



**MINUTES
REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, JUNE 25, 2019
7:00 P.M. IN THE COUNCIL CHAMBERS**

1. CALL TO ORDER AND ROLL CALL

Chair Kevin Edberg called the meeting to order at 7:00 p.m. Councilmembers Doug Biehn, Kevin Edberg, Steven Engstran and Bill Walsh were present. Mayor Jo Emerson and Councilmember Dan Jones were excused absences. Staff members present were City Manager Ellen Hiniker, Assistant Community Development Director Anne Kane, City Engineer Paul Kauppi, Finance Director Kerri Kindsvater, City Clerk Kara Coustry and City Attorney Troy Gilchrist.

PLEDGE OF ALLEGIANCE

2. APPROVAL OF MINUTES

A. Minutes of the Regular City Council Meeting on June 11, 2019

It was moved by Councilmember **Engstran** seconded by Councilmember **Biehn**, to approve the Minutes of the Regular City Council Meeting on June 11, 2019.

Motion carried. Councilmember Edberg abstained.

B. Minutes of the Closed City Council Meeting on June 11, 2019

It was moved by Councilmember **Engstran** seconded by Councilmember **Biehn**, to approve the Minutes of the Closed City Council Meeting on June 11, 2019.

Motion carried. Councilmember Edberg abstained.

3. APPROVAL OF THE AGENDA

City Manager Hiniker added under Discussion, 12B - Memorial Beach.

Councilmember Walsh added under Discussion 12C - Goose Lake.

It was moved by Councilmember **Walsh** seconded by Councilmember **Engstran**, to approve the Agenda as amended.

Motion carried unanimously.

4. VISITORS AND PRESENTATIONS

Nothing scheduled

5. PUBLIC HEARINGS

Nothing scheduled

6. LAND USE

Nothing scheduled

7. UNFINISHED BUSINESS

Nothing scheduled

8. ORDINANCES

Nothing scheduled

9. NEW BUSINESS

A. Resolution approving the general obligation bond sale

Finance Director Kindsvater recalled Council's approval during the May 21, 2019 Council meeting, to sell \$2.1 million in bonds to finance the 2019 Street Improvement Project. She stated that staff have been working through the bond sale process with Ehlers and Associates. During this process she explained, Standard and Poor's (S&P) reviewed the City's budget, financial reporting, long range planning and capital improvement planning and reaffirmed the City's bond rating at AA+ for the current and all outstanding bond issues.

Ms. Kindsvater stated five investment firms bid on the City's bond sale today, with the top three bids being competitive within .0346% variance between true interest costs. She reported the lowest bid came from BAIRD in Wisconsin with a true interest cost of 2.4141%. This rate is 42 basis points lower than original financial projections created by Ehlers and Associates.

Ms. Kindsvater explained that this bid included a premium component in which the City could choose to retain the original \$2.1 million sale, or reduce the bond issue by the premium amount to keep the true interest cost lower. She stated, staff chose to reduce the bond sale issue by the premium, amounting to \$1.925 million in bond sales. Ms. Kindsvater explained, this bond reduction decreased the total principal and interest amount due by \$93,757 over the life of the bond and reduced the average annual levy requirement.

Ms. Kindsvater noted the bond issue and sale report attached and forwarded a recommendation for Council to adopt the resolution approving the bond sale.

City Manager Hiniker added that the AA+ rating is one step below AAA, the highest rating available. She stated that in order to achieve an AAA rating from S&P, the City would need to add tax capacity. In response to Councilmember Edberg's query regarding policies to facilitate future successful bond sales, Ms. Hiniker mentioned S&P appreciated the City's extensive planning in its CIP and Long Range Financial Plan. They also noted the potential of mid-term facility debt and wanted to make sure the City was balancing that with other issuances.

It was moved by Councilmember **Engstran**, seconded by Councilmember **Biehn**, to approve **Resolution No. 12414** approving the general obligation bond sale.

Motion carried unanimously.

B. Resolution approving civil attorney contract

City Manager Hiniker recalled that the former City Attorney did not seek renewal of his contract for services; subsequently, the City temporarily contracted with Troy Gilchrist of Kennedy and Graven in January. After a six month period, Ms. Hiniker reported a strong consensus from staff to continue working with Troy Gilchrist of Kennedy and Graven.

Ms. Hiniker reported the City has had a variety of opportunities to work with Mr. Gilchrist and other staff at Kennedy and Graven, and they have all been very responsive. Ms. Hiniker forwarded staff's recommendation for reappointment, but deferred to the original Council selection team for additional consideration. She noted the contract mirrors that which was proposed by Kennedy and Graven in 2017.

Councilmember Edberg inquired of Councilmember Walsh (the two Councilmembers from the original review team), whether he wished to add anything. Councilmember Walsh deferred to staff's recommendation due to close working relations, but inquired as to the term of the contract.

Ms. Hiniker clarified that the appointment of City Attorney is done annually at the first meeting in January. She also noted the term provided in the attorney contract should be revised to end January 31, 2020 as stated on the resolution, to avoid a gap in attorney coverage.

It was moved by Councilmember **Walsh**, seconded by Councilmember **Engstran**, to approve **Resolution No. 12415** approving civil attorney contract with the term through January 31, 2010.

Motion carried unanimously.

C. Resolution authorizing the Mayor and City Manager to execute a grant agreement with Minnesota Department of Public Safety

Finance Director Kindsvater recalled the State of Minnesota implemented a web-based licensing system to handle vehicle transactions. She explained that a shift in responsibilities led to the need for more overtime and additional staff to process frontline transactions. Ms. Kindsvater reported the 2019 Legislative session passed a bill to reimburse Deputy Registrar's for the added expense caused by the new system.

Ms. Kindsvater reported that through the state's formula, the City will receive a onetime payment of \$204,171.25, which will be deposited into the License Bureau fund to replenish the balance. Ms. Kindsvater stated these funds will provide options for better customer service, perhaps through added personnel or office/facility reconfiguration. She noted the recent addition of another service station, making six total to provide better customer service.

Councilmember Walsh inquired whether the License Bureau fund balance is expected to level off. Ms. Kindsvater stated that the fund balance is expected to remain stable, however, the amount of funds transferred out to support street projects would be less.

Ms. Hiniker added that prior to MNLARS, the City was transferring approximately \$350,000 for street projects. Since the change, less than half is available for transfer. Ms. Kindsvater noted that the City will receive an additional \$1.00 for each motor vehicle and title transfer transactions. Ms. Hiniker elaborated that this will amount to about \$70,000 - \$80,000 in additional revenues, which will help offset staff costs - currently two more FTE's than before MNLARS.

It was moved by Councilmember **Biehn**, seconded by Councilmember **Engstran**, to approve **Resolution No. 12416** authorizing the Mayor and City Manager to execute a grant agreement with Minnesota Department of Public Safety.

Motion carried unanimously.

Chair Edberg recessed the City Council meeting at 7:25 p.m.

10. HOUSING AND REDEVELOPMENT AUTHORITY

Refer to the HRA Minutes for an account of the following:

- A. Call to Order / Roll Call
- B. Approval of the Agenda
- C. Approval of the Minutes
- D. Resolution supporting Century Hills Partners' proposal in response to Minnesota Housing's Request for Proposals
- E. Resolution approving Housing Needs Assessment proposal
- F. Adjournment

Chair Edberg reconvened the City Council meeting at 7:37 p.m.

11. CONSENT

Nothing scheduled

12. DISCUSSION

- A. Limited Facility Needs Study

City Manager Hiniker referenced past discussions with Council for a limited facility needs study to explore a fire bay, police garage and accommodations for license bureau operations. Ms. Hiniker noted staff's intent to prepare the RFP for consideration at the July 9th City Council meeting, but wanted to affirm Council's direction related to this action before proceeding.

In response to Councilmember Walsh questioning staff's capacity to perform a needs assessment without a consultant, Ms. Hiniker reported this study would also include preliminary engineering and design.

Councilmember Edberg noted the City of White Bear Lake is grossly under-reserved

for the replacement cost of existing facilities/public infrastructure moving forward. He asked where the long-range plan was (longer than five years), and the City's capacity to replace, renovate, maintain significant infrastructure going forward and how does that fit into an overall finance plan.

Ms. Hiniker noted, staff's initial thought was to conduct a comprehensive facility study for an assessment of all City infrastructure, particularly underground. Ms. Hiniker agreed that longer-range planning, particularly with water and sewer, would be beneficial especially for newer staff. In light of recent discussions with Council, the focus of this study would be limited to more immediate facility needs.

Public Works Director/City Engineer Kauppi added staff would have liked a more comprehensive facility study approach to determine where various components of each building were in their life-cycle. For underground infrastructure, Mr. Kauppi noted the rate study will address funding of the water and sanitary sewer systems and their depreciation. He mentioned much of the infrastructure is reaching the end of its life-cycle.

Ms. Hiniker added that in terms of municipal facilities, Trane Company would conduct an initial facility assessment at no cost, as it pertains to energy efficiency. They would report on how long equipment has been in place and its replacement cost along with energy savings that could result.

Chair Edberg stated he hears a bias toward expanding and building, which may be valid, but payment for these comes from tax payers and rate increases. He does not have a good sense of the full financial picture. He noted the need and the want, but at what level of public expenditure and where do those two intersect. He was uneasy about taking on more engineering without knowing how it would be funded, while keeping livability of the City intact.

Chair Edberg stated he is okay with 15 minute waits in the license bureau and did not see an urgent need for renovation of this service area. He noted less in reserves to pay for projects, added expenses and no increased revenue stream to be gained through more convenient services. He stated cash flows are tightening, rates are increasing and said he did not have a good feeling about the magnitude and the direction of those changes.

Councilmember Biehn recalled conversations about the need for a fire bay sufficient to house larger sized fire engines. He stated one of the fire bays could be converted into a police garage for efficiency. He also agreed with Chair Edberg that the license bureau wait time is manageable, and suggested posting a sign regarding the wait time. Councilmember Biehn sees this operation as being relatively efficient.

Councilmember Walsh noted staff's memo in which the fire bay and police garage were slated for construction in the 2021 capital improvement plan. He was prepared to support these because they were part of the long-range plan and recalls related Council discussions. He was comfortable with executing the plan, but was fine with slowing down as well.

Councilmember Engstran was supportive of the study, stating it is needed.

Chair Edberg explained he had no issue with the fire bay or police storage garage, as

Councilmember Walsh pointed out, these are in the budget. His message was that the City's days of taking on large projects for community betterment are limited. He noted cash needs for infrastructure will have a significant increased cost and the focus should be on taking care of business.

Ms. Hiniker reiterated that the purpose of this study is to assess the cost of these projects. Once more exacting numbers are determined, the Council will have an opportunity to balance the cost against other priorities and plan for the timing of construction accordingly.

Chair Edberg affirmed Council's prior discussion in support of a limited facility study of these three items.

B. Memorial Beach

City Manager Hiniker relayed recent and more frequent requests from residents for lifeguards at Memorial Beach. Ms. Hiniker stated there are many lakes that choose not to staff a lifeguard and there have been no lifeguards staffed at Memorial Beach for at least 20 years.

In light of a recent scare at Memorial Beach, Ms. Hiniker felt it important to consider City Council's desires related to recent requests.

Councilmember Biehn had assumed there already was a lifeguard on duty at Memorial Beach, as the last time he was there was 20 years ago with his children. He stated he would hate to be in a position that something happened at the public beach in the absence of a lifeguard. He thought it important to have a lifeguard if it was not cost prohibitive.

Councilmember Walsh mentioned Ramsey County Beach is right next door to Memorial Beach and is staffed with a lifeguard. He stated that if a lifeguard is important, the user should choose Ramsey County Beach rather than Memorial Beach.

At Chair Edberg's request for staff's recommendation, City Manager Hiniker stated she agreed with both comments from Council. She noted Council that this would be an ongoing expense amounting to approximately \$25,000 per season. She also mentioned that the City was receiving calls regarding boats close to the beach area. At a minimum, staff will be placing additional warning markers 100 ft beyond the existing beach buoys.

Chair Edberg stated he did not sense a clear path, or value statement. His inclination is to note the Council's discussion.

C. Goose Lake

Councilmember Walsh stated the Vadnais Lake Area Watershed Management Organization (VLAWMO) will be addressing treatment of Goose Lake at its meeting tomorrow. Councilmember Walsh noted that Goose Lake is the number one impaired lake on VLAWMO's list and the entity would like to treat the bottom of the lake with alum. He mentioned Councilmember Jones is the City's representative on VLAWMOR, and he will be representing the City at this meeting as the alternate.

Councilmember Walsh said this lake is shallow and if treatment of the lake is approved, the White Bear Lake City Council will be hearing about the need to ensure wake free periods of time, perhaps a year, then a treatment, then another year of wake restrictions. He mentioned he would consult with Councilmember Jones prior to the meeting and also with members living on this lake, but this is not without controversy and he wanted to let the Council know they may be hearing more about this.

Councilmember Biehn asked whether they might seek an ordinance that restricts motorized vehicles on the lake permanently. Councilmember Walsh responded no, but they might require wake restrictions for a year, then wait a year, then another year after that. He said it would be up to VLAWMO. Perhaps part of the lake could be treated, or a speed limit implemented, he said it would be up to the science.

Councilmember Edberg asked if treatment would be done on both sides of Goose Lake. Councilmember Walsh stated treatment would be done on the east side where the Ski Otters practice, although the entire lake needs to the treatment.

13. COMMUNICATIONS FROM THE CITY MANAGER


- Fireworks are Thursday, July 4th – a volunteer committee raises the funds through letters submitted with utility billings and coordinates the show with help from the Fire Department, Police Department and Public Works.
- August Budget Work Session is being rescheduled – TBD
- Mayor Emerson, Councilmember Biehn and City Manager Hiniker are attending the League of Minnesota Cities Annual Conference this week.
- Updates from Public Works Director / City Engineer – Paul Kauppi
 - Ramsey County is rehabbing the pavement (repairing joints) on County Road 96 from Highway 61 to I-35E. They are proposing a pedestrian crossing between Karen and 4th Street across from Columbia Park, which would happen in August. It would include signage, a pedestrian refuge island and striped crosswalks but no signals at this time.
 - Staff continues to work with MnDOT on the Whitaker Crossing at Highway 61. A temporary solution would be to paint a stop bar across all lanes to reinforce all lanes must stop, including the northbound right turn lane into Taco Johns, in addition to sign modifications. Another more extensive option would be to eliminate the right turn lane, in which there is a right-in/right-out turn lane just south of this area for these businesses. A potential future, permanent solution would be an overhead pedestrian crossing, which would also require ADA improvements over the railroad tracks. It may be possible to signalize this area in the future as part of the Rush Line project.
 - 2019 Street Improvement Project is going well with half of the paving completed in the old White Bear area, and Garden Lane area happening next week.
- Updates from Community Development Director – Anne Kane
 - Staff is reviewing plans for the apartment complex submitted yesterday by Schaefer Richardson.
 - Planning Commission last night had a couple of variance requests in the old White Bear Lake area that drew a lot of interest as well as a rezoning request on County Road D.

- Chair Edberg thanked staff for work with Manitou Days and the Parade, which were a great success.

14. ADJOURNMENT

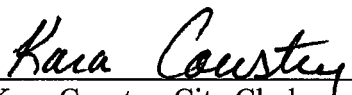
There being no further business before the Council, it was moved by Councilmember **Walsh** seconded by Councilmember **Biehn** to adjourn the regular meeting at 8:25 p.m.

Motion carried unanimously.



Jo Emerson, Mayor

ATTEST:



Kara Coustry, City Clerk