



**MINUTES
REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, JUNE 12, 2018
7:00 P.M. IN THE COUNCIL CHAMBERS**

1. CALL TO ORDER AND ROLL CALL

Mayor Jo Emerson called the meeting to order at 7:02 p.m. Councilmembers Doug Biehn, Kevin Edberg, Steven Engstran and Bill Walsh in attendance. Councilmember Dan Jones was absent – excused. Staff members present were City Manager Ellen Richter, City Engineer Mark Burch, Community Development Director Anne Kane, Finance Director Don Rambow, Assistant City Manager Rick Juba, Assistant City Engineer Jesse Farrell, Assistant Finance Director Kerri Kindsvater, City Clerk Kara Coustry and City Attorney Andy Pratt.

PLEDGE OF ALLEGIANCE

2. APPROVAL OF MINUTES

It was moved by Councilmember **Engstran** seconded by Councilmember **Biehn**, to approve the Minutes of the Regular City Council Meeting on May 22, 2018.

Motion carried unanimously.

3. APPROVAL OF THE AGENDA

Mayor Emerson added that the item under Land Use is a Consent item.

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

Motion carried unanimously.

4. VISITORS AND PRESENTATIONS

A. Brad Falteysek – Auditor’s Report

Mayor Emerson welcomed Brad Falteysek of Abdo Eick & Meyers, the City’s Auditor.

Mr. Falteysek gave a presentation of the City’s Auditor Report. He provided a summary of audit results whereby a clean, unqualified opinion on the City’s Financial Statements was issued. The auditor found no issues with the City’s internal controls or legal compliance.

Mr. Falteysek reported that the City does a good job analyzing, preparing and following its budget as evidenced by revenues within 1% and expenditures within 1.4% of the budget. The City increased its fund balance by \$161,258, or 4.7% over 2016. Mr. Falteysek noted that the City is spending significantly less than its peers for general government, Public Works, Parks and Recreation and Community Development. Public Safety expenditures are on par with the City’s peers.

Mr. Falteysek displayed a slide showing that the City's debt per resident is just over \$200, while its peers show approximately \$1,400 per resident. Taxes per resident in White Bear Lake amount to \$200, while its peer group per capita property tax average is nearly \$500.

Councilmember Edberg inquired about the way the City pays for its capital expenses, noting that others rely more heavily on the general fund for these expenses. Mr. Falteysek recommends a separate fund be maintained for capital outlay as the City is doing, rather than using the general fund. That way, cities can levy for a capital improvement plan rather than budget annually; this smooths out fluctuations in the tax levy.

Councilmember Edberg inquired about the transfer of lake litigation costs into the insurance fund. His understanding was that litigation costs were going against the water fund. Mr. Falteysek noted this was changed in 2017 and both the litigation expense, and the revenue to support it, are being transferred into the insurance fund. Mr. Falteysek stated the water fund is used for operating activities and the litigation costs are being accounted for outside those operating costs.

Finance Director Rambow added that the insurance fund is better suited to hold litigation costs. Now that this expense is segregated, it is not buried in the operating activities of the water fund. Litigation costs are more easily controlled and monitored this way.

Councilmember Edberg noted that the City continues to experience sound financial management, fund balances are appropriate, the actions of Council to increase revenues have offset past deficits, while tax expense per capita is still low and the City still has considerable borrowing authority in the event it is needed.

Councilmember Walsh expressed discomfort with the decision to move the lake litigation fee out of the water fund. He understood that all associated costs would be tracked through the water fund.

Ms. Richter explained that this can be discussed further as the City goes through its 2019 budgeting process.

5. PUBLIC HEARINGS

Nothing scheduled

6. LAND USE

A. Consent

1. Consideration of a Planning Commission recommendation a request by Meghan Master for a 3-year time extension for a Special Home Occupation Permit in order to continue operating a beauty salon in the single-family residence located at 2268 Sierra Drive. (Case No. 17-1-SHOPe1). **Resolution No. 12246**

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

Motion carried unanimously.

7. UNFINISHED BUSINESS

Nothing scheduled

8. ORDINANCES

Nothing scheduled

9. NEW BUSINESS

- A. Resolution accepting bids and awarding contract for the 2018 sanitary sewer lining program, City Project No. 18-07

City Engineer Burch reported that the Engineering Department prepared specifications for the 2018 Sanitary Sewer Lining Program and received bids on May 23, 2018 for the 2018 Sanitary Sewer Main Lining Project. Five (5) bids were received with Hydro-Klean, Inc. submitting the lowest bid of \$112,318.50. He forwarded staff's recommendation to receive the bids and award the contract to Hydro-Klean Inc. for \$112,318.50 for construction of the 2018 Sanitary Sewer Main Lining Project.

It was moved by Councilmember **Walsh**, seconded by Councilmember **Engstran**, to adopt **Resolution No. 12247** accepting bids and awarding contract for the 2018 sanitary sewer lining program, City Project No. 18-07.

Motion carried unanimously.

- B. Resolution accepting bids and awarding contract for the decorative lighting project for Old White Bear Avenue, City Project No. 17-06A

City Engineer Burch reported that the City has designated a specific decorative style street light for installation on the streets and trails along the shore of White Bear Lake. The "shepards hook" style street lights were installed along Lake Avenue North from 11th Street to Hwy 61 and through the Marina boardwalk area on Lake Avenue South to Cottage Park Road.

Mr. Burch noted the City purchased the decorative street lights and poles in advance to ensure availability for installation and solicited bids from electrical contractors for the installation. Two bids were received with LeTourneau Electric, Inc. of Lindstrom, Minnesota submitting the lowest bid of \$50,800.

Mr. Burch forwarded staff's recommendation that Council receive the bids and award the contract to LeTourneau Electric, Inc. for installation of decorative street lighting systems on Old White Bear Avenue in the amount of \$50,800.00. He reported that LeTourneau Electric has installed decorative street lighting systems for the City in the past and is well qualified to perform this work.

It was moved by Councilmember **Biehn**, seconded by Councilmember **Edberg**, to adopt **Resolution No. 12248** accepting bids and awarding contract for the decorative lighting project for Old White Bear Avenue, City Project No. 17-06A.

Motion carried unanimously.

C. Resolution authorizing an agreement to extend the cable franchise agreement with Comcast

City Manager Richter reminded Council of a decision earlier this year to extend the cable franchise agreement with Comcast. She reported that Comcast and the Cable Commission are asking for another extension to allow more time for negotiations. Ms. Richter introduced Tim Finnerty, Executive Director of Ramsey/Washington Suburban Cable Commission (SCC), to speak on this matter.

Mr. Finnerty explained that SCC is recommending a 5-month extension to the current franchise agreement with Comcast. He mentioned this agreement was extended in January, which put the expiration out to November 1, 2018. SCC has been exchanging terms and counterproposals with Comcast, but has not yet reached an agreement. On May 23, 2018, the parties agreed to extend the agreement again to allow more time for informal negotiations rather than go through the formal process.

Absent an agreement, Mr. Finnerty described a six-month process involving Requests for Proposals (RFP) and subsequent review process. If SCC made a recommendation to preliminarily deny Comcast's proposal, an administration hearing would be held to determine reasonableness of the RFP and Comcast's proposal. Backing up six months, that RFP process would need to begin now if the current franchise agreement is not extended to allow more time for informal negotiations.

It was moved by Councilmember **Walsh**, seconded by Councilmember **Engstran**, to adopt **Resolution No. 12249** authorizing an agreement to extend the cable franchise agreement with Comcast.

Motion carried unanimously.

10. CONSENT

- A. Acceptance of April White Bear Lake Conservation District Minutes, April Environmental Advisory Commission Minutes, April Park Advisory Commission Minutes, May Planning Commission Minutes
- B. Resolution authorizing the Mayor and City Manager to execute an amendment to the Violent Crimes Joint Powers Agreement with Ramsey County to include Mounds View. **Resolution No. 12250**
- C. Resolution authorizing massage therapist license and transfer. **Resolution No. 11251**

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

Motion carried unanimously.

11. DISCUSSION

- A. 4 Square Flats Concept – Neighborhood meeting update

City Manager Richter reported that on Wednesday, June 6th, the developers of the 4-Square Flats concept held its second neighborhood meeting in response to considerabl

neighborhood interest in the development concept on County Road E and Bellaire Avenue.

Community Development Director Kane described some of the comments provided at this listening session, which was attended by approximately 250 people. Concerns pertained to the project included density, parking and traffic impacts, pedestrian safety from reduced setbacks, questionable demand for the product and the urban structure not fitting in the suburban setting. Many liked the concept, but not at this location. Some bravely supported the developer, with one pointing out that density is needed to balance the higher construction costs for viable projects.

Ms. Kane reported that the developer has chosen not to pursue an application process to further this development. The developer indicated that while there was room for some modification in the plans, he does not believe there is enough room in his project proforma to make significant modifications or reductions in density to make the project viable. Added uncertainty related to the amount of tax increment financing necessary was another factor in the developer's decision to withdraw.

Ms. Kane stated that this was the first development vision that the community has had to react to. It has generated productive conversation and feedback. Ms. Kane suggested the City invest in a Market Study done by a professional, which might assist the public in understanding what is needed in the market. Ms. Kane pointed to an extremely low, 2% vacancy rate in apartment complexes, which speaks to the need for housing in the Twin Cities market.

Councilmember Biehn relayed that millennials have told him there is no place to live in White Bear Lake. He also heard a lot of concern expressed related to this concept about low-income housing; this project was to have been market rate. He stated that White Bear Lake does a good job of distributing low income housing throughout the community so that it is not concentrated. He questioned whether the City would have to consider tax increment financing if a development were four stories, rather than three. He mentioned that White Bear Lake is close to Saint Paul and suggested changing the code to accommodate taller buildings, which is consistent with the direction that many metropolitan areas are heading.

Councilmember Biehn acknowledged the concerns and suggestions of residents. He questioned the early neighborhood meeting and suggested that more answers could have been provided with less confusion and misinformation if perhaps this had occurred a bit later in the process.

City Manager Richter stated that early neighborhood meetings are common, but the attendance at this meeting took all by surprise. The developer has to balance how much they invest into a design concept, and neighborhood meetings can be a good indicator.

Councilmember Walsh attended the second meeting and stated there was a lot of angst in the room. Ironically, there was little concern with the need for tax increment financing. He thought the proposal was a good use of limited space on those four corners, but how do we get residents to embrace such a development. He explained that more work needs to be done to educate the residents. He believes that most of the questions would have been answered as the project progressed.

City Manager Richter scheduled a work session at 6:00 p.m. on June 26th to discuss development in more detail. Ms. Richter explained that this is a good opportunity to

harness feedback and impressions from the neighborhood meeting and plan next steps for community engagement.

12. COMMUNICATIONS FROM THE CITY MANAGER

- Public Safety update - the Police Department has been trained and are now wearing body cameras. There will be a Public Safety update provided at the July 10 Council meeting, which will also include information about the dispatch transition. Fire Chief Peterson will provide an update on duty crews.
- Live burn – Mayor Emerson, Councilmember Walsh and City Manager Richter had an opportunity to participate in a live burn exercise last Saturday.
- LaFrance – Fire Fighter Dave Peterson volunteered his time to prepare the LaFrance for the Manitou Day’s Parade. Council wishing to ride the fire truck in the parade should report at 6:00 p.m. on Friday, June 15, 2018. The parade starts at 6:30 p.m.
- Manitou Days – part of this year’s theme is honoring the City’s history with the railroad. With the cooperation of Minnesota Railroad, a locomotive engine will be next to the depot downtown. For anyone interested in a photo opportunity, the locomotive will be here starting 4:00 p.m. on Thursday, June 14 to kick off Marketfest.
- Marketfest - begins this Thursday, June 14 in which Mayor Jo Emerson will read a proclamation in memory and honor of Deb Spencer Stender at 7:00 p.m. at the Gazebo in Railroad Park.
- Caboose – the caboose is being opened for quick tours during Manitou Days. The Chamber of Commerce has offered to raise funds in order to renovate the caboose.
- South Shore Boulevard Trail – now that the legislature designated 2.6 million for design and construction of South Shore Blvd., Ramsey County put out Request for Proposals for the survey work. The results will be compiled and should be ready in spring 2019. They will also undertake a traffic study. Design work will begin sometime next summer, which will include opportunities for public input. Construction is schedule for 2020.
- Bike Rodeo – The Police Department is hosting the bike rodeo at the Public Works facility on Saturday, June 16th from 1:00 a.m. – 3:00 p.m. There are already 50 kids signed up for this event.
- Mental Health – Chief Peterson has submitted a letter in support of a grant to work with the Fire Department for mental health awareness training.
- Engineering Updates – Mark Burch
 - Ramsey County has been improving pedestrian ramps along Highway 96 and throughout the county for ADA compliance.
 - Areas of the Highway 61 median will be replanted and a contractor will assist with establishing the no-mow grass, which has not been taking like it should.
 - Street reconstruction projects are progressing. Mill and overlay is essentially done and crews hope to lay sod in the area north of downtown prior to the Friday night kick off of Manitou Days.

- Painting of the 1 million gallon reservoir will begin in 2019. A consultant will assist with removal of the cellphone equipment.
 - Soldiers Memorial Flagpole – the 1940’s flagpole has been removed from Clark Avenue and work will begin next week.
 - South Fire Station – the communication antenna was removed as it is no longer in use.
 - Sports Center – 13 miles of pipes were laid for the coolant and the concrete floor has been curing for nearly 3 out of the 4 weeks needed.
 - Mr. Burch mentioned that Mayor Emerson gave presentations at the Girl’s State Conference at Bethel and Boy’s State Conference at St. John’s this past week.
- Community Development Updates – Anne Kane
- The Habitat for Humanity home is under construction on St. Regis. There is a 2:00 p.m. meeting at 3695 St. Regis on Thursday, June 14 to observe the progress.
 - The City received a request from Habitat for Humanity for remodel of a house on the 3400 block of McKnight

Councilmember Edberg mentioned that Mayor Emerson will be conducting her last meeting as the President of the League of Minnesota Cities. He expressed his appreciation and admiration for the leadership she has provided to the State of Minnesota.

Mayor Emerson thanked Councilmember Edberg. She stated this meeting will be in St. Cloud. Mayor Emerson expressed her thanks for the Council’s support of her in that roll. It has been a privilege and an honor.

13. ADJOURNMENT

There being no further business before the Council, it was moved by Councilmember **Walsh** seconded by Councilmember **Engstran** to adjourn the regular meeting at **8:21 p.m.**


Jo Emerson, Mayor

ATTEST:


Kara Coustry, City Clerk