



**MINUTES
REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, FEBRUARY 13, 2018
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, Finance Director Don Rambow, City Engineer Mark Burch, Assistant City Engineer Jesse Farrell, City Clerk Kara Coustry and City Attorney Andy Pratt.

PLEDGE OF ALLEGIANCE

2. APPROVAL OF MINUTES

Minutes of the Regular City Council Meeting on January 23, 2018.

It was moved by Councilmember **Walsh** seconded by Councilmember **Jones**, to approve the Minutes of the Regular City Council Meeting on January 23, 2018.

Motion carried unanimously.

3. APPROVAL OF THE AGENDA

At the request of Councilmember Edberg, the Conservation District financial report was added under discussion.

It was moved by Councilmember **Jones** seconded by Councilmember **Biehn**, to approve the agenda as amended.

Motion carried unanimously.

4. VISITORS AND PRESENTATIONS

A. Marketfest – Deb Stender

Dale Grambush, Chair of the Marketfest Board introduced Deb Stender, the Marketfest Director. Ms. Stender gave a presentation on Marketfest 2018 – the 28th Marketfest, and thanked the City of White Bear Lake for its continued financial support. She stated Marketfest is held every Thursday evening in Downtown White Bear Lake for seven weeks beginning June 14, 2018.

Ms. Stender provided a snapshot of the Marketfest budget, income, and net profit. She expressed her thanks to city staff who assist with Marketfest logistics: Public Works, Police Department, senior group TRIAD, the Fire Department, CERT and numerous volunteers, main street businesses, and the Marketfest committee and director. Marketfest is requesting the city's assistance again this year.

B. Boy Scouts Troop 726

Mayor Emerson recognized a group of four (4) Boy Scouts from Troop 726 who came forward to explain they attended for their merit badges. Mayor Emerson thanked the Boy Scouts for their extensive work in the community.

5. PUBLIC HEARINGS

Nothing scheduled

6. LAND USE

A. Consent

1. Resolution granting two variances for Frattallone's Ace Hardware Store. **Resolution No. 12171**

It was moved by Councilmember **Biehn**, seconded by Councilmember **Jones**, to adopt the consent agenda as presented.

Motion carried unanimously.

7. UNFINISHED BUSINESS

Nothing scheduled

8. ORDINANCES

- A. Consideration of Ordinance repealing Section 403 of the municipal code and amending Article IX – Public Ways and Property by adding Section 906 – Right of Way

City Manager Richter recounted that first and second readings of this ordinance occurred during the December 12, 2017 and January 9, 2018 City Council meetings respectively. Staff had asked Council to delay adoption of the ordinance to allow more time for revision. Ms. Richter reminded the audience this would repeal an existing Right of Way Ordinance from 2000, which did not include considerations for small cell and asked the City Attorney to describe the changes since second reading.

City Attorney Pratt explained the Engineering Department requested an esthetic component in which small cell wireless additions (regardless of zoning) would be stealthy in appearance, and a definition was established setting forth there be no exposed conduit, no wooden pole structures and that equipment stands alone rather than atop other equipment.

City Attorney Pratt reviewed a change to the definition of an abandoned facility, which now provides that the city may, through due diligence, declare something in the right-of-way as abandoned.

Councilmember Edberg asked about cost recovery in situations where facilities are declared abandoned resulting in equipment removal. City Engineer Burch explained that a clause is

added to each lease agreement, which defines permittees' responsibilities for upkeep and removal.

City Attorney Pratt stated that the conditional use component was removed from the ordinance due to the overlapping ability to regulate these through the co-location agreement (approved by the City Council in 2017) and the permitting process. Access to the right-of-way would be handled through the permitting process so that vehicles are not driving on the grass. Also, references to fees within this ordinance will expire at the conclusion of 2018 when they will be set through the city's annual fee schedule ordinance process.

Finally, two most recent changes shared by Attorney Pratt involved monetary recovery in which the removal of "out-of-pocket and estimated costs" was replaced with "actual costs" and removal of City's requirement for the actual insurance binder, where the Certificate of Insurance will suffice. In the event the City is transacting with a smaller company, there are ways to require the insurance binder through the permitting/leasing process.

Councilmember Walsh asked for clarification regarding fees. Staff explained there is a one-time initial permit fee of \$2500 for small cell wireless only, which covers engineering review, site approval, administrative review, permitting and inspections. Other fees referenced in the ordinance were already active within the current fee schedule and are not new fees.

It was moved by Councilmember **Walsh**, seconded by Councilmember **Jones**, to adopt **Resolution No. 12172** Establishing Title and Summary approval of **Right-of-Way Ordinance 18-2-2031**

9. NEW BUSINESS

- A. Resolution receiving feasibility report and ordering a public hearing for 2018 Street Reconstruction Project / 2018 Mill and Overlay Project, City Project Nos.: 17-06, 18-01, 18-06 & 18-13

Mayor Emerson explained that the process this evening is to accept the feasibility report, then order the public hearing for March 13 at which time public wishing to speak on the matter will be heard by the City Council.

City Manager Richter noted the cover memo speaks to financing and the need to issue bonds in order to fund these proposed street reconstruction projects. Ms. Richter explained the city delayed planned street reconstruction for two years as it more aggressively entered into the next phase of street maintenance, the Mill & Overlay program. As discussed in work sessions last year, and as will be revisited at the long-range financial planning work session in March, resuming the street reconstruction program will require bonding.

City Engineer Burch reported the Engineering Department prepared two feasibility reports, one for 2018 Street Improvement projects and one for 2018 Mill and Overlay projects. City Engineer Burch provided an overview of planned projects included in these feasibility reports. Repairs east of Highway 61 in the downtown, involve old streets with utilities dating back to 1920. Water service lines, which cannot be validated, will be dug up and replaced with copper.

City Engineer Burch proposes adding a sidewalk on the south side of 11th Street from Stewart Avenue to Johnson Avenue for better access to West Park. On 9th Street, only the south sidewalk would be replaced, but it would be extended to Stewart Avenue. Two large trees would be removed for this to happen.

Along Old White Bear Avenue, City Engineer Burch explained that the City will be coordinating street work to incorporate replacement of the gas line and sewer line. The Mark Sather Trail around the lake would be continued from Cottage Park Road at Lions Park into the curve of South Shore Blvd. The street would be narrowed two feet, which should have the affect of slowing traffic. The existing parking lane on the west side will consist of turf but no trailers would be allowed to park there. He further explained that a one-way option was explored, but many Cottage Park homeowners have expressed objections to a one-way due to traffic concerns.

City Engineer Burch explained that a trail will be added on the north side of Birch Lake Blvd South to extend around Birch Lake. The feasibility report proposes a reduction in the size of the trail down from 8 feet to 6 feet for a short segment, which will help preserve trees while considering proximity of a nearby home.

It was moved by Councilmember **Biehn**, seconded by Councilmember **Edberg**, to adopt **Resolution No. 12173** receiving feasibility report and ordering a public hearing for 2018 Street Reconstruction Project / 2018 Mill and Overlay Project, City Project Nos.: 17-06, 18-01, 18-06 & 18-13

Motion carried unanimously.

Finance Director Rambow reminded the City Council that the financing for authorized street improvement projects will require bonding, which will mean a tax levy increase this fall over and above any operational tax levy.

10. HOUSING AND REDEVELOPMENT AUTHORITY

Chair Doug Biehn called the Housing and Redevelopment Authority to order at 7:45 p.m. (please refer to the minutes of the Housing and Redevelopment Authority for action taken that included the following items):

1. Call to order / roll call
2. Approval of the minutes
3. Approval of the agenda
4. Consideration of cross parking and access easement agreement with Oak Ridge and 4th Street Ventures and related extension of 4th Street Venture parking lease.
5. Adjournment

Mayor Emerson reconvened the City Council meeting at 7:57 p.m.

11. CONSENT

- A. Acceptance of minutes: November White Bear Lake Conservation District; November Park Advisory Commission; December Environmental Advisory Commission; January Planning Commission,
- B. Resolution approving lease amendments with Sprint Spectrum for placement of communications equipment on the city's monopoles at 3495 Century Avenue and 4701 Miller Avenue. **Resolution No. 12174**
- C. Resolution approving landlord's agreement for the property at 2125 4th Street. **Resolution No. 12175**
- D. Resolution approving massage therapy licenses. **Resolution No. 12176**

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

Motion carried unanimously.

12. DISCUSSION

A. White Bear Lake Conservation District Financials

Councilmember Edberg recognized improved accounting standards by the White Bear Lake Conservation District (WBLCD) resulting in financials that are more comprehensible. In spite of past conversations about reasonable limits with the city's representatives on this commission, total assets and reserves of the WBLCD continue to grow to a level that Councilmember Edberg feels is excessive.

Councilmember Edberg analyzed the past 15 years of financial statements. He calculated assets as a percentage of budget to reveal the WBLCD could continue operations for the next 2.5 years without another penny based on current reserve levels.

Councilmember Edberg made the following observations:

- Even considering their largest deficit of \$22,000, they carry a reserve of \$226,000 to cover unforeseen deficits.
- For a period of eight years, there were deficits; however, a reserve balance of \$50,000 would have thoroughly covered their historic needs over the past 15 years.
- While budgets have increased 25%, total assets have quadrupled since 2010.

Councilmember Edberg believes a full year of operating reserves is prudent for a smaller organization. A full year of operating costs for the WBLCD would be \$100,000, leaving \$134,000 sitting in their reserves. White Bear Lake taxpayers pay 45% of this amount, which is about \$60,000.

Councilmember Edberg indicated that when the next bill from WBLCD is received, the city should strongly encourage them to forego assessment for one year, or collect half the assessment for two years to spend down the reserve. Or, the City should convene with elected representatives of four member communities around the lake to recall members and institute discipline expressing concern over financial management. Or, the City should address this through legislation.

Councilmember Jones mentioned that the smaller the organization, the more difficult to manage the budget, especially if grants are involved. The State auditor recommends a reserve balance to cover 35-50% of operating costs. Councilmember Jones agreed that 2.5 times is excessive and would give them a pass for 50-100% of operating costs. He suggested the services of an auditor to recommend a reserve balance for the WBLCD.

City Manager Richter recounted that when the City addressed this issue with its WBLCD representatives last year, they reported that despite White Bear Lake's request, the other eight members of the WBLCD decided to maintain the reserve balance at 150 – 200 % of operating costs.

Councilmember Jones asked how the WBLCD calculates funding by the City of White Bear Lake at 45%. City Manager Richter clarified that it is based on tax capacity.

Mayor Emerson agreed to reach out to her peers around the lake to gage sentiment of others relative to high asset and reserve balances. If others are not in agreeance, the city can begin to look at other options to address the situation.

13. COMMUNICATIONS FROM THE CITY MANAGER

➤ Fire Department Planning Process

City Manager Richter spoke about Council's April Work Session on the topic of fire and ambulance operations. As the City prepares for the switch to County dispatch beginning April 1, the department will institute duty shifts beginning in May. The Public Safety lobby will be open Monday – Friday, 7:30 a.m. – 10:00 p.m.

➤ CIP – Capital Improvement Program

Ms. Richter explained the first draft CIP will be placed online for the public to review. Staff is working with Ehlers for a corresponding long-term financial plan through 2022 to support the CIP. This is a draft document, which will continue to evolve through the iterative process. The Council's CIP work session occurs on March 6, 2018.

➤ Lake Level Lawsuit

Ms. Richter acknowledged the White Bear Press for their portrayal of outcomes as a result of the lake level lawsuit. The judge has not yet ruled on next steps. The City's primary concern moving toward an inevitable appeal is for relief from a stay of the current ruling. The DNR sent notification to the City this week that its permits are in the process of being amended to include conditions of the ruling, including the residential watering ban.

➤ Engineering Updates

City Engineer Burch reported that Public Works have been plowing snow and preparing for spring by staining chairs on the boardwalk, fixing the steel boat and bracing the fishing pier near the VFW to help with ice resistance. The Sports Center project is gearing up to begin on April 2nd. Engineering staff have been working on street reconstruction projects, including feasibility reports.

Mr. Burch reported Emerald Ash Borer was spotted in the north of Beurkle Road in the wetland, most likely from an infestation in Maplewood. The Parks Department have been working on a plan to control Emerald Ash Borer through treatment and selective cutting rather than mass clear-cutting of Ash trees. The city has about 350 Ash trees in its parks (maintained areas; does not include wooded area) for which a contractor has agreed to provide a free assessment. This number does not include boulevard trees. More information will be conveyed to the City Council and public on this topic so homeowners can model their approach to address Emerald Ash Borer after the city's program.

City Manager Richter reminded Council that the city already set aside \$100,000 to address Emerald Ash Borer. As the city works through an Emerald Ash Borer program, this account may need additional funding.

Councilmember Edberg would be interested in input from both the Environmental and Parks Commissions. He would like to convey to the public City's recommendations for treatment options as well as alternative trees that may be planted in light of other emerging pests and street cleaning efforts.

City Engineer Burch agreed with Councilmember Edberg and further shared plans that the Parks Department is planning themed education and activities to correspond with Arbor Day and increase awareness of Emerald Ash Borer.

➤ I-35E Construction

City Manager Richter shared plans for construction north on I-35 (north of Hwy 14), which will have an impact on traffic on Highway 61 in White Bear Lake and affect folks travelling north.

➤ National League of Cities

City Manager Richter reported that the City of White Bear Lake and Mayor Jo Emerson were recently featured by the National League of Cities. Specifically, they highlighted efforts of Mayor Emerson to get young people involved in working with cities and in city government.

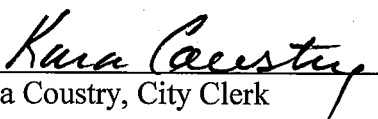
14. ADJOURNMENT

There being no further business before the Council, it was moved by Councilmember **Biehn** seconded by Councilmember **Jones** to adjourn the regular meeting at 8:32 p.m.



Jo Emerson, Mayor

ATTEST:



Kara Coustry, City Clerk