



**MINUTES
REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, NOVEMBER 27, 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 7:00 p.m. Councilmembers Doug Biehn, Kevin Edberg, Steven Engstran, Dan Jones and Bill Walsh in attendance. Staff members present were City Manager Ellen Hiniker, Assistant Manager Rick Juba, Community Development Director Anne Kane, City Engineer Paul Kauppi, Assistant City Engineer Jesse Farrell, Finance Director Don Rambow, 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 **Edberg** seconded by Councilmember **Biehn**, to approve the Minutes of the Closed City Council Meeting on October 23, 2018.

Motion carried unanimously.

It was moved by Councilmember **Biehn** seconded by Councilmember **Walsh**, to approve the Minutes of the Regular City Council Meeting on November 13, 2018.

Motion carried unanimously.

3. APPROVAL OF THE AGENDA

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

Motion carried unanimously.

4. VISITORS AND PRESENTATIONS

City Manager Hiniker introduced the Paul Kauppi as the City's new Public Works Director/City Engineer.

A. JoAnn Toth – Park Advisory Commission Member

City Manager Hiniker invited JoAnn Toth to the podium to recognize her for 8 years of volunteer service on the Park Advisory Commission. Mayor Emerson presented JoAnn with a bear plaque and thanked her for serving the community in this capacity.

It was announced that the City is seeking three Park Advisory Commission members.

5. PUBLIC HEARINGS

A. Truth in Taxation Hearing

City Manager Hiniker explained the Truth in Taxation Hearing provides an opportunity for the public to comment on the budget and tax levy. She reviewed the budget timeline as it progressed through the year and stated that the City Council will vote on this proposed tax levy at its December 11, 2018 meeting.

Ms. Hiniker reviewed trends, economic conditions, the allocation of tax dollars and sources of revenue for the General Fund, and explained how property tax rates are calculated. Ms. Hiniker reported on the proposed 2018 tax levy of \$6,345,000, which includes an increase of \$720,000 as follows:

General Operations		
Supplies, Other Services & Charges		
Actuarial, FMP, Strategic Planning	19,000	
Park & Street Maintenance	40,000	
2019 fuel cost consumption: \$2.70/gallon	39,000	
Total General Supplies & Services		98,000
Personnel Services		272,000
Fire Department Staffing		105,000
Urban Tree Management (EAB)		25,000
Debt Service – Construction Fund		220,000
Total Proposed Tax Levy Increase		\$720,000

Ms. Hiniker explained that the property tax levy funds 50% of the City's General Fund totaling \$5,993,000, with the remaining balance of \$352,000 going toward debt service. Half of the General Fund expenditure is comprised of Public Safety: Police (38.62%), Fire (9.79%) and Dispatch (2.85%).

Ms. Hiniker displayed a chart of revenue sources (Interest, LGA and Tax Levy) since 2007, which revealed the City is just nearing the same level of funding as thirteen years ago. Although funding levels are proposed to be nearly the same as 2007, adjusting for inflation means the City has received over \$30 million less over this thirteen-year period based upon 2007 prices. Ms. Hiniker reviewed the levy per capita for Minnesota cities to show that White Bear Lake remains funded at the lowest tax per capita with populations between 16,000 – 37,000.

Councilmember Walsh mentioned the price of oil has been falling since the budget estimate of \$2.70/gallon was suggested. Based on more recent trends of lower gas prices, he indicated that the additional gas expense of \$39,000 could be reduced. Ms. Hiniker stated that staff is cautious about reducing this item because gas was budgeted too low in 2018 and had to be adjusted. Mr. Rambow was also reluctant to reduce this estimate and explained that if the City has savings at the end of the year, it would not have to increase taxes for fuel next year.

Mayor Emerson opened the Public Hearing at 7:48 p.m. As no one came forward to speak, Mayor Emerson closed the Public Hearing and brought the discussion back to the City Council. She explained that the Council will be asked to take action at the December 11, 2018 City Council Meeting.

6. LAND USE

Nothing scheduled

7. UNFINISHED BUSINESS

Nothing scheduled

8. ORDINANCES

Nothing scheduled

9. NEW BUSINESS

- A. Resolution authorizing charitable gambling premises license to New Train LLC, dba Manitou Grill for Merrick Inc. to conduct gambling

City Manager Hiniker reported that Merrick Inc. is licensed by the State, but the Council has the ability to endorse an establishment in which gambling may be conducted. She explained there is a limit of three locations for any organization to provide charitable gambling in the City. Merrick Inc. does not currently conduct gambling in any White Bear Lake location. Ms. Hiniker stated that in order to qualify for Council endorsement, Merrick Inc. must expend 80% of its revenues in the trade area, which includes Vadnais Heights where they are located.

In response to Councilmember Edberg, Ms Hiniker relayed that the City does not often receive requests from businesses to operate charitable gambling. She stated that two of authorized charitable gambling agencies have reached their maximum capacity to service no more than three gambling sites in White Bear Lake. Ms. Hiniker stated she is not aware of another non-profit who is interested in getting into gambling, which requires a state license and not necessarily an easy undertaking.

Councilmember Jones inquired as the number of other sites Merrick operates for gambling.

John Wayne Barker of 4768 Hauge Circle, Eagan, MN 55122, introduced himself as the Executive Director of Merrick Inc., which is located in Vadnais Heights. He stated that Merrick serves 375 adults providing life enrichment and work options and are also members of the White Bear Lake Rotary and the Area Chamber of Commerce. He confirmed with his Gambling Manager, Wendy, that Merrick operates 18 gambling sites from South St. Paul to Hugo.

Councilmember Jones thanked Mr. Barker for the good work of Merrick Inc.

It was moved by Councilmember **Walsh**, seconded by Councilmember **Engstran** to adopt **Resolution No. 12300** authorizing charitable gambling premises license to New Train LLC, dba Manitou Grill for Merrick Inc. to conduct gambling.

Motion carried unanimously.

B. Resolution authorizing YMCA debt consolidation

Finance Director Rambow reported that the Greater Twin Cities YMCA is attempting to consolidate numerous outstanding debt obligations into one debt obligation. The YMCA, through Kennedy & Graven has requested utilization of the City's bonding authority to issue refunding taxable and tax-exempt bonds for this purpose. Mr. Rambow explained that the debt issuance remains the responsibility of the YMCA, but the City would gain a 0.25% fee as the conduit agency for servicing this debt.

Mr. Rambow explained that a resolution will be presented to the City Council at its December 11, 2018 meeting to approve the debt consolidation, however, the YMCA wanted to provide an official pre-statement of issuance in the meantime. As such, the Council is being asked to consider adoption of the attached resolution, which authorizes issuance of a preliminary statement prior to December 11, 2018.

Councilmember Jones stated that the YMCA could have used of any number of cities to consolidate its debt, but he was glad to see they came to White Bear Lake.

It was moved by Councilmember **Jones**, seconded by Councilmember **Biehn** to adopt **Resolution No. 12301** authorizing YMCA debt consolidation.

Motion carried unanimously.

C. Resolution authorizing a change order for the Armory HVAC project contract with New Century Systems, Inc.

City Manager Hiniker reported that at the time the packet was distributed, staff did not have a final amount for this change order. She explained there was an element to the HVAC design that controls humidity that was not included in the initial quote. Controlled humidity levels are a required element of the Historical Society's grant, which is funding a significant portion of this project.

Ms. Hiniker forwarded a change order requesting \$11,893 additional for the humidity control component, installation and programming. She stated the revised total contract amount of \$60,629 is more in line with the City's initial estimate of \$60,000 for accomplishing this work.

It was moved by Councilmember **Biehn**, seconded by Councilmember **Edberg** to adopt **Resolution No. 12302** authorizing a change order for the Armory HVAC project contract with New Century Systems, Inc.

Motion carried unanimously.

D. Resolution authorizing an extension to the Cable Franchise agreement with Comcast

City Manager Hiniker forwarded a third request by the Cable Commission to extend the franchise agreement with Comcast from March 31, 2019 to August 31, 2019 to allow more time for informal negotiations.

It was moved by Councilmember **Jones**, seconded by Councilmember **Engstran** to adopt **Resolution No. 12303** authorizing an extension to the Cable Franchise agreement with Comcast.

Motion carried unanimously.

10. CONSENT

Nothing scheduled

11. DISCUSSION

A. ClimateSmart exchange

City Manager Hiniker explained the ClimateSmart exchange is a grant funded opportunity by Germany in collaboration with the University of Minnesota's Environmental Studies Department that focuses on sharing initiatives for a more efficient energy footprint. Ms. Hiniker stated that five Minnesota communities have already been participating for the past three years: Duluth, Elk River, Morris, Rochester and Warren.

Ms. Hiniker reported that Germany increased grant funding to add another city to the program and White Bear Lake expects a formal invitation as the sixth city to be invited to join in this collaborate effort to exchange information. If selected, a contingency from Germany would travel here for a week to share and learn about energy initiatives. Then a contingency from White Bear Lake would travel to Germany for a week for the same.

Ms. Hiniker shared that if the City were to accept this invitation, it would require staff time and the cost of transportation to Germany. Germany would also place an intern at the City of White Bear Lake for three months to assist with an energy related project. Ms. Hiniker mentioned the City would have this person work on finding energy efficiencies related to lighting in city buildings and streets. Another initiative might include the implementation of charging stations for electric vehicles throughout the city.

12. COMMUNICATIONS FROM THE CITY MANAGER

- Park Advisory Commission – Three vacancies currently
- Accident downtown – A car ran into the Medicine Chest building on 4th Street
- Water main breaks – There have been six total water main breaks since October. In response to Councilmember Edberg, Ms. Hiniker stated these breaks seem to occur from poor soils and old infrastructure. She mentioned it is time to take a closer look at how these are sustaining their age within the conditions of the soil.
- Community Development Director Kane explained that the Planning Commission held a public hearing yesterday on a proposed Comprehensive Plan amendment, for an assemblage of properties totaling 4.5 acres at the northwest quadrant of County Road E and Linden Avenue. The Planning Commission will be forwarding unanimous recommendation to amend the Comprehensive Plan to accommodate a multi-family residential development.

Ms. Kane shared that a multi-family residential developer has expressed interest in this location for an apartment complex close to a possible planned Rush Line station within walking distance. The developer has not yet submitted an application, but has scheduled

a neighborhood meeting in the Council Chambers on 11/28 at 6:30 p.m. to discuss their apartment building development proposal with neighbors and other stakeholders.

Councilmember Jones stated he expects most of the feedback about this to be related to traffic. He was curious as to the impact that Linden Avenue had on Highland. Did traffic increase and did it impair home values? Ms. Kane agreed to research potential traffic studies from that development.

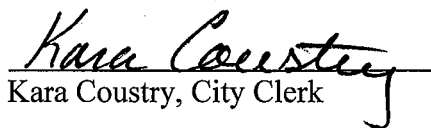
- Rush Line – There is a business community outreach meeting on December 13, 2018, in which businesses are invited to learn more about the BRT and downtown station area planning.
- Assistant City Engineer, Jesse Farrell – Ms. Hiniker thanked Jesse for his work during the absence of a Public Works Director.

13. 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 **8:29 p.m.**


Jo Emerson, Mayor

ATTEST:


Kara Coustry, City Clerk