emerson stated she would like to see what the impact of a franchise fee would be.

Councilmember Edberg stated there are some options. He added he would be interested in knowing ways of using the franchise fee that more equitably distribute costs of maintaining infrastructure across classes of payers. He noted not all properties are taxable, and not all users are property owners.

12. COMMUNICATIONS FROM THE CITY MANAGER

➤ City Manager Richter reviewed a recent meeting with the Minnesota Department of Natural Resources and the Northeast Groundwater Management Committee which featured an overview of the Transient Northeast Metro Lakes Groundflow Water Model. She added the model simulates ground water and surface water interactions, and estimates the likely impact of pumping on ground water and lake levels.

City Manager Richter stated the model's initial findings are that pumping from some wells has a greater effect than pumping from others, and this can now be scientifically explored using data from the groundwater model. She added three factors impact the model's results: the distance of the well from the lake; pumping volumes; and the aquifers from which water is drawn. There is no evidence to suggest that pumping has had an ecological impact, and residential water use is largely ineffective in changing lake water levels.

Councilmember Jones asked whether the modelling can be used on data from previous decades, although obviously the number of residents would be different. He added that could indicate which factors attributed to high and low water levels.

City Manager Richter stated the model only measures the impact of pumping on lake levels, and there are many other factors that can affect water levels. She added the model is only able to rely on data available since 1988.

City Engineer Burch agreed, adding the transient model shows that pumping has an effect, but there are many other factors including precipitation and evaporation.

- City Manager Richter stated the City Council's November 28, 2017, Regular Meeting will include a public hearing related to the City's proposed body camera policy. She added the policy should be online on Friday November 16.
- City Manager Richter stated the City Council's November 28, 2017, Regular Meeting will include the Truth in Taxation hearing. She added Ramsey County sent out notices to property owners this week. To prepare for the meeting, she requested that City Councilmembers notify staff when they receive residents' feedback and comments.
- City Manager Richter requested a City Council Closed Session on November 28, 2017, at 6:00 p.m., to review the ongoing lake level litigation law suit and discuss the potential for litigation related to coal tar.
- City Manager Richter stated the Fire Department recently held a live practice burn of a complete home in White Bear Township. She added the home was purchased as part of the Water Gremlin expansion, and its live burn was a day-long, successful event.

Councilmember Engstran stated a live burn is a great training opportunity for the Fire Department. He added he wishes there could be more controlled live burns, because that is the best training available.

- Community Development Director Kane provided an update on the home on St. Regis Street that was purchased by the City and donated to Twin Cities Habitat for Humanity to be renovated for affordable housing. She added it was discovered that the home is not inhabitable, and will be demolished in Spring 2018. She noted staff will engage in further conversations with Ramsey County CDBG and Tax Departments, but TC Habitat remains committed to the project, which will be a new construction home. City staff will send another notice to surrounding neighbors.
- Community Development Director Kane stated an Open House will be held Thursday, November 16, 2017, for the South Shore Boulevard Lake Links trail. The Open House will be held at South Shore Trinity Church at 5:30 p.m. She added another Open House is scheduled for December 7, 2017, at 5:30 p.m., and the Locally Preferred Alternative will be developed by the end of December.
- Community Development Director Kane stated the Planning Commission has been reviewing the Comprehensive Plan update, and Open Houses will be scheduled during the first quarter of 2018 to obtain citizen input.
- City Engineer Burch stated plows and equipment are ready for snow. He added a Mill Overlay meeting is scheduled for Wednesday, November 29, 2017, and the two areas slated for 2018 are 11th Street and the Glenn Oaks area.
- City Engineer Burch stated the Sports Center renovation is being advertised out for bids, and a walk-through was held today with a variety of contractors in attendance. He added the deadline for bids is November 29, 2017, with recommendation presented to the City Council at their December 12, 2017, Regular Meeting.
- City Manager Richter stated a meeting is scheduled for Thursday November 16, 2017, with the President of the Hockey Association and their Gambling Manager, to review proceeds for debt service which will be presented to the City Council at their December 12, 2017, Regular Meeting.

13. ADJOURNMENT

There being no further business before the Council, it was moved by Councilmember **Walsh** seconded by Councilmember **Jones** to adjourn the regular meeting at 9:03 p.m.



Jo Emerson, Mayor

ATTEST:



Kara Coustry, City Clerk