

**MINUTES
REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, JUNE 26, 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 7:05 p.m. Councilmembers Doug Biehn, Kevin Edberg, Steven Engstran, Dan Jones and Bill Walsh in attendance. Staff members present were City Manager Ellen Richter, City Engineer Mark Burch, Assistant City Engineer Jesse Farrell, Community Development Director Anne Kane, Finance Director Don Rambow, City Clerk Kara Coustry and City Attorney Andy Pratt.

PLEDGE OF ALLEGIANCE

2. APPROVAL OF MINUTES

Mayor Emerson noted there were two corrections to the first page to a Councilmember's name and a date.

It was moved by Councilmember **Edberg** seconded by Councilmember **Biehn**, to approve the Minutes of the Regular City Council Meeting on June 12, 2018 as amended.

Motion carried. Councilmember Jones abstained.

3. APPROVAL OF THE AGENDA

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

Motion carried unanimously.

4. VISITORS AND PRESENTATIONS

A. Don Torgerson – Retiring Park Advisory Commission Member

City Engineer Burch gathered Don Torgerson, his wife Sue, the Mayor and two fellow Park Advisory Commission members, Chair Bill Ganzlin and Bryan Belisle, to recognize Don's 16 years of service on the Park Advisory Commission. Park Advisory Commission Chair Ganzlin recognized Don's contributions to the commission. Mayor Emerson presented Don with a bear plaque and thanked him and his wife for many years of service on the Park Advisory Commission.

5. PUBLIC HEARINGS

Nothing scheduled

6. LAND USE

Nothing scheduled

7. UNFINISHED BUSINESS

Nothing scheduled

8. ORDINANCES

Nothing scheduled

9. NEW BUSINESS

A. Resolution authorizing financial support for NewTrax's Lake Area Senior Bus Loop

City Manager Richter reminded Council of a recent presentation by NewTrax reporting on the successful pilot of a circular bus loop in the southern portion of town since it began last fall. NewTrax is now looking to provide a northern bus loop on Thursdays between 10:00 a.m. – 1:00 p.m. Ms. Richter reported that the full annual cost of the Lake Area Senior Bus Loop program is estimated to be \$27,000, which includes both the south and north bus loops. NewTrax provides in-kind contributions of approximately \$6,300 and is requesting a \$7,500 contribution from the cities of White Bear Lake and Vadnais Heights, with the remaining balance divided between Gem Lake and Mahtomedi.

Mike Greenbaum of NewTrax explained that the intent of NewTrax is to spread out the cost of the Lake Area Senior Bus Loop to all of the supported cities and local businesses, like Kowalski's and Lake Area Bank. He asked Scott Olson, the Community Transportation Coordinator for NewTrax, to explain more about what is included in the north loop.

Mr. Olson explained that the southern loop has touched the lives of approximately 30-35 different seniors to date. On an average Thursday, there are about 15-18 riders, which will only increase with more marketing. Mr. Olson stated that as requests from assisted living facilities increase, so does the sustainability of this program, which is also funded by its riders.

Mr. Olson indicated the south loop will intersect with the north loop at White Bear Senior Center, which will give riders on the south side an opportunity to travel to the north and vice versa. This also gives the opportunity for those waiting to enjoy a cup of coffee and learn about some of the programs available at the White Bear Senior Center. He explained that NewTrax has connected with the YMCA who is also seeking programs for seniors to connect with during this time frame. Initially through this program, about 17 senior facilities will be affected, ranging from low income, to assisted living, to independent living. As time progresses, NewTrax will be looking at extending services to others experiencing transportation gaps.

Councilmember Edberg sought clarification that requested funds would support both the northern and southern loops, which was confirmed. He expressed appreciation for the relationships and synergy created through partnerships and value-added connections described.

Councilmember Jones echoed Councilmember Edberg's sentiment and was thankful for the diversified support from private, non-profits and municipalities of all affected communities. He appreciated NewTrax's efforts to fill the gap in transportation services

that were once provided through the Lion Mobile and Lake Area Transit. He declared that the success of this program speaks to the need for this service.

Mayor Emerson mentioned past conceptual conversations with Mike Greenbaum about a transportation program like this and complimented NewTrax for taking this idea and turning it into reality. This transportation option prevents isolation by providing a piece of independence for seniors that is very important and Mayor Emerson thanked them for their achievements.

It was moved by Councilmember **Jones**, seconded by Councilmember **Engstran**, to adopt **Resolution No. 12252** authorizing financial support for NewTrax's Lake Area Senior Bus Loop.

In response to Councilmember Walsh who asked where the money comes from, Ms. Richter explained that this money will come from budgeted expenses this year which will not be utilized. Next year the budget will reflect this contribution.

Motion carried unanimously.

B. Resolution suspending massage therapy establishment and massage therapist licenses at Jade Massage

City Manager Richter explained that there is an active investigation by the FBI and BCA for which a warrant was issued to Jade Massage. She also referenced a memorandum from the Chief of Police, which further described evidence of improper behavior occurring at the massage parlor. This item was placed under new business to afford the owner of Jade Massage the opportunity to contest staff's recommendation for suspension. Jade Massage has been notified of this meeting, but no one from that business came before the City Council to state their case.

Councilmember Walsh wanted the public to know that the City conducts extensive background investigations on these applicants for which if there were any past violations uncovered, no license would have been issued.

City Manager Richter explained that being a relatively new ordinance adopted by the City, there are additional modifications that are being explored. She stated that the Council will be seeing recommendations for amending the City's massage ordinance to help remedy some of the concerns staff has currently.

Councilmember Jones inquired as to actions taken by the state to regulate massage. Ms. Richter responded that the state has not taken any action to regulate massage to date.

It was moved by Councilmember **Engstran**, seconded by Councilmember **Biehn**, to adopt **Resolution No. 12253** suspending massage therapy establishment and massage therapist licenses at Jade Massage.

Motion carried unanimously.

C. Resolution authorizing the purchase of a fire truck and ambulance

City Manager Richter reported that a replacement fire truck and ambulance were included in the 2018 budget. The requested fire engine will replace a fire engine from 1998 and the ambulance will replace a 2004 ambulance. Within the CIP, staff has outlined a vehicle

replacement schedule for most all major purchases. The City Council will have an opportunity to re-examine what is planned for replacement during the 2019 budget process.

Chief Peterson stated that industry standard replacement for fire engines is about every 15 to 20 years. An ambulance is replaced about five to seven years because of the continuous change in technology and safety standards. The old ambulance had a manual cot while the replacement ambulance will have a power-load system for lifting the cot. Chief Peterson explained that this technology could save back injuries. The new ambulance will also contain restraint belts for attendants and other safety features.

City Manager Richter reported that one fire engine is being removed from the fleet altogether. Chief Peterson added that other vehicles being removed from service without replacement include two pick-up trucks, a jeep and a Tahoe. Chief Peterson mentioned a reserve engine was not being used and rather than paying for annual maintenance, pump testing and other costs, the City's insurance adjuster advised that half a point saved was not worth the maintenance costs to keep the engine in the fleet.

Councilmember Jones fully supports these replacements and questioned how far these two current vehicles were out of date. Chief Peterson likened it to the difference between a 20 year old car compared to today. For example, one of the ambulances had a monitor strapped in with a couple of screws just because the ambulance was not built to accommodate computers. Chief Peterson explained that new safety standards are issued every five years.

It was moved by Councilmember **Walsh**, seconded by Councilmember **Jones**, to adopt **Resolution No. 12254** authorizing the purchase of a fire truck and ambulance.

Motion carried. Councilmember Engstran abstained.

D. Resolutions authorizing two actuarial studies of the Fire Relief Association's pension fund

Finance Director Rambow explained that the White Bear Fire Relief Association is required to conduct an annual audit, which includes an actuarial study pursuant Government Accounting Standards Board (GASB) requirements. The Fire Relief Board is requesting two actuarial studies to assess possible pension increases and the feasibility of merging with the statewide volunteer plan administered by PERA.

Mr. Rambow explained that merging with PERA would alleviate administrative work of the Fire Relief Association but would not release them of responsibility for pension increases, nor would the City be released of its responsibility to cover any shortfalls. The Fire Relief Board is asking for the City's support to conduct these two actuarial studies in the event that merging with the PERA becomes an option. The Mayor, Finance Director and Fire Chief serve as Ex Officio members of the Fire Relief Board.

In response to Councilmember Edberg, Mr. Rambow stated that the cost of each actuarial study is \$3,000 - \$5,000, which is paid by the pension fund of the Fire Relief Association.

Councilmember Edberg stated he is not opposed to actuarial studies as they provide appropriate information. He inquired as to when the last pension increase occurred, for which Mr. Rambow replied 2007.

Mr. Rambow provided additional history related to the 2007 pension increase. After pension increases, the fund was comfortable at 105% until the 2008 crash after which the fund fell to 87% of funding. At that time, an actuarial study said the City would need to contribute approximately \$100,000 - \$120,000 annually for the next three years to cover the shortfall. By 2009, the fund had regained itself. Through special legislation, the Fire Relief Association was allowed to conduct an interim actuarial study, which proved there was sufficient funding and consequently halted the State Auditor's mandate that the City supplement the fund.

Mr. Rambow stated that the fund has taken ten years to recover itself to a level that is more than sufficient for another pension increase. The actuarial study will analyze how much the fund can afford to give in pension increases and still maintain its viability. While the Relief Board can make recommendations, the City Council ultimately makes the decision because the City of White Bear Lake would be responsible for shortfalls.

Councilmember Edberg noted his support for the actuarial studies. He stated that the discussion about pension increases should be fully documented and all the City's implications considered. Not many pension funds increase their payouts and he did not want there to be any assumptions there will be another increase.

It was moved by Councilmember **Biehn**, seconded by Councilmember **Jones**, to adopt **Resolution No. 12255** authorizing two actuarial studies of the Fire Relief Association's pension fund.

Motion carried. Councilmember Engstran abstained.

E. Resolution accepting bids and awarding contract for roof replacement at the Water Treatment Plant

City Engineer Burch reported that the existing roof on the Water Treatment Plant is in need of replacement. The existing roof system is 25 years old and can no longer be reliably patched. Proposals from two local roofing contractors were received with the lowest bid by SELA Roofing and Remodeling, Inc. from White Bear Lake. Staff recommends Council receive the bids and award the roof replacement contract to SELA Roofing and Remodeling, Inc. for the base amount of \$129,300 plus \$12,500 for the vapor barrier, for a total project cost of \$141,800.

It was moved by Councilmember **Jones**, seconded by Councilmember **Engstran**, to adopt **Resolution No. 12256** accepting bids and awarding contract for roof replacement at the Water Treatment Plant.

Motion carried unanimously.

Mr. Rambow explained the next two resolutions provide the City with the option to finance the roof replacement project through bonding in 2019, otherwise financing would come from the general reserve.

It was moved by Councilmember **Jones**, seconded by Councilmember **Biehn**, to adopt **Resolution No. 12257** authorizing interfund loan for advance of funds for payment of costs related to improvements to the municipal water plant.

Motion carried unanimously.

City Manager Richter clarified this a formality by which the City Council reserves the right to finance this repair through bonding if it chooses to do so next year. There will be additional discussion during the budgeting process.

It was moved by Councilmember **Engstran**, seconded by Councilmember **Edberg**, to adopt **Resolution No. 12258** declaring the official intent of the City of White Bear Lake to reimburse certain expenditures from the proceeds of bonds to be issued by the City.

Motion carried unanimously.

- F. Resolution authorizing use of Lions Park on Sunday, July 1, 2018 for a bean bag toss tournament; Admiral Ds

City Manager Richter reported that Mr. McGoldrick would like to host an event on July 1, 2018 by Budweiser through K102 and invited him to relay the details.

Brian McGoldrick of 36 Moonlight Bay in Stillwater explained he was approached by Budweiser through K102 to host a "Sunday Fun Day" consisting of a band and beanbag toss. He stated that although he has not worked with Budweiser before, over the past five years Admiral Ds has been able to manage these types of events successfully. He was not sure if Lions Park would be used for this event, but he wanted to secure its use in case it should be needed.

Mr. McGoldrick informed the Council that no alcohol would be permitted outside his licensed premises at Admiral Ds. He clarified that use of Lions Park would extend just to the canoe racks. There would be no interference with people using the trail, nor any road closures. His stated goal is to make a new venue available to the community in hopes of bringing people into the area that may not otherwise come.

Mayor Emerson questioned the location of the beanbag toss, and Mr. McGoldrick replied, it would be on the sand setback in front of the trail at Admiral Ds unless the event becomes too large to handle, in which case it would be migrate over to Lions Park.

It was moved by Councilmember **Walsh**, seconded by Councilmember **Biehn**, to adopt **Resolution No. 12259** authorizing use of Lions Park by Admiral Ds on Sunday, July 1, 2018 for a bean bag toss tournament.

Councilmember Biehn inquired as to the location of the band. Mr. McGoldrick explained that the band would be on the patio of Admiral Ds where power is available. The time would be from 2:00 p.m. to 5:00 p.m. on Sunday.

Mr. Jones supported the event for the marketing value of mentioning White Bear Lake on the radio.

Motion carried unanimously.

10. CONSENT

- A. Resolution authorization the Building Official to enter a Municipal Delegation Agreement with the State of Minnesota. **Resolution No. 11260**
- B. Resolution authorizing support of Twin Cities Habitat for Humanity project. **Resolution No. 11261**

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

Motion carried unanimously.

11. DISCUSSION

A. Whitaker Street End Lease – status update

City Manager Richter described the history of the Whitaker Street End Lease. When Dehnerts first acquired Tally's in 1990, it contained a gas tank which was removed at the time of purchase and replaced it with a new 500 gallon above ground gas tank. In 1994, the City gave permission to have the tank repositioned, utilizing Whitaker Street end, for which no formal lease was constructed. In 1999, the Whitaker Street End lease agreement was formalized to allow for parking of passenger cars and storage of marina equipment, for a monthly fee of \$100. This same year, the City approved a new conditional use permit to allow for the operation of a 42-slip marina.

Ms. Richter went on to report that the following year, Tally's requested use of a small strip of land (100 x 15 feet) for patio and landscaping improvements, which was added to the original lease. In 2004, the City then approved placement of a new, larger 2,000 gallon gas tank on the street end.

Ms. Richter reported that the City obtained an appraisal on the value of the Whitaker Street end in 2005, which concluded a value between \$330 - \$400 per month. At that time, the City Council approved an addendum to the lease for an amount of \$375.00/month and increased insurance coverage requirements. In 2006, the City Council then reduced the lease amount back to \$100/month in consideration of rates for surrounding city-leased properties.

Ms. Richter explained that last fall the City engaged the services of an appraiser to perform a fee simple appraisal of the Whitaker Street end property. The appraisal demonstrated a lease value of \$483 per month. However, as a fee simple appraisal, it did not include income generated from use of the City's property. Ms. Richter recommended that the appraisal be expanded to include income generated by the fuel business at Tally's. She does not, however, recommend the appraisal include income generated from the 42-slip marina.

Ms. Richter explained that public records reflect discussion about the correlation between access to the 50 linear feet of shoreline through the Whitaker Street end and approval by the White Bear Lake Conservation District for a 42-slip arena. However, through conversations with the Chair of the Lake Utilization Committee, it is her understanding that the Conservation District would continue to allow the 42-slip marina, as it has been in place for nearly 20 years and provides slips that are in demand. She further explained that the marina would continue to be an allowed use by the City without the 50 feet of shoreline provided through the lease. She indicated that the current Lake Village Mixed Use District (LVMU) regulations, which require four (4) feet of shoreline for every one (1) slip, were adopted in 2003; therefore, Tally's marina is a grandfathered use, not unlike the City's 160-slip marina.

Ms. Richter conveyed her understanding of Council's desire that the restrooms and gas tank no longer impede the view to the lake. She shared the results of a recent quote of \$90,000 to bury the gas tank below ground and incorporate related improvements. With regard to the restrooms, she clarified that with its increased seating capacity, the state plumbing code requires Tally's to construct permanent restroom facilities, one for women and one for men.

Councilmember Walsh would like to see gas service on the lake remain available. He expressed frustration with the length of time this item has taken to be resolved. Councilmember Walsh supports the appraisal based on income from gas service but questioned why the value of the marina operations is not being included in the appraisal.

City Manager Richter explained that she is basing her recommendation on an understanding that the 42-slip marina would be allowed even if Tally's no longer had access to the Whitaker Street end property.

Councilmember Biehn agrees that gas on the lake is important. He asked for a more definitive conclusion from the White Bear Lake Conservation regarding the possibility of the City could utilizing the 50 feet of shoreline for additional slips. He supports the gas tank going underground but questioned who would pay for its relocation.

Mayor Emerson agrees there needs to be gas, but the tank needs to be underground and the restrooms should be removed for an open view to the lake. She also agrees there should be an increase in the lease payment.

Councilmember Jones suggested the City could take on the gas service and hire someone to manage it. Councilmember Jones expressed concern over multiple aspects of the lease. The 1500 square feet of patio space is not being counted and there are no SAC and WAC fees either. He apologized to the public for the lack of fiduciary responsibility represented by a \$1200/year lease for this space. He expressed dismay over two out-houses by the lake.

Councilmember Jones recalled Mr. Dehnert stating he refilled the gas tank 4-5 times per week. Mr. Jones quantified this as \$25,000 in yearly profit given what he charges for gas. He pointed out that the City has assumed liability for this gas tank for only \$1200 per year. Finally, Councilmember Jones stated that this lease is given to Tally's with no opportunity for others to bid on the lease. What if Admiral Ds, who has the parking, wanted to lease this property and add more slips to his marina operations.

Councilmember Edberg does not feel it is the City's responsibility to provide land for gas on the lake. He stated that someone else will provide the land, or folks will start bringing their own gas. He explained that the lakefront area has changed significantly since twenty years ago when their predecessors first developed this agreement, noting unintended consequences. Councilmember Edberg was pleased that the State Plumbing Code requires Tally's to provide permanent bathrooms. He is open to simply converting the leased property into green space for an open view of the lake.

If the City's 50 feet of property is to be leased, Councilmember Edberg would like a term-driven contract with an appropriate economic return. With regard to burying the tank, which would not even be an issue if the City did not allow a tank, Councilmember Edberg did not feel it was a cost effective option for the City given an unreasonable rate of return.

Councilmember Engstran liked the idea of this land being a green space. He agreed there should be gas made available on the lake, but it does not have to be on the City's property. He suggested the tank be moved to Ramsey Beach where it would not be seen. He would like to see the income derived from Tally's slip rentals included in the appraisal.

Councilmember Jones added that green space is an option from his perspective.

Councilmember Walsh inquired as to the time frame for Council to vote on a lease agreement as he was not seeing much in the way of negotiations. Ms. Richter appreciates his frustration, but feels it important to define the slip rental piece with the Conservation District. She noted that Councilmembers have in the past articulated different views on an approach to use of this property and expressed a desire to provide the Council with a complete picture for an informed decision.

Councilmember Jones indicated a desire to hear from residents about the importance of providing gas on the lake.

To Councilmember Edberg's question, Ms. Richter explained that the current lease is ongoing, but there is a 60-day notice of termination clause. In speaking to concerns about lengthy negotiations, Councilmember Edberg indicated a desire to get through the summer without disrupting gas service but asked for something by the end of this year – December 31st.

Councilmember Biehn suggested an immediate rent increase to \$483/month. Mayor Emerson did not disagree with an immediate increase; however, she noted this could not take effect until September 1st at the earliest. Her preference was to keep the process clean by waiting until all the changes to the lease are established.

12. COMMUNICATIONS FROM THE CITY MANAGER

- Clark Avenue Flagpole Time Capsule – Mayor Emerson described the contents revealed at Marketfest including four different newspapers, an 8 x 10 picture of the Mayor in 1940, and a picture of newspaper editor Stickley in his military uniform – the driving force behind the flagpole. She paraphrased Mr. Stickley from May 1940 - Hitler is on the move in Europe...what will the world look like when this capsule is opened.

Ms. Richter reported that Sara Hanson of the Historical Society will give a time capsule presentation and review the contents of the box at the July 10th City Council meeting.

- Mayor Emerson passed on the baton as president of the League of Minnesota Cities but will continue serving on the League Board as the past-president.

Councilmember Edberg observed the Mayor's highly visible leadership role in the community. He views this transition as an invitation for Council to seek more opportunities for enlightenment, engagement and leadership as representatives of White Bear Lake. He welcomed future conversations related to self-improvement and potential leadership opportunities the Council might seek to undertake.

- Summer Festivals – The parade was spectacular and one of the best parades logistically. Music from the Shoreview Band will perform at Memorial Park on the Fourth of July beginning at 8:00 p.m.

- Budget Work Session – August 21st in the Expansion Room at City Hall to discuss the 2019 Budget.
- Public Safety Update– At the July 10th City Council meeting, there will be a body camera demonstration, an update on dispatch and an update on duty crews.
- Engineering Updates – Mark Burch
 - Mill and overlay is complete with street reconstruction progressing rapidly. All the old utilities have been replaced. Old White Bear Avenue is done and the trail was paved on Saturday. Decorative lighting will be placed in July. Crack sealing is complete.
 - Sports Center is being put back together with paint, lighting and tile work.
 - Flagpole project on Clark Avenue is underway. The old footing was removed and the new footing was poured for the flagpole. Masonry work will follow and the old stone will be tuck-pointed.
- Community Development Updates – Anne Kane
 - Two Planning items will be on the consent agenda at the next meeting.
 - Five applications will be coming from the old White Bear neighborhood area for new construction or additions, which indicates a possible need to revisit the zoning regulations more carefully in the built environment where homes are closer together. It is great to see investment throughout the community.

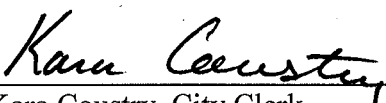
13. ADJOURNMENT

There being no further business before the Council, it was moved by Councilmember **Edberg** seconded by Councilmember **Jones** to adjourn the regular meeting at **8:47 p.m.**



Jo Emerson, Mayor

ATTEST:



Kara Coustry, City Clerk