



AGENDA
REGULAR MEETING OF THE CITY COUNCIL OF
THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, MAY 10, 2022
7:00 P.M. IN THE COUNCIL CHAMBERS

1. CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE

2. APPROVAL OF MINUTES

A. Minutes of the Regular City Council Meeting on April 26, 2022

3. ADOPT THE AGENDA *(No item of business shall be considered unless it appears on the agenda for the meeting. The Mayor or Councilmembers may add items to the agenda prior to adoption of the agenda.)*

4. CONSENT AGENDA *(Those items listed under Consent Agenda are considered routine by the City Council and will be acted upon by one motion under this agenda item. There will be no separate discussion of these items, unless the Mayor or a Councilmember so requests, in which event, the item will be removed from the consent agenda and considered under New Business.)*

- A. Acceptance of Minutes: February Park Advisory Commission, March Environmental Advisory Commission, March White Bear Lake Conservation District, April Planning Commission meeting
- B. Resolution authorizing food truck operations at Lakewood Hills Park for a graduation party
- C. Resolution authorizing execution of a Stormwater Maintenance and Operations Agreement with the Rice Creek Watershed District for a portion of South Shore Blvd
- D. Resolution approving a request by Shawn & Craig Carpenter for two variances and a conditional use permit at 2150 Roth Place
- E. Resolution approving a request by Jerry Rodrique for a conditional use permit at 1961 3rd Street

5. VISITORS AND PRESENTATIONS

- A. Marketfest and Manitou Days presentations and resolution authorizing financial participation
- B. 2021 Financial Audit presentation and resolution accepting audit report

6. PUBLIC HEARINGS

Nothing scheduled

7. UNFINISHED BUSINESS

Nothing scheduled

8. NEW BUSINESS

- A. Resolution awarding the sale of General Obligation Improvement Bonds to finance a portion of 2022 Street Improvement Projects
- B. Resolution approving a request by Beartown Bar & Grill for an amendment to a conditional use permit and a variance at 4875 Highway 61
- C. Resolution approving a request by Christianson Companies / Tommy Car Wash for a conditional use permit, site plan review, and three variances at 4061 Highway 61

- D. Resolution approving recommendations and authorizing the City Manager to invite participants for County Road E Project Team and Advisory Group

9. DISCUSSION

Nothing schedule

10. COMMUNICATIONS FROM THE CITY MANAGER

11. ADJOURNMENT



**MINUTES
REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, APRIL 26, 2022
7:00 P.M. IN THE COUNCIL CHAMBERS**

1. CALL TO ORDER AND ROLL CALL

Council Chair Kevin Edberg called the meeting to order at 7:00 p.m. The City Clerk took attendance for Councilmembers Steven Engstran, Heidi Hughes and Dan Jones. Mayor Dan Louismet and Councilmember Bill Walsh were excused. Staff in attendance were City Manager Lindy Crawford, Finance Director Kerri Kindsvater, Public Works Director / City Engineer Paul Kauppi, Environmental Specialist / Water Resources Engineer Connie Taillon, City Clerk Kara Coustry and City Attorney Ron Batty.

PLEDGE OF ALLEGIANCE

2. APPROVAL OF MINUTES

A. Minutes of the Regular City Council Meeting on April 12, 2022

It was moved by Councilmember **Engstran** seconded by Councilmember **Jones**, to approve the Minutes of the April 12, 2022 City Council meeting as presented.

Motion carried unanimously.

B. Minutes of the City Council Work Session on April 19, 2022

It was moved by Councilmember **Jones** seconded by Councilmember **Hughes**, to approve the April 19, 2022 Work Session Minutes as presented.

Motion carried unanimously.

3. APPROVAL OF THE AGENDA

It was moved by Councilmember **Engstran** seconded by Councilmember **Hughes**, to approve the Agenda as presented.

Motion carried unanimously.

4. CONSENT AGENDA

A. Resolution authorizing the City Manager to execute the Washington County Recycling Grant Agreement. **Resolution No. 12975**

B. Resolution approving a massage therapist establishment license. **Resolution No. 12976**

C. Resolution authorizing the City Manager to enter into a cooperative and maintenance agreement with Ramsey County for South Shore Boulevard improvements between White Bear Avenue and Bellaire Avenue. **Resolution No. 12977**

It was moved by Councilmember **Jones** seconded by Councilmember **Engstran**, to approve the Consent Agenda as presented.

Motion carried unanimously.

5. VISITORS AND PRESENTATION

A. Quarterly Finance Department Report

In addition to the finance reports included in the packet, Finance Director Kindsvater reported on new technology systems implemented in the past two years, which improve internal processes, add efficiencies and improve customer service experiences as follows:

- Tungsten – an accounts payable workflow software that electronically streamlines our invoice payment process.
- Invoice Cloud – an online payment solution offering utility billing customers a wider array of online payment options, the opportunity to sign up for paperless billing statements, and access to two years of utility bill history for their service. This system is also used to accept payments through the City’s web store.
- Activenet – a scheduling solution for online park reservations, rentals of the Boatworks Commons Community Room, and registration for the Sports Center’s Skate School programs.
- Digitech – new contracted ambulance billing provider.
- Laserfische – expanded use of the records management software to include Human Resources and Payroll documents.

In person License Bureau services began again in September 2021 and Ms. Kindsvater highlighted new hours as follows:

- Monday, Wednesday, Friday – 8:30am to 5:00pm
- Tuesday, Thursday – 8:30am to 6:00pm

Given the popularity of the outside dropbox, Ms. Kindsvater stated that customers may continue to drop off tab renewals, disability certificates, duplicate title and license plate transactions rather than standing in line. She explained that titling services for many local vehicle dealerships will continue to improve once supply chain issues are resolved.

Finally, Ms. Kindsvater relayed that the State of Minnesota completed implementation of its new “MNDrive” software system for vehicle registration, ownership transactions and driver’s license / identification cards in November 2020. She reported, the new system is working well and staff have not had challenges like they experienced with the previous “MNLARS” system.

In response to Councilmember Jones, under the advent of MNDrive, Ms. Kindsvater stated that the License Bureau staff still conduct much of the data entry previously handled by the state prior to MNLARS.

Chair Edberg inquired as to space needed for those waiting in the License Bureau line and surplus income that department used to generate in past years. Ms. Kindsvater stated

customer lines are still very common on busy days; however, the wait time isn't as long as it was a few years ago as staff is now experienced with the system and the department continues to promote utilization of the State's online pre-application website, which shortens the in-office time to process Enhanced or Real IDs transactions. Ms. Kindsvater believes the License Bureau operation will break even, or come out slightly ahead this year. She stated the revenue is lower as many customers use the State of MN's website for simple transactions like tab renewals and license plates, which are the transactions that helped our License Bureau earn the higher revenues. Ms. Kindsvater relayed that many transactions processed in our offices are more difficult and take longer time, which reduces revenue. She added, there is a bill in the legislature for increasing the fees per transaction and creating a system to allocate online transaction revenues to DMV offices, which if passed would significantly impact the department's revenues.

6. PUBLIC HEARINGS

A. Storm Water Pollution Prevention Program (SWPPP)

Environmental Specialist Connie Taillon gave a report on 2021 activities related to the City's Municipal Separate Storm Sewer System (MS4) General Permit and Stormwater Pollution Prevention Program. The purpose of the permit is to "reduce the amount of pollution that enters surface and ground water from storm water conveyance systems". Ms. Taillon said this is accomplished through the development and implementation of a stormwater pollution prevention program (SWPPP), plus requirements to reduce pollutants to impaired waterbodies, such as East Goose Lake in White Bear Lake.

Ms. Taillon explained that the City is currently exceeding its waste load allocation of phosphorus to East Goose Lake, which needs to be reduced by 63%.

Councilmember Jones asked if a chlorinated pool dump is an illicit discharge. Ms. Taillon said it depends, if a chlorinated pool sits long enough in the sun, the chlorine will degrade at which point it should be safe to drain to the street.

Councilmember Jones mentioned that Goose Lake has significant erosion (3-5 feet) on the south side of West Goose Lake, which needs to be addressed. He believed millions could be spent to reduce watershed nutrient loading and it would still not affect the water quality of East Goose Lake because the pollution in the lake is 82-92% internal loading. Ms. Taillon mentioned that addressing the internal loading could possibly remove East Goose Lake from the impaired waters list.

In response to Councilmember Jones, Ms. Taillon stated that sediments removed from storm drain cleaning should be bagged and thrown in the trash.

Chair Edberg opened the public hearing at 7:43 p.m.

Scott Costello of 2359 Joy Avenue and one of the City's representative on the White Bear Lake Conservation District (WBLCD). He also serves as Chair of the Education Committee of the WBLCD, and as such, promoted the Adopt-a-Drain Challenge. Mr. Costello stated that all five communities around White Bear Lake have been challenged to double the number of adopted

storm drains. Before the program, White Bear Lake had 6.6% of its drains adopted and within a month of this challenge, 9.1% of storm drains have been adopted. He stated the challenge is in effect through October. He thanked Ms. Taillon for her presentation.

Chair Edberg closed the public hearing at 7:52 p.m.

Chair Edberg mentioned other communities have graphics on their storm drains that remind folks that items going into these drains ultimately end up in the lake. Councilmember Jones mentioned that storm drains around East Goose Lake contain similar messaging.

7. UNFINISHED BUSINESS

Nothing scheduled

8. NEW BUSINESS

Nothing scheduled

9. DISCUSSION

Nothing scheduled

10. COMMUNICATIONS FROM THE CITY MANAGER

- Community Development Director Jason Lindahl starts his first day on Monday.
- Next Wednesday – Friday, Ms. Crawford will be out of the office attending the MCMA – City Manager Conference.
- Next week Tuesday – Thursday, the Climate-Smart Municipalities German delegation will be in White Bear Lake. Please respond to the invitation for dinner if you wish to attend.

Chair Edberg mentioned Trash to Treasure this Saturday with the Spring Cleanup the following Saturday, May 7.

Councilmember Jones mentioned Touch a Truck on Thursday, May 12 which is public/private partnership event at Podvin Park, great for kids of all ages.

11. ADJOURNMENT

There being no further business before the Council, it was moved by Councilmember **Engstran** seconded by Councilmember **Jones** to adjourn the regular meeting at 7:55 p.m.

Motion carried unanimously.

Dan Louismet, Mayor

ATTEST:

Kara Coustry, City Clerk



**MINUTES
PARK ADVISORY COMMISSION
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA
THURSDAY, FEBRUARY 17, 2022
6:30 P.M. IN THE CITY HALL CONFERENCE ROOM**

1. CALL TO ORDER AND ATTENDANCE

Chair Bill Ganzlin called the meeting to order at 6:34 p.m.

MEMBERS PRESENT: Bill Ganzlin, Victoria Biehn, Mark Cermak, Anastacia Davis, Ginny Davis, Mike Shepard

MEMBERS ABSENT: Bryan Belisle

STAFF PRESENT: Andy Wietrecki, Parks Working Foreman

2. APPROVAL OF AGENDA

It was moved by member **Cermak** seconded by member **Davis**, to approve the agenda as presented with the addition of Mountain Bike Trail in White Bear Lake being added to New Business.

Motion carried 6:0.

3. APPROVAL OF THE MINUTES

Minutes of November 18, 2021

It was moved by member **Shepard** seconded by member **Biehn**, to approve the minutes of the November 18, 2021 meeting as presented.

Motion carried, 6:0.

4. VISITORS AND PRESENTATIONS

Nothing scheduled

5. UNFINISHED BUSINESS

None

6. NEW BUSINESS

A. 2022 Parks Capital Improvement Projects

Andy Wietrecki reviewed the Parks Capital Improvement projects for the year. As we have done in previous years, Andy went through each park and explained the details of the projects and the reasons behind the project. The Park Advisory Commission is excited for the new improvements that are scheduled for 2022.

Bill Ganzlin did ask about the proposed trail through Hidden Hollow Park. Bill was curious if the plan was to pave a circle around the interior of the park or just the existing trail. Andy explained that the City is paving the trail that is currently made of millings. The newly paved trail will start from the existing paved trail that comes down from Myrtle Avenue and will wrap around the south side of the park to the paved trail that comes off Jay Lane. The trail will continue to head east on the inside edge of the wood line and curve to the north ending in the northeast corner of the open space in the park. Bill also questioned if there were plan to pave through the woods to connect to the new trail on South Shore Boulevard. Extension to South Shore Boulevard will be part of another project once South Shore Trinity Church finalizes their expansion plans.

B. Parks Capital Improvement Budget Discussion

Andy Wieteki started the discussion with the Commission about the City's long term vision for the parks. They discussed the many great improvements made to the City parks over the past 4-5 years. Andy requested the Commission look closely at future improvements to see if there is anything the Commission members want to shuffle around to future years in order to incorporate new ideas into the near future. The conversation was very constructive and sparked a lot of discussions on new ideas the Park Advisory Commission would like to see added into Park CIP.

With the growing popularity of biking, Mike Shepard suggested that the City incorporate more bike racks throughout the City's park system.

Bill Ganzlin circled back to the Pickle Ball discussions of late last year and suggested portable Pickle Ball nets be purchased. With the high amount of play Bill sees in Florida, the City should consider looking into the cost to purchase a few sets of portable nets and utilize the basketball courts as a location for this activity. Anastacia Davis asked how the City would facilitate renting the portable nets. Mike Shepard suggested that there could be a dedicated time for Pickle Ball in the parks of our choosing. Podvin, Stellmacher, Spruce and McCarty parks were suggested because of their storage capabilities and basketball courts. There will need to be some internal discussions regarding the logistics of storage, rental and the time for set up and take down of the portable systems. The Parks Advisory Commission did like the idea of portable systems to gauge the popularity of Pickle Ball and the long term viability of the sport before investing into dedicated courts in our parks.

Anastacia suggested we improve the marketing of our parks on the City website to be more interactive. She would like to see information and maps that help direct residents and visitors to the amenities in our community such as trails, bike fix stations and outdoor exercise stations. The website would need to be easy to navigate and display our entire park system. Andy Wieteki reported to the Park Advisory Commission that the City's website does highlight all the parks with a narrative including the amenities offered.

The Commission discussed a Marketfest booth which would be staffed by 1 or 2 Park Advisory Commission members to educate the public on what the City parks have to

offer. The booth could display maps showing the parks and trails or brochures with a quick overview of the park system. The booth could also have a suggestion box to gather information from people on what they would like to see added to City's parks in the future. Andy is in full support of this idea as it would be a great way to market the parks and gather useful information that will help the City better understand how residents want to use the park and the type of amenities that should be featured in our City parks.

Another topic that the Commission spent some time discussing was the lack of signage. The Park Advisory Commission unanimously agreed there was a need for more signs and monuments telling the City's story and history. Anastacia believes that the amount of people who stop and look at the monument on Lake Avenue about the burial mounds is proof that more signs and monuments are needed throughout the City. Ginny suggested signs that talk about projects and native areas similar to the ones they have been installing at Tamarack Nature Center the past couple of years. Andy has had some recent discussions with Sara Hanson with the White Bear Lake Historical Society about installing more history plaques and signs throughout the City. The City would like to install a sign at the Erd Geist Gazebo to tell the story of how the gazebo became a fixture at Matoska Park.

C. Rotary Park Restoration Project

Andy Wieteki explained the White Bear Lake Rotary Club approached the City last year with some projects they would like to complete at Rotary Park. One of the Rotary Club's main focuses is protecting and investing in the environment. The City has been working close with the Rotary Club in creating some phased projects that they are looking to complete over the next 3 to 5 years. The first project this year will be to restore the area just off the parking lot overtaken by Siberian Elm and establish a native pollinator garden which will serve as a welcoming feature for those that enter the park. The next big project the Rotary Club is working towards is complete restoration. This will include removal of the invasive Amur Maples on both sides of the trail, establishing a new Oak Savannah with under story plants and installing a new wetland native planting along the pond. The project would extend along the trail from the parking lot to Birch Lake Boulevard North along both sides of the trail. Andy stated that one of the biggest challenges will be the deforestation of the invasive trees since that is 95% of the canopy along the trail. It will be a great project that will include a lot of education and outreach to the community so there is not a shock when trees are removed.

D. Mountain Bike Trial in White Bear Lake

Mark Cermak had an individual reach out to him via e-mail inquiring about the City's interest or plans to build a mountain bike trail in any of the City parks. Bill Ganzlin doesn't recall this question being brought to the Commission in the 20 years that he has been involved. Most of the discussion centered on where a trail would fit into our parks. As the Commission discussed locations that would be appropriate for mountain biking, they came to the realization that most City parks are developed and not large enough to incorporate a mountain bike trail. Anastacia suggested that we ask the

individual some questions to find out more information about his vision. What would a starter trail look like? What type of an experienced rider would one need to be to ride this trail? Would this trail have to be long or something that is a small feature in the park? The only park that Andy could envision incorporating a mountain bike trail into would be Lakewood Hills Park on the southeast side that is not developed. The trail could be incorporated with the many other trails that are currently in this park and slated to be paved in the near future. This would give the rider the ability to not only have a mountain bike trail but also a trail system that would encompass the entire park. Mike Shepard doesn't believe Lakewood Hills is a good park for this activity due to the number of park users and traffic already using Lakewood Hills. Mark will reach out to the individual and relay the Commission's questions and extend an invitation to attend the next Park Advisory Commission Meeting to help gather more information.

7. DISCUSSION

A. Staff updates

Memorial Beach Wall Update

Since this was the first time the Park Advisory Commission has met since the project at Memorial Beach was finished, Andy shared some pictures of the finished project. Andy also updated them on the landscape plan that will begin as soon as the weather allows.

Accessible Playground

Andy Wietecki reported to the Commission that he is still waiting to hear from Paul Kowitz on the award status of the much anticipated grant from Lions International to help offset major costs. Andy explained the funding details for the project and a rough estimate of what is needed to complete the project this year. Mike suggested that if the City is close with funding, the Lions Club may be willing to donate more to this project to make sure it is completed this year. The White Bear Lake Lions Club is launching a new website and the new website will be an instrumental part to public fund raising if the Lions Club decides to go that route. Andy strongly recommends that the public be engaged on this project as funding could exceed our expectations and public engagement could help add other components to this project that would otherwise be a few years out from being added.

B. Commission member updates

None.

C. Other Business

None.

8. ADJOURNMENT

There being no further business before the Commission, it was moved by member **Ganzlin** seconded by member **Davis** to adjourn the meeting.

Motion carried, 6:0



**MINUTES
ENVIRONMENTAL ADVISORY COMMISSION
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA
WEDNESDAY, MARCH 16, 2022
6:30 P.M. IN THE CITY HALL CONFERENCE ROOM**

1. CALL TO ORDER AND ATTENDANCE

Chair Gary Schroeher called the meeting to order at 6:36 p.m.

MEMBERS PRESENT: Sheryl Bolstad, Chris Greene, Bonnie Greenleaf, Gary Schroeher (Chair)

MEMBERS ABSENT: Rick Johnston

STAFF PRESENT: Connie Taillon, Environmental Specialist

VISITORS PRESENT: John Anderson, Conservation Minnesota

2. APPROVAL OF AGENDA

The commission members reviewed the agenda and had no changes.

It was moved by member **Bolstad** seconded by member **Greenleaf**, to approve the agenda as presented.

Motion carried 4:0.

3. APPROVAL OF THE MINUTES

A. Minutes of February 16, 2022

The commission members reviewed the February 16, 2022 meeting minutes and had no changes.

It was moved by member **Greene** seconded by member **Bolstad**, to approve the minutes of the February 16, 2022 meeting as presented.

Motion carried, 4:0.

4. VISITORS AND PRESENTATIONS

John Anderson from Conservation Minnesota was in attendance to introduce himself and to learn what Conservation Minnesota can do to assist the commission. John introduced himself as the new Local Government Manager. He invited the commission members to the Conservation Minnesota Environment Commission Conference on April 30th from 10am to 1:30pm at Ridgedale Library. Chair Schroeher mentioned that he attended the two past conferences and came away with many great ideas.

John asked what the commission is working on and if they have any questions for him. Member Bolstad asked about the difference between Conservation Minnesota and

Environment Minnesota. John stated that Conservation Minnesota largely works on state and local engagement in the community. Member Bolstad stated that the commission hosts an Environmental Resources Expo at Marketfest each year and invited Conservation Minnesota to attend. Staff will add John's contact information to the Expo invite list. Member Greenleaf mentioned the commission discussions around a Bring Your Own Bag ordinance. John noted that the state does not allow a ban but allows a 5 cent charge on bags. Member Bolstad described other commission priorities including pollinator plantings, reducing contamination in recycling, promoting electric lawn equipment, downtown area recycling, and zero waste events. Commission members asked John about Conservation Minnesota collaborations with other cities. He stated that every city is different, but mainly promoting electrification and water conservation. He also mentioned the Plymouth public/private electric vehicle charging station collaboration.

5. UNFINISHED BUSINESS

A. Draft presentation to Council

Commission members reviewed the draft presentation to Council and provided comments. Chair Schroeder updated the presentation based on these comments. The revised presentation will continue to be reviewed and revised at the April meeting.

B. Draft 2022 Work Plan

The commission members discussed the work plan interest list and write-ups and will work to finalize the write-ups for discussion at the April meeting. Member Greene requested that a 'status' column be added to the work plan to better track the progress of each project.

C. Environmental Resources Expo

Taillon stated that she contacted the Marketfest coordinator to save the July 28, 2022 date for the Expo. Commission members requested that the Expo be put on the April agenda.

6. NEW BUSINESS

Nothing scheduled

7. DISCUSSION

A. Staff updates

- 2022 Environment Commission Conference

Taillon mentioned that the 2022 Environment Commissions Conference will take place on Saturday, April 30th from 10am to 1:30pm at the Ridgedale Public Library.

- Priebe outlet replacement

Taillon stated that the Priebe Lake outlet has now been installed and is substantially complete. A temporary weir was installed in the outlet while the permanent weir is being fabricated. Restoration of the site will be completed in the spring.

- Raingarden Palooza Series
Taillon reported that RCWD, RWMWD, and VLAWMO are partnering to offer a raingarden maintenance series that will take place at three different sites this season. The final event will occur in downtown White Bear Lake on September 22nd.

B. Commission member updates

Member Bolstad noted that she attended the VLAWMO information session on MS4 materials. She stated that VLAWMO created door hangers and other educational materials that the City can use to educate the public on lawn care and winter maintenance topics.

C. Do-outs

New do-out items for March, 2022 include:

- Chair Schroeher to revise the draft presentation and bring to the April meeting for review.
- Chair Schroeher to invite Prairie City to the April EAC meeting

D. April agenda

Include the City Manager and Prairie City representatives under visitors and presentations, and add draft presentation, 2022 draft work plan, and Environmental Resources Expo under unfinished business. Commission members requested that the April meeting be in person.

8. ADJOURNMENT

There being no further business before the Commission, it was moved by member **Greenleaf** seconded by member **Bolstad** to adjourn the meeting at 8:41 p.m.

Motion carried, 5:0

REGULAR MEETING OF THE WHITE BEAR LAKE CONSERVATION DISTRICT

7:00 PM WHITE BEAR LAKE CITY COUNCIL CHAMBERS

MINUTES OF THE MARCH 15, 2022 MEETING

**Draft Minutes for Approval
Approved April 19, 2022**

1. CALL TO ORDER of the March 15th, 2022 meeting of the White Bear Lake Conservation District was made by Chair Bryan DeSmet at 7:05pm.

2. ROLL CALL- Present: Chair Bryan DeSmet, Chris Churchill, Meredith Walberg, Scott Costello, Diane Longville, Mark Ganz, Mike Parenteau, Scott O'Connor. Absent: Darren DeYoung and Susie Mahoney.

3. APPROVAL OF AGENDA-Motion by DeSmet to add "Adopt a Drain Challenge" to Lake Education report and accept the agenda, seconded by Ganz and all voted aye and passed.

4. APPROVAL OF PRIOR BOARD MEETING MINUTES-Motion to approve by DeSmet, seconded by O'Connor and all voted aye and passed.

5. PUBLIC COMMENT-None.

6. NEW BUSINESS-DeSmet announced committee assignments as follows: Lake Quality--Mike Parenteau (Chair), Diane Longville. LUC--Mark Ganz (Chair), Scott O'Connor, Chris Churchill, Darren DeYoung, and non-board members Luke Michaud, Scott Bohnen. LEC--Scott Costello (chair), Meredith Walberg, Susie Mahoney.

Administrative Assistant Position: This position is now open. Executive Board to interview applicants. Position description was discussed and agreed that it needs to be updated. Please review the description and send comments to Bryan in the next few days so the Executive Committee can finalize this description. We will then post the job on our web site, our social media and possibly the Minnesota Council of Non-profits. Motion by DeSmet to have Alan do a "Consulting Services Agreement" for Kim for work that may be needed before we hire a new person, seconded by Ganz and all voted aye and passed. An office cleaning was suggested and Chris Churchill and Meredith Walberg volunteered to coordinate it.

7. PUBLIC HEARING- Hearing for ordinance 5 update, Chair DeSmet officiating.

Open Public Hearing for Ordinance Amendment 2022-01. No public comment. Close Public Hearing. Motion by O'Connor accept ordinance update including clarification " 924.89' above mean sea level as determined by the Department of Natural Resources, State of Minnesota." Seconded by Ganz and all voted aye and passed.

Open Public Hearing for Ordinance Amendment 2022-02. No public comment. Close Public Hearing. Motion by Ganz to accept ordinance updating ADUA standards for measuring from the OHW, seconded by O'Connor and all voted aye and passed.

Open Public Hearing for Ordinance Amendment 2022-03. No public comment. Close Public Hearing. Motion by Ganz to accept ordinance update for winter markings of docks, seconded by O'Connor and all voted aye and passed.

8.UNFINISHED BUSINESS-Meredith to put together information she has received and forward to Bryan so the Executive Board can write a letter and send it to the Wake information organization.

9.REPORTS/ACTION ITEMS:

Executive Committee- Moving forward in handling Kim's exit and preparing for a new hire.

Lake Quality Committee- No Report.

Lake Utilization Committee- VFW Motion by Ganz to approve VFW application with 26 rental slips, seconded by O'Connor and all voted aye and passed. Any increase in boats must be approved by the DNR.

Docks of White Bear- Motion by Ganz to approve Docks of White Bear application with modifications that there be a maximum of 240 slips and a maximum dock length of 300' measured from OHW and no side fishing dock adjacent to Tally's, seconded by O'Connor and all voted aye and passed.

City of White Bear Lake-Boat Works Docks, Motion by Ganz to approve City's application for 160 slips and dock lengths up to 300' from OHW, seconded by Walberg and all voted aye and passed.

City of White Bear Lake-Matoska Park, Motion by Ganz to approve 29 boats at slides, 28 at moorings and 32 off-lake storage for a total of 89 boats, seconded by O'Connor and all voted aye and passed.

City of White Bear-Veterans Memorial Pier-Motion by Ganz to approve, seconded by O'Connor and all voted aye and passed.

Tally's-Questions about descriptions of how many boats are requested and what dock configuration is being requested. This application is tabled for more information until the April meeting.

There is a certificate sent to approved dock owners, we need to find it and send out to approved applicants.

Lake Education Committee- "Adopt a Drain Challenge" was presented and explained that the challenge was to encourage people to participate. The challenge is to the 5 communities around the lake to double the number of adopted drains by the end of October. Scott will send the flyer to the Cities. Motion by Costello to go forward with this challenge, seconded by DeSmet and all voted aye and passed.

Meredith reported over 1000 looks on social media about the wake study.

Lake clean up went well and Scott will hear back from the Scout Master with results.

Treasurer's Report-Motion by Parenteau to approve and pay checks #4747 thru #4751, seconded by Ganz and all voted aye and passed.

Board Council Report-Nothing earth shaking, catching up on cases that were on hold because of COVID.

10. Announcements-None

11. Adjournment-Motion by O'Connor to adjourn, seconded by Ganz and all voted aye and passed.

ATTEST; Bryan DeSmet, Chair _____ Mark Ganz, Vice Chair _____ 3/15/2022



**MINUTES
PLANNING COMMISSION MEETING
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA
MONDAY, APRIL 25, 2022
7:00 P.M. IN THE COUNCIL CHAMBERS**

1. CALL TO ORDER AND ATTENDANCE

Chair Jim Berry called the meeting to order at 7:00 p.m.

MEMBERS PRESENT: Mike Amundsen, Ken Baltzer, Jim Berry, Pamela Enz, and Andrea West

MEMBERS ABSENT: Mark Lynch and Erich Reinhardt

STAFF PRESENT: Samantha Crosby, Planning & Zoning Coordinator and Ashton Miller, Planning Technician.

OTHERS PRESENT: Peter Altenly, Tanner Brandt, Shawn & Craig Carpenter, Terry & Jerry Rodrique, Joseph Claussen.

2. APPROVAL OF AGENDA

It was moved by Member **Baltzer** seconded by Member **Enz**, to approve the agenda as presented.

Motion carried, 5:0

3. APPROVAL OF THE MINUTES

A. Minutes of March 28, 2022

It was moved by Member **Amundsen** seconded by Member **Enz**, to approve the minutes of the March 28, 2022 meeting as presented.

Motion carried, 5:0.

4. CASE ITEMS

A. Case No. 22-8-V & 22-3-CUP: A request by **Shawn & Craig Carpenter** for a six foot variance from the 30 foot setback from a side abutting a public right-of-way, per Code Section 1303.050, Subd.5.c.2, a 160 square foot variance from the 120 square foot maximum allowed for a second accessory structure, per Code Section 1302.030, Subd.4.i.2.c, and a Conditional Use Permit for a second curb cut, per Code Section 1302.050, Subd.4.h.9, in order to build an addition 24 feet from the north property line and a new two car garage that accesses Roth Place at the property located at 2150 Roth Place.

Miller discussed the case. Staff recommended approval of the request as proposed.

Member Berry opened the public hearing. As no one spoke to the matter, Member Berry closed the public hearing.

It was moved by Member **Baltzer** to recommend approval of Case No. 22-8-V & 22-3-CUP, seconded by Member **West**.

Motion carried, 5:0.

- B. Case No. 22-4-CUP:** A request by **Jerry Rodrique** for a Conditional Use Permit for a second curb cut, per Code Section 1302.050, Subd.4.h.9, in order to install a second driveway in front of the existing detached garage at the property located at 1961 3rd Street.

Miller discussed the case. Staff recommended approval subject to conditions listed in the report.

In response to a question from Member Amundsen, Miller stated the proposed pavers would not be considered green space. The Engineering Department recommended that there be no sidewalk between the garages, but after discussing with the applicant, staff believes a small walkway may be appropriate.

Member Enz asked if there was a time frame for the curb cut to be installed. Miller replied that the conditional use permit is good for one year and that the applicant is eager to pave the second driveway.

Member Berry opened the public hearing.

Jerry Rodrique, 1961 3rd Street, applicant, he explained that the main entrance to their home is in the rear, so it would be helpful to have a sidewalk leading from the second garage to the door to keep the area from getting muddy. He is requesting the pavers extend 10 to 15 feet along the driveway.

Member Berry closed the public hearing.

Member Amundsen asked if condition six could be changed to allow some pavers. Crosby replied that a residential sidewalk is typically three feet wide. Ten to fifteen feet would not be in the spirit of what Engineering was looking for. She suggested something up to five feet would be sufficient and the rest be true green space. The pavers would be considered hard surface, so a vehicle could park on it and it would then be a part of the driveway.

Member Amundson moved to amend Condition number six to read “except for a sidewalk adjacent to the garages, green space shall be retained between the two driveways.” Member Enz seconded the amendment. Motion carried 5:0.

It was moved by Member **Amundsen** to recommend approval of Case No. 22-4-CUP as amended and as proposed by the applicant, seconded by Member **Baltzer**.

Motion carried, 5:0.

- C. Case No. 96-5-Sa:** A request by **Beartown Bar & Grill** for an amendment to an approved Conditional Use Permit to expand the deck on the south side of the building by 2,700 square feet, a 4 foot variance from the 10 foot hard-surface setback requirement adjacent to a railroad right-of-way, in order for the deck to be 6 feet from the east property line, per Code Section 1303.226, Subd.6.e, and to modify condition #5 “no outside music shall be allowed”, per Code Section 1301.050, at the property located at 4875 Highway 61.

Crosby discussed the case. Staff recommended approval subject to conditions listed in the report.

Member Amundsen asked what the required parking is with the new patio and additional seating. Crosby explained that the code requires one stall for every 2.5 seats, so 72 stalls are required – exactly the number of stalls provided.

Member Berry opened the public hearing.

Joe Claussen, applicant and owner, addressed the location and direction of the music. It is ideal for the restaurant to locate the musicians in the southeast corner of the patio. He explained that it is important for patrons to see the musicians, which would be impossible for those sitting on the original deck if the musicians are anywhere on the north side of the patio. The sound would also be muffled. Further, the service door and window along the north side makes it impractical with people coming and going. He asked the Planning Commission to reconsider the condition requiring the musician to face Highway 61. Most musicians will be one or two person groups, there will only be one speaker, and the volume will be low. He does not think it will disturb the neighborhood.

Member Berry provided a history of his experience with playing music at the Lakeshore Players Theater. The first summer they played music, the speakers were facing east towards Highway 61 and there were very few issues. Last year, the stage faced south and the neighbors complained right away about the noise. Anything that can be pointed to the east will be beneficial to the neighborhood and to the applicant’s betterment. He agreed that there will probably not be much noise with just one speaker.

Member Baltzer stated it does make a difference for the audience on where the stage is put. He wants the applicant to find a good place for the music, but if they get complaints, the City will have to come down on the applicant. Member Baltzer does not want the applicant to be locked into one location, so he would like to amend the condition to allow more freedom to experiment.

Member Berry added that in the south corner, one speaker will bounce off the building before it goes up and over to the neighbors.

Member Berry closed the public hearing.

Member Amundsen stated that condition ten addresses the noise issue. He moved to remove condition six. Member West seconded the motion. Motion carried 5:0.

Member Amundsen asked if the future Purple Line (former Rush Line) will have an impact on the number of parking stalls. Crosby replied that there will be no Purple Line parking on private property. The applicant used to have head in parking along the west property line. The row has recently been changed to parallel parking because the stalls extended into the right-of-way and improvements need to be contained to private property. Even with a reduction of parking stalls, the property meets code.

It was moved by Member **Baltzer** to recommend approval of Case No. 96-5-Sa2, seconded by Member **Enz**.

Motion carried, 5:0.

- D. Case No. 22-1-CUP & 22-5-V:** A request by **Christianson Companies / Tommy Car Wash** for the following: a Conditional Use Permit for a car wash in the B-3 – Auto-Oriented Business zoning district, per Code Section 1303.140, Subd.4; Site plan approval for development in the Shoreland Overlay district, per Code Section 1303.230, Subd.6; A 10 foot variance from the 15 foot hard-surface setback from a street right-of-way, per Code Section 1302.050, Subd.4.17, in order to allow the existing curb encroachment to remain; a 79 car variance from the 100 car stacking requirement, per Code Section 1303.140, Subd.4.c.2, in order to stack for the estimated peak demand rather than the maximum capacity of the facility; and a variance from the 30% impervious area limit to allow 57.75% impervious surface in the S – Shoreland Overlay zoning district, per Code Section 1303.230, Subd.5.a.5; all in order to allow the demolition of the existing improvement and construction of a new express car wash facility at the property located at 4061 Highway 61.

Crosby discussed the case. Staff recommended approval.

Member West asked about water use restrictions and if possible legislation would affect the water usage of the car wash. She also wondered how the noise would affect the

neighborhood, since she can hear the car wash dryers at Holiday from her home. Crosby replied that it is unclear how future water usage regulations would impact the business and that she had not looked at the noise levels. She suggested that the applicants could speak to the sound levels of the equipment.

Member Berry sought clarification on the water reuse system. Crosby confirmed that 30% of water from each car washed is recycled.

Member Enz asked if the infiltration basin will use rain garden plantings and where the opt out lane would be constructed. Overall, she believes the reduction in the use of the red is nice and it will be a handsome building. Crosby replied that the applicants will use native grasses around the infiltration pond and rain garden plantings in the basin. She pointed to the opt out lane on the site plan, a surmountable curb on the west side of the property just before entering the car wash, which leads to the south side parking area.

Member Berry wondered if Dairy Queen will stay. Crosby confirmed that the ice cream shop would not be affected by the project.

Member Berry opened the public hearing.

Tanner Brandt, applicant, Fargo, North Dakota, he described the layout of the building and the company's business model. They have car washes all over the country. He reiterated that their equipment reclaims about 30% of water used. They use less water than a person would washing their car in a driveway. He addressed the concerns surrounding noise, stating that the doors close between washes unless there is a steady stream of vehicles. The noisiest part of the wash would be the east side towards Highway 61 where the dryers are located. He thinks the highway should buffer much of the sound.

Member Amundsen asked if there would be employees hand washing the vehicles. Mr. Brandt stated there would never be any employees touching the car. The only employees on site would be someone at the pay station and a maintenance person. The car wash itself is fully automated.

Member Berry closed the public hearing.

It was moved by Member **Enz** to recommend approval of Case No. 22-1-CUP & 22-5-V, seconded by Member **Baltzer**.

Motion carried, 5:0.

5. DISCUSSION ITEMS

- A. City Council Summary Minutes of April 12, 2022.

Member Enz appreciated how the minutes were written. Member Amundsen concurred, adding that he liked the new format of the Planning Commission staff reports.

B. Park Advisory Commission Minutes of April 21, 2022 – Not Yet Available.

No Discussion.

6. ADJOURNMENT

There being no further business before the Commission, it was moved by Member **Amundsen**, seconded by Member **Baltzer** to adjourn the meeting at 7:58 p.m.

Motion carried, 5:0

DRAFT



City of White Bear Lake
City Manager's Office

MEMORANDUM

To: Lindy Crawford, City Manager
From: Kara Coustry, City Clerk / Administrative Assistant
Date: May 10, 2022
Subject: **Approval for Food Trucks to attend a graduation party at Lakewood Hills Park**

SUMMARY

The City Council will consider authorizing food trucks to cater an event on public property for a graduation party at Lakewood Hills Park.

BACKGROUND INFORMATION

The City received a special event application requesting the ability to have a catered graduation party at Lakewood Hills Park using two food trucks that have both been pre-paid. The City permits food trucks as transient merchants, which is governed under Ordinance 1118. The applicable definition of a transient merchant in this case, is any person who engages temporarily in the business of selling and delivering goods, within the City, and who, in furtherance of such purpose, occupies any parking lot, motor vehicle, or trailer. Part of the requirement for transient merchants is they must provide proof of appropriate permission to operate on the proposed site – in this case the public parking lot of Lakewood Hills Park.

Further, Ordinance 905.320 states that no person shall sell, offer for sale, hawk, peddle or lease any object, merchandise or service or carry on any manner of business or commercial enterprise in any Open Space Site (which includes Parks in the definition) except those concessions authorized by the City Council.

The authority to approve this request lies with the City Council. Staff sees no reason to deny the request for catered food at this event as these food trucks are not parking to offer their services for sale to other park attendees. Assuming the City Council approves the request for a food truck on public property, the food truck vendor will be required to register with the City's licensing authority.

RECOMMENDATION

Staff recommends the City Council adopt the attached resolution authorizing two food trucks to cater a private graduation event at Lakewood Hills Park on July 9, 2022.

ATTACHMENTS

Resolution

RESOLUTION NO.

**A RESOLUTION AUTHORIZING USE OF FOOD TRUCKS TO CATER A GRADUATION PARTY
AT LAKEWOOD HILLS PARK PAVILION**

WHEREAS the City received a special event application seeking permission for two food trucks to cater a private graduation party on Saturday, July 9, 2022 at the Lakewood Hills Park pavilion; and

WHEREAS pursuant Ordinance 905.320 Parks and Open Space, no person shall sell merchandise or service or carry on any manner of business or commercial enterprise in any Open Space site except those concessions authorized by the City Council; and

WHEREAS pursuant Ordinance 1118, both food truck vendors will be required to register with the City's licensing authority.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake hereby authorizes the use of pre-paid food trucks to cater a private graduation party at Lakewood Hills Park pavilion on Saturday, July 9, 2022.

The foregoing resolution, offered by Councilmember _____ and supported by Councilmember _____, was declared carried on the following vote:

Ayes:

Nays:

Passed:

Dan Louismet, Mayor

ATTEST:

Kara Coustry, City Clerk



City of White Bear Lake
Engineering Department

MEMORANDUM

To: Lindy Crawford, City Manager
From: Connie Taillon, P.E., Water Resources Engineer/ Environmental Specialist
Date: May 10, 2022
Subject: **Approving Maintenance Agreement with Rice Creek Watershed District for South Shore Boulevard Stormwater Management Facilities**
City Project No. 22-08

SUMMARY

The City Council will consider adopting a resolution authorizing the City Manager to enter into a maintenance agreement with Rice Creek Watershed District (RCWD) for stormwater management facilities on South Shore Boulevard, from McKnight Road to the City limits, and authorizing the City Manager to submit the maintenance agreement on behalf of the City to RCWD.

BACKGROUND INFORMATION

The reconstruction of South Shore Boulevard is a joint project with Ramsey County to reconstruct South Shore Boulevard and extend the trail around White Bear Lake. The portion of South Shore Boulevard from McKnight Road to the City limits, located 280 feet west of Bellaire Avenue, will be transferred from Ramsey County to the City of White Bear Lake. As part of this project, stormwater management facilities will be constructed to treat stormwater runoff from South Shore Boulevard per RCWD permit requirements.

In accordance with the RCWD permit, the City shall enter into a maintenance agreement that defines the obligations of the City to inspect and maintain the stormwater management facilities located in the portion of South Shore Boulevard that will be transferred from the County to the City.

RECOMMENDATIONS

Staff recommends the City Council adopt the attached resolution authorizing the City Manager to enter into a maintenance agreement between RCWD and the City for maintenance of stormwater management facilities on South Shore Boulevard from McKnight Road to the City limits, and authorizing the City Manager to submit the maintenance agreement on behalf of the City to RCWD.

ATTACHMENTS

Resolution

RESOLUTION NO.

RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A MAINTENANCE AGREEMENT WITH RICE CREEK WATERSHED DISTRICT FOR STORMWATER MANAGEMENT FACILITIES ON SOUTH SHORE BOULEVARD BETWEEN MCKNIGHT ROAD AND THE CITY LIMITS, AND AUTHORIZING THE CITY MANAGER TO SUBMIT THE MAINTENANCE AGREEMENT ON BEHALF OF THE CITY TO RICE CREEK WATERSHED DISTRICT

WHEREAS, South Shore Boulevard is a Ramsey County Road located within the City of White Bear Lake that connects White Bear Avenue and Bellaire Avenue; and

WHEREAS, the County intends on rehabilitating South Shore Boulevard including the construction of the bicycle/pedestrian trail during the construction year of 2022; and

WHEREAS, the change of South Shore Boulevard to a one-way roadway warrants the turn-back of the corridor from McKnight Road to the City limits (280 feet west of Bellaire Avenue) from the County to the City upon completion of the pavement rehabilitation project in 2022; and

WHEREAS, the South Shore Boulevard rehabilitation project is located within the jurisdictional boundaries of the Rice Creek Watershed District (RCWD); and

WHEREAS, RCWD operates a permit program to protect the public's health and welfare and the natural resources of the District; and

WHEREAS, RCWD permit program requires stormwater management facilities to be constructed as part of the South Shore Boulevard rehabilitation project; and

WHEREAS, in accordance with the RCWD permit program, the City shall enter into a maintenance agreement with RCWD for the maintenance of stormwater management facilities within the turn-back corridor.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake, Minnesota that the City Manager is hereby authorized to enter into a maintenance agreement between Rice Creek Watershed District and the City of White Bear Lake for stormwater management facilities on South Shore Boulevard between McKnight Road and the City limits and to submit the maintenance agreement on behalf of the City to Rice Creek Watershed District.

RESOLUTION NO.

The foregoing resolution, offered by Councilmember _____ and supported by Councilmember _____, was declared carried on the following vote:

Ayes:
Nays:
Passed:

Dan Louismet, Mayor

ATTEST:

Kara Coustry, City Clerk



City of White Bear Lake
Community Development Department

MEMORANDUM

TO: Lindy Crawford, City Manager
FROM: Ashton Miller, Planning Technician
DATE: May 10, 2022
SUBJECT: Carpenter CUP & Variance / 2150 Roth Place / Case No. 22-3-CUP & 22-8-V

SUMMARY

The City Council will consider a request for a six-foot variance from the 30-foot side yard abutting a public right-of-way setback, a 180 square foot variance from the 120 square foot maximum for second accessory structure, and a conditional use permit for a second curb cut in order to construct an addition and two car detached garage.

BACKGROUND INFORMATION

Applicant/Owner: Shawn and Craig Carpenter

Existing Land Use / Zoning: Single Family; zoned R-3 Single Family Residential

Surrounding Land Use / Zoning: All Directions: Single Family; zoned R-3 Single Family Residential

Comprehensive Plan: Low Density Residential

Lot Size & Width: Code: 10,500 sq. ft.; 80 feet
 Site: 12,196 sq. ft.; 98 feet

The subject site is located on the southeast corner of the Roth Place and Hazel Street intersection. The single-family home was constructed in 1958.

Despite having a Roth Place address, the true front of the property is the Hazel Street side, since the Code defines the front as “the boundary abutting a city-approved street having the least width”. If Roth Place were considered the front, the setback would be based on an average of the neighbor to the east and the Code and an administrative variance could have been obtained to deviate up to ten feet from that average, eliminating the need for a full variance.

The location and angle of the house on the property limits the area the applicants can use to add on to their home. The two front yards and the curve in the road on the north side further reduces the buildable area. This, coupled with the existing interior layout of the home and the applicants’ desire to

retain the small backyard area makes the eastern side of the home a practical location to construct an addition.

The addition is proposed to extend at the same angle off the existing home, and will be 24 feet from the north property line at its closest. Because it is angled, roughly only 27 square feet of the 368 square foot addition, or seven percent, is within the required setback. The corner of the addition will be 39 feet from the edge of the curb, so will not impede vehicle or pedestrian sight lines.

A 180 square foot variance is required for a second accessory structure because the code limits properties with a detached garage to a second accessory structure no more than 120 square feet in size. If the proposed garage were attached, a size variance would not be required. The total accessory structure square footage will be 856 square feet, well below the 1,250 square feet allowed. The garage will increase the rear yard cover from 0% to 31% and the applicants have already obtained the surrounding neighbors' signatures to allow this amount of coverage.

The code requires lots of this size to have a two-stall garage, so constructing the new detached garage will bring the property into compliance with current code. Because there is no room to add a second stall onto the existing garage, staff supports locating the new garage on the east side of the property as it will meet all required setbacks.

Per City Code, the curb cut should be at least 40 feet from the intersection and five feet from the east property line. Those distances have been provided. The existing curb cut is 11 feet wide. Staff has included a condition that the new curb cut be sized so that the existing and proposed combined do not exceed 24 feet, which is what the code allows for one curb cut in residential areas. In staff's opinion, the proposed curb cut does not pose any conflicts and will not impede sight vision or vehicular movements.

The City has a high level of discretion when approving or denying a variance because the burden of proof is on the applicant to show a practical difficulty. If the proposal is deemed reasonable (meaning that it does not have an adverse effect on neighboring properties, it is consistent with the Comprehensive Plan, and it is in harmony with the intent of the Zoning Code) then the criteria have been met.

Most past variances from the setback along a side abutting a public right-of-way have been granted to allow corner lots in neighborhoods with smaller lots to be buildable. This one is not that same situation, but the applicants have shown a practical difficulty and the request is not anticipated to adversely affect neighboring properties.

The City's discretion in reviewing a conditional use permit is limited to whether or not the changes meet the standards outlined in the Zoning Ordinance. Staff has reviewed the proposal for the second curb cut and finds the standards will be satisfied.

SUMMARY

Staff recommended approval of the variances and conditional use permit to the Planning Commission. The Commission held a public hearing on April 25th. No one spoke at the hearing. The Commission voted unanimously, 5-0, to recommend approval of the request as presented to the City Council.

RECOMMENDATIONS

The Planning Commission recommends the City Council adopt the attached resolution of approval.

Attachments:

Resolution

Site Plan

RESOLUTION NO.

**RESOLUTION GRANTING A CONDITIONAL USE PERMIT AND TWO VARIANCES
FOR 2150 ROTH PLACE WITHIN THE CITY OF WHITE BEAR LAKE, MINNESOTA**

WHEREAS, a proposal (22-3-CUP & 22-8-V) has been submitted by Shawn and Craig Carpenter to the City Council requesting approval of a conditional use permit and two variances from the Zoning Code of the City of White Bear Lake for the following location:

LOCATION: 2150 Roth Place

LEGAL DESCRIPTION: Lot 15, Block 8 of Lakeaires No. 2, Ramsey County, Minnesota. (PID #: 263022140104)

WHEREAS, THE APPLICANT SEEKS THE FOLLOWING: A 6 foot variance from the 30 foot setback from a side abutting a public right-of-way, per Code Section 1303.050, Subd.5.c.2, a 160 square foot variance from the 120 square foot maximum allowed for a second accessory structure, per Code Section 1302.030, Subd.4.i.2.c, and a Conditional Use Permit for a second curb cut, per Code Section 1302.050, Subd.4.h.9, in order to build an addition 24 feet from the north property line and a new two car garage that accesses Roth Place; and

WHEREAS, the Planning Commission held a public hearing as required by the Zoning Code on April 25, 2022; and

WHEREAS, the City Council has considered the advice and recommendations of the Planning Commission regarding the effect of the proposed conditional use permit and variances upon the health, safety, and welfare of the community and its Comprehensive Plan, as well as any concerns related to compatibility of uses, traffic, property values, light, air, danger of fire, and risk to public safety in the surrounding areas;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake that, in relation to the Conditional Use Permit, that the City Council accepts and adopts the following findings of the Planning Commission:

1. The proposal is consistent with the city's Comprehensive Plan.
2. The proposal is consistent with existing and future land uses in the area.
3. The proposal conforms to the Zoning Code requirements.
4. The proposal will not depreciate values in the area.
5. The proposal will not overburden the existing public services nor the capacity of the City to service the area.

RESOLUTION NO.

6. The traffic generation will be within the capabilities of the streets serving the site.
7. The special conditions attached in the form of conditional use permits are hereby approved.

BE IT FURTHER RESOLVED by the City Council of the City of White Bear Lake that the City Council, in relation to the variances, accepts and adopts the following findings of the Planning Commission:

1. The requested variances will not:
 - a. Impair an adequate supply of light and air to adjacent property.
 - b. Unreasonably increase the congestion in the public street.
 - c. Increase the danger of fire or endanger the public safety.
 - d. Unreasonably diminish or impair established property values within the neighborhood or in any way be contrary to the intent of this Code.
2. The variances are a reasonable use of the land or building and the variance is the minimum required to accomplish this purpose.
3. The variance will be in harmony with the general purpose and intent of the City Code.
4. The variance will not be injurious to the neighborhood or otherwise detrimental to the public welfare.
5. The non-conforming uses of neighboring lands, structures, or buildings in the same district are not the sole grounds for issuance of the variance.

BE IT FURTHER RESOLVED, that the City Council of the City of White Bear Lake hereby approves the request, subject to the following conditions:

1. All application materials, maps, drawings, and descriptive information submitted in this application shall become part of the permit.
2. Per Section 1301.060, Subd.3, the variances shall become null and void if the project has not been completed or utilized within one (1) calendar year after the approval date, subject to petition for renewal. Such petition shall be requested in writing and shall be submitted at least 30 days prior to expiration.
3. Per Section 1301.050, Subd.4, if within one (1) year after approving the Conditional Use Permit, the use as allowed by the permit shall not have been completed or utilized, the CUP shall become null and void unless a petition for an extension of time in which to complete or utilize the use has been granted by the City Council. Such petition shall be requested in writing and shall be submitted at least 30 days prior to expiration.

RESOLUTION NO.

4. The Conditional Use Permit shall become effective upon the applicant tendering proof (ie: a receipt) to the City of having filed a certified copy of the signed resolution of approval with the County Recorder pursuant to Minnesota State, Statute 462.3595 to ensure the compliance of the herein-stated conditions.

5. A building permit shall be obtained before any work begins.

6. The applicant shall verify the property lines and have the property pins exposed at the time of inspection.

7. The garage shall meet the 30-foot setback from the north (Roth Street) property line.

8. The combined width of the existing curb cut and the proposed curb cut shall not exceed 24 feet.

9. The new driveway shall be constructed of an approved hard surface and the restoration work within the right-of-way shall be performed to City standards subject to inspection by the Engineering Department.

The foregoing resolution, offered by Councilmember _____ and supported by Councilmember _____, was declared carried on the following vote:

Ayes:
 Nays:
 Passed:

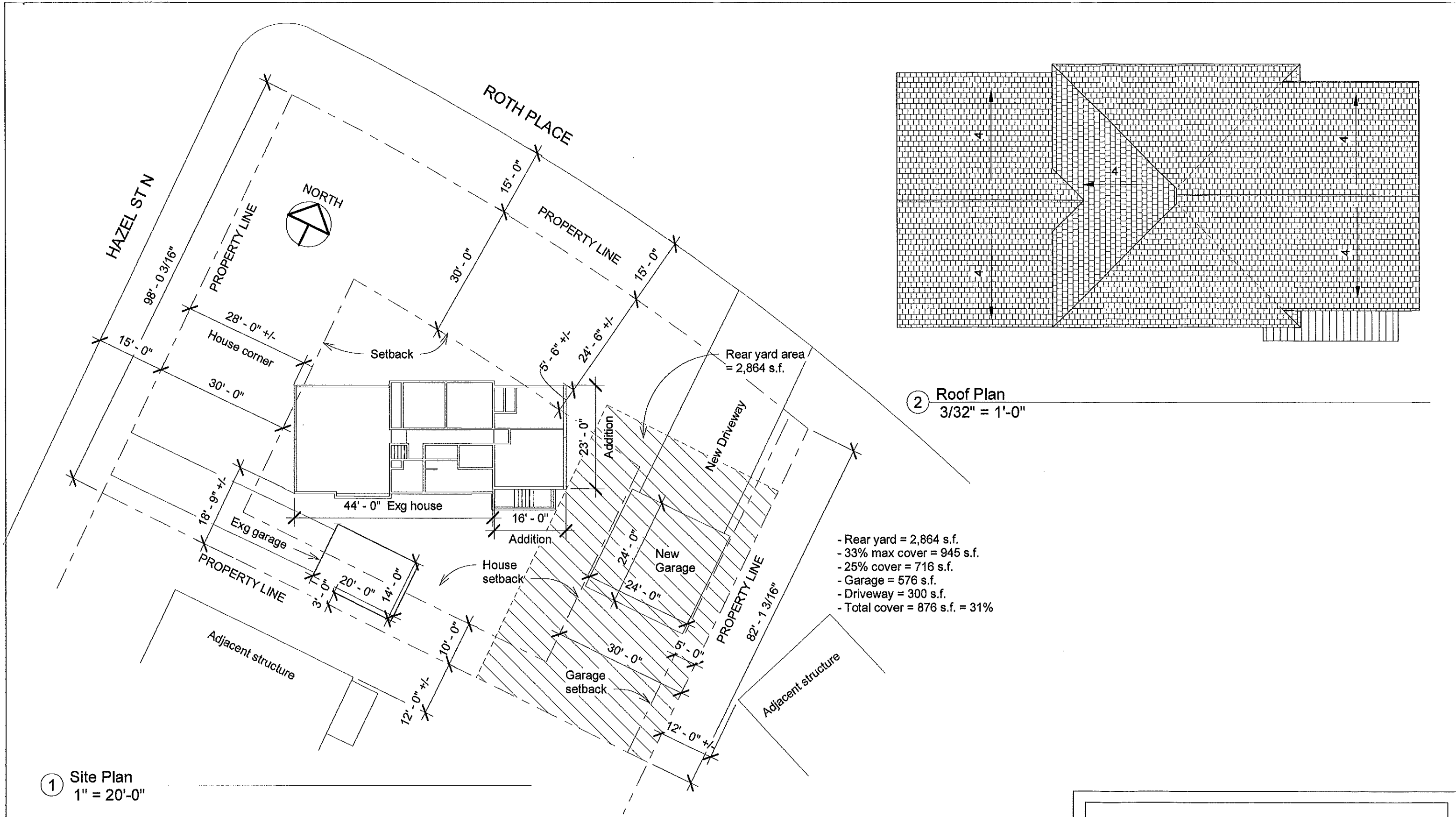
Dan Louismet, Mayor

ATTEST:

Kara Coustry, City Clerk

Approval is contingent upon execution and return of this document to the City Planning Office. I have read and agree to the conditions of this resolution as outlined above.

Applicant's Signature _____ Date _____



ADVANCED DRAFTING AND RES. DESIGN INC
 1146 EDGEWATER AVE
 ARDEN HILLS, MN 55112
 651-341-7911

Carpenter
 2150 Roth Place
 White Bear Lake, MN 55110

Site, Roof		A4
Date	3/11/2022	
Carpenter		Scale As indicated



City of White Bear Lake
Community Development Department

MEMORANDUM

TO: Lindy Crawford, City Manager
FROM: Ashton Miller, Planning Technician
DATE: May 10, 2022
SUBJECT: **Rodrique Conditional Use Permit / 1961 3rd Street / Case No. 22-4-CUP**

SUMMARY

The City Council will consider a request for a conditional use permit for a second curb cut.

BACKGROUND INFORMATION

Applicant/Owner: Jerry Rodrique

Existing Land Use / Zoning: Single Family; zoned R-3: Single Family – Two Family Residential

Surrounding Land Use / Zoning: All Directions: Single Family; zoned R-3 Single Family Residential

Comprehensive Plan: Low Density Residential

Lot Size & Width: Code: 10,500 sq. ft.; 80 feet
 Site: 14,827 sq. ft.; 90 feet

The subject site is on the northeast corner of Campbell Avenue and 3rd Street. According to Ramsey County, the home was constructed in 1926. The three-car garage was constructed in 2014 after receiving a 340 square foot variance from the 908 square foot maximum for all accessory structures combined. At that time, the applicant did not request a conditional use permit for a second curb cut and when the building permit was issued, was told that the single curb cut could not exceed 24 feet in width. Citing a difficulty accessing the second garage, the applicant is now asking for a second curb cut directly in front of the detached garage while retaining the existing curb cut in front of the attached one-car garage.

The applicant has been using this same area for ingress/egress for quite some time with no known adverse impacts, so staff does not believe the curb cut will pose any conflicts or impede sight vision or vehicular movements. There will not be an increase in traffic in conjunction with this request. The proposed curb cut will meet the required setbacks from both the intersection and the north property line. Because the garage is within six feet of the home, it is considered attached, so rear yard

cover is not affected by the paving of the driveway.

As proposed, the two curb cuts would total 35.5 feet in width, which is more than the 32 feet the code allows for even commercial properties. Staff does not believe a residential property needs that wide of a curb cut, so a condition that the combined curb cuts not exceed 32 feet has been included. Staff has further included a condition that the area between the two driveways be green space to minimize the overall driveway width appearance.

The City's discretion in reviewing a conditional use permit is limited to whether or not the changes meet the standards outlined in the Zoning Ordinance. Staff has reviewed the proposal for the second curb cut and finds the standards will be satisfied.

SUMMARY

Staff recommended approval of the conditional use permit to the Planning Commission. The Commission held a public hearing on April 25th. No one other than the applicant spoke at the hearing. After discussion, the Commission voted to amend condition number six, to allow a small walkway between the two garages. With that one change, the Commission voted unanimously, 5-0, to recommend approval to the City Council.

RECOMMENDATIONS

The Planning Commission recommends the City Council adopt the attached resolution of approval.

Attachments:

Resolution

Site Plan

RESOLUTION NO.

**RESOLUTION GRANTING A CONDITIONAL USE PERMIT
FOR 1961 3rd STREET WITHIN THE CITY OF WHITE BEAR LAKE, MINNESOTA**

WHEREAS, a proposal (22-4-CUP) has been submitted by Jerry Rodrique to the City Council requesting approval of a conditional use permit for the following location:

LOCATION: 1961 3rd Street

LEGAL DESCRIPTION: Lot 9, Block 1, Campbell Place, Ramsey County, MN.
(PID #: 143022310071)

WHEREAS, THE APPLICANT SEEKS THE FOLLOWING: A Conditional Use Permit for a second curb cut, per Code Section 1302.050, Subd.4.h.9; and

WHEREAS, the Planning Commission held a public hearing as required by the Zoning Code on April 25, 2022; and

WHEREAS, the City Council has considered the advice and recommendations of the Planning Commission regarding the effect of the proposed conditional use permit upon the health, safety, and welfare of the community and its Comprehensive Plan, as well as any concerns related to compatibility of uses, traffic, property values, light, air, danger of fire, and risk to public safety in the surrounding areas;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake after reviewing the proposal, that the City Council accepts and adopts the following findings of the Planning Commission:

1. The proposal is consistent with the city's Comprehensive Plan.
2. The proposal is consistent with existing and future land uses in the area.
3. The proposal conforms to the Zoning Code requirements.
4. The proposal will not depreciate values in the area.
5. The proposal will not overburden the existing public services nor the capacity of the City to service the area.
6. The traffic generation will be within the capabilities of the streets serving the site.
7. The special conditions attached in the form of conditional use permits are hereby approved.

BE IT FURTHER RESOLVED, that the City Council of the City of White Bear Lake hereby

RESOLUTION NO.

approves the request, subject to the following conditions:

1. All application materials, maps, drawings, and descriptive information submitted in this application shall become part of the permit.
2. Per Section 1301.050, Subd.4, if within one (1) year after approving the Conditional Use Permit, the use as allowed by the permit shall not have been completed or utilized, the CUP shall become null and void unless a petition for an extension of time in which to complete or utilize the use has been granted by the City Council. Such petition shall be requested in writing and shall be submitted at least 30 days prior to expiration.
3. This Conditional Use Permit shall become effective upon the applicant tendering proof (ie: a receipt) to the City of having filed a certified copy of the signed resolution of approval with the County Recorder pursuant to Minnesota State, Statute 462.3595 to ensure the compliance of the herein-stated conditions.
4. A zoning permit shall be obtained before any work begins.
5. The combined width of the two curb cuts shall not exceed 32 feet.
6. Except for a sidewalk adjacent to the garages, green space shall be retained between the two driveways.
7. The new driveway shall be constructed of an approved hard surface and the restoration work within the right-of-way shall be performed to City standards subject to inspection by the Engineering Department.

The foregoing resolution, offered by Councilmember _____ and supported by Councilmember _____, was declared carried on the following vote:

Ayes:
Nays:
Passed:

Dan Louismet, Mayor

ATTEST:

Kara Coustry, City Clerk

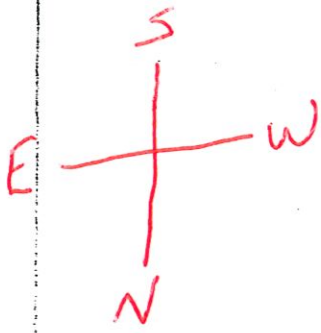
RESOLUTION NO.

Approval is contingent upon execution and return of this document to the City Planning Office.
I have read and agree to the conditions of this resolution as outlined above.

Applicant's Signature

Date

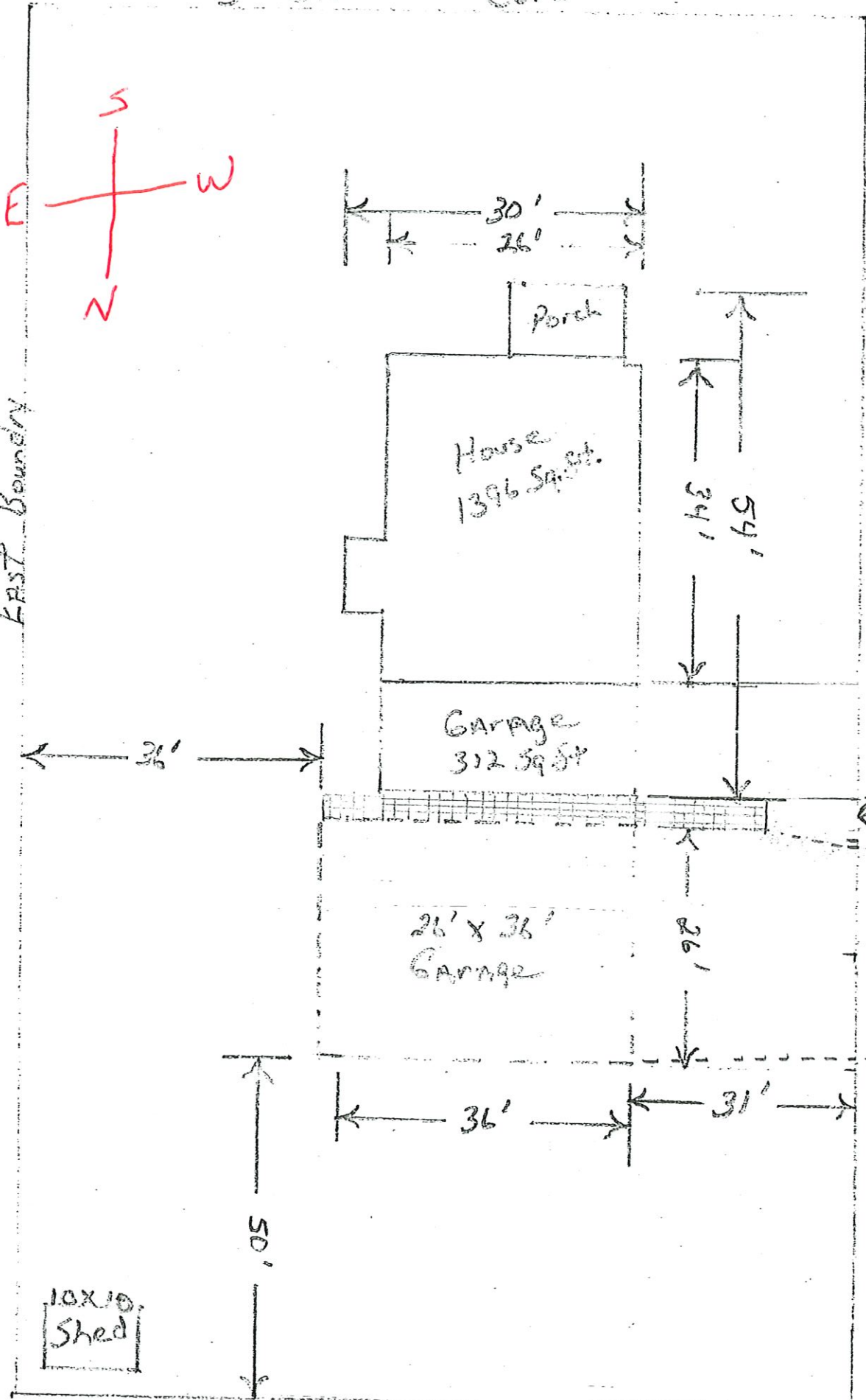
3rd st. Curb



Campbell St. Curb

Grass Space

East Boundary



10x10 Shed

House
1396 Sq. ft.

Garage
312 Sq. ft.

26' x 36'
Garage

50'

36'

31'

54'
34'

36'

26'

24'

9'11''
6'

30'

26'

Porch



City of White Bear Lake
City Manager's Office

MEMORANDUM

To: Lindy Crawford, City Manager
From: Kara Coustry, City Clerk / Administrative Assistant
Date: May 10, 2022
Subject: **Marketfest and Manitou Days presentation and participation**

SUMMARY

The City Council will receive a brief presentation from Marketfest and Manitou Days representatives and consider adopting a resolution that authorizes financial participation in Marketfest as well as the use of staff time and public resources for Manitou Days.

BACKGROUND INFORMATION

The White Bear Chamber of Commerce started Manitou Days in 1967, a tradition that has served to bring the community together for several decades now. Primarily comprised of community volunteers, White Bear Events was formed in 2006 to take over coordination of Manitou Days events from the Chamber. Today, Manitou Days is a three-week summer festival that kicks off with Marketfest and ends on the Fourth of July with live music and a fireworks display over the lake. Find this and more online at manitoudays.com/about.

The City has been contributing financially to Marketfest since 1998, after Main Street assumed its operation from the Economic Development Corporation. Because these events provide economic and social benefit to the City, its residents and businesses, past assistance has been provided through the non-tax supported Economic Development Fund. This year marks the 32nd year for this family-oriented festival, held on Thursdays in downtown White Bear Lake from 6:00 p.m. – 9:00 p.m. Rain or shine, Marketfest begins on June 16 and ends on July 28, 2022. Find this and more online at marketfestwbl.com.

The City's 2022 budget contains a \$7,000 appropriation for financial support of Marketfest, which assists with electrical, safety, insurance and related operational costs. In addition to this financial contribution, staff will continue to contribute time and public resources to both Manitou Days and Marketfest events.

RECOMMENDATION

Staff recommends the City Council adopt the attached resolution authorizing support for Marketfest and Manitou Days in 2022.

ATTACHMENTS

Resolution

RESOLUTION NO.

**RESOLUTION AUTHORIZING FINANCIAL AND STAFF PARTICIPATION
IN MARKETFEST AND STAFF PARTICIPATION IN MANITOU DAYS – 2022**

WHEREAS, Main Street, Inc. through its Marketfest division, has requested and received permission from the City Council to conduct an economic promotion and community celebratory event on six consecutive Thursdays between June 16 and July 28, 2022, in downtown White Bear Lake including entertainment, art exhibits and sales, food sales and commercial promoters; and

WHEREAS, the White Bear Events Committee also plans Manitou Days, which will run from June 16 through July 4, 2022; and

WHEREAS, the City Council has determined these events provide an economic and social benefit to the City, its residents and its businesses; and

WHEREAS, the City Council has determined that said benefit warrants financial participation by the City to defray a portion of the cost of Marketfest, as well as approve the use of City resources to provide space and logistical support related to both events.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake, that the City Manager is authorized and hereby directed to arrange for payment from the City's Economic Development Fund an amount not to exceed \$7,000 for the payment of expenses associated with insurance, safety, electrical repairs and entertainment for Marketfest in 2022; and

BE IT FURTHER RESOLVED by the City Council of the City of White Bear Lake, that the City shall provide staff and physical resources in support of both Marketfest and Manitou Days in 2022.

The foregoing resolution, offered by Councilmember _____ and supported by Councilmember _____, was declared carried on the following vote:

Ayes:
Nays:
Passed:

Dan Louismet, Mayor

ATTEST:

Kara Coustry, City Clerk



City of White Bear Lake
Finance Department

M E M O R A N D U M

To: Lindy Crawford, City Manager
From: Kerri Kindsvater, Finance Director
Date: May 10, 2022
Subject: **Presentation of the 2021 Financial Audit**

SUMMARY

Abdo staff will be attending the meeting to present the results of the 2021 financial audit.

RECOMMENDATION

Staff recommends the City Council adopt a resolution accepting the 2021 financial audit as presented.

ATTACHMENT

Resolution

RESOLUTION NO.

RESOLUTION ACCEPTING THE 2021 FINANCIAL AUDIT REPORT

WHEREAS the City's auditing firm, Abdo conducted their annual audit of White Bear Lake Financial Statements for the year ended December 31, 2021; and

WHEREAS through the audit process, Abdo determined the financial statements referred to above were presented fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the city as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America; and

WHEREAS Abdo issued an unmodified opinion on the City's Annual Comprehensive Financial Report; and

WHEREAS Abdo presented their report on the 2021 audit and its results to the City Council on May 10, 2022; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake, that the 2021 Financial Audit Report be accepted.

The foregoing resolution, offered by Councilmember _____ and supported by Councilmember _____, was declared carried on the following vote:

Ayes:

Nays:

Passed:

Dan Louismet, Mayor

ATTEST:

Kara Coustry, City Clerk



City of White Bear Lake
Finance Department

MEMORANDUM

To: Lindy Crawford, City Manager
From: Kerri Kindsvater, Finance Director
Date: May 10, 2020
Subject: Resolution awarding the sale of the 2022A General Obligation Bonds

SUMMARY

The City Council authorized the issuance of \$3,025,000 General Obligation Bonds, Series 2022A on April 12, 2022 to fund the City's portion of the 2022 Street Improvement project costs. The City, through its municipal adviser, Ehler's and Associates, will receive bids on the bond issue at 10:00am on May 10, 2022. The City Council will receive a bond sale summary report and resolution to consider approving at their regularly scheduled meeting that evening.

BACKGROUND INFORMATION

Minnesota Statutes Chapter 475 authorizes cities to issue bond obligations to borrow money and gives guidance on the rules for the types of bonds and their purposes that are available to issue. In addition to following the rules in Chapter 475, the City also receives further guidance from Minnesota Statutes Chapter 429 which relate to the issuance of General Obligation Improvement Bonds used to finance public improvements for roads.

In issuing General Obligation bonds, the City pledges its full faith and credit to the obligation payment, meaning it must use any asset or any amount of tax levy to pay principal and interest on the bond obligation for its entire term. This type of bond is the most secure which leads to generally lower interest rates and is the most inexpensive method for a city to finance their capital needs.

As part of the current bond issuance process, City staff participated in a bond rating interview with David Smith of S&P Global Ratings and Shelly Eldridge of Ehlers and Associates on Wednesday, April 27, 2022.

On May 3, 2022, S&P Global Ratings assigned its AA+ long-term rating to the City of White Bear Lake's \$3.025 million General Obligation (GO) Bonds, Series 2022A and affirmed their AA+ long-term rating on the city's outstanding GO debt. They stated their outlook for the city is stable.

These strong ratings are attributed to the City Council's accomplishments in developing and implementing long-range financial plans and policies in recent years. The City's AA+ bond rating remains one-step below the highest possible rating of AAA.

The report noted that the city's local economy is experiencing significant residential and commercial development, leading to improved market values. Consecutive years of surplus operating results have also sustained very strong reserves and liquidity, which they view as a credit strength. While future debt plans are expected to weaken their view of the city's debt profile, on balance, they consider the city's credit characteristics as commensurate with the "AA+" rating.

The following items contributed to the rating and its classification of a stable outlook for the rating:

1. Very strong economy, with access to a broad and diverse metropolitan statistical area;
2. Strong budgetary performance, reflecting conservative budgeting and positive variances with respect to permitting revenue;
3. Very weak debt and contingent liability profile, with significant medium-term debt plans; and
4. Strong management, with good financial policies and practices under our financial management assessment (FMA) methodology, with a strong institutional framework.

RECOMMENDATION

Staff recommends the City Council adopt the resolution to be received at the regularly scheduled meeting on May 10, 2022, which will authorize the bond sale to the lowest bidder from the bid opening earlier that day.

ATTACHMENTS

S&P Global Ratings Summary Rating Report
Preliminary Official Statement for the \$3,025,000 General Obligation Bonds, Series 2022A
Resolution (*received at the meeting*)

RatingsDirect®

Summary:

White Bear Lake, Minnesota; General Obligation

Primary Credit Analyst:

David H Smith, Chicago + 1 (312) 233 7029; david.smith@spglobal.com

Secondary Contact:

Melody W Vinje, Centennial + 1 (303) 721 4163; melody.vinje@spglobal.com

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Rating Action

Stable Outlook

Credit Opinion

Related Research

Summary:

White Bear Lake, Minnesota; General Obligation

Credit Profile

US\$3.025 mil GO imp bnds ser 2022A dtd 05/10/2022 due 02/01/2038		
<i>Long Term Rating</i>	AA+/Stable	New
White Bear Lake GO		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
White Bear Lake GO bnds		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
White Bear Lake GO tax abatement bnds		
<i>Long Term Rating</i>	AA+/Stable	Affirmed

Rating Action

S&P Global Ratings assigned its 'AA+' long-term rating to White Bear Lake, Minn.'s \$3.025 million general obligation (GO) improvement bonds, series 2022A. At the same time, we affirmed our 'AA+' long-term rating on the city's outstanding GO debt. The outlook is stable.

Proceeds from the series 2022A bonds will be used to finance street improvements. Securing the bonds is the city's full faith, credit, and unlimited taxing powers. The city anticipates paying debt service from special assessments and ad valorem property taxes. We rate to the GO pledge.

Credit overview

White Bear Lake is located approximately 10 miles northeast of St. Paul, within the Twin Cities metropolitan statistical area (MSA). The city's local economy is experiencing significant residential and commercial development, leading to improved market values. Consecutive years of surplus operating results have also sustained very strong reserves and liquidity, which we view as a credit strength. While future debt plans are expected to weaken our view of the city's debt profile, on balance, we consider the city's credit characteristics as commensurate with the 'AA+' rating.

The rating reflects our view of the city's:

- Very strong economy, with access to the broad and diverse Minneapolis-St. Paul MSA, with notable residential development and strong commercial demand;
- Strong budgetary performance, reflecting conservative budgeting and positive variances with respect to permitting revenue;
- Very weak debt and contingent liability profile, with significant medium-term debt plans; and
- Strong management, with good financial policies and practices under our financial management assessment (FMA) methodology, with a strong institutional framework.

Environmental, social, and governance factors

We consider the city's environmental risk as being neutral, though we note that White Bear Lake's water level has declined in recent years as a result of drought conditions, leading to an ongoing risk of mandates requiring a reduction in water usage in the city and neighboring communities. We view the city's social risks as being neutral. The city's governance risks align with our view of those of the sector on the whole.

Stable Outlook

Upside scenario

If the city's local economy were to improve, demonstrated by higher income indicators comparable with those of higher-rated peers, coupled with a material improvement in the city's debt profile, we could raise the rating.

Downside scenario

If the city's budgetary performance were to materially deteriorate, thereby reducing its reserves or liquidity to levels we would no longer consider commensurate with those of similarly rated peers, we could consider lowering the rating.

Credit Opinion

Very strong economy, with access to the Twin Cities MSA

White Bear Lake is located in Ramsey and Washington counties in the Minneapolis-St. Paul-Bloomington MSA, which we consider broad and diverse. The city is approximately 10 miles northeast of St. Paul. Residents have access to ample employment opportunities throughout the MSA and the city itself. Largest employers within the city include the local school district (1,338 employees), Century College (600 employees), and the HVAC distributor Trane (360 employees).

The city has experienced significant growth recently, including the opening of a 192-unit market rate apartment development, which reached 90% occupancy in six months. Demand for commercial space has been strong, comparable to pre-pandemic levels. The local school district is expanding significantly, which officials believe will be attractive to new residents. Overall, the city's market value has experienced steady growth in recent years, increasing by 4.7% annually during the past two years to \$3.16 billion in 2022.

Strong management, good financial policies under our FMA assessment

We view the city's management as strong, with good financial policies and practices under our FMA methodology.

The city uses two to five years of historical data and available outside sources when preparing budgets. At the request of the city council, budget-to-actual reports are shared with the council quarterly. The city also maintains a 10-year long-term financial plan and a 10-year capital improvement plan, both updated annually. Officials report that they are incorporating the long-term financial plan into more council meetings and discussions. The city has a formal investment management policy and shares investment holdings with the council quarterly, at the request of the city council. The city maintains a formal fund balance policy of 35% to 50% of expenditures, and adheres to state guidelines for its debt management policy.

Strong budgetary performance, with a consistent trend of positive operations and very strong budgetary flexibility and liquidity

We consider the district's budgetary performance to be strong, with general fund surpluses in three consecutive years. In assessing the city's performance, we have made a number of adjustments to its operating data to better analyze typical operations and facilitate comparisons with peers, such as treating recurring transfers as revenue and expenditures and removing capital costs paid for with bond proceeds.

The fiscal 2022 budget features a slight \$18,000 operating surplus, but officials report that they expect to outperform this forecast. Because of renovations at the local high school, the city is receiving strong permitting fee revenue to date. In addition, consistent with the city's typical practice, the 2022 budget is structured conservatively, with expenditures expected to come in below budget in part due to vacancies for certain positions.

In fiscal 2021 (fiscal year-end Dec. 31), the city reported a strong general fund surplus of \$848,000, or 7% of expenditures. Contributing to this result were positive variances for permitting revenue as well as lower expenditures associated with personnel vacancies. The largest sources of general fund revenue in 2021 were property taxes (57%), intergovernmental (21%), and licenses and permits (12%).

White Bear Lake's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2021 of 55% of operating expenditures, or \$6.6 million. Given our expectations for budgetary performance, as well as the city's adherence to a formal fund balance policy to maintain 35% to 50% of expenditures on hand, we anticipate that the city will maintain very strong reserves for the foreseeable future.

White Bear Lake's liquidity is very strong. At the close of fiscal 2021, the city had approximately \$40 million in cash and investments across its total government funds and enterprise funds, after removing restricted amounts. The city has no direct placement obligations or contingent liabilities that could impair its liquidity. Overall, we anticipate that liquidity will remain very strong for the foreseeable future given our expectations for the city's budgetary performance.

Very weak debt and contingent liability profile, with significant new money debt plans

We consider White Bear Lake's debt and contingent liability profile to be very weak, based on expectations that city may issue up to roughly \$16.9 million in GO debt within the next few years for a renovation of a public safety facility and a fire station, among other projects. The forecasted new money debt issuances will likely worsen our view of the city's debt profile. We understand that the city may receive a large state grant that will reduce the amount of debt being issued, and should this occur, our view of the city's debt profile may moderate.

Pension and other postemployment benefit liabilities

White Bear Lake's pension contributions and other postemployment benefits (OPEB) totaled 7.2% of total governmental fund expenditures in 2021. We do not believe that the city's pension liabilities represent a medium-term credit pressure, as contributions are a fairly modest share of the budget and we believe the city has the capacity to absorb higher costs without pressuring operations. The city's two largest multiple-employer, defined benefit pension plans have seen improvements in funded status in recent years, though plan statutory contributions have regularly fallen short of actuarial recommendations. Along with certain plan-specific actuarial assumptions and methods, this introduces some long-term risk of funding volatility and cost acceleration.

Although the city funds OPEBs on a pay-as-you-go basis, exposing it to cost acceleration and volatility, we expect that medium-term costs will remain only a small share of total spending and therefore not a significant budgetary pressure.

The city participates in the following defined benefit plans:

- Minnesota General Employees Retirement Fund (GERF): 87% funded (as of June 30, 2021), with a city proportionate share of the plan's net pension liability estimated at \$2.7 million;
- Minnesota Police and Fire Fund (PEPFF): 93.7% funded (June 30, 2021), with a proportionate share of \$2.8 million;
- A single-employer pension plan for members of the White Bear Lake Fire Department: Net pension asset of \$3.5 million as of Dec. 31, 2020; and
- A single-employer OPEB plan, which is funded on a pay-as-you-go basis with a net OPEB liability of \$2 million.

Total contributions to GERF and PEPFF were 97.7% and 109.6%, respectively, of our minimum funding progress metric in 2021 and were above static funding in both cases. Annual contributions are based on a statutory formula that has typically produced contributions less than the actuarially determined contribution for each plan, which we think increases the risk of underfunding over time if the state legislature does not make adjustments to meet future funding shortfalls. Other key risks include a 7.5% rate-of-return assumption (for both plans) that indicates some exposure to cost acceleration as a result of market volatility, and an amortization method that significantly defers contributions through a lengthy, closed amortization period based on a level 3.25% payroll growth assumption. Regardless, costs remain only a modest share of total spending and, in our view, are unlikely to pressure the city's medium-term operational health.

Strong institutional framework

The institutional framework score for Minnesota cities with a population greater than 2,500 is strong.

White Bear Lake City, MN: Key Credit Metrics				
	Most recent	Historical information		
		2021	2020	2019
Very strong economy				
Projected per capita EBI % of U.S.	114.95			
Market value per capita (\$)	121,241			
Population			26,054	26,029
County unemployment rate(%)			6.88	
Market value (\$000)	3,158,818	3,052,425	2,880,556	
Ten largest taxpayers % of taxable value	9.23			
Strong budgetary performance				
Operating fund result % of expenditures	7.01	4.17	10.36	
Total governmental fund result % of expenditures	4.33	13.89	6.79	
Very strong budgetary flexibility				
Available reserves % of operating expenditures	55.04	51.05	45.07	
Total available reserves (\$000)	6,656	5,805	4,902	

White Bear Lake City, MN: Key Credit Metrics (cont.)

	Most recent	Historical information		
		2021	2020	2019
Very strong liquidity				
Total government cash % of governmental fund expenditures		222.82	249.31	202.20
Total government cash % of governmental fund debt service		2685.81	2854.72	3313.44
Strong management				
Financial Management Assessment	Good			
Very weak debt & long-term liabilities				
Debt service % of governmental fund expenditures		8.30	8.73	6.10
Net direct debt % of governmental fund revenue	129.06			
Overall net debt % of market value	3.69			
Direct debt 10-year amortization (%)	57.82			
Required pension contribution % of governmental fund expenditures		6.22		
OPEB actual contribution % of governmental fund expenditures		0.47		
Strong institutional framework				

EBI--Effective buying income. OPEB--Other postemployment benefits. Data points and ratios may reflect analytical adjustments.

Related Research

2021 Update Of Institutional Framework For U.S. Local Governments

Credit Conditions North America Q2 2022: Hazard Ahead: Risk Intersection, March 29, 2022

S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013

Criteria Guidance: Assessing U.S. Public Finance Pension And Other Postemployment Obligations For GO Debt, Local Government GO Ratings, And State Ratings, Oct. 7, 2019

Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Ratings Detail (As Of May 3, 2022)

White Bear Lake GO tax incre rev bnds (Boathouse Redevelopment Tax Incre Proj)

Long Term Rating

AA+/Stable

Affirmed

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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PRELIMINARY OFFICIAL STATEMENT DATED MAY 3, 2022

In the opinion of Kennedy & Graven, Chartered, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions (which exclude any pending legislation which may have a retroactive effect), and assuming compliance with certain covenants, interest to be paid on the Bonds is excluded from gross income for federal income tax purposes and, to the same extent, from taxable net income of individuals, estates and trusts for Minnesota income tax purposes, and is not a preference item for purposes of computing the federal alternative minimum tax or the Minnesota alternative minimum tax imposed on individuals, trusts, and estates. Such interest is subject to Minnesota franchise taxes on corporations (including financial institutions) measured by income. No opinion will be expressed by Bond Counsel regarding other state or federal tax consequences caused by the receipt or accrual of interest on the Bonds or arising with respect to ownership of the Bonds. See "Tax Exemption" herein.

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

New Issue

Rating Application Made: S&P Global Ratings

CITY OF WHITE BEAR LAKE, MINNESOTA (Ramsey and Washington Counties)

\$3,025,000* GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2022A

PROPOSAL OPENING: May 10, 2022, 10:00 A.M., C.T.

CONSIDERATION: May 10, 2022, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$3,025,000* General Obligation Improvement Bonds, Series 2022A (the "Bonds") are being issued pursuant to Minnesota Statutes, Chapters 429 and 475, by the City of White Bear Lake, Minnesota (the "City") for the purpose of financing the 2022 street improvement projects within the City. The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged. Delivery is subject to receipt of an approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota.

DATE OF BONDS: June 2, 2022

MATURITY: February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2024	\$180,000	2029	\$195,000	2034	\$210,000
2025	185,000	2030	195,000	2035	215,000
2026	185,000	2031	200,000	2036	220,000
2027	185,000	2032	205,000	2037	225,000
2028	190,000	2033	205,000	2038	230,000

MATURITY ADJUSTMENTS: * The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: February 1, 2023 and semiannually thereafter.

OPTIONAL REDEMPTION: Bonds maturing on February 1, 2032 and thereafter are subject to call for prior optional redemption on February 1, 2031 and any date thereafter, at a price of par plus accrued interest.

MINIMUM PROPOSAL: \$2,988,700.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$60,500 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation

BOND COUNSEL: Kennedy & Graven, Chartered

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY: See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a Final Official Statement.

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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CITY OF WHITE BEAR LAKE CITY COUNCIL

		<u>Term Expires</u>
Dan Louismet	Mayor	January 2026
Kevin Edberg	Council Member	January 2026
Steven Engstran	Council Member	January 2024
Heidi Hughes	Council Member	January 2026
Dan Jones	Council Member	January 2024
Bill Walsh	Council Member	January 2024

ADMINISTRATION

Lindy Crawford, City Manager
Kerri Kindsvater, Finance Director

PROFESSIONAL SERVICES

Kennedy & Graven, Chartered, Bond Counsel and City Attorney, Minneapolis, Minnesota

Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota
(Other offices located in Waukesha, Wisconsin and Denver, Colorado)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of White Bear Lake, Minnesota (the "City") and the issuance of its \$3,025,000* General Obligation Improvement Bonds, Series 2022A (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Award Resolution") to be adopted by the City Council on May 10, 2022.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, Minnesota, (651) 697-8500, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of June 2, 2022. The Bonds will mature on February 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on February 1 and August 1 of each year, commencing February 1, 2023, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2024 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Award Resolution.

The City has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2032 shall be subject to optional redemption prior to maturity on February 1, 2031 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 429 and 475, by the City for the purpose of financing the 2022 street improvement projects.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	\$3,025,000	
Prepaid Assessments	<u>117,954</u>	
Total Sources		\$3,142,954
Uses		
Total Underwriter's Discount (1.200%)	\$36,300	
Costs of Issuance	50,000	
Deposit to Capitalized Interest (CIF) Fund	57,051	
Deposit to Construction Fund	2,995,424	
Rounding Amount	<u>4,179</u>	
Total Uses		\$3,142,954

*Preliminary, subject to change.

SECURITY

The Bonds are general obligations of the City for which its full faith, credit and taxing powers are pledged without limitation as to rate or amount. The City anticipates that the debt service will be paid from a combination of special assessments levied against properties benefitted by improvements financed by the Bonds and from ad valorem property taxes. Receipt of special assessments and collection of ad valorem taxes will be sufficient to provide not less than 105% of principal and interest on the Bonds as required by Minnesota law.

Should the revenues pledged for payment of the Bonds be insufficient to pay the principal and interest as the same shall become due, the City is required to pay maturing principal and interest from moneys on hand in any other fund of the City not pledged for another purpose and/or to levy additional taxes for this purpose upon all the taxable property in the City, without limitation as to rate or amount.

RATING

General obligation debt of the City, with the exception of any outstanding credit enhanced issues, is currently rated "AA+" by S&P Global Ratings ("S&P").

The City has requested a rating on the Bonds from S&P, and bidders will be notified as to the assigned rating prior to the sale. Such rating, if assigned, reflects only the views of such organization and explanations of the significance of such rating may be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events.

On the date of issue and delivery, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with any Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Prior continuing disclosure undertakings entered into by the City included language stating that an Annual Report including the City's audited financial statements and operating data would be filed "as soon as available." Although the City did not provide financial statements "as soon as available", the Annual Reports were timely filed within the required twelve (12) month timeframe as provided for in each undertaking. Other than what is described in this paragraph, the City believes it has complied in all material respects with its prior disclosure undertakings under the Rule in the last five years. The City has reviewed its continuing disclosure responsibilities along with any changes to the Rule, to ensure compliance. Ehlers is currently engaged as dissemination agent for the City.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

TAX EXEMPTION

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and decisions, interest on the Bonds is excludable from gross income of the owners thereof for purposes of federal income taxation and is excludable from taxable net income of individuals, estates and trusts for purposes of State of Minnesota income taxation, but is subject to State of Minnesota franchise taxes measured by income that are imposed upon corporations, including financial institutions.

Noncompliance following the issuance of the Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code") and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income (for federal tax purposes) and taxable net income (for State of Minnesota tax purposes) of the owners thereof. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to United States or State of Minnesota income taxation.

The Code imposes an alternative minimum tax with respect to individuals on alternative minimum taxable income.

The Code provides that in the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as "losses incurred" under Section 832(b)(5) shall be reduced by an amount equal to the applicable percentage of the interest on the Bonds that is received or accrued during the taxable year.

Interest on the Bonds may be included in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code. Under certain circumstances, interest on the Bonds may be subject to the tax on "excess net passive income" of Subchapter S corporations imposed by Section 1375 of the Code.

The above is not a comprehensive list of all federal tax consequences which may arise from the receipt of interest on the Bonds. The receipt of interest on the Bonds may otherwise affect the federal or State income tax liability of the recipient based on the particular taxes to which the recipient is subject and the particular tax status of other items or deductions. Bond Counsel expresses no opinion regarding any such consequences. All prospective purchasers of the Bonds are advised to consult their own tax advisors as to the tax consequences of, or tax considerations for, purchasing or holding the Bonds.

Legislative proposals

Bond Counsel's opinion is given as of its date and Bond Counsel assumes no obligation to update, revise, or supplement such opinion to reflect any changes in facts or circumstances or any changes in law that may hereafter occur. Proposals are regularly introduced in both the United States House of Representatives and the United States Senate that, if enacted, could alter or affect the tax-exempt status on municipal bonds. For example, legislation has been proposed that would, among other things, limit the amount of exclusions (including tax-exempt interest) or deductions that certain higher-income taxpayers could use to reduce their tax liability. The likelihood of adoption of this or any other such legislative proposal relating to tax-exempt bonds cannot be reliably predicted. If enacted into law, current or future proposals may have a prospective or retroactive effect and could affect the value or marketability of tax-exempt bonds (including the Bonds). Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any such change in law.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor. Ehlers makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Preliminary Official Statement, and its assistance in preparing this Preliminary Official Statement should not be construed as a representation that it has independently verified such information.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2020 have been audited by Abdo, Eick & Meyers, LLP, Minneapolis, Minnesota, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Bonds are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service should other revenue (special assessments) be insufficient. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the state may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government or the State of Minnesota taxes all or a portion of the interest on municipal obligations, directly or indirectly, or if there is a change in federal or state tax policy, the value of the Bonds may fall for purposes of resale. Noncompliance following the issuance of the Bonds with certain requirements of the Code and covenants of the Award Resolution may result in the inclusion of interest on the Bonds in gross income of the recipient for United States income tax purposes or in taxable net income of individuals, estates or trusts for State of Minnesota income tax purposes. No provision has been made for redemption of the Bonds, or for an increase in the interest rate on the Bonds, in the event that interest on the Bonds becomes subject to federal or State of Minnesota income taxation, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

State Economy; State Aids: State of Minnesota cash flow problems could affect local governments and possibly increase property taxes.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of

the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and the declaration of a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the City and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the City, including the duration of the outbreak and measures taken to address the outbreak.

On March 13, 2020, Minnesota Governor Tim Walz signed Emergency Executive Order 20-01 and declared a peacetime emergency. In subsequent executive orders, the Governor extended the peacetime emergency by 30 days. On May 14, 2021, the Governor signed Executive Order 21-23 to end the statewide mask requirement and align with new Centers for Disease Control and Prevention (CDC) guidance on face coverings. The Minnesota Legislature ended the peacetime emergency declaration on July 1, 2021.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which provides local governments an additional \$130.2 billion through the Coronavirus Local Fiscal Recovery Fund. These funds can be used to mitigate increased expenditures, lost revenue and economic hardship related to the COVID-19 pandemic.

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto.

VALUATIONS

OVERVIEW

All non-exempt property is subject to taxation by local taxing districts. Exempt real property includes Indian lands, public property, and educational, religious and charitable institutions. Most personal property is exempt from taxation (except investor-owned utility mains, generating plants, etc.).

The valuation of property in Minnesota consists of three elements. (1) The estimated market value is set by city or county assessors. Not less than 20% of all real properties are to be appraised by local assessors each year. (2) The taxable market value is the estimated market value adjusted by all legislative exclusions. (3) The tax capacity (taxable) value of property is determined by class rates set by the State Legislature. The tax capacity rate varies according to the classification of the property. Tax capacity represents a percent of taxable market value.

The property tax rate for a local taxing jurisdiction is determined by dividing the total tax capacity or market value of property within the jurisdiction into the dollars to be raised from the levy. State law determines whether a levy is spread on tax capacity or market value. Major classifications and the percentages by which tax capacity is determined are:

Type of Property	2019/20	2020/21	2021/22
Residential homestead ¹	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%	First \$500,000 - 1.00% Over \$500,000 - 1.25%
Agricultural homestead ¹	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,880,000 - 0.50% ² Over \$1,880,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,900,000 - 0.50% ² Over \$1,900,000 - 1.00% ²	First \$500,000 HGA - 1.00% Over \$500,000 HGA - 1.25% First \$1,890,000 - 0.50% ² Over \$1,890,000 - 1.00% ²
Agricultural non-homestead	Land - 1.00% ²	Land - 1.00% ²	Land - 1.00% ²
Seasonal recreational residential	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³	First \$500,000 - 1.00% ³ Over \$500,000 - 1.25% ³
Residential non-homestead:	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$150,000 - .75% Over \$150,000 - .25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$162,000 - .75% Over \$162,000 - .25%	1 unit - 1st \$500,000 - 1.00% Over \$500,000 - 1.25% 2-3 units - 1.25% 4 or more - 1.25% Small City ⁴ - 1.25% Affordable Rental: First \$174,000 - .75% Over \$174,000 - .25%
Industrial/Commercial/Utility ⁵	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$150,000 - 1.50% Over \$150,000 - 2.00%	First \$100,000 - 1.50% Over \$150,000 - 2.00%

¹ A residential property qualifies as "homestead" if it is occupied by the owner or a relative of the owner on the assessment date.

² Applies to land and buildings. Exempt from referendum market value tax.

³ Exempt from referendum market value tax.

⁴ Cities of 5,000 population or less and located entirely outside the seven-county metropolitan area and the adjacent nine-county area and whose boundaries are 15 miles or more from the boundaries of a Minnesota city with a population of over 5,000.

⁵ The estimated market value of utility property is determined by the Minnesota Department of Revenue.

CURRENT PROPERTY VALUATIONS

2020/21 Economic Market Value¹ \$3,158,818,078²

2021/22 Assessor's Estimated Market Value

	Ramsey County	Washington County	Total
Real Estate	\$3,086,692,000	\$47,763,800	\$3,134,455,800
Personal Property	<u>22,022,500</u>	<u>120,900</u>	<u>22,143,400</u>
Total Valuation	<u>\$3,108,714,500</u>	<u>\$47,884,700</u>	<u>\$3,156,599,200</u>

2021/22 Net Tax Capacity

	Ramsey County	Washington County	Total
Real Estate	\$35,367,531	\$563,422	\$35,930,953
Personal Property	<u>423,196</u>	<u>2,418</u>	<u>425,614</u>
Net Tax Capacity	\$35,790,727	\$565,840	\$36,356,567
Less: Captured Tax Increment Tax Capacity ³	(603,972)	0	(603,972)
Fiscal Disparities Contribution ⁴	<u>(3,744,898)</u>	<u>(48,459)</u>	<u>(3,793,357)</u>
Taxable Net Tax Capacity	\$31,441,857	\$517,381	\$31,959,238
Plus: Fiscal Disparities Distribution ⁴	<u>4,656,474</u>	<u>71,535</u>	<u>4,728,009</u>
Adjusted Taxable Net Tax Capacity	<u>\$36,098,331</u>	<u>\$588,916</u>	<u>\$36,687,247</u>

¹ Most recent value available from the Minnesota Department of Revenue.

² According to the Minnesota Department of Revenue, the 2020/21 Assessor's Estimated Market Value (the "AEMV") for the City in Ramsey County is about 98.72% of the actual selling prices of property most recently sold in the City and the portion of the City located in Washington County is about 94.79%. The sales ratio was calculated by comparing the selling prices with the AEMV. Dividing the AEMV of real estate by the sales ratio and adding the AEMV of personal property and utility, railroads and minerals, if any, results in a 2020/21 Economic Market Value ("EMV") for the City of \$3,158,818,078.

³ The captured tax increment value shown above represents the captured net tax capacity of tax increment financing districts in the City.

⁴ Each community in the seven-county metropolitan area contributes 40% of the growth in its commercial-industrial property tax base to an area pool which is then distributed among the municipalities on the basis of population, special needs, etc. Each governmental unit makes a contribution and receives a distribution--sometimes gaining and sometimes contributing net tax capacity for tax purposes.

2021/22 NET TAX CAPACITY BY CLASSIFICATION

	2021/22 Net Tax Capacity	Percent of Total Net Tax Capacity
Residential homestead	\$18,759,789	51.60%
Commercial/industrial	8,968,882	24.67%
Railroad operating property	223,722	0.62%
Non-homestead residential	7,950,090	21.87%
Commercial & residential seasonal/rec.	28,470	0.08%
Personal property	425,614	1.17%
Total	<u>\$36,356,567</u>	<u>100.00%</u>

TREND OF VALUATIONS

Levy Year	Assessor's Estimated Market Value	Assessor's Taxable Market Value	Net Tax Capacity¹	Adjusted Taxable Net Tax Capacity²	Percent Increase/Decrease in Estimated Market Value
2017/18	\$2,558,489,600	\$2,226,082,600	\$29,093,314	\$29,423,150	8.24%
2018/19	2,736,553,900	2,428,404,100	31,378,681	31,622,630	6.96%
2019/20	2,916,917,900	2,626,951,400	33,431,934	33,574,636	6.59%
2020/21	3,108,858,300	3,001,474,100	35,885,404	35,900,146	6.58%
2021/22	3,156,599,200	3,051,027,300	36,356,567	36,687,247	1.54%

¹ Net Tax Capacity is before fiscal disparities adjustments and includes tax increment values.

² Adjusted Taxable Net Tax Capacity is after fiscal disparities adjustments and does not include tax increment values.

LARGER TAXPAYERS

Taxpayer	Type of Property	2021/22 Net Tax Capacity	Percent of City's Total Net Tax Capacity
Timberland White Bear Woods LLC	Apartments	\$627,000	1.72%
Xcel Energy	Utility	526,656	1.45%
Menard Inc.	Commercial	342,754	0.94%
WSL of White Bear Lake Prop Owner LLC	Apartments	327,540	0.90%
Birch Lake Townhomes LLC	Residential	310,036	0.85%
Roberts Commercial Properties	Commerical	275,432	0.76%
CSM Investors Inc.	Commercial	275,416	0.76%
KTJ 255 LLC	Commercial	279,336	0.77%
Boatworks Commons LLC	Apartments	239,210	0.66%
White Bear Shopping Center Inc.	Commercial	232,576	<u>0.64%</u>
Total		<u>\$3,435,956</u>	<u>9.45%</u>

City's Total 2021/22 Net Tax Capacity \$36,356,567

Source: Current Property Valuations, Net Tax Capacity by Classification, Trend of Valuations and Larger Taxpayers have been furnished by Ramsey and Washington Counties.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total G.O. debt secured by special assessments and taxes (includes the Bonds)*	\$12,700,000
Total G.O. debt secured by tax abatement revenues	2,950,000
Total G.O. debt secured by tax increment revenues	2,045,000
Total G.O. debt secured by taxes	3,150,000
Total G.O. debt secured by utility revenues	3,290,000
Total General Obligation Debt*	<u>\$24,135,000</u>

*Preliminary, subject to change.

¹ Outstanding debt is as of the dated date of the Bonds.

**City of White Bear Lake, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Special Assessments and Taxes
(As of 06/02/2022)**

Dated Amount	Improvement Bonds Series 2012B		Improvement Bonds 1) Series 2018A		Improvement Bonds Series 2019A		Improvement Bonds 2) Series 2020A		Improvement Bonds 3) Series 2021A	
	12/19/2012 \$2,555,000	02/01	06/14/2018 \$3,995,000	02/01	07/18/2019 \$1,925,000	02/01	07/16/2020 \$2,450,000	02/01	06/17/2021 \$1,335,000	02/01
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	0	7,043	0	57,200	0	29,700	0	28,925	0	13,400
2023	165,000	12,806	170,000	111,000	105,000	57,300	140,000	55,750	120,000	25,300
2024	160,000	10,208	175,000	104,100	105,000	53,100	140,000	51,550	120,000	22,300
2025	155,000	7,531	180,000	97,900	110,000	48,800	145,000	47,275	120,000	19,600
2026	150,000	4,788	185,000	92,425	110,000	44,400	145,000	42,925	120,000	17,200
2027	100,000	2,400	190,000	86,800	110,000	40,000	145,000	38,575	125,000	14,750
2028	70,000	700	190,000	81,100	110,000	35,600	150,000	34,150	125,000	12,250
2029			195,000	75,325	115,000	31,100	150,000	29,650	125,000	9,750
2030			200,000	69,400	115,000	27,075	150,000	25,150	130,000	7,200
2031			205,000	63,325	95,000	23,925	155,000	21,350	130,000	4,600
2032			210,000	56,969	100,000	21,000	100,000	18,800	130,000	2,325
2033			215,000	50,328	100,000	18,000	105,000	16,750	90,000	675
2034			215,000	43,475	100,000	15,000	105,000	14,650		
2035			225,000	36,325	100,000	12,000	105,000	12,550		
2036			230,000	28,788	65,000	9,525	110,000	10,400		
2037			235,000	20,941	65,000	7,575	90,000	8,400		
2038			240,000	12,775	70,000	5,550	90,000	6,600		
2039			245,000	4,288	75,000	3,375	95,000	4,750		
2040					75,000	1,125	95,000	2,850		
2041							95,000	950		
	800,000	45,475	3,505,000	1,092,463	1,725,000	484,150	2,310,000	472,000	1,335,000	149,350

- 1) This represents the \$3,995,000 Improvement portion of the \$5,850,000 General Obligation Bonds, Series 2018A.
- 2) This represents the \$2,450,000 Improvement portion of the \$4,440,000 General Obligation Bonds, Series 2020A.
- 3) This represents the \$1,335,000 Improvement portion of the \$4,280,000 General Obligation Bonds, Series 2021A.

-Continued on next page

**City of White Bear Lake, Minnesota
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Special Assessments and Taxes
(As of 06/02/2022)**

**Improvement Bonds
Series 2022A**

Dated Amount	06/02/2022 \$3,025,000*	Maturity	02/01	Estimated Interest	Principal	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
					0	0	136,268	136,268	12,700,000	.00%	2022
				100,019	0	700,000	362,175	1,062,175	12,000,000	5.51%	2023
				84,090	180,000	880,000	325,348	1,205,348	11,120,000	12.44%	2024
				80,118	185,000	895,000	301,224	1,196,224	10,225,000	19.49%	2025
				75,678	185,000	895,000	277,415	1,172,415	9,330,000	26.54%	2026
				70,914	185,000	855,000	253,439	1,108,439	8,475,000	33.27%	2027
				65,850	190,000	835,000	229,650	1,064,650	7,640,000	39.84%	2028
				60,508	195,000	780,000	206,333	986,333	6,860,000	45.98%	2029
				54,999	195,000	790,000	183,824	973,824	6,070,000	52.20%	2030
				49,320	200,000	785,000	162,520	947,520	5,285,000	58.39%	2031
				43,396	205,000	745,000	142,490	887,490	4,540,000	64.25%	2032
				37,298	205,000	715,000	123,051	838,051	3,825,000	69.88%	2033
				31,020	210,000	630,000	104,145	734,145	3,195,000	74.84%	2034
				24,485	215,000	645,000	85,360	730,360	2,550,000	79.92%	2035
				17,743	220,000	625,000	66,455	691,455	1,925,000	84.84%	2036
				10,789	225,000	615,000	47,704	662,704	1,310,000	89.69%	2037
				3,623	230,000	630,000	28,548	658,548	680,000	94.65%	2038
						415,000	12,413	427,413	265,000	97.91%	2039
						170,000	3,975	173,975	95,000	99.25%	2040
						95,000	950	95,950	0	100.00%	2041
					3,025,000	12,700,000	3,053,284	15,753,284			

* Preliminary, subject to change.

**City of White Bear Lake, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Tax Abatement Revenues
(As of 06/02/2022)**

**Tax Abatement Bonds
Series 2018B**

Dated 06/14/2018
Amount \$3,330,000

Maturity 02/01

Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2022	0	46,800	0	46,800	46,800	2,950,000	.00%	2022
2023	135,000	91,575	135,000	91,575	226,575	2,815,000	4.58%	2023
2024	140,000	87,450	140,000	87,450	227,450	2,675,000	9.32%	2024
2025	145,000	83,175	145,000	83,175	228,175	2,530,000	14.24%	2025
2026	150,000	78,750	150,000	78,750	228,750	2,380,000	19.32%	2026
2027	150,000	74,250	150,000	74,250	224,250	2,230,000	24.41%	2027
2028	155,000	69,675	155,000	69,675	224,675	2,075,000	29.66%	2028
2029	160,000	64,950	160,000	64,950	224,950	1,915,000	35.08%	2029
2030	165,000	60,075	165,000	60,075	225,075	1,750,000	40.68%	2030
2031	170,000	55,050	170,000	55,050	225,050	1,580,000	46.44%	2031
2032	175,000	49,766	175,000	49,766	224,766	1,405,000	52.37%	2032
2033	180,000	44,219	180,000	44,219	224,219	1,225,000	58.47%	2033
2034	190,000	38,319	190,000	38,319	228,319	1,035,000	64.92%	2034
2035	195,000	32,063	195,000	32,063	227,063	840,000	71.53%	2035
2036	200,000	25,519	200,000	25,519	225,519	640,000	78.31%	2036
2037	205,000	18,684	205,000	18,684	223,684	435,000	85.25%	2037
2038	215,000	11,463	215,000	11,463	226,463	220,000	92.54%	2038
2039	220,000	3,850	220,000	3,850	223,850	0	100.00%	2039
	2,950,000	935,631	2,950,000	935,631	3,885,631			

City of White Bear Lake, Minnesota
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Tax Incremental Revenues
 (As of 06/02/2022)

Dated Amount	Tax Increment Refunding Bonds Series 2012A		Tax Increment Revenue Bonds Series 2016A		Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	04/03/2012 \$2,650,000	02/01	03/10/2016 \$2,275,000	02/01						
Maturity										
Calendar Year Ending	Principal	Interest	Principal	Interest						
2022	0	1,700	0	23,481	0	25,181	2,045,000	.00%	2022	
2023	170,000	1,700	90,000	45,613	260,000	47,313	1,785,000	12.71%	2023	
2024			95,000	42,838	95,000	42,838	1,690,000	17.36%	2024	
2025			100,000	39,913	100,000	39,913	1,590,000	22.25%	2025	
2026			105,000	37,363	105,000	37,363	1,485,000	27.38%	2026	
2027			110,000	35,213	110,000	35,213	1,375,000	32.76%	2027	
2028			115,000	32,963	115,000	32,963	1,260,000	38.39%	2028	
2029			120,000	30,553	120,000	30,553	1,140,000	44.25%	2029	
2030			125,000	27,918	125,000	27,918	1,015,000	50.37%	2030	
2031			130,000	25,048	130,000	25,048	885,000	56.72%	2031	
2032			135,000	21,933	135,000	21,933	750,000	63.33%	2032	
2033			140,000	18,563	140,000	18,563	610,000	70.17%	2033	
2034			145,000	15,000	145,000	15,000	465,000	77.26%	2034	
2035			150,000	11,125	150,000	11,125	315,000	84.60%	2035	
2036			155,000	6,931	155,000	6,931	160,000	92.18%	2036	
2037			160,000	2,400	160,000	2,400	0	100.00%	2037	
	170,000	3,400	1,875,000	416,850	2,045,000	420,250	2,465,250			

**City of White Bear Lake, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 06/02/2022)**

Calendar Year Ending	Equipment Certificates 1) Series 2018A			Equipment Certificates 2) Series 2020A			Equipment Certificates 3) Series 2021A			Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	Dated Amount	Maturity	Interest	Dated Amount	Maturity	Interest	Dated Amount	Maturity	Interest				
2022			26,928			15,300			5,050	47,278	3,150,000	.00%	2022
2023			52,356		28,875	28,875		9,475	90,706	330,706	2,910,000	7.62%	2023
2024			49,356		25,350	25,350		8,225	82,931	327,931	2,665,000	15.40%	2024
2025			46,656		21,750	21,750		7,100	75,506	325,506	2,415,000	23.33%	2025
2026			44,256		18,075	18,075		6,100	68,431	323,431	2,160,000	31.43%	2026
2027			41,781		14,250	14,250		5,050	61,081	331,081	1,890,000	40.00%	2027
2028			39,156		10,275	10,275		3,950	53,381	333,381	1,610,000	48.89%	2028
2029			36,456		6,225	6,225		2,850	45,531	325,531	1,330,000	57.78%	2029
2030			33,681		2,100	2,100		1,750	37,531	327,531	1,040,000	66.98%	2030
2031			30,831					600	31,431	186,431	885,000	71.90%	2031
2032			27,844						27,844	127,844	785,000	75.08%	2032
2033			24,719						24,719	124,719	685,000	78.25%	2033
2034			21,450						21,450	126,450	580,000	81.59%	2034
2035			17,956						17,956	127,956	470,000	85.08%	2035
2036			14,313						14,313	124,313	360,000	88.57%	2036
2037			10,516						10,516	125,516	245,000	92.22%	2037
2038			6,475						6,475	126,475	125,000	96.03%	2038
2039			2,188						2,188	127,188	0	100.00%	2039
			1,650,000		1,020,000	142,200		50,150	719,269	3,869,269			

1) This represents the \$1,855,000 Equipment Certificates portion of the \$5,850,000 General Obligation Bonds, Series 2018A.

2) This represents the \$1,130,000 Equipment Certificates portion of the \$4,440,000 General Obligation Bonds, Series 2020A.

3) This represents the \$480,000 Equipment Certificates portion of the \$4,280,000 General Obligation Bonds, Series 2021A.

**City of White Bear Lake, Minnesota
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Utility Revenues
(As of 06/02/2022)**

Calendar Year Ending	Utility Revenue Bonds 1) Series 2020A		Utility Revenue Bonds 2) Series 2021A		Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	Dated Amount	Maturity	Dated Amount	Maturity				
2022					32,724	3,290,000	.00%	2022
2023					238,173	3,115,000	5.32%	2023
2024					238,560	2,935,000	10.79%	2024
2025					239,198	2,750,000	16.41%	2025
2026					240,098	2,560,000	22.19%	2026
2027					240,873	2,365,000	28.12%	2027
2028					241,523	2,165,000	34.19%	2028
2029					237,123	1,965,000	40.27%	2029
2030					237,673	1,760,000	46.50%	2030
2031					243,273	1,545,000	53.04%	2031
2032					239,398	1,330,000	59.57%	2032
2033					240,910	1,110,000	66.26%	2033
2034					237,385	890,000	72.95%	2034
2035					238,823	665,000	79.79%	2035
2036					240,038	435,000	86.78%	2036
2037					241,026	200,000	93.92%	2037
2038					53,500	150,000	95.44%	2038
2039					52,500	100,000	96.96%	2039
2040					51,500	50,000	98.48%	2040
2041					50,500	0	100.00%	2041
					3,834,793	3,290,000		

1) This represents the \$860,000 Utility Revenue portion of the \$4,440,000 General Obligation Bonds, Series 2020A.
2) This represents the \$2,465,000 Utility Revenue portion of the \$4,280,000 General Obligation Bonds, Series 2021A.

DEBT LIMIT

The statutory limit on debt of Minnesota municipalities other than school districts or cities of the first class (Minnesota Statutes, Section 475.53, subd. 1) is 3% of the Assessor's Estimated Market Value of all taxable property within its boundaries. "Net debt" (Minnesota Statutes, Section 475.51, subd. 4) is the amount remaining after deducting from gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate principal of the following: (1) obligations issued for improvements payable wholly or partly from special assessments levied against benefitted property (includes the Bonds); (2) warrants or orders having no definite or fixed maturity; (3) obligations payable wholly from the income of revenue producing conveniences; (4) obligations issued to create or maintain a permanent improvement revolving fund; (5) obligations issued to finance any public revenue producing convenience; (6) funds held as sinking funds for payment of principal and interest on debt other than those deductible under Minnesota Statutes, Section 475.51, subd. 4; (7) obligations to repay energy conservation investment loans under Minnesota Statutes, Section 216C.37; (8) obligations issued to pay judgments against the City; and other obligations which are not to be included in computing the net debt of a municipality under the provisions of the law authorizing their issuance.

2021/22 Assessor's Estimated Market Value	\$3,156,599,200
Multiply by 3%	<u>0.03</u>
Statutory Debt Limit	\$94,697,976
Less: Long-Term Debt Outstanding Being Paid Solely from Taxes	<u>(3,150,000)</u>
Unused Debt Limit	<u><u>\$91,547,976</u></u>

OVERLAPPING DEBT¹

Taxing District	2021/22 Adjusted Taxable Net Tax Capacity	% In City	Total G.O. Debt²	City's Proportionate Share
Counties of:				
Ramsey	\$736,796,858	4.8994%	\$138,095,000	\$6,765,826
Washington	381,159,791	0.1545%	101,020,000	156,076
School Districts of:				
I.S.D. No. 622 (North St. Paul-Maplewood-Oakdale)	172,349,635	0.0067%	418,170,000 ³	28,017
I.S.D. No. 624 (White Bear Lake Area Schools)	127,987,869	28.2045%	375,050,000 ⁴	105,780,977
I.S.D. No. 832 (Mahtomedi)	28,854,921	2.0410%	45,165,000	921,818
Special District of:				
Metropolitan Council	5,197,211,231	0.7059%	166,860,000 ⁴	1,177,865
City's Share of Total Overlapping Debt				<u><u>\$114,830,579</u></u>

¹ Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section. It does *not* include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

² Outstanding debt is based on information in Official Statements obtained on EMMA and the Municipal Advisor's records.

³ Based upon the long term facilities maintenance revenue formula and current statistics, the District anticipates a portion of this debt will be paid by the State of Minnesota.

⁴ The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds and lease obligations outstanding all of which are supported entirely by revenues and have not been included in the Overlapping Debt or Debt Ratios sections.

DEBT RATIOS

	G.O. Debt	Debt/Economic Market Value \$3,158,818,078	Debt/ Per Capita 25,718¹
Direct G.O. Debt Secured By:			
Special Assessments & Taxes*	\$12,700,000		
Tax Abatement Revenues	2,950,000		
Tax Increment Revenues	2,045,000		
Taxes	3,150,000		
Utility Revenues	3,290,000		
Total General Obligation Debt (includes the Bonds)*	<u>\$24,135,000</u>		
Less: G.O. Debt Paid Entirely from Revenues ²	<u>(3,290,000)</u>		
Tax Supported General Obligation Debt*	\$20,845,000	0.66%	\$810.52
City's Share of Total Overlapping Debt	<u>\$114,830,579</u>	<u>3.64%</u>	<u>\$4,464.99</u>
Total*	<u><u>\$135,675,579</u></u>	<u><u>4.30%</u></u>	<u><u>\$5,275.51</u></u>

*Preliminary, subject to change.

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The City has tentative plans to issue approximately \$6,590,000 Capital Improvement Bonds for half of the renovation of the Public Safety Facility which adds a Police Department Garage and improves the Fire Department apparatus bay in late 2022 and approximately \$7,050,000 Capital Improvement Bonds to finish the Public Safety Building, \$863,000 Equipment Certificates for a fire truck and approximately \$2,075,000 Improvement Bonds for annual street reconstruction projects in Spring 2023.

¹ 2020 U.S. Census population.

² Debt service on the City's general obligation revenue debt is being paid entirely from revenues and therefore is considered self-supporting debt.

TAX RATES, LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Net Tax Levy ¹	Total Collected Following Year	Collected to Date ²	% Collected
2017/18	\$5,612,543	\$5,569,288	\$5,602,131	99.81%
2018/19	6,264,478	6,215,217	6,284,616	100.00%
2019/20	6,893,697	6,855,781	6,892,331	99.98%
2020/21	7,344,863	7,306,532	7,306,783	99.48%
2021/22	8,209,786	In process of collection		

Property taxes are collected in two installments in Minnesota--the first by May 15 and the second by October 15.³ Mobile home taxes are collectible in full by August 31. Minnesota Statutes require that levies (taxes and special assessments) for debt service be at least 105% of the actual debt service requirements to allow for delinquencies.

The spread of COVID-19 and responses taken by the United States government, state governments, local governments and private industries have caused significant disruptions to the national and State economy. See "RISK FACTORS - Impact of the Spread of COVID-19" herein. The City cannot predict whether and how much payment of property taxes will be impacted. The 2020 delinquencies were not materially higher than in prior years. It is not anticipated that the current year will be significantly different. The City has sufficient financial resources to absorb any shortfalls.

¹ This reflects the Final Levy Certification of the City after all adjustments have been made.

² Collections are through December 31, 2021 for Ramsey and Washington Counties.

³ Second half tax payments on agricultural property are due on November 15th of each year.

TAX CAPACITY RATES¹

	2017/18	2018/19	2019/20	2020/21	2021/22
Ramsey County w/Library	53.962%	52.879%	52.302%	47.760%	48.067%
Washington County w/Library	29.983%	29.682%	28.944%	27.435%	27.532%
City of White Bear Lake	19.058%	20.190%	20.629%	20.355%	22.271%
I.S.D. No. 622 (North St. Paul-Maplewood-Oakdale)	30.089%	29.039%	32.504%	31.840%	32.173%
I.S.D. No. 624 (White Bear Lake Area Schools)	23.685%	26.081%	36.777%	37.074%	34.805%
I.S.D. No. 832 (Mahtomedi)	32.162%	31.894%	29.926%	29.555%	29.032%
Metropolitan Council (portion in Ramsey County)	2.153%	2.098%	2.003%	1.809%	
Metropolitan Council (portion in Washington County)	0.816%	0.651%	0.584%	0.628%	0.630%
Metro Mosquito (portion in Ramsey County)	0.440%	0.423%	0.403%	0.366%	
Metro Mosquito (portion in Washington County)	0.440%	0.424%	0.390%	0.379%	0.361%
Metro Watershed	3.746%	3.387%	3.248%	2.938%	2.893%
Transit District 509	1.226%	1.322%	1.243%	1.139%	1.056%
Washington County CDA	1.469%	1.423%	1.356%	1.289%	1.287%
Ramsey County Regional Rail Authority	3.830%	3.886%	3.918%	3.825%	4.054%
Regional Rail 519	0.224%	0.175%	0.165%	0.157%	0.149%
Rice Creek Watershed	1.838%	1.858%	1.926%	1.822%	1.805%
Valley Branch Watershed	2.101%	3.652%	3.019%	3.673%	3.747%

Referendum Market Value Rates:

I.S.D. No. 622 (North St. Paul-Maplewood-Oakdale)	0.19486%	0.18694%	0.18509%	0.16749%	0.15595%
I.S.D. No. 624 (White Bear Lake Area Schools)	0.22280%	0.23240%	0.22380%	0.18064%	0.19261%
I.S.D. No. 832 (Mahtomedi)	0.24118%	0.27421%	0.25901%	0.25362%	0.28696%
Washington County w/Library	0.00353%	0.00330%	0.00342%	0.00325%	0.00308%

Source: Tax Levies and Collections and Tax Capacity Rates have been furnished by Ramsey and Washington Counties.

¹ After reduction for state aids. Does not include the statewide general property tax against commercial/industrial, non-homestead resorts and seasonal recreational residential property.

LEVY LIMITS

The State Legislature has periodically imposed limitations on the ability of municipalities to levy property taxes. For taxes levied in 2013, payable in 2014, only, the Legislature imposed a one year levy limit on all counties with a population greater than 5,000, and all cities with a population greater than 2,500. While these limitations have expired, the potential exists for future legislation to limit the ability of local governments to levy property taxes. All previous limitations have not limited the ability to levy for the payment of debt service on bonded indebtedness. For more detailed information about Minnesota levy limits, contact the Minnesota Department of Revenue or Ehlers and Associates.

THE ISSUER

CITY GOVERNMENT

The City was organized as a municipality in 1881. The City operates under a home rule charter form of government consisting of a six-member City Council of which the Mayor is not a voting member. The City Manager and Finance Director are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS; UNIONS

The City currently has 116 full-time and 48 part-time employees. All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employee Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. PERA members belong to either the Coordinated Plan or the Basic Plan. Coordinated members are covered by Social Security. See the Notes to Financial Statements in Appendix A for a detailed description of the Plans.

Recognized and Certified Bargaining Units

Bargaining Unit	Expiration Date of Current Contract
Law Enforcement Labor Services Local 286	December 31, 2022
International Operating Engineers Local 49	December 31, 2022
International Association of Firefighters Local 5202	December 31, 2022
Minnesota Public Employees Association Police Officers	December 31, 2022

POST EMPLOYMENT BENEFITS

The City has obligations for some post-employment benefits for its employees. Accounting for these obligations is dictated by Governmental Accounting Standards Board Statement No. 75 (GASB 75). The City's most recent actuarial study shows a total OPEB liability of \$2,086,348 as of December 31, 2021. The City has been funding these obligations on a pay-as-you-go basis.

Source: The City's most recent actuarial study.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Minnesota Statutes, 471.831, authorizes municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code. A municipality is defined in United States Code, title 11, section 101, as amended through December 31, 1996, but limited to a county, statutory or home rule charter city, or town; or a housing and redevelopment authority, economic development authority, or rural development financing authority established under Chapter 469, a home rule charter or special law.

FUNDS ON HAND (As of February 28, 2022)

Fund	Total Cash and Investments
General	\$6,479,746
Special Revenue	3,982,741
Debt Service	877,431
Capital Projects	20,021,105
Enterprise Funds	4,506,550
Internal Service Funds	4,547,295
Escrow	417,414
Total Funds on Hand	<u><u>\$40,832,282</u></u>

ENTERPRISE FUNDS

Revenues available for debt service on the City's enterprise funds have been as follows as of December 31 each year:

	2018	2019	2020
Water			
Total Operating Revenues	\$1,626,814	\$1,624,983	\$1,941,190
Less: Operating Expenses	<u>(1,531,286)</u>	<u>(1,395,121)</u>	<u>(2,409,716)</u>
Operating Income	\$95,528	\$229,862	(\$468,526)
Plus: Depreciation	<u>89,543</u>	<u>123,710</u>	<u>118,978</u>
Revenues Available for Debt Service ¹	<u><u>\$185,071</u></u>	<u><u>\$353,572</u></u>	<u><u>(\$349,548)</u></u>
Sewer			
Total Operating Revenues	\$3,137,600	\$3,301,230	\$3,284,394
Less: Operating Expenses	<u>(2,716,422)</u>	<u>(2,906,673)</u>	<u>(3,029,584)</u>
Operating Income	\$421,178	\$394,557	\$254,810
Plus: Depreciation	<u>91,488</u>	<u>103,408</u>	<u>104,633</u>
Revenues Available for Debt Service	<u><u>\$512,666</u></u>	<u><u>\$497,965</u></u>	<u><u>\$359,443</u></u>
Refuse			
Total Operating Revenues	\$1,345,304	\$1,422,619	\$1,626,462
Less: Operating Expenses	<u>(1,292,771)</u>	<u>(1,396,203)</u>	<u>(1,599,189)</u>
Operating Income	\$52,533	\$26,416	\$27,273
Plus: Depreciation	<u>0</u>	<u>0</u>	<u>0</u>
Revenues Available for Debt Service	<u><u>\$52,533</u></u>	<u><u>\$26,416</u></u>	<u><u>\$27,273</u></u>
Ambulance			
Total Operating Revenues	\$1,617,467	\$1,991,667	\$1,738,260
Less: Operating Expenses	<u>(1,892,708)</u>	<u>(2,160,914)</u>	<u>(2,124,223)</u>
Operating Income	(\$275,241)	(\$169,247)	(\$385,963)
Plus: Depreciation	<u>81,554</u>	<u>131,770</u>	<u>139,489</u>
Revenues Available for Debt Service	<u><u>(\$193,687)</u></u>	<u><u>(\$37,477)</u></u>	<u><u>(\$246,474)</u></u>

¹ Includes a periodic major maintenance project.

ENTERPRISE FUNDS CONTINUED

	2018	2019	2020
License Bureau Fund¹			
Total Operating Revenues	\$972,005	N/A	N/A
Less: Operating Expenses	<u>(855,380)</u>	<u>N/A</u>	<u>N/A</u>
Operating Income	\$116,625	\$0	\$0
Plus: Depreciation	<u>584</u>	<u>N/A</u>	<u>N/A</u>
Revenues Available for Debt Service	<u><u>\$117,209</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

¹ Beginning in Fiscal Year 2019, the License Bureau Fund was classified as a Non-major enterprise fund.

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix A includes the 2020 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2018 Audited	2019 Audited	2020 Audited	2021 Unaudited ¹	2022 Adopted Budget ²
Revenues					
General property taxes	\$5,116,594	\$5,863,634	\$6,428,061	\$6,667,935	\$7,216,000
Licenses and permits	775,165	880,242	827,378	1,393,967	1,006,690
Fine and forfeits	78,357	87,063	60,489	78,008	66,000
Intergovernmental	2,604,171	2,276,710	3,900,062	2,481,616	2,143,315
Charges for services	562,967	660,085	748,825	730,177	782,251
Franchise fees	308,569	330,154	294,079	307,570	315,000
Investment income	90,000	169,651	73,380	(25,701)	80,000
Rental income	45,485	42,070	29,386	50,392	37,650
Refunds and reimbursements	9,677	4,117	2,302	4,028	3,000
Donations	2,311	2,620	800	1,175	
Miscellaneous	1,292	46,939	20,517	20,133	5,000
Total Revenues	\$9,594,588	\$10,363,285	\$12,385,279	\$11,709,300	\$11,654,906
Expenditures					
Current:					
General government	\$1,536,389	\$1,665,419	\$1,721,609	\$1,732,265	\$1,963,530
Public safety	6,346,758	6,285,623	6,539,777	7,070,825	7,538,582
Public works	1,259,543	1,903,426	1,845,723	1,911,791	2,335,909
Parks and recreation	644,981	666,214	595,022	609,424	716,092
Community development	302,335	330,796	344,825	374,622	375,393
Debt service	0	0	0		
Capital outlay	0	0	0		
Total Expenditures	\$10,090,006	\$10,851,478	\$11,046,956	\$11,698,927	\$12,929,506
Excess of revenues over (under) expenditures	(\$495,418)	(\$488,193)	\$1,338,323	\$10,373	(\$1,274,600)
Other Financing Sources (Uses)					
Sale of capital asset	\$2,384	\$1,643	\$443	\$3,123	
Transfers in	686,921	1,640,000	1,378,150	1,432,100	1,293,000
Transfers (out)	(25,000)	(25,000)	(1,814,375)	(600,000)	
Total Other Financing Sources (Uses)	664,305	1,616,643	(435,782)	835,223	1,293,000
Net changes in Fund Balances	\$168,887	\$1,128,450	\$902,541	\$845,596	\$18,400
General Fund Balance January 1	\$3,604,779	\$3,773,666	\$4,902,116	\$5,804,657	
Prior Period Adjustment	0	0	0	0	
Residual Equity Transfer in (out)	0	0	0	0	
General Fund Balance December 31	\$3,773,666	\$4,902,116	\$5,804,657	\$6,650,253	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$0	\$0	\$15	\$0	
Unassigned	3,773,666	4,902,116	5,804,642	6,650,253	
Total	\$3,773,666	\$4,902,116	\$5,804,657	\$6,650,253	

¹ Unaudited data is as of March 28, 2022.

² The 2022 budget was adopted on December 14, 2021.

GENERAL INFORMATION

LOCATION

The City, with a 2010 U.S. Census population of 23,797 and a 2020 U.S. Census population of 25,718, comprising an area of 10.06 square miles, is located in the Minneapolis-St. Paul metropolitan area, approximately 10 miles northeast of the City of St. Paul, Minnesota.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
I.S.D. No. 624 (White Bear Lake Area Schools)	Elementary and secondary education	1,338 ²
Century College	Post-secondary education	600
Trane	HVAC distributor	360 ³
Cerenity Care Center of White Bear Lake	Nursing home and senior living facilities	277
Life Time Fitness	Health club	200
Sam's Club	Discount retail store	180
The City	Municipal and government services	164
Saputo Dairy	Dairy products	150
International Paper	Corrugated box plant	130
Taymark Corporation	Marketing supplies	100

Source: *Data Axle Reference Solutions, written and telephone survey (March 2022), and the Minnesota Department of Employment and Economic Development.*

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data. Estimates provided are accurate as of the date noted and may not reflect changes in the number of employees resulting from the current COVID-19 pandemic. (See "Risk Factors - Impact of the Spread of COVID-19").

² Reflects total number of employees, including those outside City limits.

³ Total number of employees is as of May 2020.

BUILDING PERMITS

	2018	2019	2020	2021	2022 ¹
<u>New Single Family Homes</u>					
No. of building permits	12	13	4	9	0
Valuation	\$5,004,653	\$12,575,730	\$2,540,000	\$7,006,960	\$0
<u>New Multiple Family Buildings</u>					
No. of building permits	0	1	0	0	0
Valuation	\$0	\$25,000,000	\$0	\$0	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	7	0	1	0	0
Valuation	\$12,219,962	\$0	\$8,600,000	\$0	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	2,959	2,671	2,594	2,808	298
Valuation	\$31,019,963	\$27,752,697	\$43,590,496	\$130,569,243	\$25,187,067

Source: The City.

¹ As of February 28, 2022.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census population	23,797
2020 U.S. Census population	25,718
Percent of Change 2010 - 2020	8.07%

Income and Age Statistics

	The City	Ramsey County	State of Minnesota	United States
2020 per capita income	\$38,452	\$36,598	\$38,881	\$35,384
2020 median household income	\$70,981	\$67,238	\$73,382	\$64,994
2020 median family income	\$91,908	\$89,518	\$92,692	\$80,069
2020 median gross rent	\$1,215	\$1,060	\$1,010	\$1,096
2020 median value owner occupied units	\$241,400	\$239,000	\$235,700	\$229,800
2020 median age	43.2 yrs.	35.2 yrs.	38.1 yrs.	38.2 yrs.

	State of Minnesota	United States
City % of 2020 per capita income	98.90%	108.67%
City % of 2020 median family income	99.15%	114.79%

Housing Statistics

	<u>The City</u>		Percent of Change
	2010	2020	
All Housing Units	9,855	11,349	15.16%

Source: 2010 and 2020 Census of Population and Housing, and 2020 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities within counties.

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	Ramsey County	Ramsey County	Ramsey County	State of Minnesota
2018	281,072		2.7%	3.0%
2019	283,379		3.0%	3.2%
2020	270,946		6.5%	6.2%
2021	271,719		4.0%	3.4%
2022, March	279,286		2.6%	2.8%

Source: Minnesota Department of Employment and Economic Development.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Preliminary Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Preliminary Official Statement. Although the inclusion of the financial statements in this Preliminary Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
For the Fiscal Year Ended December 31, 2020

CITY OF WHITE BEAR LAKE, MINNESOTA

PREPARED BY
FINANCE DEPARTMENT

Kerri Kindsvater
Finance Director

Jessica Saari
Assistant Finance Director

(Member of the Government Finance Officers Association
of the United States and Canada)

Cover photo features the City's newly refurbished Centerville Road water tower

**CITY OF WHITE BEAR LAKE, MINNESOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 2020**

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED DECEMBER 31, 2020**

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INTRODUCTORY SECTION
CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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CITY OF WHITE BEAR LAKE, MINNESOTA

Elected and Administrative Officials

December 31, 2020

ELECTED OFFICIALS

Mayor, Jo Emerson

Council Members:

- 1st Ward, Bill Walsh
- 2nd Ward, Doug Biehn
- 3rd Ward, Dan Jones
- 4th Ward, Kevin Edberg
- 5th Ward, Steven Engstran

TERMS EXPIRE

January, 2022

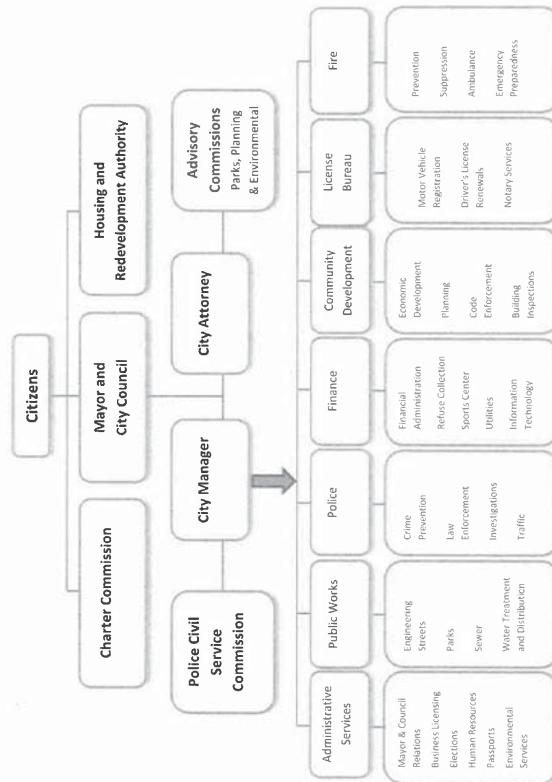
- January, 2024
- January, 2022
- January, 2024
- January, 2022
- January, 2024

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ADMINISTRATIVE OFFICIALS

- City Manager, Ellen Hiniker
- Community Development Director, Anne Kane
- City Engineer, Paul Kauppi
- Finance Director, Kerri Kindsvater
- Police Chief, Julie Swanson
- Fire Chief, Greg Peterson

City of White Bear Lake, Minnesota Organizational Chart



CITY OF WHITE BEAR LAKE

GEOGRAPHICAL LOCATION



H:\CORRESPONDENCE\City of White Bear Lake Geographical Location Map.doc

White Bear Lake....The City of Lakes and Legends

Historical Beginnings

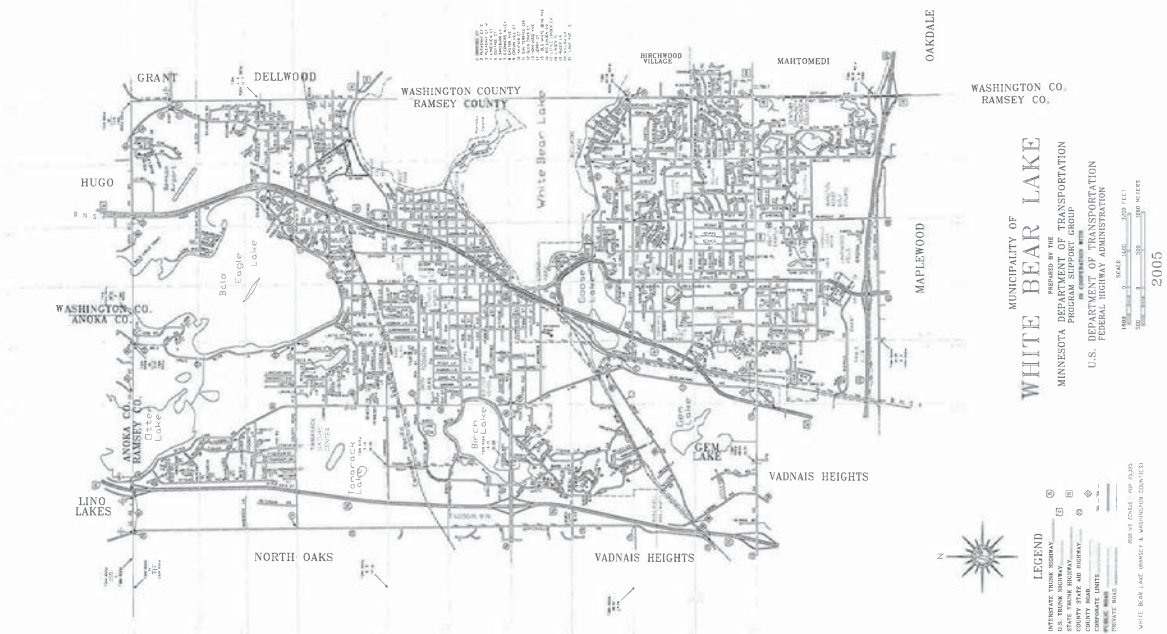
The earliest inhabitants of the White Bear Lake area were the Dakota and Ojibwa Indians who used it for their migratory hunting and harvesting grounds. The United States government designated the area as Dakota land in an 1825 treaty, but later purchased all Dakota Territory east of the Mississippi to open it for European-American settlement.

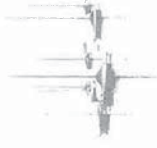
Rich land, abundant game, and scenic lakes attracted the early pioneers to this area. In 1858, the year Minnesota became a state, these first European-American settlers established White Bear Township, which consisted of 36 square miles of land. As work of its scenic landscape spread, the town grew into a popular resort area, attracting visitors from all along the Mississippi River. People would travel up the Mississippi by steamboat and then to White Bear Lake by train. Soon resorts and hotels lined the shores of the lake while restaurants, theaters and stores set up shop in the downtown to accommodate visitors. The extension of the Lake Superior and the Mississippi Railroad to White Bear Lake in 1868 turned what used to be a three-hour buggy ride from S. Paul into a twenty-minute trip. Rail service provided new and exciting opportunities for business and industry in the area, eventually connecting to Duluth in 1871.

As the resort era faded shortly after the turn of the century, other industries, including farming and lumbering, continued to prosper. In keeping pace with this steady growth and development, leaders of the community officially incorporated the City of White Bear Lake in 1921. At that time, the city was 2 1/4 square miles with a population of just over 2,000. The 1950's and 1960's were times of rapid residential expansion. By 1960, the city's area had grown to 7 square miles with a population of about 13,000 people. During the 1970's and 1980's, large parcels of land opened for development through the city's effort to extend roads and utilities. The city's aggressive economic development program led to extensive growth in its tax base and employment levels. Several nationally known companies have moved into the area while downtown redevelopment efforts continue to make great strides in expanding. Over the years, the White Bear Lake area has continued to grow and prosper. Today the city's 24,000 residents enjoy the advantages of being part of a major metropolitan area while residing in a community that has maintained its small hometown appeal.

Legend of White Bear Lake

The legend of White Bear Lake is one of forbidden love and courage. Like all folklore, some parts of the story may be true; however, all of it is interesting and captivating. It seems that every spring, people from the Dakota Indian tribe visited the island in the middle of White Bear Lake to make maple sugar. Tradition says that on the island, now called Manitou Island, an Indian princess and an Indian brave fell in love. They could not marry, since the princess' father, the chief, though the young brave cowardly. One night, the young lovers met secretly and sat around the branches of a large elm tree that hung far over the lake. As they sat there, a large albino bear, thinking perhaps, that polar snows and dismal winter weather extended everywhere, took up his journey southward. He approached the northern shore of the lake, walked down the bank and made his way noiselessly through the deep, heavy snow toward the island. As the princess and the brave were returning to camp in time to avoid suspicion, the bear leaped out and attacked the princess. The princess screamed for help. Bounding toward the young brave, she caught his blanket and fell, bearing the blanket with her into the great arms of the ferocious monster. Upon hearing the screams, every man, woman and child of the tribe ran to the bank to see the commotion, however, all were unarmed and could not save the princess. While the savage beast held the breathless woman in his huge grasp, the brave sprang to his feet, dashed to his wigwam for his knife and returned almost in a single bound. Springing with the fury of a mad panther, he pounced on his prey and killed him. The Indian Chief allowed from which the lake derives its name.





City of White Bear Lake

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763.658.1100 • Fax 763.658.1101 • Email: info@whitebearlake.com

April 21, 2021

White Bear Lake Residents, Honorable Mayor and
Members of the City Council
City of White Bear Lake, Minnesota

In accordance with Minnesota State Statutes and White Bear Lake City Charter provisions, we respectfully submit the Comprehensive Annual Financial Report of the City of White Bear Lake as of December 31, 2020 and for the year then ended. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation including all disclosures supporting schedules, and statistical tables rests with the City. Your management staff believes that the information as presented herein is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of City operations as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management has established internal controls designed to protect the City's assets from loss, theft, and for the preparation of these financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, to the best of our knowledge and belief the financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Abdo, Eick & Meyers, LLP, Certified Public Accountants appointed by the City Council. The independent audit is conducted to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2020 are free of material misstatement.

The independent audit involved examining evidence on a test basis to support both the amounts and disclosures in the financial statements; assessing the accounting principles and significant estimates used by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor rendered an unmodified or "clean" opinion that the City's financial statements, for the year ended December 31, 2020, are presented in conformity with GAAP.

The independent auditor's report is presented as the first component of the financial section of this report.

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This transmittal letter is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report.

THE REPORTING ENTITY AND ITS SERVICE

In accordance with GASB pronouncements, the City's financial statements include all funds and account groups of the City of White Bear Lake, as well as all component units.

The City provides a full range of municipal services to its citizens. These services include, but are not limited to general administration; planning; building and code enforcement; police and fire protection; construction and maintenance of streets; parks and recreational facilities; surface water pollution prevention; economic development; water and sanitary sewer utilities; refuse collection and disposal; ambulance service, and deputy registrar services.

The White Bear Lake Housing and Redevelopment Authority (HRA) is considered a blended component unit of the City. Although the HRA is a legally separate unit, it was created by the City Council to carry out responsibilities associated with redevelopment within the City's tax increment districts. The HRA governing body consists of the five council members with the city manager serving as the executive director. The HRA financial statements are prepared in conjunction with the City's annual report and are included as a Capital Project Fund of the city. The HRA does not publish a separate financial statement.

PROFILE OF THE CITY

The City of White Bear Lake is a second-tier St. Paul suburban community within two counties. The majority of the City is in northeast Ramsey County; however, a small section of the southeast area lies within western Washington County. The City incorporates an area of approximately 10 square miles, with a 2019 final population of 25,752, according data from the Metropolitan Council. The City is approximately 12 miles from downtown St. Paul and 20 miles from the Minneapolis/St. Paul International Airport.

The City operates under the Council-Manager form of government through its home rule charter adopted in 1922. Policy-making and legislative authority are vested in the governing Council consisting of a Mayor and five council members.

The city charter presents the mayor as the chief executive officer of the City with the position responsible for the enforcement of provisions of the city charter and ordinances. The mayor does not have a vote on the council but does have veto authority over council actions. The council may reconsider any vetoed action at the next regular meeting and override the mayor's veto with a four-fifths vote of all members.

An at-large election occurs for the mayor position, which is a four-year term. The five council members are elected by wards and serve four-year staggered terms. The elections for mayor, wards two and four coincide with each other and two years later the elections for wards one, three and five coincide with each other. The council is elected on a non-partisan basis.

The council establishes policies, passes ordinances for municipal regulation, adopts the budget, appoints committee members, and hires both the city's manager and attorney. The city manager is responsible for executing the ordinances and policies of the city council, overseeing the day-to-day operations of the government, appointing department supervisors, recommending and enforcing the budget, and keeping the mayor and city council advised as to the financial needs and condition of the City.

The City utilizes a long-range financial management plan, a capital improvement plan and cash flow projection sheets to create the annual budget. The budget incorporates the data from these three sources into one overall document that aligns with the City's policies for operations, financial management, debt management, reserves, investments, and amendments. Budget preparations begin early each year with departments updating their capital improvement plans. This information flows into the financial management plan for discussion on funding for large-scale purchases and projects with the City Council each April. Each city department submits their operating budget requests to the finance department in July. These requests combine with projected revenue data and results from the financial management plan discussion to begin development of the budget. The city manager and finance director present a preliminary balanced budget to the council prior to September 15 each year. At that time, the council sets the preliminary tax levy. The adopted budget may utilize a levy lower than what is set; however, the levy may not increase above the preliminary tax levy set in September. The city council holds budget work sessions and a formal public hearing before adopting the final budget and tax levy before December 20. The city manager has expenditure discretion within expenditure categories; however, adjustments between departments or funds require a budget amendment adopted by the city council.

While events of 2020 presented many challenges, they also created opportunities to review our service delivery models, creatively adapt policies and practices to meet the needs of the community, incorporate flexibility into our internal processes and expand the technology used in daily operations. Many of the subsequent changes and improvements increased operational productivity within the organization. The city council and staff also remained nimble in its creation of grant and relief programs to support residents, businesses and community non-profits in a year of unprecedented economic challenges.

FACTORS AFFECTING FINANCIAL CONDITION

This report provides the reader with a clear understanding of the City's financial condition and data needed to conduct their analysis. However, the City's fiscal soundness is influenced by more than the results of its financial operations and balance sheet. The information presented in the financial statements is best understood when it is considered within the context of the external economic environment.

LOCAL ECONOMY

As part of the Minneapolis/St. Paul metropolitan area, the City is immersed in an economically diverse urban environment. Through the years, the metropolitan area has built a vibrant business base, including companies involved in manufacturing electronics, leading-edge medical technology, milling, machine and product manufacturing, food processing, banking, higher education and research, graphic arts and performing arts, and professional athletics. These businesses, and others, have helped make the Twin Cities area one of the largest commercial and cultural centers between Chicago and the West Coast. This economic diversity and the tourism/hospitality industry's comparatively smaller portion of the economy as a whole for the region has allowed the greater metropolitan area fare better than many other areas in the country during these difficult times.

White Bear Lake residents and businesses benefit from the following community assets: a highly educated work force; moderately priced housing; access to advanced technology; available capital and an excellent transportation system including two major state highways and two federal interstate highways, which allow easy mobility in any direction. This transportation network is a very positive factor in making White Bear Lake an ideal location for commercial/industrial development and redevelopment. In addition, the White Bear Lake area is considered a regional entertainment and tourist destination, with a quaint downtown shopping district, attractive outdoor recreation opportunities with the lake, bike trails and parks, a growing Arts District, and many community events throughout the year.

The community's approval of a referendum in 2019 to finance a \$326 million multi-year improvement plan for additions and renovations to the White Bear Lake Area School District buildings will make our community an even more attractive place to younger families and provide a renewed economic energy in downtown as we see more events at the new 9-12 grade high school located adjacent to the downtown.

The outbreak of COVID-19 in early 2020 lead to the steepest economic downturn on record as state leaders instituted mandatory lockdowns and closed non-essential businesses in response to the pandemic. The City created grant programs to support local residents, businesses and non-profit organizations with demonstrated economic impact from COVID-19. In addition to the direct financial support, the City engaged a consultant to coordinate marketing and non-financial assistance to area businesses. "Regrow White Bear Lake" focused on sustaining the local economy and providing the public information on opportunities to support local businesses and restaurants in our community, offering resources and training to small businesses in the area to help them survive and thrive, and planning family-friendly contests and activities benefiting the local businesses. The City also collaborated with other community stakeholders such as the White Bear Lake Economic Development Corporation, White Bear Area Chamber of Commerce, White Bear Lake Main Street Inc, and the Explore White Bear group to communicate with local businesses about federal, state and regional programs such as the relief grants and the Paycheck Protection Program. The creative efforts and community outpouring sustained the small businesses through the difficult times.

With shifts in business service models and a growing understanding of the COVID-19 virus, the economic predictions improved in late 2020. At that time, market analysts predicted economic growth at 2.8% in 2021; however, recent predictions anticipate the growth for 2021 and 2022 to be higher. If the growth level remains at the higher level through 2021, the economy would be back to the pre-pandemic trend in 2022. This message is consistent with communications from the Federal Reserve that indicate an expectation of faster economic growth in 2021 that will drive unemployment down and prices up as economic activities deferred during the pandemic resume and consumer spending increases.

According to the Bureau of Labor Statistics, the unemployment rate within the community spiked to 10.4% in May 2020 and finished the year at 4.5% in December 2020. Though this is higher than most months in 2018 and 2019, the rate is close to the January 2019 statistic of 4.0%. The diverse labor market within the Minneapolis/St. Paul metropolitan area, which includes White Bear Lake, outperformed the nation as a whole, which recorded an unemployment rate high of 14.8% in April 2020 and 6.7% as of December 2020.

Though lower than the 2019 levels, the 2020 residential and commercial/industrial construction and redevelopment activity remained steady through the mandatory shutdown periods.

	2019	2020
Total permits	2,687	2,599
Total permit valuations all types	\$ 65,328,427	\$ 54,730,496
Total new construction activities only	\$ 37,575,730	\$ 11,140,000

The City anticipates 2021 construction activity to return to the 2019 levels based on planned construction projects and the multi-year improvement plan for additions and renovations to the White Bear Lake Area School District buildings.

The County Assessor's valuation of the median value home within the community increased 5.3% to \$256,000 in the 2020. The housing market remained extremely competitive during 2020 with homes selling quickly when placed on the market causing a low inventory of available homes for sale in the community. Per the Minneapolis Area Realtors Association, September 2020 was the last time the City had more than a month's supply of for sale housing available. The group considers a 5 month supply of available housing to be a balanced market. As of February 2021, the rolling 12 month period median home sales price in White Bear Lake was \$285,000.

REDEVELOPMENT ACTIVITIES

While the City Council understands the importance to maintaining the City's tax base, economic stability, and providing employment opportunities through the promotion of its commercial and industrial sectors, a strong residential housing market is equally important to the City's economic and social vitality. During 2019, the City invested in a comprehensive market assessment to gain an understanding of the opportunities, challenges and demographic trend impacting housing needs. Results show that in the next 10 years, the City will experience population and household growth, but with a decreasing average household size, the household growth will be exponentially higher. A lack of supply and a robust demand in White Bear Lake (and the Twin cities in general) is causing both owner and renter occupied housing costs to increase. Since a post-recession low in 2011, the median home sale price has increased 72% as of September 2019 and from the 2nd Quarter 2018 to the 2nd Quarter 2019 rent prices increased 7%. Information gained through the assessment will assist the council in making decisions that influence housing regulations, ordinances and other homebuyer programs. The City delayed their planned 2020 work analyzing the housing data with the newly created housing task force until 2021 due to challenges created by the pandemic.

Construction of a 189-unit market-rate apartment complex at the northwest corner of County Road E and Linden Avenue commenced in the fall of 2019, with occupation planned in 2021. The City anticipates an application from the same developer to construct workforce housing immediately west of this site as part of its total 10-acre redevelopment project.

In the summer of 2019, the City purchased four parcels of land located north of the current Public Works facility. The City subsequently sold half of the land in the spring of 2020 to Saputo, Inc., a dairy company located next to the parcels of land. The City's site is providing storage for material and equipment previously stored at the former Public Works facility, with the eventual intent to prepare the former facility for future redevelopment. Saputo has not yet indicated definitive plans for its newly obtained property.

The downtown area remains active with minimal vacancies, year-round occupancies and considerable investment in building façade improvements. Renovation to a historic building on Washington Avenue in 2019 created a two-story, full-service restaurant. This business expanded both inside capacity and a rooftop bar area in 2020. Restoration of another historic building at the corner of Third Street and Clark Avenue in downtown is creating unique office spaces for local small businesses.

FUTURE DEVELOPMENT

The County Road E Corridor remains a primary focus of the White Bear Lake Economic Development Corporation as there are opportunities for redevelopment and intensification of key intersections, vacant or underutilized sites, and infill properties. The City was awarded funding through a Ramsey County Corridor Improvement Program to develop a comprehensive plan for revitalization of this corridor and plans to launch this work in the fall of 2021. The City's Revolving Loan and Grant Program expanded in 2018 to include County Road E area as an incentive for business improvements.

The Housing and Economic Competitiveness components of the 2040 Comprehensive Plan were incorporated into the City's comprehensive plan. Much of this work is expected to create new investment opportunities for White Bear Lake, generate new resources for homeowners and businesses, and help create an economic development plan to guide the community through 2040.

The future Rush Line transit corridor continues to spur market interest from residential developers along the planned transit area. The Metropolitan Council, the agency supporting the project, is working on the station area planning as the process moves toward the Rush Line transit opening in 2025. Staff anticipates continued interest in this Rush Line corridor along Highway 61 and the perimeter of Downtown White Bear Lake.

As previously mentioned, in November 2019, voters in the White Bear Lake Area School District approved a \$326 million building bond request to address building needs across the district. The multi-year improvement plan will include additions and renovations to current buildings. The plan is both complex and comprehensive as it touches each of the District's buildings in some way. Initial stages of the project began in late 2020 and will continue in 2021 and 2022.

LONG-TERM FINANCIAL PLANNING

As previously mentioned the City utilizes a Financial Management Plan and a Capital Improvement Program for long-term planning.

The Financial Management Plan allows the City to project expected revenues and expenditures over a 10-year period to help anticipate financial requirements in future years. Annual updates to the forecast include each year's final audit results, approved budget amounts, and updated capital improvement plan data. It only assumes known decisions and does not presume future decisions of the Council.

The Capital Improvement Plan provides 5-year information on major maintenance and replacement needs for all City structures, equipment, parks, and transportation projects. Staff will change this document to a 10-year plan in 2021 to align with the duration of the Financial Management Plan. Continuous replacement of the City's infrastructure is scheduled to occur at the rate of approximately two to three percent per year; matching the rate of need. Preliminary estimates anticipate annual street reconstruction and mill overlay costs in the range of \$3.4 - \$4.1 million over the next five-year period.

The City analyzes each capital budget through the Financial Management Plan to determine if sufficient resources are in place to meet future infrastructure improvements. General Fund balances in excess of requirements are allocated to Capital Construction budgets, specifically the Municipal Building and Interim Construction Funds.

FISCAL STEWARDSHIP

The City's Fiscal Policy provides that one-time revenue sources should fund capital improvements or non-recurring expenses rather than operations and that sufficient cash reserves be maintained to maintain operational efficiencies, thus avoiding any need for short-term borrowing to meet operational requirements.

The City's General Fund reserve for cash flow totals \$4,010,000 and represents approximately one-half of the City's projected property tax collection, local government aid, and police aid payments; significant operating revenue sources not received until the second half of the fiscal year.

The City's computations of its direct debt and its legal debt margin reports that it \$3,205,000 in debt obligation that has general property taxes as its sole source of revenue. The City has 97% of its legal debt limit, or \$90,293,804 available for debt bonding as of December 31, 2020.

The City has \$18,050,000 outstanding in Tax Increment, Special Assessment, and Tax Abatement debt as of December 31, 2020.

The City anticipates incurring debt obligation in 2021 for the financing of the 2021 street improvement projects, residential water meter replacement program, and capital equipment.

PENSION REPORTING

The City's Comprehensive Annual Financial Report dated December 31, 2020 incorporates GASB Statement No. 68 "Accounting and Financial Reporting for Pensions". The Statement requires the City to report a net pension liability of \$3,945,203. The City calculates this liability by comparing its share of the Statewide plan (PERA) of \$6,529,878 with its share of the local Fire Relief Association credit (over 100% funded) of \$2,584,675.

State Statutes do not require any local governmental unit to be responsible for any state-wide pension funding deficit. The State legislature has previously utilized its state-wide funding resources to ensure local pensions be made sufficiently funded rather than requiring the local governmental unit to fund its pension deficits.

AWARDS FOR ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of White Bear Lake for its comprehensive annual financial report for the fiscal year ended December 31, 2019. This was the thirty-third consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement in Excellence Reporting, the City must publish an easily readable and effectively organized annual report. This report satisfies both the General Accepted Accounting Principal and legal requirements.

A Certificate of Achievement for Excellence in Financial Report is valid for a period of one year only. The City will submit the December 31, 2020 financial report to the Government Finance Officers Association to determine its eligibility for another certificate.

In addition, the government also received the Government Finance Officers Association's Distinguished Budget Presentation Award for its annual budget document dated January 1, 2020, which represents the nineteenth consecutive year the City has received the award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

ACKNOWLEDGMENTS

We would like to express our appreciation to all members of the finance department who assisted and contributed to the preparation of this report. Special recognition to Jessica Saari, Assistant Finance Director, who diligently prepared the audit work papers, developed the finance report, and the statistical section. Recognition is also extended to the mayor and city council for their responsible and progressive policies involving the City's financial operations, along with their solidarity in placing long-range and infrastructure needs ahead of popular expenditures and careful consideration of staff recommendations.

Respectfully Submitted,



City Manager



Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of White Bear Lake
Minnesota**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION
CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of White Bear Lake, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of White Bear Lake, Minnesota (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 33, the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual, the Schedules of Employer's Share of the Net Pension Liability, the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios, the Schedules of Employer's Contributions and the Schedule of Funding Progress for Other Post-Employment Benefit Plan starting on page 118 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

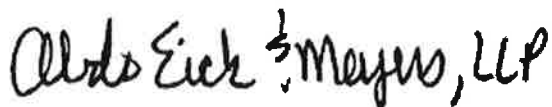
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and combining and individual fund financial statements, schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
April 21, 2021

People
+ Process
Going
Beyond the
Numbers

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CITY OF WHITE BEAR LAKE, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis presents an overview of the financial activities and financial position for the City of White Bear Lake for the year ended December 31, 2020. The discussion and analysis is intended to be read in conjunction with the transmittal letter in the Introductory Section, and the City's financial statements presented in this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$101,413,863 (net position). Of this amount, \$35,272,777 (unrestricted net position) may be used to meet the government's obligations to citizens and creditors according to City policy.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$30,114,382, an increase of \$2,332,377. Although expenditures exceeded revenues by \$1,241,008, the issuance of \$3,580,000 in bonds and transfers in of \$4,281,435 resulted in an increase in fund balance.
- At the end of the current fiscal year, the General Fund's unassigned fund balance totaled \$5,804,642. The General fund unassigned balance represents 52.5% of the total General Fund expenditures for the current fiscal year.
- The City's total debt increased by \$4,047,686 during the current fiscal year. The City issued 2020A G.O. Bonds for the financing of street construction, capital equipment acquisition, and construction of water system improvements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to provide an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of position presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, community development, public safety, public works, and parks and recreation. The business-type activities of the City include water, sewer, refuse, ambulance, license bureau, and Pioneer Manor, a senior apartment complex.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate White Bear Lake Housing and Redevelopment Authority (the Authority) for which the City is financially accountable. The Authority, although also legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on starting on page 45 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

GOVERNMENTAL FUNDS

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resource, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statement. By doing so, readers may better understand the long-term impact of the City's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains seven individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Non-Bonded Debt Fund, Construction Fund, Municipal Building Fund, HRA Tax Increment Pool Fund, Economic Development Fund, and Community Reinvestment Fund, which are considered to be major funds.

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and six special revenue funds.

A budgetary comparison statement has been provided for those funds to demonstrate compliance with the adopted budget.

The basic governmental fund financial statements can be found on pages 54 through 61 of this report.

PROPRIETARY FUNDS

The City maintains two different types of proprietary funds, enterprise funds, and internal service funds. Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for Insurance and Employment Expense. Because these services predominantly benefit governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water, Sewer, Refuse, Ambulance, the License Bureau, and Pioneer Manor.

The basic proprietary fund financial statements can be found on pages 62 through 71 of this report.

FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own program. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 72 and 73 of this report.

NOTES TO FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 75 through 116 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found starting on page 118 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor proprietary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 136 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of the City's financial position over time. The City's assets exceeded liabilities by \$101,413,863 at the close of the most recent fiscal year.

**Statements of Net Position
(In Thousands)**

	Business Type			Total
	Governmental	2020	2019	
Current/Other Asset	\$ 44,582	\$ 41,228	\$ 6,559	\$ 51,151
Capital Assets	77,138	78,030	5,320	82,488
Total Assets	121,730	119,258	11,879	133,609
Deferred Outflows of resources	3,953	4,852	1,033	4,988
Long-term liabilities	27,805	23,245	3,029	30,834
Other liabilities	1,137	1,220	530	1,667
Total Liabilities	28,942	24,465	3,559	32,501
Deferred Inflows of resources	3,804	5,739	876	4,680
Net Position	59,069	62,562	4,401	63,470
Net Investment in Capital assets	2,671	1,847	-	2,671
Restricted	31,197	29,497	4,076	35,273
Unrestricted	\$ 92,937	\$ 93,906	\$ 8,477	\$ 101,414
Total				\$ 101,739

By far, the largest portion of the City's net position (62.6 percent) is reflected in its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot themselves be utilized to liquidate these liabilities.

Restricted net position comprises 2.5 percent of total net position. These assets are subject to external restrictions on how they may be used. The restrictions are related to legal bond covenants and State Statutes. The remaining balance totals \$35,272,777, which represents 34.8 percent of the net position. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Deferred outflows of resources decreased \$969,280 from 2019 as a result of changes in actuarial assumptions relating to the pension and OPEB plans. Deferred inflows of resources also decreased \$2,489,232 as a result of changes in actuarial assumptions relating to pension plans.

CHANGES IN NET POSITION

The City's net position totaled \$101,413,863 at December 31, 2020 compared to \$101,739,751 as of December 31, 2019. This represents a decrease of \$325,888 for fiscal year 2020. The decrease is attributable to an increase in expenses as compared to 2019 amounts combined with an decrease in revenues.

Governmental activities net investment in capital assets decreased \$3,493,189. Governmental net capital assets decreased by \$892,046, however the net investment in capital assets was decreased even further by depreciation expense. Another factor impacting governmental activities is the depreciation of streets and storm sewers (20-25 years).

Business-type net position increased \$643,657 or approximately 0.1 percent. This increase is mainly due to the increase in charges for services and operating grants and contributions exceeding the increase in expenses.

**Statements of Changes in Net Position
(In Thousands)**

	Governmental		Business type		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	\$ 4,079	\$ 5,834	\$ 9,549	\$ 9,721	\$ 13,628	\$ 15,555
Operating grants and contributions	3,580	1,817	210	279	3,790	2,096
Capital grants and contributions	1,502	235	379	2	1,881	237
General revenues:						
Property Taxes	6,884	6,210	-	-	6,884	6,210
Other Taxes	593	543	-	-	593	543
Grants and contributions not restricted to specific programs	1,588	1,588	-	-	1,588	1,588
Sale of Capital Assets	394	51	40	40	434	91
Other:	554	976	47	29	601	1,005
Total Revenue	19,174	17,254	10,225	10,071	29,399	27,325
Expenses:						
General government	2,280	1,780	-	-	2,280	1,780
Public Safety	6,699	8,108	-	-	6,699	8,108
Public Works	5,913	4,982	-	-	5,913	4,982
Community Development	2,017	914	-	-	2,017	914
Parks and Recreation	2,141	2,111	-	-	2,141	2,111
Interest on long-term debt	576	587	-	-	576	587
Water and Sewer	-	-	5,403	4,284	5,403	4,284
Refuse	-	-	1,598	1,395	1,598	1,395
Ambulance	-	-	2,152	2,178	2,152	2,178
Senior Housing	-	-	340	317	340	317
License Bureau	-	-	607	869	607	869
Total Expenses	19,626	18,482	10,098	9,043	29,724	27,525
Excess (deficiency) before transfers	(452)	(1,228)	127	1,028	(325)	(200)
Internal transfers	-	(10)	-	10	-	-
Change in net position	(669)	(758)	644	558	(325)	(200)
Net position - January 1	93,906	94,684	7,833	7,275	101,739	101,939
Net position - December 31	\$ 92,937	\$ 93,906	\$ 8,477	\$ 7,833	\$ 101,414	\$ 101,739

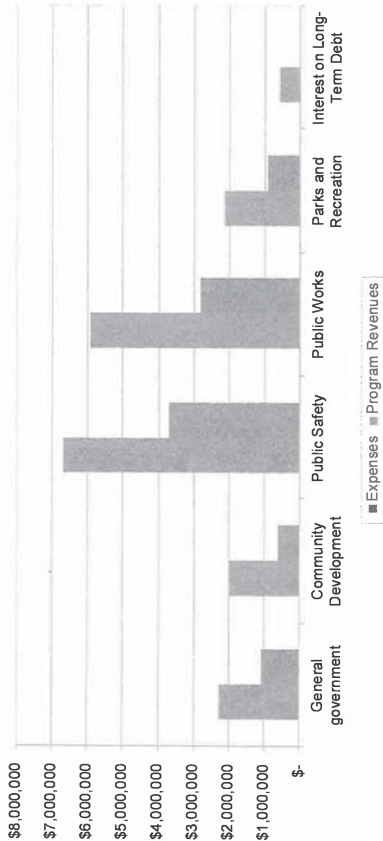
GOVERNMENTAL ACTIVITIES

The governmental activities decreased the City's net position by \$969,545 thereby accounting for the overall decrease in the net position of the City. Key elements of this decrease, as well as other highlights of the governmental activities, are as follows:

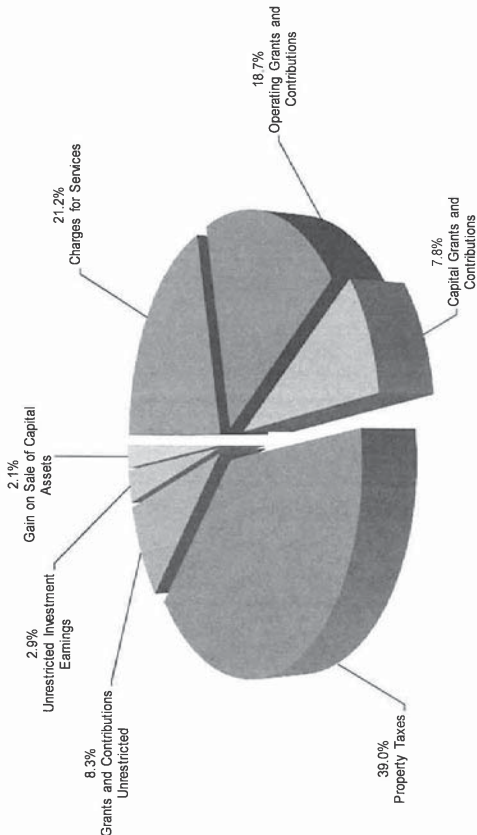
- Charges for services decreased by \$1,755,000 compared to 2019. A majority of this decrease is due to reimbursements received from other governments in 2019 for trail and seal coat projects, as well as a decrease in Sports Center revenue due to COVID-19 closures.
- Operating grants and contributions increased by \$1,763,000 from 2019 with the receipt of over \$1.9 million in COVID-19 relief funding from the federal government.
- Capital grants and contributions decreased by \$1,267,000 in 2020. The decrease was attributable to the closure of the Water Improvement Fund and the Sewer Improvement Fund in 2020, which were both governmental funds. All connection fee charges for water and sewer are now recorded in the Water Fund and Sewer Fund, which are business-type funds.
- Governmental expenses increased by \$1,144,000 compared to 2019, which was in part due to granting COVID-19 relief aid to local businesses, non-profits, and residents and increased spending on COVID-19 related supplies and equipment.

The following graphs depict various governmental activities and shows program revenues and expenses directly related to those activities.

Expenses and Program Revenues - Governmental Activities



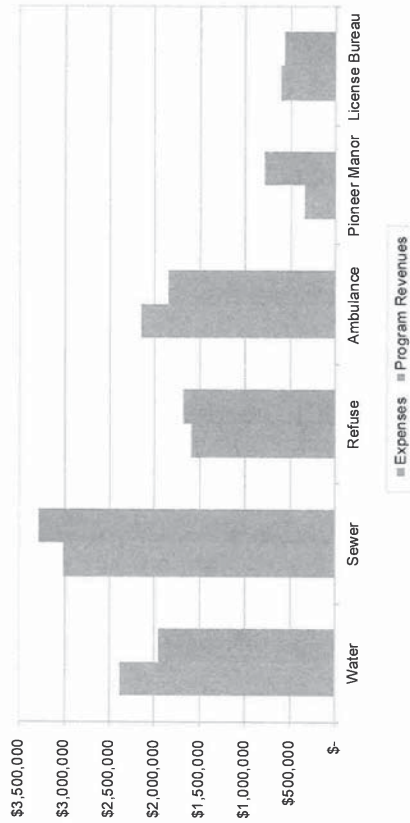
Program Revenues - Governmental Activities



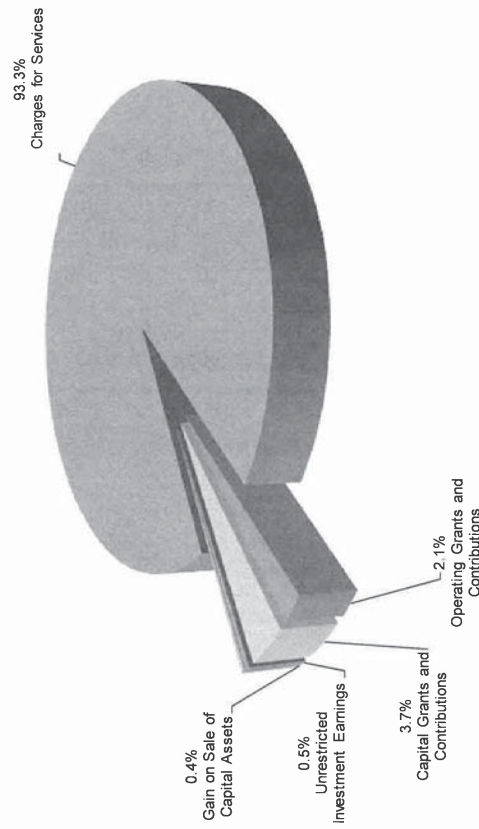
BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City's net position by \$643,657. The majority of the increase in net position can be largely attributed to an increase in capital grants and contributions.

Expenses and Program Revenues - Business-type Activities



Program Revenues - Business-type Activities



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$30,114,382, an increase of \$2,332,377 in comparison with the prior year. Approximately 19.3% of this total amount, \$5,804,642, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remaining fund balance of \$24,309,740 is not available for new spending because it is either 1) nonspendable (\$3,278), 2) restricted (\$1,583,740), 3) committed (\$16,969,105) or 4) assigned (\$5,753,617). For further classification, refer to note 11 on page 110 of this report.

The General Fund expenditures exceeded revenues by \$1,338,323, but after including the other financing sources and uses, the net increase in fund balance was \$902,541. There was a decrease in the net change in fund balance due to the transfer of money to the Economic Development Fund to allocate COVID-19 relief. The General Fund had a fund balance of \$5,804,657 at year-end.

The Non-Bonded Debt Fund had a fund balance of \$502,976 at year-end, an increase of \$98,215 from 2019. The 2020 revenues collected in this fund are special assessments of \$680,777 used to finance street construction costs, investment income of \$11,271, and a \$76,913 payment on the loan agreement for the Sports Center from the White Bear Lake Area Hockey Association. The increase in fund balance was mainly due to a decrease in transfers out in 2020.

The Construction fund balance increased \$3,818. The fund balance at year-end was \$4,404,356.

The Municipal Building fund balance decreased \$7,592 in 2020. The fund balance at year-end was \$917,283.

HRA Tax Increment Pool fund balance increased \$363,730 as a result of a decrease in expenditures due to paying off an interfund loan balance with Tax Increment Financing District 25 in 2019. The ending fund balance at year-end was \$305,922.

The Economic Development fund balance increased \$799,345. The increase was due to a large transfer from the General Fund to allocate COVID-19 relief. In addition, the City sold land in the amount of \$415,020 during 2020. The fund balance at year-end was \$4,058,573.

In 2020, the Community Reinvestment fund balance decreased by \$101,820 to \$7,702,264 due to a decrease in investment income and an increase in transfers out to provide funding for street, park, and municipal building improvements.

PROPRIETARY FUNDS

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The total net position in the respective proprietary funds are: Water Fund, \$2,909,681; Sewer Fund, \$2,491,320; Refuse Fund, \$192,693; Ambulance Fund, \$480,353; License Bureau, negative \$192,464; Pioneer Manor, \$1,966,426.

The change in net position of the Water Fund was decrease of \$158,530. The majority of this decrease was due to the water tower painting project done in 2020.

The change in net position of the Sewer Fund was \$662,007. This increase was mainly attributable to the transfer in made in 2020 to close the Sewer Improvement Fund and the related connection fee revenues that are now being collected in the sewer fund.

The Ambulance fund balance decreased \$50,412. The decrease was mainly attributable to a decrease in charges for services in 2020 due to a reduction of calls during the beginning of the COVID-19 pandemic.

The License Bureau Fund saw a decrease in fund balance of \$89,663. This was a direct result of a loss in revenues due to COVID-19 related closures and process changes to comply with the State's COVID-19 guidelines.

The Pioneer Manor fund balance increased by \$288,717 in 2020 which was attributable to a federal grant received in 2020 for the window replacement project.

The Refuse Fund had a \$16,129 decrease to its fund balance during 2020 due to higher refuse disposal fees.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues came in over budget by \$398,243. The majority of this variance was due to building permits and plan reviews coming in higher than anticipated as there were some large construction permits that were received towards the end of the year. The City also anticipated refunding on-sale liquor licenses in 2020 to provide some relief to businesses struggling during the COVID-19 pandemic; however, the City chose to refund a prorated portion of the 2020 license fees and waived the total 2021 license fees. Expenditures were \$408,137 under budget. This was primarily due to salaries and wages coming in less than budgeted in multiple departments due to position vacancies and supplies and other services and charges coming in much less than budgeted in the streets department.

There were amendments to the original budget for the General Fund in 2020. The revenue budget was increased by \$1,377,821 to total \$11,987,036, and the expenditure budget was decreased by \$454,306 to total \$11,455,093. Other financing sources (uses) were amended to increase sale of property and transfers in by \$27,557 and to increase transfers out by \$1,789,375. Net changes to the budget resulted in a budgeted surplus of \$71,125.

ECONOMIC DEVELOPMENT FUND BUDGETARY HIGHLIGHTS

Economic Development Fund revenues came in \$73,893 over budget. The majority of this variance was due to rental income coming in \$64,706 over budget. Due to the economic impact that the COVID-19 pandemic had on local business, the City authorized business owners who held a lease with the City to negotiate an agreement to defer their lease payments. One of these local businesses negotiated to defer their remaining 2020 rent payments until the beginning of 2021; however, shortly before year-end in 2020, they made a lump sum payment of their deferred rent, which was not accounted for in the budget. In addition, this fund did not budget for interest income, which came in at \$42,931 in 2020. These over-budget revenues were offset by loan repayments coming in \$54,840 under budget. This was because the City budgets for the loan repayments as revenue, but they are actually reclassified at year-end to decrease the City's loan receivable amount. Expenditures were \$302,696 under budget. The City budgeted for \$768,500 to be allocated to create grant programs for local residents, business, and non-profit organizations who were able to demonstrate economic impact from COVID-19. Actual expenditures related to these grant programs were \$597,820. In addition, the City budgeted \$69,000 for Economic Development loans to businesses to be set up during the year, but there were none in 2020.

There were amendments to the original budget for the Economic Development Fund in 2020. The revenue budget was increased by \$23,104 to total \$584,404, and the expenditure budget was increased by \$952,027 to total \$1,739,523. Other financing sources (uses) were amended to increase the sale of capital assets by \$858 and to add transfers in of \$1,489,375 and transfers out of \$262,890.

CAPITAL ASSETS

The City's investment in capital assets for its government and business-type activities as of December 31, 2020 totals \$82,458,430 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment, park facilities, streets, storm sewers, and water and sewer basins.

Major capital asset additions, excluding previously constructed infrastructure, during the current fiscal year include the following:

- Acquisition of a building totaling \$212,707
- Addition of work-in-process for the first installment payment of a fire truck totaling \$607,664. The second installment payment will be made in early 2021 when the fire truck is completed and received by the City.
- Acquisition of a vector truck totaling \$464,521
- Pioneer Manor Window Replacement Project totaling \$376,522

CITY OF WHITE BEAR LAKE'S CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Business-type Activities		Increase (Decrease)
	2020	2019	2020	2019	
Land and improvements	\$ 9,666,893	\$ 10,087,751	\$ (400,858)	\$ 490,275	\$ -
Work in process	698,736	20,351	678,385	-	-
Buildings and improvements	11,388,946	11,984,361	(595,415)	1,090,951	(82,987)
Other improvements	4,155,698	4,663,861	(508,163)	367,038	367,038
Furniture and equipment	4,030,787	4,544,802	(514,015)	1,471,257	270,091
Distribution/Collection System	-	-	1,900,686	2,009,934	(109,248)
Infrastructure	42,597,047	42,073,112	523,935	-	-
Storm Sewer	4,800,716	4,676,031	(75,315)	-	-
Total	\$ 77,138,223	\$ 78,030,269	\$ (892,046)	\$ 5,320,207	\$ 444,894

Additional information on the City of White Bear Lake's capital assets can be found in the financial statements Note 6 of the report.

LONG-TERM DEBT

At the end of the current fiscal year, the City had total bonded debt outstanding of \$19,516,166. They are all backed by the full faith and credit of the City.

CITY OF WHITE BEAR LAKE'S OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Increase (Decrease)
	2020	2019	2020	2019	
Tax Increment Bonds	\$ 2,560,000	\$ 2,800,000	\$ (240,000)	\$ -	\$ -
Special Assessment Bonds	12,285,000	9,115,000	3,170,000	-	-
Tax Abatement Bonds	3,205,000	3,330,000	(125,000)	-	-
Utility Revenue Bonds	-	-	860,000	-	860,000
Premium on bonds	546,777	223,480	323,297	59,389	59,389
Total	\$ 18,596,777	\$ 15,468,480	\$ 3,128,297	\$ 919,389	\$ 919,389

Standard & Poor's Rating Services raised the City's bond rating to AA+ in May 2018 and the rating remains unchanged.

State statutes limit the amount of general obligation debt a Minnesota city may issue up to 3% of total Estimated Market Value. The current debt limitation for the City of White Bear Lake is \$93,504,588. The City had \$3,210,784 of debt applicable to this limit at year-end. Additional information of the City of White Bear Lake's long-term debt can be found in the financial statement Note 5 of the report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- Ramsey County had an annual average unemployment rate at the end of 2020 of 4.7%. This compares with unemployment rates of 4.9% for the State of Minnesota and 6.5% for the United States.
- The City's local tax capacity will increase by 7.6% for property taxes payable in 2021.
- City population is expected to remain stable or increase in 2021.

These factors were considered in preparing the City's budget for the 2021 fiscal year. The City's adopted 2021 budget includes a property tax levy of \$7,370,000, which is 6.7% more than the prior year's levy.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department at City of White Bear Lake, 4701 Highway 61 North, White Bear Lake, Minnesota 55110-3227, (651-429-8526).

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GOVERNMENT-WIDE FINANCIAL STATEMENTS
CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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City of White Bear Lake, Minnesota
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 35,158,717	\$ 2,980,409	\$ 38,139,126
Interest receivable	57,468	-	57,468
Accounts and loans/notes receivable, net	2,149,675	2,590,751	4,740,426
Taxes receivable	243,000	-	243,000
Special assessments receivable	4,728,125	352,911	5,081,036
Intergovernmental receivable	295,685	4,408	300,093
Internal balances	(628,958)	628,958	-
Prepaid expenses	3,278	1,100	4,378
Net pension asset	2,584,675	-	2,584,675
Capital assets, net of accumulated depreciation:			
Land and improvements	9,666,893	490,275	10,157,168
Buildings and improvements	11,388,346	1,090,951	12,479,297
Other improvements	4,155,698	367,038	4,522,736
Furniture and equipment	4,030,787	1,471,257	5,502,044
Infrastructure	47,197,763	-	47,197,763
Distribution / Collection system	-	1,900,686	1,900,686
Work in progress	698,736	-	698,736
Total assets	<u>121,729,888</u>	<u>11,878,744</u>	<u>133,608,632</u>
Deferred outflows of resources			
Deferred pension resources	3,533,479	1,033,043	4,566,522
Deferred OPEB resources	420,340	-	420,340
Total deferred outflows of resources	<u>3,953,819</u>	<u>1,033,043</u>	<u>4,986,862</u>
Liabilities			
Interest payable	223,147	9,350	232,497
Accounts payable	310,141	370,555	680,696
Contracts payable	-	44,871	44,871
Accrued wages payable	376,199	-	376,199
Intergovernmental payable	171	55,997	56,168
Deposits payable	179,324	33,355	212,679
Unearned revenue	48,009	15,571	63,580
Noncurrent liabilities:			
Due within one year			
Long-term liabilities	1,488,315	2,957	1,491,272
Due in more than one year			
Long-term liabilities	18,322,322	916,432	19,238,754
Net pension liability	6,529,878	2,109,801	8,639,679
Other postemployment benefit obligation	1,464,554	-	1,464,554
Total liabilities	<u>28,942,060</u>	<u>3,558,889</u>	<u>32,500,949</u>
Deferred inflows of resources			
Deferred pension resources	3,782,718	875,931	4,658,649
Deferred other postemployment benefit resources	22,033	-	22,033
Total deferred inflows of resources	<u>3,804,751</u>	<u>875,931</u>	<u>4,680,682</u>
Net Position			
Net investment in capital assets	59,068,600	4,400,818	63,469,418
Restricted for debt service	2,265,278	-	2,265,278
Restricted for economic development	324,051	-	324,051
Restricted for public safety	82,339	-	82,339
Unrestricted	31,196,628	4,076,149	35,272,777
Total net position	<u>\$ 92,936,896</u>	<u>\$ 8,476,967</u>	<u>\$ 101,413,863</u>

The notes to financial statements are an integral part of this statement.

City of White Bear Lake, Minnesota
Statement of Activities
For the Year Ended December 31, 2020

Function/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 2,280,521	\$ 721,261	\$ 366,591	\$ -
Community development	2,017,503	575,201	52,350	-
Public safety	6,698,809	1,710,271	1,985,824	-
Public works	5,913,052	150,297	1,174,078	1,499,352
Parks and recreation	2,141,183	921,978	987	3,079
Interest on long-term debt	575,748	-	-	-
Total governmental activities (See Note 1)	19,626,816	4,079,008	3,579,830	1,502,431
Business-type activities:				
Water	2,389,924	1,949,067	13,428	-
Sewer	3,014,410	3,284,394	2,147	-
Refuse	1,596,463	1,626,462	62,339	-
Ambulance	2,152,677	1,738,264	115,608	-
Pioneer Manor	339,860	405,800	494	379,351
License Bureau	606,698	545,311	16,060	-
Total business-type activities	10,100,032	9,549,298	210,076	379,351
Total government	\$ 29,726,848	\$ 13,628,306	\$ 3,789,906	\$ 1,881,782

General revenues:

Property taxes levied for general purpose
Property taxes levied for tax increments
Grants and contributions not restricted to specific programs
Investment income
Gain on sale of capital assets
Internal transfers
Total general revenues and internal transfers

Change in net position

Net position - beginning

Net position - ending

The notes to financial statements are an integral part of this statement.

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (1,192,669)	\$ -	\$ (1,192,669)
(1,389,952)	-	(1,389,952)
(3,002,714)	-	(3,002,714)
(3,089,325)	-	(3,089,325)
(1,215,139)	-	(1,215,139)
(575,748)	-	(575,748)
<u>(10,465,547)</u>	<u>-</u>	<u>(10,465,547)</u>
-	(427,429)	(427,429)
-	272,131	272,131
-	92,338	92,338
-	(298,805)	(298,805)
-	445,785	445,785
-	(45,327)	(45,327)
<u>-</u>	<u>38,693</u>	<u>38,693</u>
<u>(10,465,547)</u>	<u>38,693</u>	<u>(10,426,854)</u>
6,883,703	-	6,883,703
593,063	-	593,063
1,588,195	-	1,588,195
554,412	47,455	601,867
394,010	40,128	434,138
(517,381)	517,381	-
<u>9,496,002</u>	<u>604,964</u>	<u>10,100,966</u>
(969,545)	643,657	(325,888)
<u>93,906,441</u>	<u>7,833,310</u>	<u>101,739,751</u>
<u>\$ 92,936,896</u>	<u>\$ 8,476,967</u>	<u>\$ 101,413,863</u>

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FUND FINANCIAL STATEMENTS

CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

City of White Bear Lake, Minnesota
Balance Sheet
Governmental Funds
December 31, 2020

	General	Non-Bonded Debt	Construction	Municipal Building
Assets				
Cash	\$ 5,646,348	\$ 585,532	\$ 4,420,854	\$ 973,443
Receivables:				
Unremitted tax collections	104,725	-	-	-
Delinquent tax collections	79,814	-	-	-
Unremitted special assessments	-	43,444	-	-
Delinquent special assessments	-	12,893	-	-
Unavailable special assessments	-	2,952,165	235,729	-
Other unavailable special assessments	-	99,898	-	-
Loan/Notes receivable	-	1,781,947	-	-
Accounts, net	5,998	-	2,579	2,000
Interest	-	-	-	-
Intergovernmental	274,865	-	-	-
Prepaid items	15	-	-	-
Advances to other funds	-	-	-	-
Total assets	\$ 6,111,765	\$ 5,475,879	\$ 4,659,162	\$ 975,443
Liabilities:				
Accounts payable	\$ 166,515	\$ -	\$ 18,943	\$ 58,160
Intergovernmental payable	-	-	134	-
Advances from other funds	-	126,000	-	-
Deposits payable	57,279	-	-	-
Unearned revenue - other	3,500	-	-	-
Total liabilities	227,294	126,000	19,077	58,160
Deferred Inflows of Resources				
Unavailable revenue -				
Property taxes	79,814	-	-	-
Special assessments	-	3,064,956	235,729	-
Loan/Notes receivable	-	1,781,947	-	-
Total deferred inflows of resources	79,814	4,846,903	235,729	-
Fund Balances:				
Nonspendable	15	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	917,283
Assigned	-	502,976	4,404,356	-
Unassigned	5,804,642	-	-	-
Total fund balances	5,804,657	502,976	4,404,356	917,283
Total liabilities, deferred inflows of resources and fund balances	\$ 6,111,765	\$ 5,475,879	\$ 4,659,162	\$ 975,443

The notes to financial statements are an integral part of this statement.

HRA Tax Increment Pool	Community Reinvestment	Economic Development	Non-Major Governmental Funds	Total Governmental Funds
\$ 1,058,409	\$ 7,644,796	\$ 2,937,071	\$ 6,579,765	\$ 29,846,218
-	-	33,432	6,900	145,057
18,129	-	-	-	97,943
-	-	3,036	26,325	72,805
-	-	2,484	918	16,295
-	-	59,205	1,292,028	4,539,127
-	-	-	-	99,898
-	-	337,982	-	2,119,929
-	-	7,716	4,464	22,757
-	57,468	-	-	57,468
-	-	637	4,250	279,752
-	-	-	3,263	3,278
-	-	750,000	-	750,000
<u>\$ 1,076,538</u>	<u>\$ 7,702,264</u>	<u>\$ 4,131,563</u>	<u>\$ 7,917,913</u>	<u>\$ 38,050,527</u>
\$ 2,487	\$ -	\$ 10,799	\$ 40,527	\$ 297,431
-	-	2	35	171
750,000	-	-	-	876,000
-	-	500	121,545	179,324
-	-	-	44,509	48,009
<u>752,487</u>	<u>-</u>	<u>11,301</u>	<u>206,616</u>	<u>1,400,935</u>
18,129	-	-	-	97,943
-	-	61,689	1,292,946	4,655,320
-	-	-	-	1,781,947
<u>18,129</u>	<u>-</u>	<u>61,689</u>	<u>1,292,946</u>	<u>6,535,210</u>
-	-	-	3,263	3,278
305,922	-	-	1,277,818	1,583,740
-	7,702,264	4,058,573	4,290,985	16,969,105
-	-	-	846,285	5,753,617
-	-	-	-	5,804,642
<u>305,922</u>	<u>7,702,264</u>	<u>4,058,573</u>	<u>6,418,351</u>	<u>30,114,382</u>
<u>\$ 1,076,538</u>	<u>\$ 7,702,264</u>	<u>\$ 4,131,563</u>	<u>\$ 7,917,913</u>	<u>\$ 38,050,527</u>

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City of White Bear Lake, Minnesota
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 Governmental Funds
 December 31, 2020

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$ 30,114,382
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds.	
Capital assets	121,627,042
Less accumulated depreciation	(44,488,819)
Other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.	
	6,535,210
Governmental funds do not report long-term amounts related to pensions	
Deferred outflows of pension resources	3,533,479
Net pension asset	2,584,675
Net pension liability	(6,529,878)
Deferred inflows of pension resources	(3,782,718)
Internal service funds are used by the City to charge the costs of certain activities, such as insurance, employee benefits to individual funds and maintenance of City vehicles. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
	2,163,447
Governmental funds do not report a liability for accrued interest until due and payable	
	(223,147)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds payable	(18,050,000)
Bond premiums are reported as a liability within the Statement of Net Position and are reported as an other financing source in the year the debt is issued in governmental funds	
	<u>(546,777)</u>
Net position of governmental activities	<u>\$ 92,936,896</u>

The notes to financial statements are an integral part of this statement.

City of White Bear Lake, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General	Non-Bonded Debt	Construction	Municipal Building
Revenues				
General property taxes	\$ 6,428,061	\$ -	\$ 25,000	\$ -
Tax increment	-	-	-	-
Franchise fees	294,079	-	-	-
Licenses and permits	827,378	-	-	-
Fines and forfeits	60,489	-	-	-
Intergovernmental	3,900,062	-	931,370	122,398
Charges for services	748,825	-	-	-
Special assessments	-	680,777	496,306	-
Investment income	73,380	11,271	75,738	16,598
Rental and lease income	29,386	-	-	6,000
Refunds and reimbursements	2,302	76,913	72,615	-
Donations	800	-	-	-
Dedicated fees	-	-	-	-
Miscellaneous	20,517	-	3,986	-
Total revenues	<u>12,385,279</u>	<u>768,961</u>	<u>1,605,015</u>	<u>144,996</u>
Expenditures				
Current				
General government	1,721,609	-	-	45,907
Public safety	6,539,777	-	-	27,199
Public works	1,845,723	-	233,131	14,616
Parks and recreation	595,022	-	-	8,899
Community development	344,825	-	-	-
Capital outlay				
General government	-	-	-	54,904
Public safety	-	-	-	97,010
Public works	-	-	3,375,449	26,513
Parks and recreation	-	-	-	-
Community development	-	-	-	-
Debt service				
Principal retired on bonded debt	-	-	-	-
Interest and other expenditures	-	23,746	51,836	-
Total expenditures	<u>11,046,956</u>	<u>23,746</u>	<u>3,660,416</u>	<u>275,048</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,338,323</u>	<u>745,215</u>	<u>(2,055,401)</u>	<u>(130,052)</u>
Other financing sources (uses)				
Sale of capital assets	443	-	404	-
Bonds issued	-	-	2,416,390	-
Premium on bonds issued	-	-	204,425	-
Transfers from other funds	1,378,150	-	188,000	122,460
Transfers (to) other funds	(1,814,375)	(647,000)	(750,000)	-
Total other financing sources (uses)	<u>(435,782)</u>	<u>(647,000)</u>	<u>2,059,219</u>	<u>122,460</u>
Net change in fund balance	902,541	98,215	3,818	(7,592)
Fund balance - beginning	<u>4,902,116</u>	<u>404,761</u>	<u>4,400,538</u>	<u>924,875</u>
Fund balance - ending	<u>\$ 5,804,657</u>	<u>\$ 502,976</u>	<u>\$ 4,404,356</u>	<u>\$ 917,283</u>

The notes to financial statements are an integral part of this statement.

HRA Tax Increment Pool	Community Reinvestment	Economic Development	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 422,939	\$ 6,876,000
593,063	-	3,019	-	596,082
-	-	-	-	294,079
-	-	-	18,255	845,633
-	-	-	-	60,489
-	-	52,350	301,845	5,308,025
-	-	11,060	373,853	1,133,738
-	-	65,773	181,269	1,424,125
13,021	137,080	42,931	102,045	472,064
-	-	436,721	871,866	1,343,973
-	-	32,280	264,790	448,900
-	-	-	2,000	2,800
-	-	-	1,279	1,279
-	-	15,672	13,660	53,835
606,084	137,080	659,806	2,553,801	18,861,022
-	-	-	140,824	1,908,340
-	-	-	95,036	6,662,012
-	-	-	99,751	2,193,221
-	-	-	762,126	1,366,047
54,854	-	1,224,120	-	1,623,799
-	-	-	15,631	70,535
-	-	-	872,880	969,890
-	-	-	179,376	3,581,338
-	-	-	178,432	178,432
-	-	212,707	-	212,707
-	-	-	775,000	775,000
-	-	-	485,127	560,709
54,854	-	1,436,827	3,604,183	20,102,030
551,230	137,080	(777,021)	(1,050,382)	(1,241,008)
-	-	415,020	44,704	460,571
-	-	-	1,163,610	3,580,000
-	-	-	137,545	341,970
-	-	1,511,875	1,080,950	4,281,435
(187,500)	(238,900)	(350,529)	(1,102,287)	(5,090,591)
(187,500)	(238,900)	1,576,366	1,324,522	3,573,385
363,730	(101,820)	799,345	274,140	2,332,377
(57,808)	7,804,084	3,259,228	6,144,211	27,782,005
\$ 305,922	\$ 7,702,264	\$ 4,058,573	\$ 6,418,351	\$ 30,114,382

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City of White Bear Lake, Minnesota
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended December 31, 2020

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 2,332,377
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays were below depreciation in the current period.</p>	
Capital outlay	2,724,497
Depreciation expense	(3,539,803)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.</p>	
	(76,740)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Delinquent taxes	4,684
Special assessments	(220,383)
Notes receivable	(18,053)
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Proceeds from long-term debt	(3,580,000)
Debt issuance premium	(341,970)
Principal repayments	775,000
Interest payments	(33,712)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	630,268
Pension revenue	75,274
<p>Premiums are recognized when debt is issued in the governmental funds but amortized over the life of the debt in the Statement of Activities</p>	
	18,673
<p>Internal service funds are used by the City to charge the costs of certain activities, such as insurance, employee benefits to individual funds, and maintenance of City vehicles. The net revenue (expense) of the internal service funds is reported in governmental activities.</p>	
	280,343
Changes in net position of governmental activities	\$ (969,545)

The notes to financial statements are an integral part of this statement.

City of White Bear Lake, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2020

	Water	Sewer	Refuse
Assets			
Current Assets			
Cash	\$ 1,015,805	\$ 979,511	\$ 218,420
Receivables:			
Unremitted special assessments	8,709	-	-
Delinquent special assessments	42,077	-	-
Unavailable special assessments	295,995	6,130	-
Accounts, net	1,337,455	317,880	132,400
Intergovernmental	-	4,408	-
Prepaid expenses	-	-	-
Advances to other funds	-	-	-
Total current assets	<u>2,700,041</u>	<u>1,307,929</u>	<u>350,820</u>
Noncurrent Assets			
Capital Assets			
Land	79,990	-	-
Buildings	2,092,171	109,501	-
Other improvements	-	-	-
Equipment	1,162,940	1,343,278	-
Wells	747,187	-	-
Distribution system	4,865,878	-	-
Collection system	-	5,087,041	-
Less accumulated depreciation	<u>(7,395,399)</u>	<u>(4,974,589)</u>	<u>-</u>
Total net capital assets	<u>1,552,767</u>	<u>1,565,231</u>	<u>-</u>
Total assets	<u>4,252,808</u>	<u>2,873,160</u>	<u>350,820</u>
Deferred outflows of resources			
Deferred pension resources	19,032	14,780	94
Deferred other postemployment benefit resources	-	-	-
Total deferred outflows of resources	<u>19,032</u>	<u>14,780</u>	<u>94</u>

The notes to financial statements are an integral part of this statement.

Ambulance	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 246,470	\$ 520,203	\$ 2,980,409	\$ 5,312,499
-	-	8,709	-
-	-	42,077	-
-	-	302,125	-
802,971	45	2,590,751	6,989
-	-	4,408	15,933
-	1,100	1,100	-
-	-	-	126,000
<u>1,049,441</u>	<u>521,348</u>	<u>5,929,579</u>	<u>5,461,421</u>
-	410,285	490,275	-
-	2,442,894	4,644,566	-
-	376,522	376,522	-
1,239,352	181,592	3,927,162	-
-	-	747,187	-
-	-	4,865,878	-
-	-	5,087,041	-
(788,674)	(1,659,762)	(14,818,424)	-
<u>450,678</u>	<u>1,751,531</u>	<u>5,320,207</u>	<u>-</u>
<u>1,500,119</u>	<u>2,272,879</u>	<u>11,249,786</u>	<u>5,461,421</u>
973,789	25,348	1,033,043	-
-	-	-	420,340
<u>973,789</u>	<u>25,348</u>	<u>1,033,043</u>	<u>420,340</u>

(Continued)

City of White Bear Lake, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2020

	Water	Sewer	Refuse
Liabilities			
Current Liabilities:			
Accounts payable	\$ 59,555	\$ 82,452	\$ 148,650
Contracts payable	44,871	-	-
Accrued wages payable	-	-	-
Accrued interest payable	9,350	-	-
Intergovernmental payable	821	47,215	7,955
Deposits payable	-	-	-
Unearned revenue	1,526	13,280	-
Compensated absences payable	-	-	-
Bonds payable	2,957	-	-
Total current liabilities	<u>119,080</u>	<u>142,947</u>	<u>156,605</u>
Noncurrent Liabilities			
Bonds payable (net of unamortized premiums and discounts)	916,432	-	-
Net pension liability	291,407	226,306	1,442
Compensated absences payable	-	-	-
Net other post employment benefits (OPEB) liability	-	-	-
Total noncurrent liabilities	<u>1,207,839</u>	<u>226,306</u>	<u>1,442</u>
Total liabilities	<u>1,326,919</u>	<u>369,253</u>	<u>158,047</u>
Deferred inflows of resources			
Deferred pension resources	35,240	27,367	174
Deferred other postemployment benefit resources	-	-	-
Total deferred inflows of resources	<u>35,240</u>	<u>27,367</u>	<u>174</u>
Net Position			
Net Investment in capital assets	633,378	1,565,231	-
Unrestricted net assets	2,276,303	926,089	192,693
Total net position	<u>\$ 2,909,681</u>	<u>\$ 2,491,320</u>	<u>\$ 192,693</u>

The notes to financial statements are an integral part of this statement.

Ambulance	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 24,799	\$ 55,099	\$ 370,555	\$ 12,710
-	-	44,871	-
-	-	-	376,199
-	-	9,350	-
-	6	55,997	-
-	33,355	33,355	-
-	765	15,571	-
-	-	-	565,624
-	-	2,957	-
<u>24,799</u>	<u>89,225</u>	<u>532,656</u>	<u>954,533</u>
-	-	916,432	-
1,202,540	388,106	2,109,801	-
-	-	-	648,236
-	-	-	1,464,554
<u>1,202,540</u>	<u>388,106</u>	<u>3,026,233</u>	<u>2,112,790</u>
<u>1,227,339</u>	<u>477,331</u>	<u>3,558,889</u>	<u>3,067,323</u>
766,216	46,934	875,931	-
-	-	-	22,033
<u>766,216</u>	<u>46,934</u>	<u>875,931</u>	<u>22,033</u>
450,678	1,751,531	4,400,818	-
29,675	22,431	3,447,191	2,792,405
<u>\$ 480,353</u>	<u>\$ 1,773,962</u>	<u>\$ 7,848,009</u>	<u>\$ 2,792,405</u>

Total net position of enterprise funds \$ 7,848,009

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time 628,958

Net position of business-type activities \$ 8,476,967

City of White Bear Lake, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	Water	Sewer	Refuse
Operating revenues			
Charges for services	\$ 1,926,435	\$ 3,278,209	\$ 1,618,091
Penalties	3,622	-	-
Rent	-	-	-
Premium reimbursement	-	-	-
Other	11,133	6,185	8,371
Total operating revenues	<u>1,941,190</u>	<u>3,284,394</u>	<u>1,626,462</u>
Operating expenses			
Personal services	460,194	391,559	1,087
Supplies	265,908	33,637	529
Other services and charges	1,460,926	213,268	127,738
Disposal charges	103,710	2,286,487	1,469,835
Depreciation	118,978	104,633	-
Total operating expenses	<u>2,409,716</u>	<u>3,029,584</u>	<u>1,599,189</u>
Operating income (loss)	<u>(468,526)</u>	<u>254,810</u>	<u>27,273</u>
Nonoperating revenues (expenses)			
Investment income	10,457	20,145	4,259
Intergovernmental	13,428	2,147	62,339
Miscellaneous revenues	7,877	-	-
Interest expense	(7,995)	-	-
Gain (loss) on disposal of assets	34,106	(1,737)	-
Total nonoperating revenues	<u>57,873</u>	<u>20,555</u>	<u>66,598</u>
Income (loss) before capital contributions and transfers	<u>(410,653)</u>	<u>275,365</u>	<u>93,871</u>
Capital contributions	-	-	-
Transfers from other funds	372,123	496,642	-
Transfers (to) other funds	<u>(120,000)</u>	<u>(110,000)</u>	<u>(110,000)</u>
Change in net position	<u>(158,530)</u>	<u>662,007</u>	<u>(16,129)</u>
Net position - beginning	<u>3,068,211</u>	<u>1,829,313</u>	<u>208,822</u>
Net position - ending	<u>\$ 2,909,681</u>	<u>\$ 2,491,320</u>	<u>\$ 192,693</u>

The notes to financial statements are an integral part of this statement.

Ambulance	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 1,738,141	\$ 540,622	\$ 9,101,498	\$ 3,569,861
-	-	3,622	-
-	401,600	401,600	-
-	-	-	104,711
119	5,689	31,497	-
<u>1,738,260</u>	<u>947,911</u>	<u>9,538,217</u>	<u>3,674,572</u>
1,704,701	546,527	3,104,068	3,359,505
104,307	40,430	444,811	648
175,728	259,610	2,237,270	417,960
-	-	3,860,032	-
139,487	90,425	453,523	-
<u>2,124,223</u>	<u>936,992</u>	<u>10,099,704</u>	<u>3,778,113</u>
(385,963)	10,919	(561,487)	(103,541)
2,333	10,261	47,455	82,348
115,608	16,554	210,076	14,890
4	3,200	11,081	36
-	-	(7,995)	-
7,759	-	40,128	2,502
<u>125,704</u>	<u>30,015</u>	<u>300,745</u>	<u>99,776</u>
(260,259)	40,934	(260,742)	(3,765)
-	379,351	379,351	-
349,847	13,769	1,232,381	291,775
<u>(140,000)</u>	<u>(235,000)</u>	<u>(715,000)</u>	<u>-</u>
(50,412)	199,054	635,990	288,010
<u>530,765</u>	<u>1,574,908</u>	<u>7,212,019</u>	<u>2,504,395</u>
<u>\$ 480,353</u>	<u>\$ 1,773,962</u>	<u>\$ 7,848,009</u>	<u>\$ 2,792,405</u>

Change in net position from
enterprise funds \$ 635,990

Adjustment for the net effect of the
current year activity between the
internal service funds and the
enterprise funds. 7,667

Changes in net position of business-
type activities \$ 643,657

City of White Bear Lake, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Water	Sewer	Refuse
Cash flows from operating activities			
Receipts from customers	\$ 1,833,161	\$ 3,265,042	\$ 1,637,044
Receipts from other funds	-	-	-
Payments to vendors	(1,696,351)	(168,696)	(1,662,386)
Payments to employees	(460,194)	(391,559)	(1,087)
Payments to other governments	(113,595)	(2,276,597)	(1,291)
Other receipts	19,010	6,185	8,371
Net cash provided (used) by operating activities	<u>(417,969)</u>	<u>434,375</u>	<u>(19,349)</u>
Cash flows from noncapital financing activities			
Intergovernmental receipts	13,428	2,147	62,339
Proceeds from (payments on) advances to other funds	-	-	-
Transfers from other funds	372,123	496,642	-
Transfers (to) other funds	(120,000)	(110,000)	(110,000)
Net cash provided (used) by noncapital financing activities	<u>265,551</u>	<u>388,789</u>	<u>(47,661)</u>
Cash flows from capital financing activities			
Intergovernmental receipts	-	-	-
Purchase of property and equipment	(9,497)	(519,320)	-
Proceeds from sale of bonds	860,000	-	-
Premium on bonds	60,744	-	-
Proceeds from the sale of capital assets	34,106	-	-
Net cash provided (used) by capital financing activities	<u>945,353</u>	<u>(519,320)</u>	<u>-</u>
Cash flows from investing activities			
Investment income received	<u>10,457</u>	<u>20,145</u>	<u>4,259</u>
Increase (decrease) in cash and cash equivalents	803,392	323,989	(62,751)
Cash and cash equivalents at beginning of year	<u>212,413</u>	<u>655,522</u>	<u>281,171</u>
Cash and cash equivalents at end of year	<u>\$ 1,015,805</u>	<u>\$ 979,511</u>	<u>\$ 218,420</u>

The notes to financial statements are an integral part of this statement.

Ambulance	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 1,769,480	\$ 947,841	\$ 9,452,568	\$ -
-	-	-	3,562,872
(281,710)	(305,340)	(4,114,483)	(1,815,854)
(1,647,176)	(662,583)	(3,162,599)	(152,953)
-	(204)	(2,391,687)	(1,552,152)
119	5,689	39,374	104,747
(159,287)	(14,597)	(176,827)	146,660
115,608	16,554	210,076	14,890
(245,985)	245,985	-	274,000
349,847	13,769	1,232,381	291,775
(140,000)	(235,000)	(715,000)	-
79,470	41,308	727,457	580,665
-	379,351	379,351	-
-	(376,522)	(905,339)	-
-	-	860,000	-
-	-	60,744	-
12,944	-	47,050	2,502
12,944	2,829	441,806	2,502
2,333	10,261	47,455	82,348
(64,540)	39,801	1,039,891	812,175
311,010	480,402	1,940,518	4,500,324
\$ 246,470	\$ 520,203	\$ 2,980,409	\$ 5,312,499

(Continued)

City of White Bear Lake, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Water	Sewer	Refuse
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (468,526)	\$ 254,810	\$ 27,273
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	118,978	104,633	-
Miscellaneous	7,877	-	-
(Increase) decrease in assets/deferred outflows of resources			
Accounts receivable	(109,667)	(27,980)	(3,300)
Special assessments	11,245	1,533	-
Due from governments	-	(2,784)	22,253
Prepaid expenses	-	-	-
Deferred outflows in OPEB resources	-	-	-
Deferred outflows in pension resources	14,508	9,173	165
Increase (decrease) in liabilities/deferred inflows of resources			
Accounts payable	(14,388)	78,209	(64,284)
Contracts payable	44,871	-	-
Wages payable	-	-	-
Due to governments	(742)	-	(369)
Deposits payable	-	-	-
Deferred inflows in pension resources	(51,295)	(34,434)	(494)
Deferred inflows in OPEB resources	-	-	-
Unearned revenue	1,526	13,280	-
Net pension liability	27,644	37,935	(593)
Post employment health care	-	-	-
Compensated absences	-	-	-
Net cash provided (used) by operating activities	<u>\$ (417,969)</u>	<u>\$ 434,375</u>	<u>\$ (19,349)</u>
Noncash capital and related financing activities			
Amortization of bond premium	<u>\$ (1,355)</u>	<u>\$ -</u>	<u>\$ -</u>
Book values of disposed assets	<u>\$ -</u>	<u>\$ 1,737</u>	<u>\$ -</u>

The notes to financial statements are an integral part of this statement.

Ambulance	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ (385,963)	\$ 10,919	\$ (561,487)	\$ (103,541)
139,487	90,425	453,523	-
4	3,200	11,081	36
31,335	1,479	(108,133)	(6,989)
-	-	12,778	-
-	-	19,469	(2,537)
-	(1,100)	(1,100)	2,610
-	-	-	(67,569)
16,806	30,321	70,973	-
(1,675)	(4,206)	(6,344)	(23,979)
-	-	44,871	-
-	-	-	97,632
-	(198)	(1,309)	-
-	930	930	-
(372,441)	(96,695)	(555,359)	-
-	-	-	(2,850)
-	10	14,816	-
413,160	(49,682)	428,464	-
-	-	-	122,794
-	-	-	131,053
<u>\$ (159,287)</u>	<u>\$ (14,597)</u>	<u>\$ (176,827)</u>	<u>\$ 146,660</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,355)</u>	<u>\$ -</u>
<u>\$ 5,185</u>	<u>\$ -</u>	<u>\$ 6,922</u>	<u>\$ -</u>

City of White Bear Lake, Minnesota
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020

	<u>Custodial Funds</u>
Assets	
Cash	<u>\$ 362,039</u>
Liabilities	
Deposits payable	<u>323,427</u>
Net position	
Restricted for individuals, organizations, and other governments	<u>\$ 38,612</u>

The notes to financial statements are an integral part of this statement.

City of White Bear Lake, Minnesota
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2020

	Custodial Funds
Additions	
Geographic information system fees collections	\$ 31,608
Fireworks contributions collections	12,060
Manitou Days event contributions collections	5,250
Manitou Days parade fees collections	4,725
Deputy Registrar collections	38,897,341
Total revenues	38,950,984
Deductions	
Geographic information system fee disbursements	25,926
Fireworks disbursements	506
Manitou Days events disbursements	1,649
Manitou Days parade disbursements	1,427
Deputy Registrar disbursements	38,905,338
Total expenditures	38,934,846
Net increase (decrease) in fiduciary net position	16,138
Net position - beginning	22,474
Net position - ending	\$ 38,612

The notes to financial statements are an integral part of this statement.

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CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

B. Reporting Entity

The City of White Bear Lake (the City) is established as a chartered "home rule" city as permitted under the laws of the State of Minnesota. The charter provides for a council/manager form of government. Within this form, the City is a municipal corporation governed by an elected mayor and five-member council. The City provides the following services: general administration, planning, zoning, public safety, streets, parks, public improvements, water, sewer and refuse utilities, ambulance services, sport center facility, senior housing facility and motor vehicle registration, vehicle licensing, and passport services.

As required by generally accepted accounting principles, these financial statements present the City of White Bear Lake and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Therefore, data from these units are combined with data of the primary government.

Blended Component Unit: The White Bear Lake Housing and Redevelopment Authority (the Authority) was created by the City to carry out the responsibilities associated with housing and redevelopment. The Authority provides this assistance through the administration of various programs. The Authority is governed by a five-member council comprised of the White Bear Lake five ward council members and the Authority's Executive Director is the City Manager. Because the City Council ward members also serve as the Authority's governing body, the Authority is reported as a blended component unit of the City and has operational responsibility for the component unit. The Authority does not issue separate financial statements. The Authority's financial activity is reported in a separate fund within the City's Capital Project Funds.

C. Basis of Presentation - Government Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has one blended component unit. While the White Bear Lake Housing and Redevelopment Authority is not considered a major component unit, it is a blended component shown in a separate column in the governmental fund financial statements. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the inter-fund services provided and the charges between other functions of the government. Elimination of these charges would distort costs and program revenues reported for the various functions.

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for the fund categories of governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. The non-major funds are presented in separate columns in the Combining statements and schedules sections of the report.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Non-Bonded Debt fund provides for street construction costs that will be financed through special assessments not associated with a specific debt issue.

The Construction fund accounts for transactions pertaining to public improvement construction projects.

The Municipal Building fund accounts for capital improvement project costs to municipal facilities.

The HRA Tax Increment Pool fund accounts for tax increment proceeds that are dedicated to fund specific economic development and redevelopment projects within the area wide district.

The Economic Development fund accounts for costs to support economic activities.

The Community Reinvestment fund provides constant funding for street, park, and municipal building improvements and is governed by City ordinance.

The City reports the following major proprietary funds:

The Water and Sewer funds account for the activities related to the City's water and sewer services.

The Refuse fund accounts for weekly collection and disposal of residential garbage, yard waste, and recyclable materials.

The Ambulance fund accounts for transactions related to providing ambulance service to the White Bear Lake service area.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

Additionally, the City reports the following fund types:

Internal service funds account for the activities provided to other departments of the City on a cost reimbursement basis for insurance and employment expenses.

Custodial funds report fiduciary activities that are not held in a trust or equivalent arrangement. The City's custodial funds account for activities of deputy registrar activities and miscellaneous funds held for other organizations.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. However, interfund services provided and used are not eliminated in the process of consolidation.

Furthermore, activities occur during the year which involve transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services.

Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is actually received by the government.

F. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position / Fund Balance

1. Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. The proprietary funds portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for the purposes of the Statement of Cash Flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

Minnesota Statutes authorizes the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, certificates of deposit, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days and in the Minnesota Municipal Investment Pool.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

Minnesota Statutes also authorize the City to invest in long-term equities. The City must maintain the highest bond rating by a national bond rating agency to qualify for this investment authority. The law limits the equity investment to index mutual funds that are held for long-term capital plans or long-term obligations. The amount invested cannot exceed 15 percent of the sum of unassigned cash, cash equivalents, deposits and investments. Equity investments are limited to mutual funds indexed to the S & P 500, Dow Jones U.S. Total Stock Market Index or investments with the State Board of Investment.

Certain investments for the City are reported at fair value as disclosed in Note 3. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of December 31, 2020:

- Government Agency securities of \$10,796,367 are valued using quoted market prices (Level 1 inputs)
- Negotiable certificates of deposits of \$14,552,025 are valued using a matrix pricing model (Level 2 inputs)

Brokered certificates of deposit classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

2. Prepaid expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

3. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure (i.e., streets, sidewalks, distribution systems, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost where historical records are available and at an estimated historical cost where no historical records exist.

As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The costs of normal maintenance and repairs that do not increase asset value or materially extend asset lives are not capitalized. Donated capital assets are valued at their acquisition value on the date received.

Land and construction in progress are not depreciated. Buildings, equipment, and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

Assets	Years
Buildings and improvements	10 - 50 years
Furniture and fixtures	5 - 15 years
Machinery and equipment	5 - 20 years
Distribution and collection systems	25 years
Streets	20 years
Storm sewers	25 years
Intangibles	5 - 20 years

4. Deferred outflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. Accordingly, the items, deferred pension resources and deferred OPEB resources, are reported only in the statement of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

5. Deferred inflows of resources

In addition to liabilities, the statement of net position and fund financial statements will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has four items which qualify for reporting in this category. Delinquent property taxes are reported as deferred inflows of resources of the General Fund and HRA Tax Increment Pool Fund because the date of collection is unknown. Unavailable special assessments are reported in the Non-Bonded Debt Fund, Construction Fund, Economic Development Fund, and Non-Major Governmental Funds as deferred inflows because the actual collection is legally delayed between one and twenty years. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Loan/notes receivable are reported as deferred inflows of resources of the Non-Bonded Debt Fund because the collection is delayed according to the payment schedule in the loan agreement. Deferred pension resources and deferred OPEB resources are reported only in the statements of net position and results from actuarial calculations.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

6. Net position flow assumption

The City on occasion will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's position to consider restricted net position to have been depleted before unrestricted net position is applied.

7. Fund balance policies

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Non-spendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council (the Council), which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Council modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General Fund, assigned fund balance represents all remaining amounts that are not classified as non-spendable and are neither restricted nor committed. In the General Fund, assigned amounts represent intended uses established by the Council itself or by an official to which the governing body delegates the authority. The Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Finance Director.

Unassigned - The residual classification for the General Fund and also negative residual amounts in other funds.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

The City has formally adopted a fund balance policy for the General Fund. The City's policy is to maintain a minimum unassigned fund balance of one-half of the City's General Fund major revenue sources which are property taxes, local government aid and police state aid. Property taxes and local government payments are not received until July and December each year. Police state aid is not received until November. The reserve funding provides sufficient resources to meet cash flow needs.

G. Revenues and Expenditures / Expenses

1. Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes and other internally dedicated resources, are reported as general revenues rather than as program revenues.

2. Property taxes

Property tax levies are set by the City Council in December each year, and are certified to Ramsey and Washington Counties for collection in the following year. In Minnesota, counties act as collection agents for all property taxes.

The Counties spread all levies over assessable property; the taxes become a lien on January 1st and are recorded as receivables by the City on that date. Property taxes are paid by taxpayers in two equal installments, May 15th and October 15th, without penalty. Personal property taxes are payable in one installment on May 15th.

The Counties remit collections to the City three times a year: January, July and December. Revenues are accrued and recognized in the government-wide financial statements in the current period. In the fund financial statements, taxes that remain unpaid at December 31 are classified as delinquent taxes and fully offset by deferred inflows of resources, because it is not known when they will be available to finance current expenditures.

3. Special assessments

Special assessments are levied against the benefited properties for the assessable costs of improvement projects in accordance with State Statutes. The City generally adopts the assessment rolls when the individual projects are complete or substantially complete. The assessments are collectible over a term of years generally consistent with the term of years of the related or proposed bond issue. Collection of annual installments (including interest) is handled by the County in the same manner as property taxes. Property owners are allowed to prepay total future installments without interest or prepayment penalties.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

The City recognizes special assessment revenue in the government-wide financial statements when the assessment rolls are levied. In the fund financial statements, the City recognizes special assessment revenue when it becomes both measurable and available. Current assessments, which remain unpaid at December 31, are classified as delinquent receivables and, together with deferred assessments, are fully offset by deferred inflows of resources because it is not known when they will be available to finance current expenditures.

4. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, comp time, and sick pay benefits. The accumulation of unused vacation and comp time is limited based upon employee classification. Upon separation, the City will reimburse the employee for accumulated vacation and comp time not to exceed established maximums. The amount of unused sick leave accumulation is not limited. Upon retirement, or upon separation in good standing for employees, the City reimburses eligible employees a portion of unused sick leave according to the personnel policy and contractual agreements. All compensated absences are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

All liabilities for vacation leave and severance, both current and long-term portions, are recorded in the Employment Expense Fund, which is an Internal Service Fund. No liability is recorded for unpaid accumulated sick leave, except for the portion that is payable to employees as severance.

Each year, compensated absence expenditures and expenses are recorded in the governmental and enterprise funds based on the total amount accrued by the employees during the year. These charges are offset by a corresponding transfer of assets from the home departments to the Employment Expense Fund to fund the liability. The personnel policy and union contracts limit the annual accumulation of benefits that can be accumulated from year to year and the amount of severance available. The City estimates \$565,624 will be due within the next fiscal year and \$648,236 will be due in more than one year.

5. Long-term obligations

Long-term obligations are recorded in the City's government-wide statement of net position when they become a liability of the City.

The obligations are recognized as a liability of a governmental fund only when payment is due or when resources have been accumulated in a debt service fund for payment early in the following year. Long-term obligations financed through proprietary funds are accounted for in those funds.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

6. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund is typically used to liquidate the governmental net pension liability.

The total pension expense for the GERP, PEPFP, DCP and the White Bear Lake Fire Department Relief Association is as follows:

	Public Employees Retirement Association of Minnesota (PERA)				Total All Plans
	GERP		DCP		
	PEPFP	DCP	Fire Relief Association	Plans	
Pension expense	\$ 107,108	\$ 686,580	\$ 2,723	\$ (83,645)	\$ 712,766

7. Bond discounts / premiums / issuance costs

In governmental fund types, bond discounts / premiums are recognized in the current period. Bond discounts/premiums for proprietary fund types are deferred and amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest rate method. Bond discounts are presented as a reduction of the face amount of bonds payable and premiums are presented as an increase of the full amount of bonds payable. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Inter-fund transactions

Internal services provided and used between the funds are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Other inter-fund transactions are reported as transfers.

Inter-fund transactions within the respective categories of governmental activities and business-type activities in the government-wide statement of activities are eliminated. The internal balances caption on the government-wide statement of net position represents inter-fund receivables or payables between the governmental and business-type activities.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

Note 2: Stewardship, Compliance and Accountability

A. Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

The City Charter grants the City Council full authority over the financial affairs of the City. The City Manager is charged with the responsibility of preparing the annual budget estimates and enforcing the financial management provisions specified in the budget. Upon adoption of the annual budget resolution by the Council, the budget becomes the formal appropriation for City operations. Legal compliance is adhered to as budgetary and actual amounts are presented in the Required Supplementary Information according to Generally Accepted Accounting Principles (GAAP). Once the budget resolution is adopted, the Council can increase the budget only if actual receipts exceed the budgeted estimates, or by a four/fifths vote authorizing the transfer of sums from the previous fiscal year's assigned or unassigned fund balances.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments corresponding to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The City has no outstanding encumbrances as of December 31, 2020. The City amended the General Fund budget during the year increasing revenues and other financing sources by \$1,405,378 and increasing expenditures and other financing uses by \$1,335,069. The City amended the Economic Development fund budget during the year increasing revenues and other financing sources by \$1,513,337 and increasing expenditures and other financing uses by \$1,214,917.

B. Deficit Fund Equity

At December 31, 2020, individual funds with deficit fund balances are as follows:

Fund	Amount
Enterprise License Bureau	\$ 192,464
Internal Service Fund Employment Expense Fund	236,605

Deficits will be eliminated with future charges for services.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

Note 3: Cash Deposits and Investments with Financial Institutions

A. Deposits

Cash balances of the City's funds are combined (pooled) and invested to the extent available in various investments authorized by Minnesota Statutes. Each fund's portion of this pool (or pools) is displayed in the financial statements as "cash and cash equivalents" or "investments". For purposes of identifying risk of investing public funds, the balances and related restrictions are summarized below.

Custodial Credit Risk - Deposits: The City addresses custodial credit risk by having the authority from the City Council to maintain deposits with various financial institutions that are members of the Federal Reserve System.

As required by Minnesota Statutes, any of the City's deposits are to be protected by \$250,000 of federal depository insurance and pledged collateral. The market value of pledged collateral must equal 110% of the deposits not covered by insurance or bonds.

As of December 31, 2020, the City was not exposed to custodial credit risk because deposits were fully collateralized. The City had deposits of \$1,736,498 as of December 31, 2020. The City's book balance for cash as of December 31, 2020 was \$1,400,152.

B. Investments

The following chart summarizes the City's deposits and investments using segmented time distribution.

Types of Investments	Credit Quality/Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	
Pooled investments at amortized costs						
4M Fund	N/A	Less than 1 year	\$ 2,134,099			
Brokered money market funds	N/A	Less than 1 year	1,001,013			
Brokered insured cash sweep	N/A	Less than 1 year	8,614,859			
Non-pooled investments at fair value						
Government agency securities	AAA	Less than 1 year	5,541,429	\$ 5,541,429	-	
Government agency securities	AAA	1 to 3 years	4,454,737	4,454,737	-	
Government agency securities	AAA	3 to 5 years	800,201	800,201	-	
Negotiable certificates of deposits	N/A	Less than 1 year	7,732,207		7,732,207	
Negotiable certificates of deposits	N/A	1 to 3 years	6,324,572		6,324,572	
Negotiable certificates of deposits	N/A	3 to 5 years	495,246		495,246	
Total investments				\$ 37,998,363	\$ 10,796,367	\$ 14,552,025

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
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Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes and the City's investment policy limit the City's investments to the list above.

Custodial Credit Risk: Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's investment policy does not address custodial credit risk but typically limits its exposure by purchasing insured or registered investments.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. In accordance with the City's investment policy, the City diversifies its investment portfolio to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities. As of December 31, 2020, the City is in compliance with its investment policy. The City had invested 5% or more of its total investment portfolio in the following issuers: FNMA (9%), FHLMC (6%), FHLMC (5%) and FFCB (21%).

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City will minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations. Also, no more than 30 percent of the portfolio should have maturities exceeding 5 years.

C. Cash and Investments Summary

A reconciliation of cash and investments as reported on the statement of net position follows:

Bank Deposits	\$ 1,400,152
Investments	
Government Agency Securities	10,796,367
Negotiable Certificates of Deposits	14,552,025
Minnesota Mutual Money Market Fund	2,134,099
Brokered Money Market	1,001,013
Insured Cash Sweep	8,614,859
Other	37,098,363
Petty Cash and Change Fund	2,650
Total Cash and Temporary Investments	\$ 38,501,165
Classification per financial statements	
Cash and Temporary Investments - Statement of Net Position	\$ 38,139,126
Cash in Fiduciary Net Position	362,039
Total	\$ 38,501,165

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

Note 4: Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not depreciated	\$ 10,067,751	\$ -	\$ 400,858	\$ 9,666,893
Land & improvements	20,351	698,735	20,350	698,736
Work in process	10,088,102	698,735	421,208	10,365,629
Total capital assets, not depreciated				
Capital assets being depreciated				
Buildings & improvements	26,750,759	341,286	6,233	27,085,812
Other improvements	8,786,683	95,576	9,772	8,872,487
Furniture & equipment	10,277,285	370,368	331,249	10,316,404
Infrastructure				
Streets	55,978,674	1,639,740	139,859	57,478,555
Storm sewer	7,508,155	-	-	7,508,155
Total capital assets, depreciated	109,301,556	2,446,970	487,113	111,261,413
Less accumulated depreciation				
Buildings & improvements	14,766,398	933,873	2,805	15,697,466
Other improvements	4,122,822	603,739	9,772	4,716,789
Furniture & equipment	5,732,483	822,600	269,466	6,285,617
Infrastructure				
Streets	13,905,562	1,104,276	128,330	14,881,508
Storm sewer	2,832,124	75,315	-	2,907,439
Total accumulated depreciation	41,359,389	3,539,803	410,373	44,488,819
Total capital assets, depreciated net	67,942,167	(1,092,833)	76,740	66,772,594
Governmental activities				
Capital assets, net	\$ 78,030,269	\$ (394,098)	\$ 497,948	\$ 77,138,223

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not depreciated				
Land	\$ 490,275	\$ -	\$ -	\$ 490,275
Capital assets being depreciated				
Buildings	4,644,566	-	-	4,644,566
Other improvements	-	376,522	-	376,522
Equipment	3,432,659	528,817	34,314	3,927,162
Distribution / collection system	10,700,106	-	-	10,700,106
Total capital assets	18,777,331	905,339	34,314	19,648,356
Less accumulated depreciation				
Buildings	3,470,628	82,987	-	3,553,615
Other improvements	-	9,484	-	9,484
Equipment	2,231,493	251,804	27,392	2,455,905
Distribution / collection system	8,690,172	109,248	-	8,799,420
Total accumulated depreciation	14,392,293	453,523	27,392	14,818,424
Total capital assets, depreciated net	4,385,038	451,816	6,922	4,829,932
Business-type activities				
Capital assets, net	\$ 4,875,313	\$ 451,816	\$ 6,922	\$ 5,320,207

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

Capital Assets (Continued)

Depreciation expense was charged to City functions as follows:

Governmental activities:	
General government	\$ 378,722
Public safety	407,180
Public works	1,980,177
Parks and recreation	773,724
Total depreciation expense - governmental activities	<u>\$ 3,539,803</u>
Business-type activities:	
Water	\$ 118,978
Sewer	104,633
Ambulance	139,487
Pioneer manor	90,084
License bureau	341
Total depreciation expense - business-type activities	<u>\$ 453,523</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

Note 5: Long-Term Debt

A. General Obligation Debt

The City issues general obligation bonds to provide funds for the acquisition and redevelopment of property, construction of streets and utilities, financing acquisition of capital equipment, and the construction of major capital facilities. The entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

As of December 31, 2020, the long-term bonded debt of the financial reporting entity consisted of the following:

	Interest Rate	Issue Date	Fiscal Maturity	Original Issue	Principal Outstanding
Governmental activities					
G.O. Tax Increment Bonds	2.00%	4/3/2012	2/1/2023	\$ 2,650,000	\$ 510,000
G.O. Tax Increment Refunding Bonds, Series 2012A	2.00 - 3.00%	3/10/2016	2/1/2037	2,275,000	2,050,000
G.O. Tax Increment Revenue Bonds, Series 2016A					2,560,000
Total G.O. Tax Increment Bonds					
G.O. Special Assessment Bonds	0.40 - 2.00%	12/19/2012	2/1/2028	2,555,000	1,155,000
G.O. Improvement Bonds, Series 2012B	3.00 - 4.00%	6/14/2016	2/1/2039	5,625,000	5,625,000
G.O. Bonds, Series 2016A	3.00 - 4.00%	7/18/2019	2/1/2040	1,925,000	1,925,000
G.O. Improvement Bonds, Series 2019A	2.00 - 3.00%	7/16/2020	2/1/2041	3,580,000	3,580,000
G.O. Improvement and Equipment Certificate Bonds, Series 2020A					12,285,000
Total G.O. Special Assessment Bonds					
G.O. Tax Abatement Bonds	3.00 - 3.36%	6/14/2018	2/1/2039	3,330,000	3,205,000
G.O. Tax Abatement Bonds, Series 2018B					
Bond premium					546,777
Compensated absences payable					1,213,860
Total governmental indebtedness					\$ 19,810,637
Business-type activities					
G.O. Utility Revenue Bonds, Series 2020A	2.00 - 3.00%	7/16/2020	2/1/2041	860,000	\$ 860,000
Bond premium					59,389
Total business-type indebtedness					\$ 919,389
Total City indebtedness					\$ 20,730,026

The above G.O. Utility Revenue Bonds will be repaid with revenues from the City's municipal water system and with the full faith and credit and taxing powers of the City. Annual revenues from operating revenues were \$1,941,190 and principal and interest payments totaled \$7,996. The percentage of revenues covering principal and interest payments was 24,280% for 2020.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

B. Minimum Debt Payments

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year	G.O. Tax Increment Bonds		Governmental Activities		G.O. Tax Abatement Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 255,000	\$ 59,438	\$ 515,000	\$ 364,189	\$ 125,000	\$ 99,375
2022	260,000	53,413	760,000	341,866	130,000	95,550
2023	260,000	47,313	770,000	318,088	135,000	91,575
2024	95,000	42,838	775,000	293,664	140,000	87,450
2025	100,000	39,913	790,000	269,913	145,000	83,175
2026 - 2030	575,000	164,008	3,685,000	1,007,819	780,000	347,700
2031 - 2035	700,000	91,668	2,645,000	547,247	910,000	219,416
2036 - 2040	315,000	9,331	2,250,000	160,431	840,000	59,516
2041	-	-	95,000	950	-	-
	\$ 2,560,000	\$ 507,919	\$ 12,285,000	\$ 3,304,167	\$ 3,205,000	\$ 1,083,756
	Business-type Activities					
	G.O. Utility Revenue Bonds					
Year	Principal	Interest				
2021	\$ -	\$ 21,406				
2022	35,000	20,025				
2023	35,000	18,875				
2024	35,000	17,925				
2025	35,000	16,875				
2026 - 2030	195,000	67,425				
2031 - 2035	225,000	41,250				
2036 - 2040	250,000	17,500				
2041	50,000	500				
	\$ 860,000	\$ 221,881				

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

C. Changes in Long-Term Liabilities

Long-term debt activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Tax Increment Bonds	\$ 2,800,000	\$ -	\$ 240,000	\$ 2,560,000	\$ 255,000
Special Assessment Bonds	9,115,000	3,580,000	410,000	12,285,000	515,000
Tax Abatement Bonds	3,330,000	-	125,000	3,205,000	125,000
Premium	223,480	341,970	18,673	546,777	27,691
Compensated absences	1,082,807	765,232	634,179	1,213,860	585,624
Total governmental activities long-term liabilities	\$ 16,551,287	\$ 4,687,202	\$ 1,427,852	\$ 19,810,637	\$ 1,488,315
Business-type activities					
Utility Revenue Bonds	\$ -	\$ 860,000	\$ -	\$ 860,000	\$ -
Premium	-	60,744	1,355	59,389	2,957
Total business-type activities long-term liabilities	\$ -	\$ 920,744	\$ 1,355	\$ 919,389	\$ 2,957

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

Note 6: Defined Benefit Pension Plan - Statewide

A. Plan description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota statutes*, chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

All full-time and certain part-time employees of the City are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

B. Benefits provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

General Employees Plan benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formula. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent of average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

CITY OF WHITE BEAR LAKE, MINNESOTA
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Benefit increases are provided to benefit recipients each January. Beginning January 1, 2019, the postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

Police and Fire Plan benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase will be fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. Contributions

Minnesota statutes chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

General Employees Fund contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2020 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City contributions to the General Employees Fund for the year ended December 31, 2020, 2019, and 2018 were \$337,960, \$343,333, and \$357,270, respectively. The City's contributions were equal to the required contributions as set by state statute.

Police and Fire Fund contributions

Police and Fire member's contribution rates increased from 11.30 percent of pay to 11.80 percent and employer rates increased from 16.95 percent to 17.70 percent on January 1, 2020. The City's contributions to the Police and Fire Fund for the years ending December 31, 2020, 2019, and 2018 were \$746,128, \$657,326, and \$474,595, respectively.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

D. Pension costs

General Employees Fund pension costs

At December 31, 2020, the City reported a liability of \$3,843,088 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$118,549. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020 relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2020, the City's proportionate share was 0.0641 percent, which was a decrease of 0.0008 percent from its proportion measured as of June 30, 2019.

City's proportionate share of the net pension liability	\$ 3,843,088
State of Minnesota's proportionate share of the net pension liability associated with the City	118,549
Total	\$ 3,961,637

For the year ended December 31, 2020, the City recognized pension expense of \$96,791 for its proportionate share of General Employees Plan's pension expense. In addition, the City recognized an additional \$10,317 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

At December 31, 2020, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 67,116	\$ 18,162
Changes in Actuarial Assumptions	15,375	161,406
Net Difference Between Projected and Actual Earnings on Plan Investments	196	-
Changes in Proportion	-	285,179
Contributions Paid to PERA Subsequent to the Measurement Date	168,312	-
Total	\$ 250,999	\$ 464,747

The \$168,312 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2021	\$ (384,938)
2022	(150,703)
2023	60,730
2024	92,851
2025	-
Total	\$ (382,060)

Police and Fire fund pension costs

At December 31, 2020, the City reported a liability of \$4,796,591 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.3639 percent, which was an increase of 0.0403 percent from its proportion measured as of June 30, 2019.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
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The State of Minnesota also contributed \$13.5 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in fire state aid that does not meet the definition of a special funding situation. The \$4.5 million direct state was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in fire state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.

As a result, the State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only for the \$4.5 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020, the City recognized a pension expense of \$651,822 for its proportionate share of Police and Fire Plan's pension expense.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in fire state aid. The City also recognized \$34,758 for the year ended December 31, 2020 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2020, the City reported its proportionate share of Police and Fire Plan's deferred outflows of resources and deferred inflows of resources, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 200,519	\$ 369,162
Changes in Actuarial Assumptions	1,698,983	2,774,767
Net Difference Between Projected and Actual Earnings on Plan Investments	366,659	-
Changes in Proportion	1,379,937	6,525
Contributions to PEPFF Subsequent to the Measurement Date	373,968	-
Total	\$ 4,020,066	\$ 3,150,454

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Financial Statements
December 31, 2020

The \$373,968 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2020		\$	57,599
2021			(628,561)
2022			431,185
2023			518,128
2024			117,293
	Total	\$	495,644

E. Actuarial assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disability were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the General Employees Plan and 1.0 percent per year for the Police and Fire Plan.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for Police and Fire Plan was completed in 2020. The recommended assumptions for those plans were adopted by the Board and will be effective with the July 1, 2021 actuarial valuations if approved by the Legislature.

CITY OF WHITE BEAR LAKE, MINNESOTA
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The following changes in actuarial assumptions occurred in 2020:

General Employees Fund

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2, 5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

CITY OF WHITE BEAR LAKE, MINNESOTA
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The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Stocks	35.50 %	5.10 %
International Stocks	17.50	5.30
Bonds (Fixed Income)	20.00	0.75
Alternative Assets (Private Markets)	25.00	5.90
Cash	2.00	-
Total	100.00 %	

F. Discount rate

The discount rate used to measure the total pension liability in 2020 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension liability sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	City Proportionate Share of NPL	
	1 Percent Decrease (6.50%)	1 Percent Increase (8.50%)
General Employees Fund	\$ 6,159,137	\$ 1,932,534
Police and Fire Fund	9,560,297	4,796,591
	3,843,088	855,460

CITY OF WHITE BEAR LAKE, MINNESOTA
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H. Pension plan fiduciary net position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

Note 7: Public Employees Defined Contribution Plan (Defined Contribution Plan)

Three part-time ambulance personnel of the City of White Bear Lake are covered by the Defined Contribution Plan (DCP), a multiple-employer deferred compensation plan administered by PERA. The DCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses, therefore, there is no future liability to the employer. *Minnesota statutes*, chapter 353d.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.0 percent of employer contributions and twenty-five hundredths of 1 percent (0.25 percent) of the assets in each member's account annually.

Pension expense for the year is equal to contributions made. Total contributions made by the City during the fiscal year 2020 were:

	Contribution Amount		Percentage of Covered Payroll	
	Employee	Employer	Employee	Employer
\$	2,723	\$ 2,723	5.00%	5.00%

The City and member's contributions to the DCP plan for the years ending December 31, 2020, 2019 and 2018 were \$2,723, \$5,198 and \$12,083, respectively.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit plan administered by the City of White Bear Lake and additions to and deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. Investments are reported at fair value.

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Note 8: Defined Benefit Pension Plan - Fire Relief Association

A. Plan description

The White Bear Lake Fire Department (the Department) participates in the Statewide Volunteer Firefighter Retirement Plan (Volunteer Firefighter Plan) accounted for in the Volunteer Firefighter Fund, an agent multiple-employer monthly defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). The Volunteer Firefighter Plan covers volunteer firefighters of municipal fire departments or independent nonprofit firefighting corporations that have elected to join the plan. As of December 31, 2020, the plan covered 34 active firefighters and 56 vested terminated firefighters whose pension benefits are deferred. The plan is established and administered in accordance with Minnesota statutes, chapter 353g.

B. Benefits provided

The Volunteer Firefighter Plan provides retirement, death, and supplemental benefits to covered firefighters and survivors. Benefits are paid based on the number of years of service multiplied by a benefit level approved by the City. Members are eligible for a monthly retirement benefit at 50 years of age with five years of service. Plan provisions include a pro-rated vesting schedule that increases from 5 years at 40 percent through 20 years at 100 percent.

C. Contributions

The Volunteer Firefighter Plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota statutes and voluntary City contributions. The State of Minnesota contributed \$263,728 in fire state aid to the fund for the year ended December 31, 2020. Required employer contributions are calculated annually based on statutory provisions. The City's statutorily-required contributions to the Volunteer Firefighter Fund for the year ended December 31, 2020, were \$0. The City's contributions were equal to the required contributions as set by state statute, if applicable. In addition, the City made no voluntary contributions to the plan.

D. Pension costs

At December 31, 2020, the City reported a net pension asset of \$2,584,675 for the plan. The net pension liability (asset) was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability (asset) in accordance with GASB 68 was determined by Gabriel Roeder Smith & Company applying an actuarial formula to specific census data certified by the Department as of December 31, 2020. The following table presents the changes in net pension liability (asset) during the year.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning Balance January 1, 2019	\$ 4,693,283	\$ 6,359,573	\$ (1,666,290)
Changes for the Year			
Service cost	114,923	-	114,923
Interest on pension liability (asset)	267,297	-	267,297
Projected investment return	-	1,129,252	(1,129,252)
Contributions (employer)	-	248,007	(248,007)
Benefit payments	(706,520)	(706,520)	-
Administrative expenses	-	(17,118)	17,118
Other	-	(59,536)	59,536
Total Net Changes	<u>(324,300)</u>	<u>594,085</u>	<u>(918,385)</u>
Ending Balance December 31, 2019	<u>\$ 4,368,983</u>	<u>\$ 6,953,658</u>	<u>\$ (2,584,675)</u>

For the year ended December 31, 2020, the City recognized negative pension expense of \$347,373.

CITY OF WHITE BEAR LAKE, MINNESOTA
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At December 31, 2020, the City reported deferred inflows of resources and deferred outflows of resources, its contributions subsequent to the measurement date, related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 375,982
Changes in Actuarial Assumptions	31,729	246,934
Net Difference Between Projected and Actual Earnings on Plan Investments	-	420,532
Contributions to Plan Subsequent to the Measurement Date	263,728	-
Total	\$ 295,457	\$ 1,043,448

Deferred outflows of resources totaling \$263,728 related to pensions resulting from the City's contributions to the plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in pension expense as follows:

2021	\$ (300,200)
2022	(291,400)
2023	(127,501)
2024	(292,618)
2025	-
Thereafter	-
Total	\$ (1,011,719)

E. Actuarial assumptions

The total pension liability at December 31, 2019 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Active Firefighters are assumed to retire at the later of age 63 and 20 years of service	N/A
Salary increases	6.00%
Investment rate of return	3.00%
Inflation rate of return	3.00%

CITY OF WHITE BEAR LAKE, MINNESOTA
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The 20-year municipal bond yield actuarial assumption changed from 3.71% in 2018 to 2.75% in 2019. There were no other changes in actuarial assumptions in 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using the plan's target investment allocation along with long-term return expectations by asset class. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Stocks	35.00 %	5.10 %
International Stocks	15.00	5.30
Bonds	45.00	0.75
Unallocated Cash	5.00	-
Total	100.00 %	

F. Discount rate

The discount rate used to measure the total pension liability was 6.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension liability sensitivity

The following presents the City's net pension liability (asset) for the plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate 1 percent lower or 1 percent higher than the current discount rate:

	1 Percent Decrease (5.00%)	Current (6.00%)	1 Percent Increase (7.00%)
Defined benefit plan	\$ (2,123,111)	\$ (2,584,675)	\$ (2,971,704)

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H. Pension plan fiduciary net position

Detailed information about the Volunteer Firefighter Fund's fiduciary net position as of June 30, 2019, is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at www.mnpera.org.

Note 9: Inter-fund Receivables, Payables, and Transfers

A. Due To and Due From Other Funds

The internal balances amount on the Statement of Net Position represents the consolidation of internal service fund activities related to governmental and enterprise fund activities. This is a reconciliation adjustment and is not a formal due to and due from fund.

The Non-Bonded Fund and the HRA Tax Increment Pool Fund have internal advances from various funds as follows:

Fund	Receivable	Payable
Insurance Fund	\$ 126,000	\$ -
Non-Bonded Debt Fund	-	126,000
Economic Development Fund	750,000	-
HRA Tax Increment Pool Fund	-	750,000
Total	\$ 876,000	\$ 876,000

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B. Transfers

The composition of inter-fund transfers for the year ended December 31, 2020 is as follows:

Transfers In	Transfers Out	Amount	Purpose
General Fund	Water Fund	\$ 120,000	(1)
	Sewer Fund	110,000	(1)
	Refuse Fund	110,000	(1)
	Ambulance Fund	140,000	(1)
	Economic Development Fund	53,150	(4)
	Construction Fund	750,000	(1)
	Non-Major Governmental Funds	70,000	(1)
	HRA Tax Increment Pool	25,000	(1)
		<u>1,378,150</u>	
Economic Development Fund	General Fund	1,488,375	(4)
	HRA Tax Increment Pool	22,500	(7)
		<u>1,511,875</u>	
Interim Construction Fund	Community Reinvestment Fund	113,000	(2)
	Non-Major Enterprise Funds	75,000	(2)
		<u>188,000</u>	
Municipal Building Fund	Non-Major Governmental Funds	10,000	(6)
	Economic Development Fund	62,460	(4)
	Community Reinvestment Fund	50,000	(2)
		<u>122,460</u>	
Water Fund	Non-Major Governmental Funds	370,689	(8),(12)
	Economic Development Fund	1,434	(4)
		<u>372,123</u>	
Sewer Fund	Non-Major Governmental Funds	496,598	(9)
	Economic Development Fund	44	(4)
		<u>496,642</u>	
Ambulance Fund	Economic Development Fund	149,847	(4)
	Non-Bonded Debt Fund	200,000	(3)
		<u>349,847</u>	
Non-Major Governmental Funds	General Fund	325,000	(5),(12)
	Economic Development Fund	64,050	(4)
	Community Reinvestment Fund	75,500	(2)
	HRA Tax Increment Pool	1,434	(7)
	Non-Bonded Debt Service Fund	205,000	(7)
	Non-Major Governmental Funds	111,000	(10)
	Non-Major Enterprise Funds	160,000	(7)
		<u>1,080,990</u>	
Non-Major Business-Type Fund	Economic Development Fund	13,769	(4)
Insurance Fund	Non-Bonded Debt Fund	242,000	(7)
	Non-Major Governmental Funds	44,000	(11)
		<u>286,000</u>	
Employment Expense Fund	Economic Development Fund	5,775	(4)
Total Transfers		<u>\$ 5,605,591</u>	

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- 1) Provide funding for professional and administrative services
- 2) Provide funding for various capital improvement projects
- 3) Provide funding to stabilize fund balance
- 4) Allocate COVID-19 relief
- 5) Provide funding for Armory operations
- 6) Contribute resources to build reserves for future facility improvements
- 7) Provide funding for debt service payment obligations
- 8) Close out the Water Improvement Fund
- 9) Close out the Sewer Improvement Fund
- 10) Additional revenue to support the tax levy in paying the debt service payment
- 11) Prepay a portion of the 2021 principal amount of the internal loan repayment for the GO Tax Abatement Bonds for the Sports Center Renovations
- 12) Provide funding for the purchase of capital equipment

Note 10: Note Receivable / Loans Receivable

On December 11, 2017, the City entered into an agreement with the White Bear Lake Area Hockey Association to share the cost of the Sports Center Renovation. The Association agreed to provide up to \$2,500,000 in cost sharing for the project, \$500,000 of which was fronted as an initial contribution to the project. The annual interest rate is 3.27%. Annual principal and interest payments are due December 1 of each year and are summarized below:

Year Ending December 31	Principal	Interest	Total
2021	\$ 79,540	\$ 58,270	\$ 137,810
2022	82,141	55,669	137,810
2023	84,827	52,983	137,810
2024	87,601	50,209	137,810
2025	90,465	47,344	137,810
2026 - 2030	498,682	190,366	689,048
2031 - 2035	585,726	103,322	689,048
2036 - 2038	272,966	13,997	286,963
Total	\$ 1,781,947	\$ 572,158	\$ 2,354,105

In addition, the City has economic development loans outstanding totaling \$337,982

CITY OF WHITE BEAR LAKE, MINNESOTA
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Note 11: Components of Fund Balance

At December 31, 2020, portions of the City's fund balance are not available for appropriation due either not being in spendable form (Non-spendable); a prepaid item or has legal restrictions (Restricted); and/or being held because of City Council action (Committed). The following is a summary of the components of fund balance:

	General	Non-Bonded Debt	Construction	Municipal Building	FRA Tax Increment	Community Reinvestment	Economic Development	Non-Major	Total
Nonspendable	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,263	\$ 3,278
Prepaid Items	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	305,922	-	-	1,186,479	305,922
Economic Development	-	-	-	-	305,922	-	-	-	305,922
Debt Service	-	-	-	-	-	-	-	-	-
Total Restricted	-	-	-	-	305,922	-	-	1,186,479	1,591,441
Committed	-	-	-	-	-	-	-	-	-
Armory	-	-	-	-	-	-	-	27,809	27,809
Milma	-	-	-	-	-	-	-	279,702	279,702
Fortifure	-	-	-	-	-	-	-	-	-
Sports Center	-	-	-	-	-	-	-	83,660	83,660
Capital Improvement	-	-	-	917,283	-	-	750,000	-	1,667,283
Capital Development	-	-	-	-	-	7,702,284	-	3,893,814	12,198,361
Economic Development	-	-	-	-	-	3,308,573	-	4,290,585	16,959,115
Total Committed	-	-	-	917,283	-	7,702,284	4,058,573	4,290,585	16,968,725
Assigned	-	-	-	-	-	-	-	-	-
Capital Improvement	-	-	4,404,356	-	-	-	-	-	4,404,356
Surface Water	-	-	-	-	-	-	-	846,285	846,285
Debt Service	-	502,976	-	-	-	-	-	-	502,976
Total Assigned	-	502,976	-	-	-	-	-	846,285	573,617
Unassigned	5,804,842	-	-	-	-	-	-	-	5,804,842
Total	\$ 5,804,857	\$ 502,976	\$ 4,404,356	\$ 917,283	\$ 305,922	\$ 7,702,284	\$ 4,058,573	\$ 6,336,012	\$ 30,032,043

Note 12: Other Commitments and Contingencies

In connection with the normal conduct of its affairs, the City is involved in various claims, litigation and judgments. It is expected that the final settlement of these matters will not materially affect the financial condition of the City.

The City Attorney has indicated that existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance, of an immaterial amount; or, in the judgment of the City attorney, remotely recoverable by plaintiffs.

CITY OF WHITE BEAR LAKE, MINNESOTA
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Note 13: Federally Assisted Programs - Compliance Audits

The City receives financial assistance from Federal and State governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund.

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2020.

Note 14: Risk Management

The City established the Insurance Fund to account for losses related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disaster. The Insurance Fund provides for losses up to \$25,000 for each claim (annual aggregate is \$100,000). The City purchases commercial insurance coverage above the deductible amount through the League of Minnesota Insurance Trust with other cities in the State. This is a public entity risk pool currently operating as a common risk management and insurance program. The City pays an annual premium to the League for its insurance coverage. The League of Minnesota Cities Insurance Trust is self-sustaining through member premiums and re-insures through commercial companies for excess claims. The City is covered through the pool for any claims incurred but unreported, but retains risk for the deductible portion of its insurance policies. The amount of the deductibles is considered immaterial to the financial statements.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

The City's workers compensation insurance is a deductible premium option. Transactions related to workers compensation insurance are reported in the Employment Expense Fund.

The Insurance and Employment Expense Funds are presented as internal service funds. All funds of the City participate in the programs and make payments to the Insurance and Employment Expense fund based on historical cost information. At December 31, 2020, there is no liability reported in the funds based on the requirements of Governmental Accounting Standards Board Statement Number 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

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Note 15: Other Post-Employment Benefits

A. Plan description

The City's defined benefit OPEB plan provides a single-employer defined benefit health care plan to eligible retirees. The plan offers medical coverage. Medical coverage is administered by Medica. Dental coverage is administered by Health Partners. It is the City's policy to periodically review its medical coverage and to obtain requests for proposals in order to provide the most favorable benefits and premiums for City employees and retirees. No assets are accumulated in a trust.

B. Benefits provided

The plan is required by State Statute to provide healthcare insurance for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members. Retirees reimburse the city of the total cost of their healthcare insurance, plus a two percent administrative fee.

C. Contributions

Retirees contribute to the health care plan at the same rate as City employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms with Medica and Health Partners. The required contributions are based on projected pay-as-you-go financing requirements. For the year 2020, the City contributed \$0 to the plan.

For the governmental activities, the net OPEB obligation is generally liquidated by the General Fund.

D. Members

As of December 31, 2020, the following were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	11
Active employees	75
	86
Total	86

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E. Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability	
Investment rate of return	3.50%, net of investment expense
Salary increases	3.25% to 11.25% for General Employees; 3.25% to 12.25% for Police and Fire Employees
Inflation	2.50%
Healthcare cost trend increases	8.25% initially, gradually decreasing to an ultimate rate of 3.5% in year 10
Mortality assumption	RP-2014 annuitant generational mortality table, projected with scale MP-2018 from a base year of 2014 (MP-2016 from a base year of 2006 for Police and Fire employees)

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2019 - December 31, 2019.

The discount rate used to measure the total OPEB liability was 2.00% based on the estimated yield of 20-Year-AA-rated municipal bonds.

F. Total OPEB liability

The City's total OPEB liability of \$1,464,554 was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date.

CITY OF WHITE BEAR LAKE, MINNESOTA
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Changes in the total OPEB liability are as follows:

Balances at January 1, 2020	Total OPEB Liability	\$ 1,341,760
Changes for the year		
Service cost		59,639
Interest		36,519
Differences between expected and actual economic experience		24,185
Changes of assumptions		89,717
Benefit payments		(87,266)
Net changes		122,794
Balances at December 31, 2020		\$ 1,464,554

Changes of assumptions and other inputs reflect a change in the discount rate from 2.75% in 2019 to 2.00% in 2020.

G. OPEB liability sensitivity

The following presents the City's total OPEB liability calculated using the discount rate of 2.00% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

Total OPEB Liability/(Asset)	
1% decrease (1.00%)	Current (2.00%)
\$ 1,594,994	\$ 1,464,554
	1% increase (3.00%)
	\$ 1,346,330

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The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower and 1% higher than the current healthcare cost trend rates.

Total OPEB Liability/(Asset)	
1% decrease	Current 1% increase
(7.25% decreasing to 2.5%)	(8.25% decreasing to 3.5%) (9.25% decreasing to 4.5%)
\$ 1,307,065	\$ 1,464,554 \$ 1,647,611

H. OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended December 31, 2020, the City recognized OPEB expense of \$52,375. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Differences between expected and actual experience	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 174,962	\$ 2,109
	245,378	19,924
Total	\$ 420,340	\$ 22,033

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Total
2021	\$ 43,483
2022	43,483
2023	43,483
2024	43,483
2025	43,483
2026	43,483
2027	43,483
Thereafter	93,926
Total	\$ 398,307

Note 16: Conduit Debt Obligations

Conduit debt obligations are certain limited obligation revenue bonds or similar debt instruments issued for the express purpose of providing capital financing for a specific third party. The City has issued various revenue bonds to provide funding to private-sector entities for projects deemed to be in the public interest. Although these bonds bear the name of the City, the City has no obligation for such debt beyond the resources provided by related leases or loans. Accordingly, the bonds are not reported as liabilities in the financial statements of the City. The outstanding balance of conduit debt at December 31, 2020, is \$49,369,012.

Note 17: COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus ("COVID-19") and the risks to the international community as virus spreads globally. On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. In response to the pandemic, the State of Minnesota has issued stay-at-home orders and other measures aimed at slowing the spread of the coronavirus.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Due to the rapid development and fluidity of this situation, the City cannot determine the ultimate impact that the COVID-19 pandemic will have on its financial condition, liquidity, and future revenue collection, and therefore any prediction as to the ultimate impact on the City's financial condition, liquidity, and future results of its revenue collections is uncertain.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2020

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund

Fiscal Year Ending	City's Proportionate Share of the Net Pension Liability	City's Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability	Total	City's Covered Payroll	City's Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
	(a)	(b)	(c)	(a+b)	(c)	(a/c)	(b/c)
6/30/2020	0.0641 %	\$ 3,843,088	\$ 118,549	\$ 3,961,637	\$ 4,570,467	84.1 %	79.0 %
6/30/2019	0.0649	3,588,176	111,495	3,699,671	4,708,610	76.2	80.2
6/30/2018	0.0723	4,010,908	131,615	4,142,523	4,743,584	84.6	79.5
6/30/2017	0.0734	4,685,808	58,907	4,744,715	4,549,468	103.0	75.9
6/30/2016	0.0684	5,553,741	72,541	5,626,282	4,421,512	125.6	66.9
6/30/2015	0.0717	3,715,866	-	3,715,866	4,381,773	84.8	78.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - General Employees Fund

Year Ending	Contributions in Relation to the			City's Covered Payroll	Contributions as a Percentage of Covered Payroll
	Statutorily Required Contribution	Statutorily Required Contribution	Contribution Deficiency (Excess)		
	(a)	(b)	(a-b)	(c)	(b/c)
12/31/2020	\$ 337,960	\$ 337,960	-	\$ 4,506,133	7.5 %
12/31/2019	343,333	343,333	-	4,577,773	7.5
12/31/2018	357,270	357,270	-	4,763,600	7.5
12/31/2017	355,409	355,409	-	4,738,783	7.5
12/31/2016	328,868	328,868	-	4,384,906	7.5
12/31/2015	327,158	327,158	-	4,362,107	7.5

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

REQUIRED SUPPLEMENTARY INFORMATION
CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2020

Notes to the Required Supplementary Information - General Employees Fund

Changes in actuarial assumptions

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2.5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2020

Changes in plan provisions

2020 - Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 - No changes noted.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$692 million. Upon consolidation, state and employer contributions were revised.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2020

Schedule of Employer's Share of PERA Net Pension Liability - Police and Fire Fund

Fiscal Year Ending	Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	City's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)		City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
					City's Covered Payroll	City's Covered Payroll		
6/30/2020	0.3539	\$ 4,796,591	\$ 112,977	\$ 4,909,568	\$ 4,289,713	111.8	87.2	%
6/30/2019	0.3236	3,445,049	-	3,445,049	3,277,385	105.1	89.3	
6/30/2018	0.2543	2,710,576	-	2,710,576	2,809,744	96.5	88.8	
6/30/2017	0.2540	3,429,302	-	3,429,302	2,514,982	136.4	85.4	
6/30/2016	0.2500	10,032,935	-	10,032,935	2,503,201	400.8	63.9	
6/30/2015	0.2530	2,874,672	-	2,874,672	2,114,755	135.9	86.6	

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - Police and Fire Fund

Year Ending	Statutorily Required Contribution (a)	Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)		Contributions as a Percentage of Covered Payroll (b/c)
				City's Covered Payroll	City's Covered Payroll	
12/31/2020	\$ 746,128	\$ 746,128	\$ -	\$ 4,401,935	3,878,029	17.0
12/31/2019	657,326	657,326	-	3,878,029	2,929,599	16.2
12/31/2018	474,595	474,595	-	2,519,899	2,481,816	16.2
12/31/2017	408,224	408,224	-	2,473,704	-	-
12/31/2016	402,054	402,054	-	-	-	-
12/31/2015	400,740	400,740	-	-	-	-

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2020

Notes to the Required Supplementary Information - Public Employees Police and Fire Fund

Changes in actuarial assumptions

- 2020 - The mortality projection scale was changed from MP-2018 to MP-2019.
- 2019 - The mortality projection scale was changed from MP-2017 to MP-2018.
- 2018 - The mortality projection scale was changed from MP-2016 to MP-2017.
- 2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65 percent to 60 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.
- 2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.
- 2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2037 and 2.5 percent per year thereafter.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2020

Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios

	2019	2018	2017	2016	2015	2014
Total pension liability	\$ 114,923	\$ 185,301	\$ 151,749	\$ 137,376	\$ 133,569	\$ 145,189
Service cost	267,291	251,714	251,714	251,707	240,002	247,667
Changes of benefit terms	-	406,243	-	-	-	(14,592)
Differences between expected and actual experience	-	(370,400)	-	(194,578)	-	-
Changes of assumptions	(128,520)	(55,235)	(656,037)	(229,115)	190,378	(799,819)
Net change in total pension liability	(324,300)	(453,235)	(959,557)	(244,811)	133,775	(138,668)
Total pension liability - January 1	4,693,293	5,098,518	5,194,075	5,220,886	5,091,111	4,942,445
Total pension liability - December 31 (a)	4,368,993	4,645,283	4,234,518	4,976,075	5,224,886	5,081,111
Plan fiduciary net position	945,037	241,145	221,134	274,529	225,853	216,607
Net investment income	1,129,252	(471,034)	666,650	429,777	(229,252)	2,000,599
Benefit payments, including refunds of employees contributions	(708,520)	(381,789)	(656,020)	(229,516)	(433,174)	(239,819)
Administrative expense	(171,118)	(45,209)	(29,980)	(24,888)	(32,395)	(29,243)
Net change in plan fiduciary net position	194,649	(663,315)	665,794	472,897	(528,699)	226,391
Plan fiduciary net position - January 1	6,259,572	7,023,488	6,357,694	6,894,703	6,413,402	6,187,011
Plan fiduciary net position - December 31 (b)	6,454,221	6,360,173	7,023,488	7,367,600	5,884,703	6,413,402
Fire Relief's net pension liability (asset) - December 31 (a/b)	159.16%	135.50%	137.81%	122.38%	112.71%	126.22%
Fire Relief's net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:
Benefit changes: There have been no plan changes since the January 1, 2016 valuation.
Changes of assumptions: In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement rates of general employees. In 2016, amounts reported as changes of assumptions resulted from an adjustment to the 20-year municipal bond rate. The assumed rate of investment was changed from 5.00 percent to 6.00 percent. The base mortality table for healthy and disabled annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2017.
Notes: Schedule is intended to show 15-year trend. Additional years will be reported as they become available.

Changes in plan provisions
2020 - No changes noted
2019 - No changes noted
2018 - As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger. An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016 - No changes noted
2015 - The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2020

Schedule of Employer's Fire Relief Association Contributions

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/19	\$ 7,094	\$ 248,007	\$ (240,913)
12/31/18	87,554	241,116	(153,562)
12/31/17	83,385	232,194	(148,809)
12/31/16	55,672	231,628	(175,956)
12/31/15	53,021	229,853	(176,832)
12/31/14	130,890	216,807	(85,917)

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Schedule of Changes in Total OPEB Liability and Related Ratios

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 59,639	\$ 46,821	\$ 48,139
Interest	36,519	34,686	31,391
Difference between expected and actual experience	24,185	187,941	(2,928)
Changes of assumptions	89,717	201,075	(27,655)
Benefit payments	(87,266)	(80,547)	(42,950)
Net change in total OPEB liability	122,794	389,976	5,997
Beginning of year	1,341,760	951,784	945,787
End of year	\$ 1,464,554	\$ 1,341,760	\$ 951,784
Covered payroll	\$ 6,599,353	\$ 6,264,746	\$ 5,796,259
Total OPEB liability as a percentage of covered - employee payroll	22.19%	21.42%	16.42%

City of White Bear Lake, Minnesota
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 General Fund
 For the Year Ended December 31, 2020

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 6,325,068	\$ 6,325,685	\$ 6,428,061	\$ 102,376
Franchise fees	325,000	294,079	294,079	-
License and permits	140,300	46,765	127,351	80,586
Business license and permits	618,000	539,000	700,027	161,027
Non-Business license and permits	758,300	585,765	827,378	241,613
Total license and permits	93,000	54,485	60,489	6,004
Fines				
Intergovernmental	172,000	1,825,290	1,819,365	(5,925)
Federal grants	1,867,297	1,878,327	1,904,482	26,155
State grants	31,000	21,000	21,215	215
County grants	155,000	155,000	155,000	-
Local grants	2,225,297	3,879,617	3,900,062	20,445
Total intergovernmental	500	45	45	-
Charges for services	581,100	560,260	555,117	(5,143)
General government	1,800	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Other	140,000	140,000	13,695	13,695
Inspection services	723,400	700,305	179,968	39,968
Total charges for services	115,000	115,000	73,380	(41,620)
Interest	35,650	25,415	29,386	3,971
Rental income	3,500	3,510	2,302	(1,208)
Refunds and reimbursements	2,000	800	800	-
Donations	3,000	2,375	20,517	18,142
Miscellaneous	10,609,215	11,987,036	12,385,279	398,243
Total revenues				
Expenditures				
General government	98,180	98,085	95,659	(2,426)
Mayor and Council	7,500	12,805	2,707	(10,098)
Personal services	48,887	44,057	40,220	(3,837)
Supplies	154,567	154,947	138,586	(16,361)
Other services and charges				
Total Mayor and Council				

(Continued)

City of White Bear Lake, Minnesota
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 General Fund
 For the Year Ended December 31, 2020

	Budget		Actual	Variances with Final Budget
	Original	Final		
City Manager				
Personal services	\$ 370,450	\$ 377,582	\$ 377,253	\$ (329)
Supplies	1,000	600	356	(244)
Other services and charges	21,251	13,976	13,189	(607)
Total city manager	392,701	392,158	390,778	(1,380)
Finance	514,543	520,605	519,514	(1,091)
Personal services	1,950	1,250	277	(973)
Supplies	108,745	110,085	113,672	3,577
Other services and charges	625,238	631,950	633,463	1,513
Total finance	65,869	83,469	89,612	(13,857)
Legal counselor				
Other services and charges				
City hall	176,604	176,207	175,905	(302)
Personal services	20,450	24,335	28,650	4,315
Supplies	127,313	126,498	131,057	4,589
Other services and charges	324,367	327,040	335,612	8,572
Total city hall	59,911	59,936	59,412	(524)
Elections				
Other services and charges	1,622,653	1,649,500	1,627,463	(22,037)
Total general government				
Community development				
Planning	343,185	324,469	324,480	21
Personal services	2,125	1,720	357	(1,363)
Supplies	25,363	22,148	19,978	(2,170)
Other services and charges	370,673	348,337	344,825	(3,512)
Total community development				

(Continued)

City of White Bear Lake, Minnesota
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 General Fund
 For the Year Ended December 31, 2020

	Budget		Actual	Variances with Final Budget
	Original	Final		
Public safety				
Police				
Personal services	\$ 4,494,347	\$ 4,294,982	\$ 4,272,415	\$ (22,567)
Supplies	179,075	165,846	163,602	(2,244)
Other services and charges	242,311	236,989	243,610	6,621
Total police	4,915,733	4,697,817	4,679,627	(18,190)
Dispatch				
Other services and charges	213,000	213,000	214,530	1,530
Animal control				
Personal services	14,653	15,970	10,511	(5,459)
Supplies	1,050	475	302	(173)
Other services and charges	6,715	5,815	3,301	(2,514)
Total animal control	22,418	22,260	14,114	(8,146)
Legal prosecution				
Personal services	1,163	1,366	1,607	151
Other services and charges	152,600	152,600	151,957	(643)
Total legal prosecution	153,763	153,956	153,174	(782)
Fire				
Personal services	717,565	706,680	641,866	(64,814)
Supplies	81,670	81,520	67,530	(13,990)
Other services and charges	197,890	195,835	163,181	(32,654)
Total fire	997,125	984,035	872,577	(111,458)
Emergency preparedness				
Supplies	7,265	3,500	1,198	(2,302)
Other services and charges	9,599	9,099	5,729	(3,370)
Total emergency preparedness	16,864	12,599	6,927	(5,672)

(Continued)

City of White Bear Lake, Minnesota
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 General Fund
 For the Year Ended December 31, 2020

	Budget		Actual	Variances with Final Budget
	Original	Final		
Building and code enforcement				
Personal services	\$ 534,100	\$ 526,349	\$ 503,085	\$ (23,264)
Supplies	11,500	6,568	6,568	(4,932)
Other services and charges	86,678	89,678	89,175	(503)
Total building / code enforcement	632,278	622,595	598,828	(28,449)
Total public safety	6,951,181	6,710,944	6,539,777	(171,167)
Public works				
Shop				
Personal services	88,591	81,848	79,918	(1,930)
Supplies	14,850	18,720	32,955	14,235
Other services and charges	94,030	94,190	86,408	(7,782)
Total shop	197,471	194,758	199,281	4,523
Engineering				
Personal services	675,353	589,439	581,809	(7,630)
Supplies	8,450	7,960	5,277	(2,683)
Other services and charges	68,972	62,722	55,462	(7,240)
Total engineering	752,775	660,121	642,568	(17,553)
Garage				
Personal services	91,737	91,737	81,713	(10,024)
Supplies	29,150	29,650	21,751	(7,899)
Other services and charges	25,920	26,030	16,815	(9,215)
Total garage	146,807	147,417	120,279	(27,138)
Streets				
Personal services	326,249	336,482	323,325	(13,157)
Supplies	89,345	98,560	62,086	(36,474)
Other services and charges	139,647	149,072	118,123	(30,949)
Total streets	555,241	584,114	503,534	(80,580)
Snow and ice removal				
Personal services	105,826	100,070	82,027	(18,043)
Supplies	107,826	107,826	85,220	(22,606)
Other services and charges	38,818	45,818	36,505	(9,313)
Total snow and ice removal	252,470	253,714	203,752	(49,962)
Street lighting				
Personal services	10,303	10,303	10,303	-
Supplies	13,100	13,100	8,164	(4,936)
Other services and charges	168,000	167,200	157,842	(9,358)
Total street lighting	191,403	190,603	176,309	(14,294)
Total public works	2,096,167	2,030,727	1,845,723	(185,004)
Parks and recreation				
Personal services	564,917	445,662	452,570	6,888
Supplies	84,205	83,545	67,013	(16,532)
Other services and charges	104,383	103,953	75,439	(28,514)
Total parks and recreation	753,505	633,160	595,022	(38,158)

(Continued)

City of White Bear Lake, Minnesota
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 General Fund
 For the Year Ended December 31, 2020

	Budget		Actual	Variances with Final Budget
	Original	Final		
Non-departmental				
General services	\$ 101,000	\$ 82,405	\$ 82,405	\$ -
Contingency	14,220	11,741	11,741	11,741
Total non-departmental	115,220	82,405	94,146	11,741
Total expenditures	11,909,399	11,455,093	11,046,956	(408,137)
Excess (deficiency) of revenues over (under) expenditures	(1,300,184)	531,943	1,338,323	806,380
Other financing sources (uses)				
Sale of property	1,000	440	443	3
Transfers in	1,325,000	1,353,117	1,378,150	25,033
Transfers out	(25,000)	(1,814,375)	(1,814,375)	-
Total other financing sources (uses)	1,301,000	(460,818)	(435,782)	25,036
Net change in fund balance	816	71,125	902,541	831,416
Fund balance - beginning	4,234,176	4,910,975	4,902,116	(8,859)
Fund balance - ending	\$ 4,234,992	\$ 4,982,100	\$ 5,804,657	\$ 822,557

City of White Bear Lake, Minnesota
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Economic Development Fund
 For the Year Ended December 31, 2020

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Tax increment	\$ 20,000	\$ 1,510	\$ 3,019	\$ -
Intergovernmental	-	68,926	52,350	(16,576)
Charges for services				
Farmer's Market	5,000	3,530	5,400	1,870
Loan repayments	72,500	60,500	5,660	(94,840)
Special assessments	62,200	55,015	65,773	10,758
Rental income	400,500	372,015	436,721	64,706
Miscellaneous	1,100	5,080	15,672	10,592
Interest income	-	-	42,931	42,931
Refunds and reimbursements	-	17,828	32,280	14,452
Total revenues	561,300	584,404	659,806	73,893
Expenditures				
Community Development	160,403	177,855	165,863	(11,992)
Personal services	30,360	829,465	630,658	(198,807)
Materials and supplies	449,733	516,986	427,599	(89,397)
Other services and charges	147,000	215,207	212,707	(2,500)
Capital outlay	787,496	1,738,523	1,436,827	(302,696)
Total expenditures	(226,196)	(1,155,119)	(777,021)	378,098
Excess (deficiency) of revenues over (under) expenditures	400,000	400,858	415,020	22,500
Other financing sources				
Sale of capital assets	-	1,489,375	1,511,875	22,500
Transfers from other funds	400,000	(262,890)	(350,529)	(87,639)
Transfers (to) other funds	-	1,627,343	1,576,366	(50,977)
Total other financing sources	173,804	472,224	799,345	327,121
Net change in fund balance	1,950,987	2,114,674	3,259,228	1,144,554
Fund balance - beginning	\$ 2,124,791	\$ 2,586,898	\$ 4,058,573	\$ 1,471,675
Fund balance - ending				

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2020

1. Budgetary Reporting

A. The Schedule

The budgetary comparison schedule presents the comparison of the original and legally amended budget with actual amounts on a departmental level for the General and Special Revenue funds. The departmental level budgets are adopted on a basis consistent with generally accepted accounting principles. The fund balance reports revenue in the period in which they become measurable and available.

B. Summary of Significant Budget Policies

The City Charter, Sections 5.03 through 5.09, sets forth the requirements that the City Manager must prepare and submit an annual budget to the City Council. The Council conducts informal budget discussions with the City Manager on an on-going basis. The Mayor, City Council, and citizens are asked to convey budget priorities to the City Manager prior to preparation of the proposed budget. The White Bear Lake City Charter requires the City Manager to enforce the provisions of the budget upon adoption. Minnesota State Law requires that the preliminary budget and proposed tax levy be approved by the City Council prior to September 30 of each year. State statutes require the preliminary property tax levy be certified to the County Auditor by September 30. Once the City adopts the proposed tax levy, the final tax levy can be decreased, but not increased, over the certified proposed tax levy. The City Council is required to adopt the final tax levy and submit the levy to the County Auditor by December 28.

C. Budget Amendments

After the budget resolution has been adopted, the Council, under Section 5.09 of the City Charter, shall have no power to increase the amounts fixed in the budget resolution, by insertion of new items or otherwise, beyond the estimated revenues, unless actual receipts exceed the estimates and then not beyond the actual receipts. The Council may at any time, by resolution, reduce the sums appropriated for any purpose by the budget resolution. The Council may, by four-fifths majority vote, authorize the transfer of sums from unencumbered balances of appropriations in the budget resolution to other purposes, except from dedicated funds, and subject to the limitations of the City Charter.

D. Budgetary Compliance

There were no budgetary compliance violations for the fiscal year ending December 31, 2020.

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City of White Bear Lake, Minnesota
 Combining Balance Sheet
 Non-Major Governmental Funds
 December 31, 2020

	Special Revenue Funds			
	Armory	Surface Water Pollution Prevention	Marina	
Assets				
Cash	\$ 40,007	\$ 847,030	\$	279,702
Receivables:				
Unremitted tax collections	-	-	-	-
Unremitted special assessments	-	-	-	-
Delinquent special assessments	-	-	-	-
Unavailable special assessments	-	-	-	-
Accounts	-	-	-	-
Intergovernmental	4,250	-	-	-
Prepaid expenses	-	-	-	-
Total assets	\$ 44,257	\$ 847,030	\$	279,702
Liabilities:				
Accounts payable	1,237	745		
Deposits payable	350	-		
Intergovernmental payable	-	-		
Unearned revenue - other	14,861	-		
Total liabilities	16,448	745		
Deferred Inflows of Resources				
Unavailable revenue -	-	-		
Special assessments	-	-		
Fund Balances:				
Nonspendable	-	-		
Restricted	-	-		
Committed	27,809	-		279,702
Assigned	-	846,285		
Total fund balances	27,809	846,285		279,702
Total liabilities, deferred inflows of resources, and fund balances	\$ 44,257	\$ 847,030	\$	279,702

COMBINING AND INDIVIDUAL FUND
 FINANCIAL STATEMENTS AND SCHEDULES

CITY OF WHITE BEAR LAKE
 WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
 DECEMBER 31, 2020

City of White Bear Lake, Minnesota
 Combining Balance Sheet
 Non-Major Governmental Funds
 December 31, 2020

	Debt Service Funds			
	2018	2018	2019	2020
	General	Tax	Improvement	General
Obligation Bonds	Bonds	Abatement	Bonds	Obligation Bonds
Assets	\$ 381,384	\$ 151,273	\$ 443,958	\$ 52,444
Cash				
Receivables:				
Unremitted tax collections	3,491	2,084	1,315	-
Unremitted special assessments	8,342	-	17,983	-
Delinquent special assessments	330	-	588	-
Unavailable special assessments	350,641	-	392,992	548,395
Accounts	-	-	-	-
Intergovernmental	-	-	-	-
Prepaid expenses	-	-	-	-
Total assets	\$ 744,188	\$ 153,367	\$ 856,836	\$ 600,839
Liabilities:	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-
Deposits payable	-	-	-	-
Intergovernmental payable	-	-	-	-
Unearned revenue - other	-	-	-	-
Total liabilities	-	-	-	-
Deferred Inflows of Resources				
Unavailable revenue -				
Special assessments	350,971	-	393,580	548,395
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	393,217	153,367	463,256	52,444
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	393,217	153,367	463,256	52,444
Total liabilities, deferred inflows of resources, and fund balances	\$ 393,217	\$ 153,367	\$ 463,256	\$ 52,444

	Debt Service Funds			
	2012 Special Assessment	2012 Refunding Tax Increment	2016 Tax Increment	
Special Revenue Funds	\$ 100,587	\$ 103,835	\$ 72,794	\$ 31,181
Forfeiture	-	-	-	-
Sports Center	-	-	-	-
Total	\$ 100,587	\$ 111,562	\$ 72,794	\$ 31,181
Liabilities:	\$ 460	\$ 12,744	\$ -	\$ -
Accounts payable	-	-	-	-
Deposits payable	35	-	-	-
Intergovernmental payable	17,788	11,860	-	-
Unearned revenue - other	18,248	24,639	-	-
Total liabilities	460	12,744	-	-
Fund Balances:				
Nonspendable	3,263	-	-	-
Restricted	82,339	29,220	72,794	31,181
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	82,339	86,923	72,794	31,181
Total liabilities, deferred inflows of resources, and fund balances	\$ 100,587	\$ 111,562	\$ 72,794	\$ 31,181

(Continued)

City of White Bear Lake, Minnesota
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Non-Major Governmental Funds
 For the Year Ended December 31, 2020

	Capital Projects Funds			Special Revenue Funds		
	Park Improvement	Equipment Acquisition	Sewer Improvement	Water Improvement	Non-Major Governmental Funds	Total
	\$ 1,707,389	\$ 2,338,961	\$ -	\$ -	\$ 6,579,765	
	-	-	-	-	6,900	
	-	-	-	-	26,325	
	-	-	-	-	918	
	-	-	-	-	1,292,028	
	-	-	-	-	4,464	
	-	-	-	-	4,250	
	-	-	-	-	3,263	
	\$ 1,707,389	\$ 2,338,961	\$ -	\$ -	\$ 7,917,913	
	\$ 10,969	\$ 14,372	\$ -	\$ -	\$ 40,527	
	84,145	37,050	-	-	121,545	
	-	-	-	-	35	
	95,114	51,422	-	-	44,509	
	-	-	-	-	206,616	
	-	-	-	-	1,292,946	
	-	-	-	-	3,263	
	1,612,275	2,287,539	-	-	1,277,818	
	-	-	-	-	4,290,985	
	1,612,275	2,287,539	-	-	846,285	
	\$ 1,707,389	\$ 2,338,961	\$ -	\$ -	\$ 7,917,913	

	Capital Projects Funds			Special Revenue Funds		
	Park Improvement	Equipment Acquisition	Sewer Improvement	Water Improvement	Non-Major Governmental Funds	Total
Revenues						
General property taxes						
Licenses and permits						
Intergovernmental					91,525	
Charges for services						
Special assessments						
Investment income					1,094	
Rental and lease income					23,628	
Refunds and reimbursements					2,041	
Donations						
Dedicated fees						
Miscellaneous						
Total revenues					106,709	407,107
Expenditures						
Current						
General government						
Public safety						
Public works					95,478	
Parks and recreation						99,914
Capital outlay						
General government						
Public safety						
Public works						
Parks and recreation						24,651
Debt service						
Principal retired on bonded debt						
Interest and other expenditures						
Total expenditures					95,478	124,565
Excess (deficiency) of revenues over (under) expenditures					11,231	282,542
Other financing sources (uses)						
Sale of capital assets						
Bonds issued						
Premium on bonds issued						
Transfers in from other funds						
Transfers (to) other funds						(225,000)
Total other financing sources (uses)						(225,000)
Net change in fund balance					11,231	57,542
Fund balance - beginning					835,054	222,160
Fund balance - ending					846,285	279,702

City of White Bear Lake, Minnesota
 Combining Statement of Net Position
 Non-Major Proprietary Funds
 December 31, 2020

	License Bureau	Pioneer Manor	Total Non-Major Enterprise Funds
Assets			
Current Assets			
Cash	\$ 220,948	\$ 299,255	\$ 520,203
Receivables:			
Accounts	1,100	45	1,145
Prepaid expenses	222,048	299,300	521,348
Total current assets			
Capital Assets			
Land	-	410,285	410,285
Buildings	5,760	2,437,134	2,442,894
Other Improvements	-	376,522	376,522
Equipment	21,569	160,023	181,592
Less accumulated depreciation	(27,329)	(1,632,433)	(1,659,762)
Total net capital assets	-	1,751,531	1,751,531
Total assets	222,048	2,050,831	2,272,879
Deferred outflows of resources			
Deferred pension resources	25,348	-	25,348
Liabilities			
Current Liabilities:			
Accounts payable	4,820	50,279	55,099
Intergovernmental payable	-	6	6
Deposits payable	-	33,355	33,355
Unearned revenue	-	765	765
Total current liabilities	4,820	84,405	89,225
Noncurrent Liabilities			
Net pension liability	388,106	-	388,106
Total liabilities	392,926	84,405	477,331
Deferred inflows of resources			
Deferred pension resources	46,934	-	46,934
Net Position			
Investment in capital assets	-	1,751,531	1,751,531
Unrestricted net assets	(192,464)	214,895	22,431
Total net position	\$ (192,464)	\$ 1,966,426	\$ 1,773,962

	Park Improvement	Equipment Acquisition	Sewer Improvement	Water Improvement	Total Non-Major Governmental Funds
\$	18,255	-	-	-	422,939
	24,285	209,533	-	-	18,255
	-	-	-	-	301,645
	-	-	-	-	373,853
	31,877	32,979	-	-	181,269
	2,009	440,565	-	-	102,045
	-	234,579	-	-	871,866
	1,800	-	-	-	264,790
	1,279	-	-	-	2,000
	-	-	-	-	1,279
	-	-	-	-	13,000
	79,505	917,646	-	-	2,553,801
	-	140,824	-	-	140,824
	-	84,245	-	-	95,036
	54,089	4,273	-	-	99,751
	-	2,572	-	-	762,126
	-	15,631	-	-	15,631
	-	872,880	-	-	872,880
	-	179,376	-	-	179,376
	153,781	-	-	-	178,432
	-	-	-	-	775,000
	-	23,292	-	-	485,127
	207,870	1,323,093	-	-	3,604,183
	(128,365)	(405,447)	-	-	(1,050,382)
	-	44,704	-	-	44,704
	-	1,111,637	-	-	1,163,610
	-	137,545	-	-	137,545
	75,900	359,583	-	-	1,080,960
	-	(6,215)	(488,382)	(370,690)	(1,102,287)
	75,900	1,645,254	(488,382)	(370,690)	1,324,522
	(52,465)	1,239,807	(488,382)	(370,690)	274,140
	1,664,740	1,047,732	488,382	370,690	6,144,211
	\$ 1,612,275	\$ 2,287,539	\$ -	\$ -	\$ 6,418,351

City of White Bear Lake, Minnesota
 Combining Statement of Revenues, Expenses and Changes in Net Position
 Non-Major Proprietary Funds
 For the Year Ended December 31, 2020

	License Bureau	Pioneer Manor	Total Non-Major Enterprise Funds
Operating revenues			
Charges for services	\$ 540,622	\$ -	\$ 540,622
Rent	-	401,600	401,600
Other	2,921	2,768	5,689
Total operating revenues	543,543	404,368	947,911
Operating expenses			
Personal services	546,527	-	546,527
Supplies	4,779	35,651	40,430
Other services and charges	43,188	216,422	259,610
Depreciation	341	90,084	90,425
Total operating expenses	594,835	342,157	936,992
Operating income (loss)	(51,292)	62,211	10,919
Nonoperating revenues			
Investment income	5,861	4,400	10,261
Intergovernmental	16,060	494	16,554
Miscellaneous revenues	1,768	1,432	3,200
Total nonoperating revenues	23,689	6,326	30,015
Income (loss) before transfers	(27,603)	68,537	40,934
Capital contributions	-	379,351	379,351
Transfers from other funds	12,940	829	13,769
Transfers (to) other funds	(75,000)	(180,000)	(235,000)
Change in net position	(89,663)	288,717	199,054
Net position - beginning	(102,801)	1,677,709	1,574,908
Net position - ending	\$ (192,464)	\$ 1,966,426	\$ 1,773,962

City of White Bear Lake, Minnesota
 Combining Statement of Cash Flows
 Non-Major Proprietary Funds
 For the Year Ended December 31, 2020

	License Bureau	Pioneer Manor	Total Non-Major Enterprise Funds
Cash flows from operating activities			
Receipts from customers	\$ 542,390	\$ 405,451	\$ 947,841
Payments to vendors	(44,537)	(260,803)	(305,340)
Payments to employees	(662,583)	-	(662,583)
Payments to other governments	(204)	-	(204)
Other receipts	2,921	2,768	5,689
Net cash provided (used) by operating activities	(162,013)	147,416	(14,597)
Cash flows from noncapital financing activities			
Intergovernmental receipts	16,060	494	16,554
Proceeds from (payments on) advances to other funds	245,985	-	245,985
Transfers from other funds	12,940	829	13,769
Transfers (to) other funds	(75,000)	(160,000)	(235,000)
Net cash provided (used) by noncapital financing activities	199,985	(158,677)	41,308
Cash flows from capital financing activities			
Intergovernmental receipts	-	379,351	379,351
Purchase of property and equipment	-	(376,522)	(376,522)
Net cash provided (used) by capital financing activities	-	2,829	2,829
Cash flows from investing activities			
Investment income received	5,861	4,400	10,261
Increase (decrease) in cash and cash equivalents	43,833	(4,032)	39,801
Cash and cash equivalents at beginning of year	177,115	303,287	480,402
Cash and cash equivalents at end of year	\$ 220,948	\$ 299,255	\$ 520,203
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (51,292)	\$ 62,211	\$ 10,919
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	341	90,084	90,425
Miscellaneous	1,768	1,432	3,200
(Increase) decrease in assets/deferred outflows of resources	-	1,479	1,479
Accounts receivable	(1,100)	-	(1,100)
Prepaid expenses	30,321	-	30,321
Deferred outflows in pension resources	-	-	-
Increase (decrease) in liabilities/deferred inflows of resources	4,530	(8,736)	(4,206)
Accounts payable	(204)	6	(198)
Due to governments	-	930	930
Deposits payable	-	-	-
Deferred inflows in pension resources	(96,685)	10	(96,685)
Unearned revenue	-	-	-
Net pension liability	(48,682)	-	(48,682)
Net cash provided (used) by operating activities	\$ (162,013)	\$ 147,416	\$ (14,597)

City of White Bear Lake, Minnesota
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Army Fund
 For the Year Ended December 31, 2020

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Rental income	\$ 43,550	\$ 24,495	\$ 19,378	\$ (5,117)
Lease income	-	-	4,250	4,250
Investment income	-	-	1,094	1,094
Refunds and reimbursements	5,150	2,450	2,041	(409)
Total revenues	48,700	26,945	26,763	(182)
Expenditures				
Parks and recreation				
Personal services	38,053	32,812	30,948	(1,864)
Materials and supplies	3,425	1,840	1,310	(530)
Other services and charges	30,575	21,230	30,087	8,857
Total expenditures	72,053	55,882	62,345	6,463
Excess (deficiency) of revenues over (under) expenditures	(23,353)	(28,937)	(35,582)	(6,645)
Other financing sources (uses)				
Transfers from other funds	25,000	25,000	25,231	231
Transfers (to) other funds	(10,000)	(10,000)	(10,000)	-
Total other financing sources (uses)	15,000	15,000	15,231	231
Net change in fund balance	(8,353)	(13,937)	(20,351)	(6,414)
Fund balance - beginning	47,053	48,160	48,160	-
Fund balance - ending	\$ 38,700	\$ 34,223	\$ 27,809	\$ (6,414)

City of White Bear Lake, Minnesota
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Surface Water Pollution Prevention Fund
 For the Year Ended December 31, 2020

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 90,000	\$ 91,525	\$ 91,525	\$ -
Interest income	-	6,000	15,184	9,184
Refunds and reimbursements	400	-	-	-
Total revenues	90,400	97,525	106,709	9,184
Expenditures				
Public works				
Personal services	56,181	49,987	47,722	(2,265)
Materials and supplies	4,350	7,350	3,978	(3,372)
Other services and charges	181,825	179,625	43,778	(135,847)
Total expenditures	250,356	236,962	95,478	(141,484)
Net change in fund balance	(159,956)	(139,437)	11,231	150,668
Fund balance - beginning	781,840	835,054	835,054	-
Fund balance - ending	\$ 621,884	\$ 695,617	\$ 846,285	\$ 150,668

City of White Bear Lake, Minnesota
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Marina Fund
For the Year Ended December 31, 2020

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Rental income	\$ 405,000	\$ 406,188	\$ 402,188	\$ (4,000)
Interest income	-	-	4,919	4,919
Total revenues	405,000	406,188	407,107	919
Expenditures				
Parks and recreation				
Personal services	26,810	28,969	24,530	(4,439)
Materials and supplies	6,500	5,000	1,050	(3,950)
Other services and charges	93,950	92,835	74,334	(18,501)
Capital outlay	40,000	24,672	24,651	(21)
Total expenditures	167,260	151,476	124,565	(26,911)
Excess (deficiency) of revenues over (under) expenditures	237,740	254,712	282,542	27,830
Other Financing Uses				
Transfers (to) other funds	(225,000)	(225,000)	(225,000)	-
Net change in fund balance	12,740	29,712	57,542	27,830
Fund balance - beginning	195,059	222,160	222,160	-
Fund balance - ending	\$ 207,799	\$ 251,872	\$ 279,702	\$ 27,830

City of White Bear Lake, Minnesota
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Forfeiture Fund
For the Year Ended December 31, 2020

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Miscellaneous	\$ 10,000	\$ 24,697	\$ 9,488	\$ (15,209)
Interest income	-	-	1,427	1,427
Refunds and reimbursements	30,000	25,600	28,170	2,570
Total revenues	40,000	50,297	39,085	(11,212)
Expenditures				
Current				
Public safety	1,000	450	62	(388)
Materials and supplies	39,650	24,479	10,729	(13,746)
Other services and charges	40,650	24,925	10,791	(14,134)
Total expenditures	(650)	25,372	28,294	2,922
Net change in fund balance	39,964	54,045	54,045	-
Fund balance - beginning	39,314	79,417	82,339	2,922
Fund balance - ending	\$ 39,314	\$ 79,417	\$ 82,339	\$ 2,922

City of White Bear Lake, Minnesota
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Sports Center Fund
 For the Year Ended December 31, 2020

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 515,290	\$ 787	\$ 787	\$ -
Charges for services	-	395,936	349,568	(46,368)
Interest income	15,500	3,000	2,843	(157)
Rental income	-	7,500	3,486	(4,014)
Donations	-	-	200	200
Miscellaneous	7,500	3,806	4,172	366
Total revenues	538,290	411,029	361,056	(49,973)
Expenditures				
Parks and recreation				
Personal services	381,763	362,896	340,176	(22,720)
Materials and supplies	29,580	26,221	21,301	(4,920)
Other services and charges	192,348	166,351	181,729	15,378
Total expenditures	603,691	555,468	543,206	(12,262)
Excess (deficiency) of revenues over (under) expenditures	(65,401)	(144,439)	(182,150)	(37,711)
Other financing sources				
Sale of capital assets	-	-	-	-
Net change in fund balance	(65,401)	(144,439)	(182,150)	(37,711)
Other Financing Sources				
Transfers in	-	1,953	4,236	2,283
Total other financing sources (uses)		1,953	4,236	2,283
Net change in fund balance	(65,401)	(142,486)	(177,914)	(35,428)
Fund balance - beginning	249,017	264,837	264,837	-
Fund balance - ending	\$ 183,616	\$ 122,351	\$ 86,923	\$ (35,428)

City of White Bear Lake, Minnesota
 Combining Statement of Net Position
 Internal Service Funds
 December 31, 2020

	Insurance	Employment Expense	Total Internal Service Funds
Assets			
Current Assets			
Cash	\$ 2,900,203	\$ 2,412,296	\$ 5,312,499
Receivables:			
Accounts	6,989	-	6,989
Intergovernmental	-	15,933	15,933
Advances to other funds	126,000	-	126,000
Total assets	3,033,192	2,428,229	5,461,421
Deferred Outflows of Resources			
Deferred other postemployment benefit resources	-	420,340	420,340
Liabilities			
Current Liabilities:			
Accounts payable	4,182	8,528	12,710
Accrued wages payable	-	376,199	376,199
Compensated absences payable	-	565,624	565,624
Total current liabilities	4,182	950,351	954,533
Noncurrent Liabilities:			
Compensated absences payable	-	648,236	648,236
Other postemployment benefits (OPEB) liability	-	1,464,554	1,464,554
Total noncurrent liabilities	-	2,112,790	2,112,790
Total liabilities	4,182	3,063,141	3,067,323
Deferred Inflows of Resources			
Deferred other postemployment benefit resources	-	22,033	22,033
Net Position			
Unrestricted	\$ 3,029,010	\$ (236,605)	\$ 2,792,405

City of White Bear Lake, Minnesota
 Combining Statement of Revenues, Expenses and Changes in Net Position
 Internal Service Funds
 For the Year Ended December 31, 2020

	Insurance	Employment Expense	Total Internal Service Funds
Operating revenues			
Charges for services	\$ 454,106	\$ 3,115,755	\$ 3,569,861
Premium reimbursement	103,633	1,078	104,711
Total operating revenues	<u>557,739</u>	<u>3,116,833</u>	<u>3,674,572</u>
Operating expenses			
Personal services	-	3,359,505	3,359,505
Supplies	648	-	648
Other services and charges	359,915	58,045	417,960
Total operating expenses	<u>360,563</u>	<u>3,417,550</u>	<u>3,778,113</u>
Operating income (loss)	<u>197,176</u>	<u>(300,717)</u>	<u>(103,541)</u>
Nonoperating revenues			
Investment income	42,371	39,977	82,348
Intergovernmental	-	14,890	14,890
Miscellaneous	2,502	36	36
Gain on disposal of capital assets	44,873	54,903	99,776
Total nonoperating revenues	<u>242,049</u>	<u>(245,814)</u>	<u>(3,765)</u>
Income (loss) before transfers	<u>286,000</u>	<u>5,775</u>	<u>291,775</u>
Transfers in			
Change in net position	528,049	(240,039)	288,010
Net position - beginning	2,500,961	3,434	2,504,395
Net position - ending	<u>\$ 3,029,010</u>	<u>\$ (236,605)</u>	<u>\$ 2,792,405</u>

City of White Bear Lake, Minnesota
 Combining Statement of Cash Flows
 Internal Service Funds
 For the Year Ended December 31, 2020

	Insurance	Employment Expense	Total Internal Service Funds
Cash flows from operating activities			
Receipts from other funds	\$ 447,117	\$ 3,115,755	\$ 3,562,872
Payments to vendors	(376,605)	(1,439,249)	(1,815,854)
Payments to other governments	-	(1,552,152)	(1,552,152)
Payments to employees	-	(152,953)	(152,953)
Other receipts	103,633	1,114	104,747
Net cash provided (used) by operating activities	<u>174,145</u>	<u>(27,485)</u>	<u>146,660</u>
Cash flows from noncapital financing activities			
Intergovernmental receipts	-	14,890	14,890
Decrease in advances to other funds	274,000	-	274,000
Transfers from other funds	286,000	5,775	291,775
Net cash provided (used) by noncapital financing activities	<u>560,000</u>	<u>20,665</u>	<u>580,665</u>
Cash flows from capital financing activities			
Proceeds from the sale of capital assets	2,502	-	2,502
Cash flows from investing activities	<u>42,371</u>	<u>39,977</u>	<u>82,348</u>
Investment income received	779,018	33,157	812,175
Increase (decrease) in cash and cash equivalents	<u>2,121,185</u>	<u>2,379,139</u>	<u>4,500,324</u>
Cash and cash equivalents at beginning of year	<u>\$ 2,900,203</u>	<u>\$ 2,412,296</u>	<u>\$ 5,312,499</u>
Cash and cash equivalents at end of year			
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 197,176	\$ (300,717)	\$ (103,541)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Miscellaneous (increase) decrease in assets/deferred outflows of resources	-	36	36
Accounts receivable	(6,989)	-	(6,989)
Due from governments	-	(2,537)	(2,537)
Prepaid expenses	-	2,610	2,610
Deferred outflows in OPEB resources	-	(67,569)	(67,569)
Increase (decrease) in liabilities/deferred inflows of resources	(16,042)	(7,937)	(23,979)
Accounts payable	-	97,632	97,632
Wages payable	-	(2,850)	(2,850)
Deferred inflows in OPEB resources	-	122,794	122,794
OPEB liability	-	131,053	131,053
Compensated absences	-	-	-
Net cash provided (used) by operating activities	<u>\$ 174,145</u>	<u>\$ (27,485)</u>	<u>\$ 146,660</u>

STATISTICAL SECTION (UNAUDITED)
CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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City of White Bear Lake, Minnesota

Statistical Section

This part of the City of White Bear Lake's comprehensive annual financial report presents detailed statistical information. The following five sections provide the reader with historical data that is intended to provide valuable trend information and insight into the City's financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt, and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

The schedules contain service and infrastructure data to help the reader understand how the City's financial report relates to the services the City provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**City of White Bear Lake, Minnesota
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Years			
	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 56,636,347	\$ 53,729,136	\$ 65,111,033	\$ 70,454,106
Restricted for counseling center	81,200	-	-	-
Restricted for armory	52,622	46,181	-	-
Restricted for stormwater	28,590	4,583	27,464	31,033
Restricted for debt service	346,322	341,258	258,435	192,389
Restricted for economic development	2,359,897	2,409,773	914,455	-
Unrestricted	29,900,926	35,589,459	32,231,764	27,617,496
Total governmental activities net position	\$ 89,405,904	\$ 92,120,390	\$ 98,543,151	\$ 98,295,024
Business-type activities				
Net investment in capital assets	\$ 5,911,634	\$ 5,829,454	\$ 4,422,893	\$ 4,259,544
Unrestricted	4,988,444	4,691,010	4,459,462	3,953,646
Total business-type activities net position	\$ 10,910,078	\$ 10,520,464	\$ 8,882,355	\$ 8,213,190
Total primary government	\$ 62,547,981	\$ 59,558,590	\$ 69,533,926	\$ 74,713,650
Net investment in capital assets	81,200	-	-	-
Restricted for counseling center	52,622	46,181	-	-
Restricted for armory	28,590	4,583	27,464	31,033
Restricted for stormwater	346,322	341,258	258,435	192,389
Restricted for debt service	2,359,897	2,409,773	914,455	-
Unrestricted	34,899,370	40,280,469	36,691,226	31,571,142
Total primary government net position	\$ 100,315,962	\$ 102,640,854	\$ 107,425,506	\$ 108,508,214

City of White Bear Lake, Minnesota
 Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Years			
	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$ 1,559,230	\$ 1,323,209	\$ 1,434,549	\$ 1,384,578
Community development	387,494	945,394	1,589,276	2,200,586
Public safety	5,278,869	5,331,485	5,613,039	6,009,046
Public works	3,901,382	3,286,517	2,376,178	3,032,841
Parks and recreation	752,502	793,111	1,383,926	1,513,999
Counseling center	505,904	240,232	-	-
Interest on long-term debt	278,754	226,667	196,259	203,444
Total governmental activities expenses	12,664,135	12,156,615	12,609,227	14,344,494
Business-type activities:				
Water	1,256,581	1,253,619	1,256,185	1,501,481
Sewer	2,480,514	2,331,164	2,432,860	2,356,471
Refuse	1,287,025	1,373,872	1,323,476	1,269,835
Sports Center	563,960	627,507	-	-
Ambulance	1,043,181	1,072,538	1,174,927	1,303,816
Pioneer Manor	235,010	232,459	240,515	231,469
License Bureau	501,068	477,197	545,962	601,184
Total business-type activities expenses	7,367,329	7,368,356	6,973,925	7,264,356
Total primary government expenses	\$ 20,031,464	\$ 19,524,971	\$ 19,583,152	\$ 21,608,850
Program Revenues				
Governmental activities	\$ 539,811	\$ 667,976	\$ 648,104	\$ 466,380
Charges for services	1,349,852	1,458,837	1,512,403	1,448,604
Public safety	1,514,084	344,646	2,138,913	1,607,337
Public works	725,387	544,347	1,165,561	1,368,593
Other activities	1,066,891	944,466	1,860,303	969,094
Operating grants and contributions	947,133	2,402,615	1,120,468	3,204,949
Capital grants and contributions	6,173,158	6,402,887	8,445,772	9,064,957
Total governmental activities program revenues				

	Fiscal Years				
	2015	2016	2017	2018	2019
\$ 69,690,757	\$ 66,342,321	\$ 66,079,290	\$ 63,463,876	\$ 62,561,789	\$ 59,068,600
31,033	31,033	31,033	31,033	-	-
127,709	103,228	139,623	122,200	1,847,261	2,265,278
-	629,646	464,393	-	-	324,051
29,293,742	28,639,930	26,022,816	31,026,459	29,497,391	31,196,628
\$ 99,143,241	\$ 95,946,158	\$ 92,737,155	\$ 94,663,568	\$ 93,906,441	\$ 92,854,557
\$ 4,189,988	\$ 4,034,239	\$ 3,935,132	\$ 5,070,706	\$ 4,875,313	\$ 4,400,818
2,208,696	1,762,479	2,331,483	2,204,090	2,957,997	4,076,149
\$ 6,398,684	\$ 5,796,718	\$ 6,266,615	\$ 7,274,796	\$ 7,833,310	\$ 8,476,967
\$ 73,880,745	\$ 70,376,560	\$ 70,014,422	\$ 68,554,582	\$ 67,437,102	\$ 63,469,418
31,033	31,033	31,033	31,033	-	-
127,709	103,228	139,623	122,200	1,847,261	2,265,278
-	629,646	464,393	-	-	324,051
31,502,438	30,602,409	28,354,299	33,230,549	32,455,388	35,272,777
\$ 105,541,925	\$ 101,742,876	\$ 99,003,770	\$ 101,936,364	\$ 101,738,751	\$ 101,331,524

City of White Bear Lake, Minnesota
 Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Years					
	2015	2016	2017	2018	2019	2020
Business-type activities:						
Charges for services:						
Water	\$ 1,289,857	\$ 1,894,885	\$ 2,032,563	\$ 2,229,732	\$ 1,780,202	\$ 2,280,521
Sewer	976,641	1,274,267	1,303,137	996,161	913,745	2,017,503
Refuse	5,866,989	7,344,542	6,901,502	6,938,342	8,107,785	6,698,809
Sports Center	3,316,921	6,081,862	5,136,511	3,477,255	4,982,461	5,913,052
Ambulance	1,673,231	1,949,905	2,196,181	2,443,894	2,110,546	2,141,183
Pioneer Manor	-	-	-	-	-	-
License Bureau	201,602	216,142	286,638	563,390	586,792	575,748
Operating grants and contributions	13,325,251	18,761,693	17,856,532	16,668,774	18,481,531	19,626,816
Capital grants and contributions	-	-	-	-	-	-
Total business-type activities program revenues	\$ 20,674,303	\$ 26,308,837	\$ 25,773,021	\$ 25,236,073	\$ 27,524,692	\$ 29,726,848
Total primary government program revenues	\$ 20,674,303	\$ 26,308,837	\$ 25,773,021	\$ 25,236,073	\$ 27,524,692	\$ 29,726,848
Net (Expense)/Revenue	\$ (6,490,977)	\$ (5,753,728)	\$ (4,163,455)	\$ (5,279,537)	\$ (5,279,537)	\$ (5,279,537)
Business-type activities	637,681	719,866	417,002	260,455	260,455	260,455
Total primary government net expense	\$ (5,853,296)	\$ (5,033,862)	\$ (3,746,453)	\$ (5,019,082)	\$ (5,019,082)	\$ (5,019,082)
General Revenues and Other Changes in Net Position						
Governmental activities:						
Taxes	5,020,540	5,360,530	5,320,871	5,332,542	5,693,462	5,101,437
Unrestricted grants and contributions	1,533,186	1,532,871	1,532,871	1,532,542	1,532,542	1,532,542
Investment earnings	455,281	332,283	332,283	(46,110)	(46,110)	435,659
Gain on sale of capital assets	-	81,103	81,103	1,335,877	5,556	5,556
Capital transfers	-	-	-	-	-	-
Transfers	747,408	986,417	986,417	878,681	878,681	929,620
Total governmental activities	7,756,415	8,313,214	8,313,214	9,394,432	8,004,432	8,004,726
Business-type activities:						
Investment earnings	23,065	31,937	-	-	-	-
Gain on sale of capital assets	-	-	-	-	15,334	-
Capital transfers	-	-	-	-	-	-
Transfers	(747,408)	(986,417)	(986,417)	(878,681)	(878,681)	(929,620)
Total business-type activities	(724,343)	(954,480)	(954,480)	(863,327)	(863,327)	(929,620)
Total primary government	\$ 7,032,072	\$ 7,358,734	\$ 7,358,734	\$ 8,531,105	\$ 7,141,105	\$ 7,075,106
Change in Net Position	\$ 1,265,438	\$ 2,559,486	\$ 5,230,977	\$ 2,725,189	\$ (669,165)	\$ (669,165)
Business-type activities	(86,662)	(234,614)	(446,325)	(446,325)	(669,165)	(669,165)
Total primary government	\$ 1,178,776	\$ 2,324,872	\$ 4,784,652	\$ 4,784,652	\$ 2,056,024	\$ 2,056,024

(Continued)

City of White Bear Lake, Minnesota
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Years			
	2011	2012	2013	2014
General Fund	\$ 3,510,610	\$ 3,351,922	\$ 3,564,689	\$ -
Nonspendable	-	-	-	-
Unassigned	-	-	-	-
Total general fund	3,510,610	3,351,922	3,564,689	3,240,501
All Other Governmental Funds				
Nonspendable	-	-	-	-
Capital improvements	-	-	-	-
Sports center	-	-	-	-
Restricted	-	-	-	-
Counseling center	81,200	-	-	-
Armory	52,622	46,181	-	-
Surface water pollution prevention	28,590	4,583	27,464	31,033
Debt service	346,322	363,341	288,648	218,493
Economic development	2,359,897	2,409,773	914,455	-
Committed	-	-	-	-
Armory	-	-	49,893	54,033
Marina	-	-	188,910	275,010
Sports center	-	-	-	348,724
Forfeiture	-	-	-	-
Debt service	721,342	694,662	1,220,207	1,321,100
Advances	2,350,000	2,080,000	1,430,000	1,325,000
Capital improvements	4,843,935	4,930,988	14,367,004	14,179,649
Economic development	1,016,897	1,002,251	915,912	1,116,556
Assigned	-	-	-	-
Surface water pollution prevention	908,041	871,823	744,981	801,349
Capital improvements	11,959,978	14,590,161	4,068,818	3,610,771
Debt service	-	-	-	-
Economic development	1,956,848	2,173,274	2,663,221	2,289,733
Unassigned	(3,190,980)	(2,918,533)	(2,264,286)	(4,213,915)
Total all other governmental funds	23,434,682	26,248,534	24,967,787	21,357,536
Total fund balances	\$ 26,945,292	\$ 29,600,456	\$ 28,532,476	\$ 24,598,037

	Fiscal Years					
	2015	2016	2017	2018	2019	2020
\$	1,033,562	1,317,467	1,352,090	1,631,823	1,630,455	1,949,067
	2,278,271	2,458,993	2,737,128	3,137,600	3,301,230	3,284,394
	1,331,974	1,287,837	1,313,995	1,345,541	1,422,623	1,626,462
	1,533,843	1,364,463	1,819,626	1,617,467	1,991,667	1,738,264
	379,942	379,437	382,935	390,436	402,734	405,800
	1,009,610	1,036,532	971,880	972,573	972,466	545,311
	-	146,693	77,717	60,691	279,418	210,076
	-	-	-	-	2,463	379,351
	7,567,202	7,991,422	8,655,371	9,156,131	10,003,046	10,138,725
	16,196,562	15,185,934	15,450,610	20,641,950	17,886,219	19,299,994
\$	(4,693,901)	(11,567,181)	(11,061,293)	(5,182,915)	(10,596,358)	(10,465,547)
	218,150	444,278	738,882	588,832	959,885	38,683
	(4,475,751)	(11,122,903)	(10,322,411)	(4,594,083)	(9,636,473)	(10,426,854)
	5,430,074	5,425,913	5,638,926	6,161,456	6,753,944	7,476,766
	1,542,705	1,542,738	1,543,705	1,567,299	1,588,195	1,588,195
	275,401	314,014	380,231	556,128	975,843	554,412
	205,885	39,118	-	84,222	50,949	394,010
	881,506	1,048,315	279,428	(1,459,723)	(9,500)	-
	8,335,581	8,370,098	7,852,290	7,986,300	9,839,231	9,496,002
	12,236	2,071	10,443	16,546	28,826	47,455
	-	-	-	1,459,723	40,103	40,128
	(881,506)	(1,048,315)	(279,428)	(1,056,920)	(479,800)	517,381
	(869,270)	(1,046,244)	(268,985)	419,349	(401,371)	604,964
\$	7,466,311	7,323,854	7,583,305	8,405,649	9,437,860	10,100,966
\$	3,641,680	(3,197,083)	(3,209,003)	2,803,385	(757,127)	(969,545)
	(651,120)	(601,966)	469,897	1,008,181	558,514	643,657
\$	2,990,560	(3,799,049)	(2,739,106)	3,811,566	(198,613)	(325,888)

City of White Bear Lake, Minnesota
Assessed Tax Capacity and Market Value of Property
Last Ten Fiscal Years

Lewy Year	Fiscal Year	Real Property			Personal Property		
		Assessed Tax Capacity	Market Value	Assessed Tax Capacity	Market Value		
2011	2012	\$ 23,638,933	\$ 1,969,224,043	\$ 467,304	\$ 34,055,757		
2012	2013	21,941,998	1,967,835,949	488,011	34,031,751		
2013	2014	22,166,306	1,984,183,927	495,853	34,314,473		
2014	2015	23,397,317	2,103,140,198	495,867	36,371,702		
2015	2016	24,139,655	2,170,883,643	539,526	37,543,257		
2016	2017	26,067,338	2,323,498,521	593,786	40,182,579		
2017	2018	28,577,080	2,514,995,277	622,593	43,494,323		
2018	2019	30,809,390	2,692,665,548	659,373	46,566,953		
2019	2020	32,814,944	2,756,482,104	616,990	47,670,596		
2020	2021	35,249,116	3,063,833,667	743,722	52,985,933		

Source: Ramsey County and Washington County

	Fiscal Years					
	2015	2016	2017	2018	2019	2020
\$	5,513,046	\$ 5,410,913	\$ 5,588,926	\$ 6,102,456	\$ 6,829,685	\$ 7,472,082
	743,511	637,247	696,282	785,141	892,276	845,633
	106,539	92,968	89,082	78,357	87,063	60,489
	962,246	1,243,285	989,086	1,035,730	1,267,682	1,133,738
	1,423,962	1,363,846	1,268,893	1,405,265	1,448,465	1,424,125
	3,316,877	3,574,867	3,318,121	4,146,233	3,393,992	5,308,025
	238,901	271,982	350,481	528,626	855,613	472,064
	3,013,404	2,271,189	2,280,430	3,463,864	2,716,316	2,144,866
	15,318,476	14,866,297	14,581,280	17,545,672	17,491,092	18,861,022
	1,179,741	1,396,395	1,617,010	1,653,756	1,779,680	1,908,340
	5,547,655	5,749,040	6,262,229	6,860,710	6,498,002	6,662,012
	1,827,692	1,848,175	3,231,023	2,135,159	2,294,282	2,193,221
	1,461,734	1,403,256	1,718,351	1,854,616	1,504,270	1,366,047
	967,991	1,121,905	1,294,178	1,053,737	1,093,417	1,623,799
	4,896,700	4,216,946	2,451,652	11,211,655	5,357,364	5,012,902
	680,000	345,000	355,000	420,000	420,000	775,000
	205,925	169,628	312,139	425,058	606,920	560,709
	16,767,438	16,250,345	17,241,582	25,614,691	19,563,935	20,102,030
	(1,448,962)	(1,384,048)	(2,660,302)	(8,069,019)	(2,062,843)	(1,241,008)
	-	2,275,000	-	9,180,000	1,925,000	3,580,000
	262,667	51,960	47,082	67,581	164,335	341,970
	4,484,192	4,159,689	5,101,950	79,972	42,430	460,571
	(3,471,792)	(2,805,704)	(4,426,950)	3,856,096	5,119,617	4,281,435
	1,275,077	3,990,945	722,082	(2,799,176)	(4,404,817)	(5,060,591)
	(173,865)	2,196,897	(1,938,220)	2,315,454	783,722	2,332,377
	7.4%	3.5%	4.5%	6.0%	6.7%	7.7%

City of White Bear Lake, Minnesota
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Tax Rates (Per \$100 of Tax Capacity Valuation) (Per \$100 of Market Valuation)							Total
	City			Ind. School District No. 624	Ramsey County	Other Special Districts	Total	
	General Fund	Debt Service	Capital					
2011	16.290	0.751	0.664	22.521	54.678	8.355	103.259	
(A) 2011				0.241			0.241	
2012	18.346	0.846	0.748	26.102	61.317	9.955	117.314	
(A) 2012				0.248			0.248	
2013	19.766	0.893	0.789	28.562	65.144	10.187	125.389	
(A) 2013				0.264			0.264	
2014	19.447	0.879	0.777	28.562	63.735	9.825	123.224	
(A) 2014				0.273			0.273	
2015	18.662	0.277	1.408	26.660	58.922	9.179	115.128	
(A) 2015				0.240			0.240	
2016	18.223	0.528	0.839	26.236	58.885	9.052	113.863	
(A) 2016				0.235			0.235	
2017	17.936	0.484	0.550	23.454	55.920	8.565	106.908	
(A) 2017				0.212			0.212	
2018	17.548	0.446	0.899	23.631	53.692	8.215	104.596	
(A) 2018				0.223			0.223	
2019	19.070	0.420	0.700	26.081	52.879	8.265	107.368	
(A) 2019				0.232			0.232	
2020	19.261	0.394	0.974	36.777	52.302	8.249	117.957	
(A) 2020				0.220			0.220	
2021	18.313	0.363	1.610	37.194	47.708	7.815	113.004	
(A) 2021				0.220			0.220	

(A) Voter approved referendums are levied against market value rather than tax capacity value of the taxing authority.

Assessed Tax Capacity	Market Value	% Total of Assessed Tax Capacity to Market Value	Total Direct Tax Rate	
			Assessed Tax Capacity	Market Value
\$ 24,106,237	\$ 2,003,279,800	1.20%	19,940	19,940
22,430,009	2,001,867,700	1.12%	21,496	21,496
22,662,159	2,018,498,400	1.12%	21,102	21,102
23,893,184	2,139,511,900	1.12%	20,367	20,367
24,679,181	2,208,426,900	1.12%	19,690	19,690
26,661,124	2,363,681,100	1.13%	18,969	18,969
29,199,673	2,558,489,600	1.14%	19,058	19,058
31,468,763	2,739,232,500	1.15%	20,143	20,143
33,431,934	2,804,152,700	1.19%	20,629	20,629
35,992,838	3,116,819,600	1.15%	20,287	20,287

City of White Bear Lake, Minnesota
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2020			2011		
	Tax Capacity Value	Rank	Percentage of Total City Tax Capacity Value	Tax Capacity Value	Rank	Percentage of Total City Tax Capacity Value
White Bear Woods Apartments	\$ 559,129	1	1.55%	\$ 224,813	3	0.95%
Xcel Energy	476,394	2	1.32%			
White Bear Marketplace	320,388	3	0.89%			
Trane Corporation	272,946	4	0.76%			
The Waters of White Bear Lake	265,000	5	0.74%	266,172	2	1.12%
Aspen Research	245,654	6	0.68%			
Birch Lake Townhomes	245,125	7	0.68%	176,768	6	0.74%
White Bear Shopping Center	232,576	8	0.65%			
The Pillars of White Bear Lake	226,000	9	0.63%	201,262	5	0.85%
Taylor Corporation	203,040	10	0.56%	148,532	9	0.63%
Sami's Club				269,250	1	1.13%
K Mart Corporation				209,250	4	0.88%
Festival Foods				163,250	7	0.69%
Life Time Fitness				155,250	8	0.65%
Cummins Sales and Services				133,840	10	0.56%
Total	\$ 3,046,252		8.46%	\$ 1,948,387		7.64%
Total Tax Capacity of City	\$ 35,992,838			\$ 23,760,537		

Source: Ramsey County and Washington County

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City of White Bear Lake, Minnesota
Property Tax Levies and Collections
For the Last Ten Fiscal Years

Fiscal Year	Total Levy	(1) Collection of Current Year's Levy	Percentage of Levy Collected	Collections/ Refunds in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy
2011	\$ 4,666,000	\$ 4,337,357	92.96%	328,643	\$ 4,666,000	100.00%
2012	4,666,000	4,624,251	99.11%	41,749	4,666,000	100.00%
2013	4,755,000	4,734,372	99.57%	20,628	4,755,000	100.00%
2014	4,755,000	4,606,934	96.89%	148,066	4,755,000	100.00%
2015	4,845,000	4,841,359	99.92%	3,641	4,845,000	100.00%
2016	4,927,000	4,876,320	99.01%	44,987	4,923,307	99.93%
2017	5,173,000	5,076,444	98.13%	80,917	5,167,361	99.89%
2018	5,625,000	5,540,565	98.50%	72,126	5,612,891	99.78%
2019	6,345,000	6,236,360	98.32%	91,649	6,330,009	99.76%
2020	6,908,000	6,846,046	99.10%	-	6,846,046	99.10%

(1) Includes state paid property tax credits.

City of White Bear Lake, Minnesota
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government
	Special Assessment Bonds	Tax Increment Financing Bonds	Tax Abatement Bonds	Revenue Bonds	Revenue Bonds	Revenue Bonds	Revenue Bonds	
2011	\$ -	\$ -	\$ 3,070,000	\$ -	\$ -	\$ -	\$ -	3,070,000
2012	2,555,000	2,650,000	2,650,000	-	-	-	-	5,205,000
2013	2,555,000	2,195,000	2,195,000	-	-	-	-	4,750,000
2014	2,340,000	1,745,000	1,745,000	-	-	-	-	4,085,000
2015	2,125,000	1,280,000	1,280,000	-	-	-	-	3,405,000
2016	1,920,000	3,415,000	3,415,000	-	-	-	-	5,335,000
2017	1,720,000	3,260,000	3,260,000	-	-	-	-	4,980,000
2018	7,436,187	3,035,000	3,336,394	-	-	-	-	13,807,581
2019	9,332,390	2,800,000	3,336,090	-	-	-	-	15,468,480
2020	12,825,993	2,560,000	3,210,784	919,389	919,389	919,389	919,389	19,516,166

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

City of White Bear Lake, Minnesota
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less Amount Restricted to Debt Service	Net General Bonded Debt	Market Value of Property	Percentage of Market Value of Property	Assessed Value of Property
2011	\$ 3,070,000	\$ 346,322	\$ 2,723,678	\$2,229,171,400	0.12%	\$ 26,562,635
2012	5,205,000	341,258	4,863,742	2,003,279,800	0.24%	24,106,237
2013	4,750,000	258,435	4,491,565	2,001,867,700	0.22%	22,430,009
2014	4,085,000	192,389	3,892,611	2,018,498,400	0.19%	22,862,159
2015	3,405,000	127,709	3,277,291	2,139,511,900	0.15%	23,893,184
2016	5,335,000	103,228	5,231,772	2,208,426,900	0.24%	24,679,181
2017	4,980,000	139,623	4,840,377	2,558,489,600	0.19%	29,199,673
2018	13,740,000	122,200	13,617,800	2,739,232,500	0.50%	31,468,763
2019	15,468,480	1,847,261	13,621,219	2,804,152,700	0.49%	33,431,934
2020	19,516,166	2,265,278	17,250,888	3,116,819,600	0.55%	35,992,638

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Personal Income	Percentage of Personal Income	Population	Per Capita
\$ 1,199,083,236	0.26%	23,797	\$ 129.01
1,218,273,900	0.43%	23,820	218.51
1,286,899,744	0.37%	24,074	197.31
1,497,574,000	0.27%	24,100	169.50
1,347,975,564	0.25%	24,159	140.94
1,458,514,512	0.37%	24,138	221.02
1,458,514,512	0.34%	25,001	198.19
1,491,125,376	0.93%	25,512	541.22
1,550,188,536	1.00%	25,752	600.67
1,601,568,384	1.22%	25,752	757.85

Percentage of Assessed Value of Property	Population	Per Capita
10.25%	23,797	\$ 114.45
20.18%	23,820	204.19
20.02%	24,074	186.57
17.18%	24,100	161.52
13.72%	24,159	135.66
21.20%	24,138	216.74
16.58%	25,001	193.61
43.27%	25,512	533.78
40.74%	25,752	528.94
47.93%	25,752	669.89

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City of White Bear Lake, Minnesota
 Computation of Direct and Overlapping
 Bonded Debt and Comparative Debt Ratios
 December 31, 2020

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City	Amount Applicable to Government
Direct Debt:			
Special Assessments	\$ 12,825,993	100.00%	\$ 12,825,993
Tax Increment	2,560,000	100.00%	2,560,000
Tax Abatement	3,210,784	100.00%	3,210,784
Revenue	919,389	100.00%	919,389
Subtotal	19,516,166		19,516,166
City of White Bear Lake	19,516,166	100.00%	19,516,166
Overlapping Debt:			
Ramsey County	145,182,927	4.88%	7,085,092
Washington County	109,689,089	0.14%	151,806
Independent School District #622	(7,878,483)	0.11%	(8,829)
Independent School District #624	296,724,527	33.28%	98,751,677
Independent School District #832	42,358,379	2.08%	880,148
Independent School District #916	75,365,000	7.95%	5,992,465
Metropolitan Council - Parks	(7,114,518)	1.00%	(71,145)
Metropolitan Council - Regional Transit	235,500,146		2,355,001
Total overlapping debt	889,827,067		115,136,214
Total direct and overlapping debt	\$ 909,343,233		\$ 134,652,380

Source: Information obtained from Ramsey County and Washington County.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of White Bear Lake. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of White Bear Lake, Minnesota
 Legal Debt Margin Information
 Last Ten Fiscal Years

	Fiscal Years		
	2011	2012	2013
Debt limit	\$ 64,046,034	\$ 55,413,426	\$ 60,099,952
Total net debt applicable to limit	-	-	-
Legal debt margin	\$ 64,046,034	\$ 55,413,426	\$ 60,099,952
Total net debt applicable to the limit as a percentage of the debt limit	0.00%	0.00%	0.00%

Market value	\$ 3,116,819,600
Debt limit - 3.00% of market value (Note A)	\$ 93,504,568
Total bonded debt	19,516,166
Less (Note B)	
Tax Increment Bonds	2,560,000
Special Assessment Bonds	12,825,993
Revenue Bonds	919,389
Total debt applicable	16,305,382
Legal debt margin	3,210,784

The debt limit percentage of market value was established at 3.00% beginning in fiscal year 2011.

Note A:

M.S.A. Section 475.53 (Limit on Net Debt)
 "Subdivision 1. Generally, except as otherwise provided in Sections 475.51 to 475.75 to municipality, except a school district or a city of the first class shall incur or be subject to a net debt in excess of 3.00% of the market value of taxable property in the municipality.

Note B:

- M.S.A. Section 475.51 (Definitions) "Subdivision 4. Net Debt means the amount remaining after deducting from its gross debt the aggregate of the principal of the following":
1. Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are in whole or in part from the proceeds of the special assessments.
 2. Warrants or orders having no definite or fixed maturity.
 3. Obligations payable wholly from the income from revenue-producing conveniences.
 4. Obligations issued to create or maintain a permanent improvement revolving funds.
 5. Obligations issued for the acquisition, and betterment of public water works systems and public lighting, hearing or power systems and of any combinations thereof, or for any combination thereof, or for any other public convenience from which a revenue is or may be derived.
 6. Amount of all money and the face value of all securities held as a sinking fund for the extinguishment of obligations other than those deductible under this subdivision.
 7. All other obligations which under the provisions of the law authorizing their issuance are not to be included in computing the net debt of the municipality.

City of White Bear Lake, Minnesota - Water Fund
 Revenue Bond Coverage
 Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expenses (A)	Net Revenue Available for Debt Service	Principal	Interest
2011	\$ 1,276,191	\$ 1,162,080	\$ 114,111	\$ -	\$ -
2012	1,325,913	1,176,610	149,303	-	-
2013	1,125,785	1,141,053	(15,268)	-	-
2014	1,130,956	1,385,574	(254,618)	-	-
2015	1,043,648	1,113,192	(69,544)	-	-
2016	1,366,067	1,318,148	47,919	-	-
2017	1,375,334	1,398,799	(23,465)	-	-
2018	1,647,495	1,441,743	205,752	-	-
2019	1,653,482	1,271,411	382,071	-	-
2020	2,007,058	2,290,738	(283,680)	-	7,995

(A) Direct Operating Expenses exclude related depreciation.

	Fiscal Years				
	2016	2017	2018	2019	2020
	\$70,917,876	\$ 77,077,101	\$ 82,176,975	\$ 87,849,879	\$ 93,504,588
	-	-	-	-	3,210,784
	\$70,917,876	\$ 77,077,101	\$ 82,176,975	\$ 87,849,879	\$ 90,293,804
0.00%	0.00%	0.00%	0.00%	0.00%	3.43%

City of White Bear Lake, Minnesota
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	School District Enrollment (3)	Ramsey County Unemployment Rate (4)
2011	23,797	\$ 1,199,083,236	\$ 50,388	8,000	7.20%
2012	23,820	1,218,273,900	51,145	7,946	6.40%
2013	24,074	1,286,899,744	53,456	8,056	5.30%
2014	24,100	1,497,574,000	62,140	8,019	4.30%
2015	24,159	1,347,975,564	55,796	8,038	3.10%
2016	24,138	1,458,514,512	60,424	8,206	3.50%
2017	25,001	1,458,514,512	58,338	8,551	2.80%
2018	25,512	1,491,125,376	58,448	8,593	2.70%
2019	25,752	1,550,188,536	60,197	8,602	2.90%
2020	25,752	1,601,568,384	62,192	8,602	4.70%

Sources:
(1) Metropolitan Council
(2) U.S. Department of Labor
(3) White Bear Lake Area School District
(4) Minnesota Department of Economic Development - Ramsey County rate

Total Debt Requirements	Coverage
\$ -	0.00%
-	0.00%
-	0.00%
-	0.00%
-	0.00%
-	0.00%
-	0.00%
-	0.00%
-	0.00%
7,985	-3548.22%

City of White Bear Lake, Minnesota
Principal Employment Industries
Current Year and Nine Years Ago

Employer	2020			2011		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Educational Services	2,034	1	17.40%	1,735	1	15.71%
Retail Trade	1,352	2	11.56%	1,544	2	13.98%
Health Care and Social Assistance Services	1,311	3	11.21%	1,438	3	13.02%
Accommodation and Food Services	1,152	4	9.85%	1,183	4	10.71%
Manufacturing	1,067	5	9.13%	910	5	8.24%
Professional, Scientific and Technical Services	823	6	7.04%	458	8	4.15%
Administrative, Support, Waste Management, and Remediation	761	7	6.51%	614	7	5.56%
Wholesale Trade Services	716	8	6.12%	382	10	3.46%
Other Services (except Public Administration)	678	9	5.80%	414	9	3.75%
Finance and Insurance Services	453	10	3.87%	809	6	7.32%
Other Executive Public Administrative						
Total Industries Listed	10,347		88.50%	9,487		85.89%
Total City Employment	11,692			11,045		

Source: Minnesota Department of Employment and Economic Development's website www.mn.gov/deed

City of White Bear Lake, Minnesota
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	Fiscal Years			
	2011	2012	2013	2014
General government				
Legislative	0.65	0.65	0.65	0.65
Administration	1.75	1.75	1.75	1.55
Finance	4.80	4.90	4.90	4.90
City Hall	1.00	1.00	1.00	1.00
Elections	0.15	0.15	0.20	0.20
Planning	3.00	3.00	3.00	3.00
Public Safety				
Police	31.75	31.81	31.81	31.81
Dispatch	5.35	5.35	5.75	5.75
Fire	2.75	2.75	2.75	2.75
Building / Code Enforcement	5.00	5.00	5.00	5.00
Public Works				
Streets	4.70	4.70	4.70	4.70
Engineering	6.00	6.00	6.00	6.00
Garage	1.30	1.30	1.30	1.30
Public Works Facility				
Parks and recreation	4.70	5.70	5.70	5.70
Armory	-	-	-	-
Surface Water	-	-	-	-
Sports Center	3.85	3.85	3.85	3.85
Counseling Center	5.60	-	-	-
Economic Development	-	-	-	-
Water	4.80	4.80	4.80	4.80
Sewer	3.50	4.50	4.50	4.50
Refuse	0.60	0.60	0.60	0.35
Ambulance	3.25	3.25	3.25	7.25
License Bureau	7.85	8.35	9.75	9.80
Total	102.35	99.41	101.06	104.86

Note: Details regarding the City's full time equivalents can be found in the City's budget document.

City of White Bear Lake, Minnesota
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

	Fiscal Years				
	2011	2012	2013	2014	2014
Building					
Building permits issued	777	762	795	740	
Other permits issued	1,366	1,503	1,401	1,332	
Police					
Number of Calls for Service	29,000	27,466	27,659	28,293	
Administrative Citations					
City	378	309	338	295	
State	273	292	291	455	
Total	651	601	629	750	
Fire					
Fire calls*	132	115	104	130	
Staged responses (Silent)*	286	278	315	361	
Rescue calls*	67	103	111	114	
Staffed responses*	-	-	-	-	
Call-back responses*	-	-	-	-	
Parks					
Reservations	279	259	267	268	
Water					
Gallons pumped	885,638,000	963,288,000	902,001,000	805,400,000	
Water main breaks	11	23	18	23	
Refuse					
Accounts serviced each week	7,575	7,579	7,585	7,597	
Ambulance					
Ambulance calls	2,786	2,842	2,841	2,971	
License Bureau					
Motor Vehicle transactions	92,361	89,623	88,226	88,192	
Drivers License transactions	17,859	19,112	18,372	18,547	
DNR licenses	6,290	6,719	6,685	6,184	
Game and Fish licenses	584	1,049	969	845	

Note: Details regarding the City's operating indicators can be found in the annual finance director's summary to the City

* In 2018, the fire department no longer has staged responses or rescue calls - fire calls are now classified as either staffed responses or call-back responses.

	Fiscal Years					
	2015	2016	2017	2018	2019	2020
	0.65	0.50	0.50	0.50	0.50	0.50
	1.55	2.30	2.50	2.50	2.50	2.50
	4.90	5.00	5.00	5.00	5.00	5.00
	1.00	1.40	2.00	2.00	2.00	2.00
	0.25	0.40	0.20	-	-	-
	3.00	3.00	4.00	3.00	3.00	3.00
	31.81	32.01	32.01	32.40	35.65	36.95
	5.75	5.50	5.50	2.75	-	-
	2.75	3.00	3.00	1.75	4.10	4.10
	5.00	5.00	6.00	6.00	6.00	6.00
	4.70	4.20	4.20	4.00	4.00	4.00
	6.00	6.00	6.00	6.00	6.00	6.00
	1.30	1.30	1.30	1.00	1.00	1.00
	-	-	-	0.90	0.90	0.90
	5.70	6.40	6.40	6.00	6.00	6.00
	0.35	0.35	0.35	0.35	0.35	0.35
	-	0.50	0.50	0.50	0.50	0.50
	3.50	3.50	3.50	4.15	4.15	4.10
	-	-	-	-	-	-
	-	-	0.50	1.50	1.50	1.65
	4.80	4.70	4.70	4.70	4.70	4.70
	4.50	4.40	4.40	4.40	4.40	4.40
	0.70	-	-	-	-	-
	7.25	7.25	7.25	13.75	11.90	11.90
	8.90	10.10	11.10	11.30	12.80	9.20
	104.36	106.81	110.31	114.45	116.95	112.75

City of White Bear Lake, Minnesota
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Years									
	2015	2016	2017	2018	2019	2020	2011	2012	2013	2014
Public Safety	968	883	1,156	1,356	1,091	1,024				
Police	1,537	1,479	1,461	1,622	1,584	1,575				
Stations							1	1	1	1
Patrol Vehicles							17	17	18	18
Fire	24,270	26,475	28,491	26,538	27,396	22,499				
Stations	309	207	44	30	21	10	2	2	2	2
Fire trucks (1)	352	292	383	409	336	137	6	6	6	6
Rescue boats with motors	661	499	427	439	357	147	2	2	2	2
Public Works										
Streets							114.81	114.81	114.81	114.81
Miles	126	115	229	-	-	-	515	515	515	515
Street lights	339	359	226	-	-	-				
Parks and recreation	104	136	129	-	-	-				
Public Docks (1)							9	9	9	9
Outdoor ice rinks							5	5	5	5
Playgrounds							11	11	11	11
Sportball fields							13	13	13	13
Basketball court							2	2	2	2
Disc golf course							1	1	1	1
Sports Center	242	240	311	342	311	175				
Indoor ice rink							1	1	1	1
Racquetball courts							4	5	5	5
Water										
Miles of water mains	7,662	7,660	7,654	7,601	7,530	7,539	126.81	126.81	126.81	126.81
Fire hydrants							907	907	907	907
Water tower storage							5,000,000	5,000,000	5,000,000	5,000,000
Sewer										
Miles of storm sewers	2,739	2,631	2,948	3,047	3,619	3,289	49.72	50.02	50.02	50.02
Miles of sanitary sewers							120.36	120.36	120.36	120.36
Various city departments	94,280	94,842	90,085	88,923	80,122	48,739				
Other	18,634	18,696	17,724	18,090	20,880	6,609				
	6,214	6,676	5,747	6,316	5,938	4,162				
	648	538	500	439	292	55				
Total	777,995,000	815,073,000	813,123,000	731,118,167	717,745,028	727,055,858				
	11	13	16	17	22	9				

Sources: Various city departments

Note: (1) Street miles listed on this report includes City, County, MSA, State and Private mileage within the City limits.

		Fiscal Years				
2015	2016	2017	2018	2019	2020	
1	1	1	1	1	1	
17	19	19	20	19	19	
2	2	2	2	2	2	
6	6	6	6	6	5	
2	2	2	2	2	2	
114.81	114.81	114.81	114.81	114.81	114.81 (1)	
515	515	515	523	529	529	
9	9	9	9	9	9	
5	5	5	5	5	5	
11	11	11	11	11	11	
13	13	13	13	13	13	
2	2	2	5	5	5	
1	1	1	1	1	1	
1	1	1	1	1	1	
5	5	5	5	5	5	
126.81	126.81	126.81	126.95	127.08	127.08	
907	907	907	908	908	908	
5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	
50.61	50.61	50.61	50.97	51.21	51.21	
120.36	120.36	120.36	120.36	120.36	120.36	

FORM OF LEGAL OPINION

(See following pages)



Offices in Fifth Street Towers
Minneapolis 150 South Fifth Street, Suite 700
Minneapolis, MN 55402
Saint Paul (612) 337-9300 telephone
(612) 337-9310 fax
St. Cloud kennedy-graven.com
Affirmative Action, Equal Opportunity Employer

\$ _____
City of White Bear Lake, Minnesota
General Obligation Improvement Bonds
Series 2022A

We have acted as bond counsel to the City of White Bear Lake, Minnesota (the “Issuer”) in connection with the issuance by the Issuer of its General Obligation Improvement Bonds, Series 2022A (the “Bonds”), originally dated June 2, 2022, and issued in the original aggregate principal amount of \$ _____. In such capacity and for the purpose of rendering this opinion we have examined certified copies of certain proceedings, certifications and other documents, and applicable laws as we have deemed necessary. Regarding questions of fact material to this opinion, we have relied on certified proceedings and other certifications of public officials and other documents furnished to us without undertaking to verify the same by independent investigation. Under existing laws, regulations, rulings and decisions in effect on the date hereof, and based on the foregoing we are of the opinion that:

1. The Bonds have been duly authorized and executed, and are valid and binding general obligations of the Issuer, enforceable in accordance with their terms.

2. The principal of and interest on the Bonds are payable from special assessments levied or to be levied on property specially benefited by local improvements and ad valorem taxes for the Issuer’s share of the cost of the improvements, but if necessary for the payment thereof additional ad valorem taxes are required by law to be levied on all taxable property of the Issuer, which taxes are not subject to any limitation as to rate or amount.

3. Interest on the Bonds is excludable from gross income of the recipient for federal income tax purposes and, to the same extent, is excludable from taxable net income of individuals, trusts, and estates for Minnesota income tax purposes, and is not a preference item for purposes of the computation of the federal alternative minimum tax, or the computation of the Minnesota alternative minimum tax imposed on individuals, trusts and estates. However, such interest is subject to Minnesota franchise taxes on corporations (including financial institutions) measured by income. The opinion set forth in this paragraph is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes and from taxable net income for Minnesota income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes and taxable net income for Minnesota income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

4. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We have not been asked and have not undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and accordingly we express no opinion with respect thereto.

This opinion is given as of the date hereof and we assume no obligation to update, revise, or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Dated June ___, 2022 at Minneapolis, Minnesota.

WH110-68 (JAE)
793863v1

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

§ _____
City of White Bear Lake, Minnesota
General Obligation Improvement Bonds
Series 2022A

CONTINUING DISCLOSURE CERTIFICATE

June __, 2022

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of White Bear Lake, Minnesota (the “Issuer”) in connection with the issuance of its General Obligation Improvement Bonds, Series 2022A (the “Bonds”), in the original aggregate principal amount of \$ _____. The Bonds are being issued pursuant to resolutions adopted by the City Council of the Issuer (the “Resolutions”). The Bonds are being delivered to _____ (the “Purchaser”) on the date hereof. Pursuant to the Resolutions, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. The Issuer hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders (as defined herein) of the Bonds in order to provide for the public availability of such information and assist the Participating Underwriter(s) (as defined herein) in complying with the Rule (as defined herein). This Disclosure Certificate, together with the Resolutions, constitutes the written agreement or contract for the benefit of the Holders of the Bonds that is required by the Rule.

Section 2. Definitions. In addition to the defined terms set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Audited Financial Statements” means annual financial statements of the Issuer, prepared in accordance with GAAP as prescribed by GASB.

“Bonds” means the General Obligation Improvement Bonds, Series 2022A, issued by the Issuer in the original aggregate principal amount of \$ _____.

“Disclosure Certificate” means this Continuing Disclosure Certificate.

“EMMA” means the Electronic Municipal Market Access system operated by the MSRB and designated as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule.

“Final Official Statement” means the deemed Final Official Statement, dated May __, 2022, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation;

or (c) guarantee of a Financial Obligation as described in clause (a) or (b). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the fiscal year of the Issuer.

“GAAP” means generally accepted accounting principles for governmental units as prescribed by GASB.

“GASB” means the Governmental Accounting Standards Board.

“Holder” means the person in whose name a Bond is registered or a beneficial owner of such a Bond.

“Issuer” means the City of White Bear Lake, Minnesota, which is the obligated person with respect to the Bonds.

“Material Event” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

“Participating Underwriter” means any of the original underwriter(s) of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

“Purchaser” means _____.

“Repository” means EMMA, or any successor thereto designated by the SEC.

“Rule” means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

“SEC” means Securities and Exchange Commission, and any successor thereto.

Section 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) The Issuer shall provide to the Repository not later than twelve (12) months after the end of the Fiscal Year commencing with the year that ends December 31, 2021, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable or fails to provide to the Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice of that fact to the Repository and the MSRB.

(c) The Issuer shall determine each year prior to the date for providing the Annual Report the name and address of each Repository.

Section 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or incorporate by reference the following sections of the Final Official Statement:

1. Current Property Valuations
2. Direct Debt
3. Tax Levies and Collections
4. U.S. Census Data/Population Trend
5. Employment/Unemployment Data

In addition to the items listed above, the Annual Report shall include Audited Financial Statements submitted in accordance with Section 3 of this Disclosure Certificate.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must also be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Material Events.

(a) This Section 5 shall govern the giving of notice of the occurrence of any of the following events (“Material Events”) with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person;
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake

such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer shall file a notice of such occurrence with the Repository or with the MSRB within ten (10) business days of the occurrence of the Material Event.

(c) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer's information.

Section 6. EMMA. The SEC has designated EMMA as a nationally recognized municipal securities information repository and the exclusive portal for complying with the continuing disclosure requirements of the Rule. Until the EMMA system is amended or altered by the MSRB and the SEC, the Issuer shall make all filings required under this Disclosure Certificate solely with EMMA.

Section 7. Termination of Reporting Obligation. The Issuer's obligations under the Resolutions and this Disclosure Certificate shall terminate upon the redemption in full of all Bonds or payment in full of all Bonds.

Section 8. Agent. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolutions and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of the Resolutions or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause a violation of the Rule. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer delivers to the Repository an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which impose the continuing disclosure requirements of the Resolutions and the execution and delivery of this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of the Resolutions requiring continuing disclosure pursuant to the Rule and this Disclosure Certificate may be amended without the consent of the Holders of the Bonds, but only upon the delivery by the Issuer to the Repository of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance with the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolutions and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, we have executed this Disclosure Certificate in our official capacities effective as of the date and year first written above.

**CITY OF WHITE BEAR LAKE,
MINNESOTA**

Mayor

City Manager

WH110-68 (JAE)
793862v1

TERMS OF PROPOSAL

**\$3,025,000* GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2022A
CITY OF WHITE BEAR LAKE, MINNESOTA**

Proposals for the purchase of \$3,025,000* General Obligation Improvement Bonds, Series 2022A (the "Bonds") of the City of White Bear Lake, Minnesota (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on May 10, 2022, at which time they will be opened, read and tabulated. The proposals will be presented to the City Council for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The proposal offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all proposals are rejected.

PURPOSE

The Bonds are being issued pursuant to Minnesota Statutes, Chapters 429 and 475, by the City for the purpose of financing various public improvements within the City. The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.

DATES AND MATURITIES

The Bonds will be dated June 2, 2022, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on February 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2024	\$180,000	2029	\$195,000	2034	\$210,000
2025	185,000	2030	195,000	2035	215,000
2026	185,000	2031	200,000	2036	220,000
2027	185,000	2032	205,000	2037	225,000
2028	190,000	2033	205,000	2038	230,000

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Proposals for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on February 1 and August 1 of each year, commencing February 1, 2023, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2024 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The City has selected Bond Trust Services Corporation, Roseville, Minnesota, to act as paying agent (the "Paying Agent"). Bond Trust Services Corporation and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after February 1, 2032 shall be subject to optional redemption prior to maturity on February 1, 2031 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of redemption shall be sent by mail not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about June 2, 2022, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Bonds and the exemption from taxation of the interest thereon will be furnished by Kennedy & Graven, Chartered, Minneapolis, Minnesota, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will state that the Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). See "FORM OF LEGAL OPINION" found in Appendix B.

SUBMISSION OF PROPOSALS

Proposals must not be for less than \$2,988,700 plus accrued interest on the principal sum of \$3,025,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of proposals, interested parties may submit a proposal as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Terms of Proposal until 10:00 A.M. Central Time, but no proposal will be received after the time for receiving proposals specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Terms of Proposal, the terms of this Terms of Proposal shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Proposals must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of proposals. Each proposal must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$60,500 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the proposal is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the proposal is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No proposal can be withdrawn after the time set for receiving proposals unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all proposals and to waive any informality in any proposal.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Terms of Proposal to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) The City shall disseminate this Terms of Proposal to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive proposals from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Terms of Proposal.

Any proposal submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in this proposal.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its proposal form to determine the issue price for the Bonds. On its proposal form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the proposal submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a proposal, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Terms of Proposal. Further, for purposes of this Terms of Proposal:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the proposal opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the proposal acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and proposal forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the City Council

City of White Bear Lake, Minnesota

PROPOSAL FORM

The City Council
City of White Bear Lake, Minnesota (the "City")

May 10, 2022

RE: \$3,025,000* General Obligation Improvement Bonds, Series 2022A (the "Bonds")
DATED: June 2, 2022

For all or none of the above Bonds, in accordance with the Terms of Proposal and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$ _____ (not less than \$2,988,700) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____	% due	2024	_____	% due	2029	_____	% due	2034
_____	% due	2025	_____	% due	2030	_____	% due	2035
_____	% due	2026	_____	% due	2031	_____	% due	2036
_____	% due	2027	_____	% due	2032	_____	% due	2037
_____	% due	2028	_____	% due	2033	_____	% due	2038

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2024 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.) All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$60,500 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the proposal opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of proposals. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best proposal provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the proposal is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Terms of Proposal. This proposal is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Terms of Proposal. Delivery is anticipated to be on or about June 2, 2022.

This proposal is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the proposal acceptance.

This proposal is a firm offer for the purchase of the Bonds identified in the Terms of Proposal, on the terms set forth in this proposal form and the Terms of Proposal, and is not subject to any conditions, except as permitted by the Terms of Proposal.

By submitting this proposal, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ___ NO: ___.

If the competitive sale requirements are not met, we elect to use either the: ___ 10% test, or the ___ hold-the-offering-price rule to determine the issue price of the Bonds.

As set forth in the Terms of Proposal, this proposal shall be cancelled and deemed to be withdrawn in the event that the competitive sale requirements are not satisfied and the City determines to apply the hold-the-offering-price rule to any maturity of the Bonds (such terms are used as described in the Terms of Proposal), unless we affirmatively confirm this proposal and agree to comply with the hold-the-offering-price rule no later than 90 (ninety) minutes after receiving notification that the City has determined to apply the hold-the-offering-price rule to any maturity of the Bonds. If we provide that confirmation orally, we will promptly confirm it in writing. If we do not confirm our proposal within the required time period (as set forth in this paragraph), this proposal shall be cancelled and deemed to be withdrawn. The City thereupon may award the Bonds to another bidder, or the City may cancel the sale of the Bonds, as set forth in the Terms of Proposal.

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from June 2, 2022 of the above proposal is \$ _____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of White Bear Lake, Minnesota, on May 10, 2022.

By: _____ By: _____
Title: _____ Title: _____



City of White Bear Lake
 Planning & Zoning Department

MEMORANDUM

To: Lindy Crawford, City Manager
From: Samantha Crosby, Planning & Zoning Coordinator
Date: May 10, 2022
Subject: Beartown Bar, 4875 Highway 61, Case No. 96-5-Sa2

SUMMARY

The City Council will consider a request by Sandra and Joseph Claussen for A 4-foot variance from the 10 foot hard-surface setback requirement adjacent to a railroad right-of-way, to allow a 2,700 square foot deck expansion to be six feet from the east property line and an amendment to an approved conditional use permit to modify condition #5 “no outside music shall be allowed”.

BACKGROUND INFORMATION

Applicant/Owner: Sandra and Joseph Claussen

Existing Land Use / Zoning: Restaurant and Bar; zoned DCB – Diversified Central Business

Surrounding Land Use / Zoning: North: Single Family; zoned DCB – Diversified Central Business
 West: Single Family; zoned R-4 – Single and Two Family Residential
 South: A car wash; zoned DCB - Diversified Central Business
 East: Office; zoned B-4 – General Business

Comprehensive Plan: Downtown

Lot Size & Width: Code: 20,000 sq. ft.; 100 feet
 Site: 43,124 sq. ft; 181 feet

Beartown Bar, located at the northwest corner of 7th Street and Highway 61, is a roughly 4,000 square foot building with 107 indoor seats and 72 parking spaces. The structure was built in 1966 for a different use and added onto in 1977. In 1996, the City approved a Conditional Use Permit (CUP) to operate a restaurant with on-sale liquor in the DCB zoning district. In 1998, the City amended to the CUP to allow the construction of a 26x30 deck on the south side of the building. In 2021, staff administratively approved the expansion of this area, as you see it today.

The code requires that hard-surface be setback 15 feet from the sides abutting public right-of-way (north, west and south property lines) and a 10-foot setback from the side abutting a railroad right-of-way (east property line). The parking lot has encroached into these setbacks on all sides for many years. Staff applied the rationale of an administrative variance to “extend an existing line of non-conformity” to allow the patio to expand upward from the already non-conforming parking lot along the east side. Since the hard-surface is six feet from the property line and 10 feet is required, this technically should have been a four-foot variance. Given that the property is guided “downtown”, which has an established character of improvements being built up to the property lines, staff found the design to be compatible and appropriate. Along the south side, the hard-surface was pulled back by 15 feet and landscaping, including trees and sod was approved.

Since the permit was issued, the applicant has constructed a 20-inch-tall concrete block retaining wall that was not included in the approved plans. The new wall runs around the area that was to be landscaped, acting like a giant planter bed. The City’s Engineering department has indicated that because the wall is located completely on private property it is not a concern. Planning staff also supports the wall as the additional height it provides the landscaping therein might enhance the outdoor seating experience by better screening the patio area from the intersection.

The expansion of the raised patio eliminated approximately five parallel parking stalls which used to be located along the east curb line. Also, during this process it was discovered that the western-most row of parking encroached into the City’s right-of-way. To resolve this issue, these stalls were re-stripped to be parallel rather than head-in (loss of 10 stalls). Finally, one stall was converted to ADA striping. Overall, the number of stalls was reduced by 16. Meanwhile the number of seats was expanded by 34 on the new patio. The overall seating, both indoors and out is now 181 (107 indoor and 74 outdoor), requiring 72 stalls (at 1 stall per every 2.5 seats).

The curb cut which was abandoned with this project has not yet been removed. The Engineering department waived that requirement because the 7th Street intersection will be reconstructed in the near future in association with the North Campus High School expansion project.

The applicant is requesting to have live music on the raised patio Saturdays from 1:30 to 4:30 p.m. and from 6:00 to 9:00 p.m. Staff foresees no issue with these days and times so long as the music season is between Memorial Day and Labor Day, as other establishments have been limited to. In addition, staff has included a condition that the speakers, musicians and any other sound equipment face east, away from the residential neighbors, which differs from the applicant’s request. See attached graphic.

The City’s discretion in approving or denying a conditional use permit is limited to whether or not the changes meet the standards outlined in the Zoning Ordinance. If it meets these standards, the City typically must approve the Conditional Use Permit. Additional conditions may be imposed as the Council deems fit.

The City has a high level of discretion when approving or denying a variance because the burden of proof is on the applicant to show a practical difficulty. If the proposal is deemed reasonable (meaning that it does not have an adverse effect on neighboring properties, it is consistent with the Comprehensive Plan, and it is harmony with the intent of the zoning code) then the criteria have been met.

SUMMARY

Staff recommended approval of the request to the Planning Commission. The Commission held a public hearing on April 25th. No one other than the applicant spoke at the hearing. After discussing the location of the musicians and speakers, the Commission voted to delete condition #6, as the issue is amply addressed by condition #10. With that one change, the Commission unanimously recommended approval to the City Council.

RECOMMENDATION

The Planning Commission recommends the City Council adopt the attached resolution of approval.

ATTACHMENTS

- Resolution
- Music Set-up Graphic

RESOLUTION NO.

**RESOLUTION GRANTING A CONDITIONAL USE PERMIT AND A VARIANCE
FOR 4875 HIGHWAY 61 WHITE BEAR LAKE, MINNESOTA**

WHEREAS, a proposal (96-5-Sa2) has been submitted by Sandra and Joseph Claussen, to the City Council requesting approval of an amendment to an approved conditional use permit and a hard-surface setback variance from the Zoning Code of the City of White Bear Lake for the following location:

LOCATION: 4875 Highway 61

LEGAL DESCRIPTION: Lots 2, 6, 7 and 8, Clock 27, White Bear, Ramsey County, MN. (PID: 143022140075 and 143022140143); and

WHEREAS, THE APPLICANT SEEKS THE FOLLOWING: An amendment to an approved conditional use permit to expand the deck on the south side of the building by 2,700 square feet and to modify condition #5 “no outside music shall be allowed” per Code Section 1301.050 and a 4 foot variance from the 10 foot hard-surface setback requirement adjacent to a railroad right-of-way per Code Section 1303.226, Subd.6.e in order for the deck to be 6 feet from the east property line; and

RESO. 8259, May 12, 1998: An amendment to the conditional use permit to construct a 26’ x 30’ deck on the south side of the building

RESO. 7744, March 12, 1996: A conditional use permit to operate a restaurant with on-sale liquor in the CDB, Diversified Central Business district.

WHEREAS, the Planning Commission held a public hearing as required by the Zoning Code on April 25, 2022; and

WHEREAS, the City Council has considered the advice and recommendations of the Planning Commission regarding the effect of the proposed CUP amendment and variance upon the health, safety, and welfare of the community and its Comprehensive Plan, as well as any concerns related to compatibility of uses, traffic, property values, light, air, danger of fire, and risk to public safety in the surrounding areas;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake that, in relation to the Conditional Use Permit, the City Council accepts and adopts the following findings of the Planning Commission:

1. The proposal is consistent with the city's Comprehensive Plan.
2. The proposal is consistent with existing and future land uses in the area.
3. The proposal conforms to the Zoning Code requirements.
4. The proposal will not depreciate values in the area.

RESOLUTION NO.

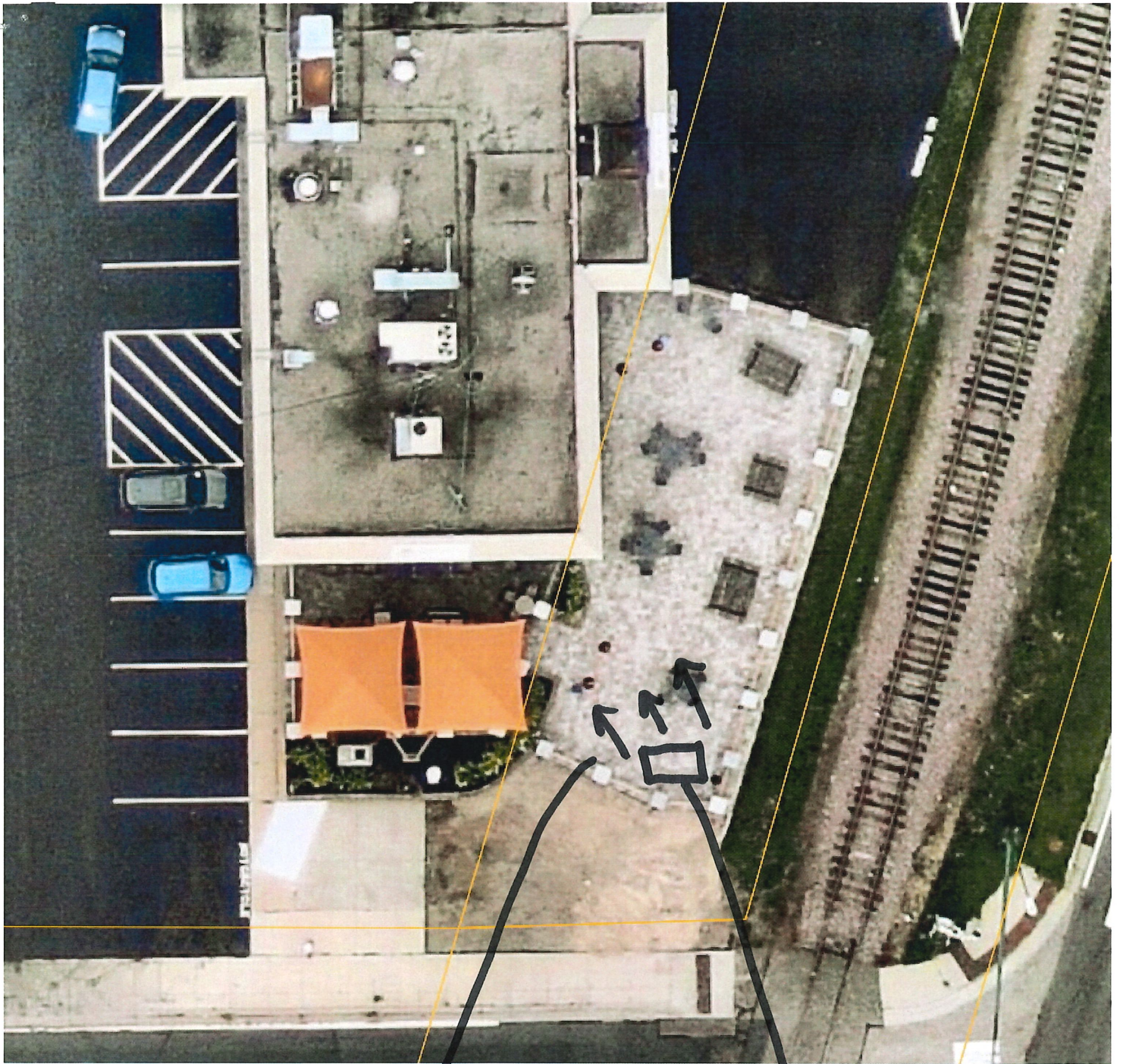
5. The proposal will not overburden the existing public services nor the capacity of the City to service the area.
6. Traffic generation will be within the capabilities of the streets serving the site.

BE IT FURTHER RESOLVED by the City Council of the City of White Bear Lake, Minnesota that, in relation to the variance, the City Council accepts and adopts the following findings of the Planning Commission:

1. The requested variance will not:
 - a. Impair an adequate supply of light and air to adjacent property.
 - b. Unreasonably increase the congestion in the public street.
 - c. Increase the danger of fire or endanger the public safety.
 - d. Unreasonably diminish or impair established property values within the neighborhood or in any way be contrary to the intent of this Code.
2. The variance is a reasonable use of the land or building and the variance is the minimum required to accomplish this purpose.
3. The variance will be in harmony with the general purpose and intent of the City Code.
4. The variance will not be injurious to the neighborhood or otherwise detrimental to the public welfare.
5. The non-conforming uses of neighboring lands, structures, or buildings in the same district are not the sole grounds for issuance of the variance.

BE IT FURTHER RESOLVED, that the City Council of the City of White Bear Lake hereby approves the requested CUP amendment and variance, subject to the following conditions:

1. All application materials, maps, drawings, and descriptive information submitted with this application shall become part of the permit, unless revised to comply with conditions listed below.
2. Per Section 1301.050, Subd.4, if within one (1) year after approving the Conditional Use Permit, the use as allowed by the permit shall not have been completed or utilized, the CUP shall become null and void unless a petition for an extension of time in which to complete or utilize the use has been granted by the City Council. Such petition shall be requested in writing and shall be submitted at least 30 days prior to expiration.
3. This Conditional Use Permit shall become effective upon the applicant tendering proof (ie: a receipt) to the City of having filed a certified copy of the signed resolution of approval with the County Recorder pursuant to Minnesota State, Statute 462.3595 to ensure the compliance of the herein-stated conditions.



speakers will be pointed in this direction - towards building

Proposed Music Set up



City of White Bear Lake
Community Development Department

MEMORANDUM

To: Lindy Crawford, City Manager
From: Samantha Crosby, Planning & Zoning Coordinator
Date: May 10, 2022
Subject: Tommy Car Wash /4061 Highway 61 / Case No. 22-1-CUP & 22-5-V

SUMMARY

The City Council will consider a request by Christian Companies for a conditional use permit for a car wash in the B-3 Auto-Oriented Business district, including site plan approval for development in the Shoreland Overlay district, and three variances:

- A 10 foot variance from the 15 foot hard-surface setback in order to allow the existing curb encroachment to remain,
- A 79 car variance from the 100 car stacking requirement, in order to stack for the estimated peak demand rather than for the maximum capacity of the facility, and
- A variance from the 30% impervious area limit of the Shoreland Overlay district to allow 57.3% impervious surface.

BACKGROUND INFORMATION

Applicant/Owner: Christian Companies / Classic Collision, LLC

Existing Land Use / Zoning: Car Repair Shop, Hertz Rental Car, Gas Station and Convenience Store; B-3 – Auto-Oriented Business, and S – Shoreland Overlay

Surrounding Land Use / Zoning: North: Polar Mazda; zoned B-3 – Auto Oriented Business
 West: Saputo; zoned I-1 – Limited Industry
 South: Dairy Queen; zoned B-3 Auto Oriented Business
 East: Holiday; zoned B-3 – Auto Oriented Business

Comprehensive Plan: Commercial

Lot Size & Width: Code: None; 100 feet
 Site: 1.32 acres; 210 feet

The site is 1.32 acres in size and slopes down gently from south to north. There is a 24 foot wide access easement that runs north-south through the property in line with the eastern access to County Road F. The land was platted in 1919 and further subdivided in 1981 and 1991. The current building was constructed in 1987. In 2016, the City approved a CUP for an

outdoor storage and rental area in order to allow Hertz the use of 15 parking spaces. There has been a recent history of code compliance issues, particularly in relation to signage.

The B-3 zoning district requires the building be setback 30 feet from the front (north and east) and rear (west), and 10 feet from the side (south). It also requires that hard-surfaces be setback 15 feet from the front, 5 feet from the side and rear, and 5 feet from the building. The proposal meets code, except for the southern 30 feet of the eastern curb, which is non-conforming and must remain in that location because of the shared access easement – a true practical difficulty.

The B-3 district requires that stacking is provided to accommodate that number of vehicles which can be washed during a 30 minute period. This particular facility is an express wash with the ability to service 100 cars every half hour. Based on other washes in similar sized or larger communities, the applicant estimates that the peak demand will be an average of 18 vehicles per half hour. The proposed design provides 21 stacking spaces (as counted from the entrance door) before encroaching into the shared access drive. Given that the estimated demand is significantly less than the capacity of the equipment, staff is confident that the cars will progress quickly and will not even utilize all of the stacking space provided. Staff supports the variance with the inclusion of a condition regarding encroachment into the access easement.

The applicant has chosen to eliminate the western access opening. This does not cause any circulation concerns - there is an opportunity for an “out” if a customer decides not to go through the wash. This by-pass opportunity lines up with the hatched area on the northwest corner of the south side parking area.

Staff agrees that the proposed use will not likely draw more traffic than the existing use and a traffic study was not required.

The applicant has voluntarily expanded the access easement on the south side of the site to include all of the area being used for ingress and egress by Dairy Queen. An extra 1,075 square feet is being dedicated. The owner of Dairy Queen contacted staff to express support for the project.

For an automatic drive-through car wash, the code requires a minimum of 10 spaces or 1 for each employee on the maximum shift, whichever is greater. The applicant has indicated that the facility will have 3 employees on the largest shift and there are 17 stalls total: 3 standard, one handicap and 13 vacuum stations. The proposal meets code.

The facility will feature a water reclamation system with tanks located underground near the northeast corner of the building. The facility uses 33 gallons of water per vehicle, 10 of which is reclaimed (net 23 gallons). The applicant estimates that the facility will average 384 washes per day, resulting in 8,832 gallons of water per day. At approximately 3.16 million gallons per year, this use would be the 5th highest non-residential water user in the city. When asked why the system could not be enlarged to reclaim a greater percentage of the water used, the applicant responded that “There is not equipment on the market that we are aware of that can achieve a

reclamation rate of higher than 33%". According to the Engineering department, the city's system has the capacity to support the use. The applicant has been made aware of the pending lake level litigation on more than one occasion.

There is an existing infiltration basin located along the east edge of the property. The basin will be reconstructed to meet current stormwater management standards. The applicant's narrative states that in order to make up for the impervious surface being above the 30%, the plan will exceed the City's stormwater requirements. Staff supports the impervious area variance based on this assumption. However, the design has not yet been approved by the Engineering Department, therefore, it is not yet clear if excess storage is provided, or if so, by how much. There is a small portion of the site that must remain paved only to serve the neighboring property to the south. This imposition is a roughly 2,425 square foot practical difficulty (4.2%). While the proposed redevelopment is a reduction in impervious area from 77.8% to 57.3%, the proposal well exceeds the maximum and off-sets have been provided by other commercial reconstruction projects in the past for similar impervious variances, most recently Polar Chevrolet, and in 2013, Prelude (located on White Bear Parkway in the Birch Lake Shoreland). Staff has included a condition that the applicant shall over-size the basin, if possible. As always, Stormwater Operation and Maintenance Agreement is required.

The plans do not identify the size or type of trees to be removed, therefore, the tree preservation calculation has not yet been reviewed, however, a rough estimate indicates that the proposal far exceeds requirements. The applicant has done a nice job of filling in trees in as many locations as possible on the landscape plan without over-crowding the site. The additional trees will help to both uptake rainfall and to absorb carbon generated by idling vehicles. The applicant is working with staff to insure that as many trees as possible are a native species.

As part of the off-set for the requested impervious area variance, both the green space to the east of the eastern curblin and the south side landscape area will be a no-mow native prairie installed and maintained for the first three years by a landscape company that specializes in such installations. While these areas will still need to be irrigated to ensure the establishment of the trees, shrubs and prairie, after the first few years, the amount of irrigation needed should drop significantly. This will help off-set some of the site's water use.

The standard franchise architecture (see attached graphic) of beige and bright red metal panels have been replaced with mostly grey brick and some grey fiber cement panels. Some of the corporate bright red does remain at the entrance and exit of the wash tunnel. The applicant has indicated that the tower elements at either end of the building are both functional in nature and therefore are not faux elements. Staff does not support the LED Accent band within the Shoreland Overlay district. Otherwise, given the site's context – surrounded by commercial and industrial properties – staff supports the proposed building design.

The lighting plan proposes very low light levels. Staff's only concern is with the up-cast flood lights, which are not allowed. LED light sources must be "controlled and equipped with opaque covers, lenses, louvers, or shields, or otherwise designed to prevent direct views of the light

source". Staff has included a condition of approval regarding this and a couple other aspects of the lighting plan.

The applicant has conducted a Phase I Environmental Assessment that concluded that a Phase II Assessment was not required. A certified contractor is required to remove the tanks, sample the soil and notify the MPCA. As with the McNeely and the Tice projects, if any issues are found during construction the proper reporting and abatement procedures would be required. The stacking variance was not realized until after the public notice was sent. As with the McNeely case, to be thorough, the adjacent property owners will be re-noticed prior to the City Council meeting and the City Council should open up the floor to the public in case anyone would like to speak.

The City's discretion in approving or denying a conditional use permit is limited to whether or not the changes meet the standards outlined in the Zoning Ordinance. If it meets these standards, the City typically must approve the Conditional Use Permit. Additional conditions may be imposed as the Council deems fit.

The City has a high level of discretion when approving or denying a variance because the burden of proof is on the applicant to show a practical difficulty. If the proposal is deemed reasonable (meaning that it does not have an adverse effect on neighboring properties, it is consistent with the comprehensive plan, and it is harmony with the intent of the zoning code) then the criteria have been met.

CONCLUSION

Staff recommended approval of the request to the Planning Commission. The Commission held a public hearing on April 25th. No one other than the applicant spoke at the hearing. The Commission unanimously recommended approval as presented to the City Council.

RECOMMENDATION

The Planning Commission recommends the Council adopt the attached resolution of approval.

ATTACHMENTS

Resolution
Site Plan

RESOLUTION NO.

**RESOLUTION GRANTING A CONDITIONAL USE PERMIT AND THREE VARIANCES
FOR 4061 HIGHWAY 61 WHITE BEAR LAKE, MINNESOTA**

WHEREAS, a proposal (22-1- CUP & 22-5-V) has been submitted by Christianson Companies, to the City Council requesting approval of a conditional use permit and three variances from the Zoning Code of the City of White Bear Lake for the following location:

LOCATION: 4061 Highway 61

LEGAL DESCRIPTION: Lots 1, 2 and 3, Block 4, Rearrangement of White Bear Park, except the South 93 feet thereof, and that part of vacated Linden Street lying South of the Easterly extension of the North line of said Lot 1, lying North of the Easterly extension of the North line of the South 93 feet of said Lot 1, and lying Northwesterly of the Northwesterly right-of-way line of State Trunk Highway No. 61, Ramsey County, Minnesota; EXCEPT The West 70 feet of Lot 3, Block 4, Rearrangement of White Bear Park, according to the recorded plat thereof and situate in Ramsey County, Minnesota, except the South 93 feet thereof. (PID: 273022110027); and

WHEREAS, THE APPLICANT SEEKS THE FOLLOWING: A conditional use permit for a car wash in the B-3 - Auto-Oriented Business zoning district, per Code Section 1303.140, Subd.4.; site plan approval for development in the Shoreland Overlay district, per Code Section 1303.230, Subd.6; a 10 foot variance from the 15 foot hard-surface setback requirement along a front per Code Section 1302.050, Subd.4.h.17.a, to allow an existing curb encroachment to remain; a 79 car variance from the 100 car stacking requirement, per Code Section 1303.140, Subd.4.c.2, in order to stack for the estimated peak demand rather than the maximum capacity of the facility; and a variance from the 30% impervious area limit to allow 57.3% impervious surface in the S – Shoreland Overlay zoning district, per Code Section 1303.230, Subd.5.a.5; all in order to allow the demolition of the existing improvements and construction of a new express car wash facility; and

WHEREAS, the Planning Commission held a public hearing as required by the Zoning Code on April 25, 2022; and

WHEREAS, the City Council has considered the advice and recommendations of the Planning Commission regarding the effect of the proposed conditional use permit and variances upon the health, safety, and welfare of the community and its Comprehensive Plan, as well as any concerns related to compatibility of uses, traffic, property values, light, air, danger of fire, and risk to public safety in the surrounding areas;

RESOLUTION NO.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake that, in relation to the Conditional Use Permit, the City Council accepts and adopts the following findings of the Planning Commission:

1. The proposal is consistent with the city's Comprehensive Plan.
2. The proposal is consistent with existing and future land uses in the area.
3. The proposal conforms to the Zoning Code requirements.
4. The proposal will not depreciate values in the area.
5. The proposal will not overburden the existing public services nor the capacity of the City to service the area.
6. Traffic generation will be within the capabilities of the streets serving the site.

BE IT FURTHER, BE IT RESOLVED by the City Council of the City of White Bear Lake, Minnesota that the City Council, that in relation to the variances, the City Council accepts and adopts the following findings of the Planning Commission:

Because the impervious area variance is being off-set by enhanced landscaping at a minimum, and potentially also an over-sized infiltration basin;

Because the hard-surface setback variance accommodates the access easement for the neighboring property to the south; and

Because the car wash has the capacity to handle a greater demand than it is expected to generate, minimizing the need for car stacking;

1. The requested variances will not:
 - a. Impair an adequate supply of light and air to adjacent property.
 - b. Unreasonably increase the congestion in the public street.
 - c. Increase the danger of fire or endanger the public safety.
 - d. Unreasonably diminish or impair established property values within the neighborhood or in any way be contrary to the intent of this Code.
2. The variances are a reasonable use of the land or building and the variances are the minimum required to accomplish this purpose.
3. The variances will be in harmony with the general purpose and intent of the City Code.
4. The variances will not be injurious to the neighborhood or otherwise detrimental to the public welfare.

RESOLUTION NO.

5. The non-conforming uses of neighboring lands, structures, or buildings in the same district are not the sole grounds for issuance of the variances.

BE IT FURTHER RESOLVED, that the City Council of the City of White Bear Lake hereby approves the full request, subject to the following conditions:

1. All application materials, maps, drawings, and descriptive information submitted with this application shall become part of the permit, unless revised to comply with conditions listed below.
2. Per Section 1301.050, Subd.4, if within one (1) year after approving the Conditional Use Permit, the use as allowed by the permit shall not have been completed or utilized, the CUP shall become null and void unless a petition for an extension of time in which to complete or utilize the use has been granted by the City Council. Such petition shall be requested in writing and shall be submitted at least 30 days prior to expiration.
3. Per Section 1301.060, Subd.3, the variances shall become null and void if the project has not been completed or utilized within one (1) calendar year after the approval date, subject to petition for renewal. Such petition shall be requested in writing and shall be submitted at least 30 days prior to expiration.
4. This Conditional Use Permit shall become effective upon the applicant tendering proof (ie: a receipt) to the City of having filed a certified copy of the signed resolution of approval with the County Recorder pursuant to Minnesota State, Statute 462.3595 to ensure the compliance of the herein-stated conditions.
5. The applicant shall obtain sign permits prior to the installation of any signage. The size and amount of signage is limited to what is permitted by the City's Sign Code.
6. Any rooftop mechanical equipment will be positioned far enough away from the edge of the building so that it is not visible from the public right-of-way.
7. If the demand is such that the stacking begins to encroach into the road easement, the owner/operator shall be responsible for adjusting operations so that the stacking does not encroach into the road easement.
8. The applicant shall obtain a building permit prior to beginning any work.

Prior to the issuance of a building permit the applicant shall:

9. Extend a letter of credit consisting of 125% of the exterior improvements, which renews automatically every six months. The amount of the letter shall be based on a cost estimate of the exterior improvements, to be approved by the City prior to the issuance of the letter of credit.

RESOLUTION NO.

10. Revise the elevations to remove the LED accent bands.
11. Over-size the stormwater basin, if possible. Design subject to approval by the Stormwater Engineer.
12. Light pole height shall not exceed 22 feet on top of a maximum 2 foot tall base. The light sources shall be shielded from view from County Road F and Highway 61. Up-cast flood lights shall not be used. Kelvins shall not exceed 3,500. The light source shall be recessed into the head of all fixture types. Revised plans and details subject to staff approval.
13. Revise the landscape plan to utilize native plantings in appropriate locations, subject to staff approval.
14. Comply with Engineering Memo, dated April 6, 2022.
15. Comply with Fire Department Memo, February 16, 2022.
16. Provide a SAC (Sewer Availability Charge) determination letter from the Metropolitan Council.
17. Obtain permits as necessary from relevant agencies (such as MnDOT, Ramsey County, Watershed District) and provide a copy of each to the City.
18. Enter into a Stormwater Operation and Maintenance Agreement for the new on-site stormwater features.

Prior to the release of the letter of credit:

19. The applicant shall provide an as-built plan that complies with the City's Record Drawing Requirements.
20. All exterior improvements must be installed.
21. All landscaping must have survived at least one full growing season.
22. The applicant shall provide proof of having recorded the Resolution of Approval and the Stormwater Operation and Maintenance Agreement with the County Recorder's Office.

The foregoing resolution, offered by Councilmember _____ and supported by Councilmember _____, was declared carried on the following vote:

RESOLUTION NO.

Ayes:
Nays:
Passed:

Dan Louismet, Mayor

ATTEST:

Kara Coustry, City Clerk

Approval is contingent upon execution and return of this document to the City Planning Office.
I have read and agree to the conditions of this resolution as outlined above.

Applicant's Signature

Date

SITE DATA:
 LOT AREA = 57,255 SF (1.32 AC)
 EXISTING IMPERVIOUS AREA = 44,528 SF (1.02 AC)
 EXISTING HARDCOVER = 77.8%
 PROPOSED IMPERVIOUS AREA = 32,788 SF (0.75 AC)
 PROPOSED HARDCOVER = 57.3%

PARKING DATA:
 STANDARD STALLS PROVIDED = 3
 HANDICAP STALLS PROVIDED = 1
 VACUUM STALLS PROVIDED = 13
 TOTAL PROPOSED PARKING STALLS = 17

- REFERENCE NOTES:
- 1 SURMOUNTABLE CURB AND GUTTER
 - 2 SURMOUNTABLE TIPOUT CURB & GUTTER
 - 3 B618 CURB & GUTTER
 - 4 B618 TIPOUT CURB & GUTTER
 - 5 CURB TRANSITION TO 0" HEIGHT CURB PER $\frac{1}{C3}$
 - 6 INTEGRAL CONCRETE SIDEWALK PER $\frac{7}{C3}$
 - 7 CONCRETE SIDEWALK PER DETAILS $\frac{5}{C3}$ AND $\frac{9}{C3}$
 - 8 PED RAMP MEETING ADA REQUIREMENTS (INCLUDING TRUNCATED DOMES) PER $\frac{8}{C3}$
 - 9 CONCRETE PAVEMENT PER $\frac{10}{C3}$
 - 10 PROPOSED BUILDING. SEE ARCHITECTURAL AND STRUCTURAL PLANS FOR DIMENSIONS.
 - 11 HANDICAP SIGN PER $\frac{3}{C3}$
 - 12 STORM DRAIN PER MECH. / ARCH. PLANS
 - 13 UNDERGROUND SANITARY SYSTEM PER $\frac{5}{C3}$
 - 14 TRASH ENCLOSURE. SEE ARCHITECTURAL AND STRUCTURAL PLANS FOR DETAILS. CONCRETE PAVEMENT PER $\frac{10}{C3}$
 - 15 HEATED CONCRETE PAD PER MECH. / ARCH.
 - 16 4" ELEVATED CONCRETE ISLAND PER $\frac{5}{C3}$ AND $\frac{9}{C3}$
 - 17 PATCH CURB AND GUTTER, AND ROADWAY. MATCH EXISTING BITUMINOUS SECTION.
 - 18 VEHICLE WITH FLASHING LIGHTS SHALL BE USED FOR TRAFFIC CONTROL WHILE PERFORMING WORK WITHIN ROW
 - 19 CONNECT DOWNSPOUT TO PVC PIPE PER PLUMBING PLANS.
 - 20 INFILTRATION BASIN PER $\frac{1}{C2}$ AND $\frac{2}{C2}$
 - 21 BITUMINOUS CURB (MATCH EXISTING)
 - 22 PROPOSED SNOW STORAGE LOCATION

TOMMY'S EXPRESS
CAR WASH SYSTEMS
 4061 HIGHWAY 61
 WHITE BEAR LAKE, MINNESOTA

PXXXX

I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION, OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.

PRELIMINARY

JEFFREY A. PRASCH, P.E.
 LIC. NO.: 52706
 02.04.22

CHRISTIANSON COMPANIES

PH. (701) 281-9500
 FAX (701) 281-9501

4609 33RD AVE. S.
 SUITE 400
 FARGO, ND 58104

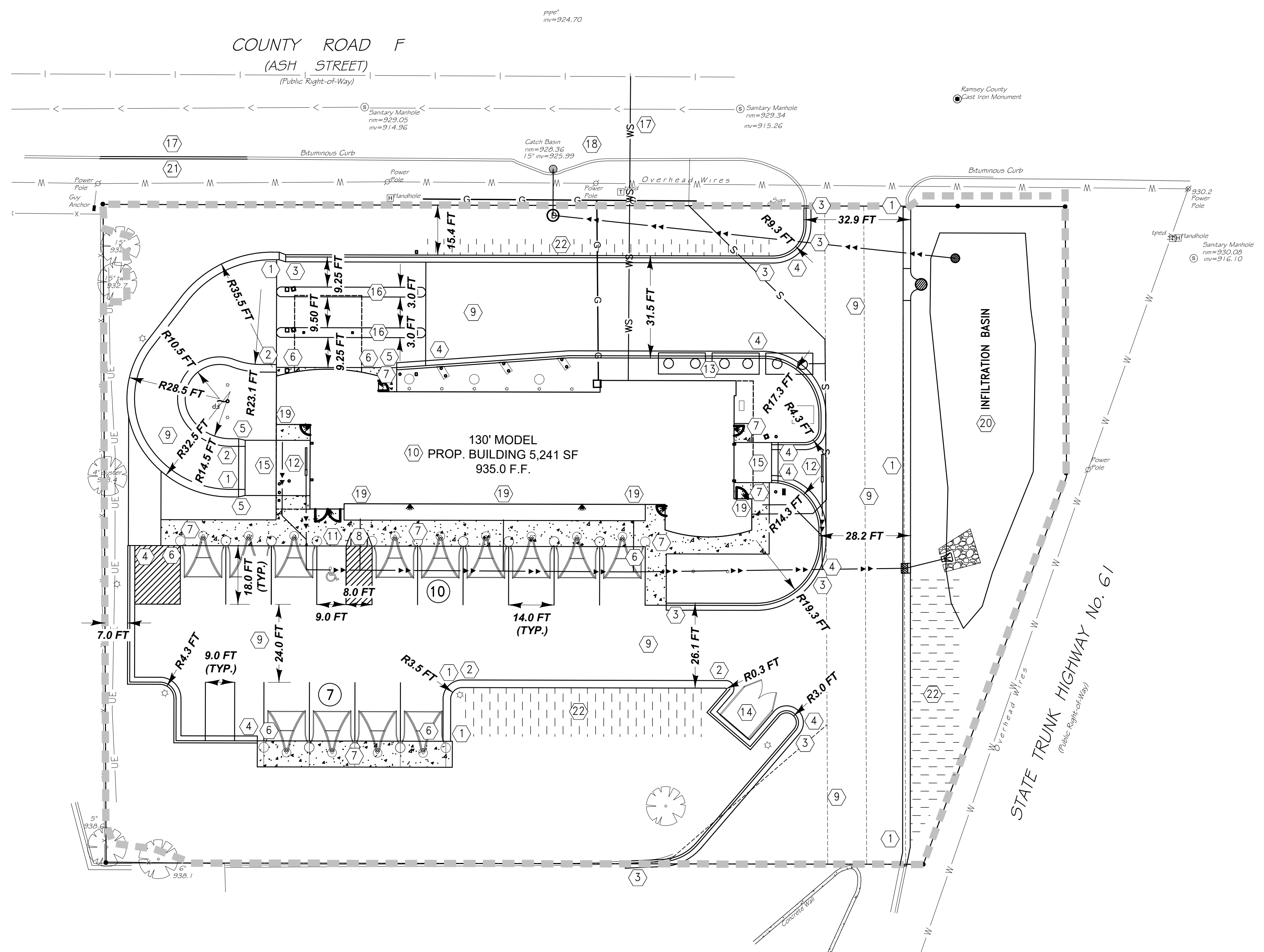
DG
 DESIGN RESOURCES GROUP

PH. (701) 499-0212
 FAX (701) 281-9501

SHEET DESCRIPTION:

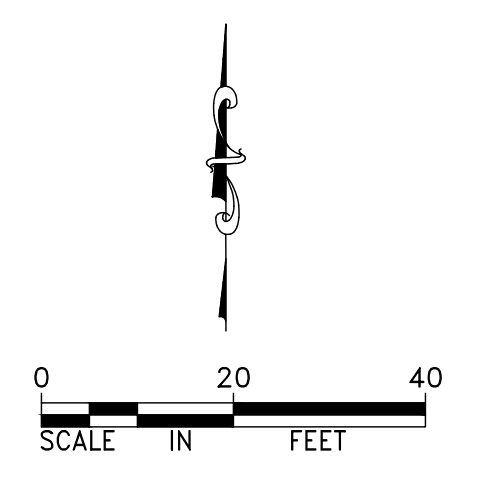
SITE PLAN

Sheet
 C6 OF C8



NOTES:
 1. ALL DIMENSIONS ARE TO BACK OF CURB.

- LEGEND**
- EXISTING BUILDING
 - EXISTING CURB & GUTTER
 - PROPOSED SURMOUNTABLE CURB & GUTTER
 - PROPOSED SURMOUNTABLE TIPOUT CURB & GUTTER
 - PROPOSED B618 CURB & GUTTER
 - PROPOSED B618 TIPOUT CURB & GUTTER
 - EXISTING STORM SEWER
 - PROPOSED STORM SEWER
 - EXISTING CONCRETE
 - PROPOSED CONCRETE SIDEWALK
 - EXISTING FENCE
 - EXISTING SIGN
 - PROPOSED PARKING STRIPE
 - NUMBER OF PARKING STALLS
 - PROPOSED VACUUM
 - PROPOSED LIGHT
 - PROPOSED SNOW STORAGE





City of White Bear Lake
Community Development Department

MEMORANDUM

To: Lindy Crawford, City Manager
From: Tracy Shimek, Housing & Economic Development Coordinator
Date: May 10, 2022
Subject: **Resolution Appointing Members To The County Road E Corridor Planning Study Project Team and Authorizing The City Manager To Recruit and Invite Citizen Advisory Group Members**

SUMMARY

The City Council will consider approving the suggested nominees for the County Road E Corridor Planning Project Team and authorizing the City Manager to recruit and appoint members to the Citizen's Advisory Group in the categories as outlined in this memo.

BACKGROUND INFORMATION

At its January 23, 2022 meeting the City Council authorized the City Manager to enter into an agreement with Ramsey County accepting funds to engage in a cross-jurisdictional corridor planning process for County Road E in addition to enter into a contract for services with Local Initiatives Support Corporation, Twin Cities ("LISC"). Staff has been preparing for this project with LISC to utilize their Corridor Development Initiative process and is prepared to begin the next phase of the project, appointing members to the Project Team and the Citizen Advisory Group.

A Project Team will be established to:

- Identify the goals and objectives of the CDI process
- Assist with the creation of an outreach and communication strategy to recruit community participation, and
- Reach agreement on the final recommendations supported through the CDI process.

The Project Team will be comprised of up to 20 members to include City, County, State, Metropolitan Council and community leaders. The city has the discretion to appoint three elected, appointed or staff leaders to the project team and will be working in collaboration with project partners to appoint the remainder of the positions. This team will meet periodically throughout the process.

In addition to the Project Team, a Citizen Advisory Group will be created to ensure diverse representation from a range of community interests and backgrounds, consisting of up to 20 members that will provide the following functions:

- Identify outreach strategies to engage underrepresented groups to participate and inform the County Road E Corridor Action Plan
- Expand the range of perspectives and expertise that inform the final recommendations.

The city has the discretion to appoint five community members to the citizen advisory group and will be working in collaboration with project partners to appoint five at large members to the group. This team will also meet periodically throughout the process.

It is staff's recommendation that Councilmember Edberg, Councilmember Jones, and Planning Commissioner Mike Amundson be appointed to the Project Team. Additionally, staff recommends appointing Jan Johnson, County Road E business owner and EDC member, to the project team as a community leader.

For the Citizen Advisory Group, staff recommends appointing a Ward 4 resident and Ward 5 resident identified with the input of their respective Councilmember representatives, an employee from a County Road E business, a business owner, executive or manager from a County Road E business in White Bear Lake and a resident or staff member from an affordable housing development. A component of the grant is to ensure a diversity of lived experiences in the makeup of stakeholders represented on this committee and staff feels drawing from the recommended categories will accomplish this goal.

RECOMMENDATIONS

Staff recommends the City Council adopt the attached resolution appointing the above listed community members to the County Road E Project Team and authorizing the City Manager to recruit and invite members to participate in the Citizen's Advisory Group based on the parameters listed within the resolution.

ATTACHMENTS

Resolution

RESOLUTION NO.

**RESOLUTION APPOINTING MEMBERS TO THE COUNTY ROAD E CORRIDOR PLANNING STUDY
PROJECT TEAM AND AUTHORIZING THE CITY MANAGER TO RECRUIT AND INVITE CITIZEN
ADVISORY GROUP MEMBERS**

WHEREAS, County Road E is a commercial and residential corridor that has significant impact on the vitality of the community; and

WHEREAS, the City has invested significant resources into the corridor by securing a development site, creating the County Road E Revolving Loan and Grant program, engaging the community about future investment and development along the corridor, and time spent responding to potential development proposals; and

WHEREAS, in 2020 the City was awarded a Ramsey County Corridor Revitalization Program matching grant in the amount of \$25,000 to engage in a cross-jurisdictional planning process for County Road E; and

WHEREAS, the City will be working with Local Initiatives Support Corporation to utilize their Corridor Development Initiative Process to carry out this project which involves project guidance from a Project Team and Citizen Advisory Group; and

WHEREAS, staff has identified potential appointees for the Project Team and appointee categories for the Citizen Advisory Group which will support the goal of diverse representation throughout this process.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake, Minnesota that they authorize the appointment of Councilmember Kevin Edberg, Councilmember Dan Jones, Planning Commissioner Mike Amundson, and community member and County Road E business owner Jan Johnson to the Project Team;

BE IT FURTHER RESOLVED That the City Council hereby authorizes the City Manager to recruit and invite members representing the following categories to the Citizen Advisory Group:

- One Ward 4 resident and one Ward 5 resident identified with the input of their respective Councilmember representatives in White Bear Lake,
- an employee from a County Road E business in White Bear Lake,
- a business owner from a County Road E business in White Bear Lake,
- an executive or manager from a County Road E business in White Bear Lake, and
- a resident or staff member from an affordable housing development within the corridor in White Bear Lake.

The foregoing resolution, offered by Councilmember _____ and supported by Councilmember _____, was declared carried on the following vote:

RESOLUTION NO.

Ayes:
Nays:
Passed:

Dan Louismet, Mayor

ATTEST:

Kara Coustry, City Clerk