



AGENDA
REGULAR MEETING OF THE CITY COUNCIL OF
THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, JUNE 26, 2018
7:00 P.M. IN THE COUNCIL CHAMBERS

**There will be a 6:00 p.m. Work Session in the Expansion Room
to discuss Redevelopment Efforts**

1. CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE

2. APPROVAL OF MINUTES

Minutes of the Regular City Council Meeting on June 12, 2018

3. APPROVAL OF THE AGENDA

4. VISITORS AND PRESENTATIONS

A. Don Torgerson - Retiring Park Advisory Commission Member

5. PUBLIC HEARINGS

6. LAND USE

Nothing scheduled

7. UNFINISHED BUSINESS

Nothing scheduled

8. ORDINANCES

Nothing scheduled

9. NEW BUSINESS

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

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

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

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

- E. Resolution accepting bids and awarding contract for roof replacement at the Water Treatment Plant
- F. Resolution authorizing use of Lions Park on Sunday, July 1, 2018 for a bean bag toss tournament; Admiral Ds

10. CONSENT

- A. Resolution authorization the Building Official to enter a Municipal Delegation Agreement with the State of Minnesota
- B. Resolution authorizing support of Twin Cities Habitat for Humanity project

11. DISCUSSION

- A. Whitaker Street End Lease – status update

12. COMMUNICATIONS FROM THE CITY MANAGER

13. ADJOURNMENT



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

1. CALL TO ORDER AND ROLL CALL

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

PLEDGE OF ALLEGIANCE

2. APPROVAL OF MINUTES

It was moved by Councilmember **Engstran** seconded by Councilmember **Beihn**, to approve the Minutes of the Regular City Council Meeting on June 12, 2018.

Motion carried unanimously.

3. APPROVAL OF THE AGENDA

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

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

Motion carried unanimously.

4. VISITORS AND PRESENTATIONS

A. Brad Falteysek – Auditor’s Report

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

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

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

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

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

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

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

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

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

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

5. PUBLIC HEARINGS

Nothing scheduled

6. LAND USE

A. Consent

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

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

Motion carried unanimously.

7. UNFINISHED BUSINESS

Nothing scheduled

8. ORDINANCES

Nothing scheduled

9. NEW BUSINESS

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

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

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

Motion carried unanimously.

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

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

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

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

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

Motion carried unanimously.

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

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

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

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

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

Motion carried unanimously.

10. CONSENT

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

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

Motion carried unanimously.

11. DISCUSSION

- A. 4 Square Flats Concept – Neighborhood meeting update

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

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

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

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

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

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

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

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

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

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

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

12. COMMUNICATIONS FROM THE CITY MANAGER

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

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

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

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

13. ADJOURNMENT

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

Jo Emerson, Mayor

ATTEST:

Kara Coustry, City Clerk



City of White Bear Lake
City Manager's Office

MEMORANDUM

To: Mayor and City Council

From: Ellen Richter, City Manager

Date: June 19, 2018

Subject: **Newtrax Lake Area Senior Bus Loop proposal and funding request**

BACKGROUND

Newtrax, Inc. is a local non-profit transportation organization that was founded by member organizations Merrick, Inc. and PAI, Inc. Both are non-profits that provide vocational and life enrichment services to adults with intellectual or developmental disabilities. Newtrax provides daily transportation from home to work and back for over 600 adults with disabilities in the Northeast Metro.

SUMMARY

As reported by its Executive Director at a previous Council meeting, Newtrax successfully piloted a bus circular which includes stops at senior housing complexes in south White Bear Lake, Vadnais Heights and Mahtomedi, bringing its passengers to local establishments.

As described in the attached proposal, Newtrax plans to expand this service by offering a northern bus circular to serve White Bear Lake on Thursdays between 10 a.m. and 1 p.m. The White Bear Lake Senior Center will serve as a connection between the currently operational southern bus loop and the new northern loop. Although voluntary contributions from riders are encouraged, Newtrax also seeks funding assistance from the communities it serves: Gem Lake, Mahtomedi, Vadnais Heights and White Bear Lake.

Annual cost of the program is estimated to be \$27,000, which includes both the south and north loop. Newtrax provides in-kind contributions of approximately \$6,300 and is requesting a \$7,500 contribution from the cities of White Bear Lake and Vadnais Heights, with the remaining balance to be divided between Gem Lake and Mahtomedi. A representative from Newtrax will be available at Tuesday's City Council meeting to answer any questions.

This service helps to address the need for affordable senior transportation options. While the City does not currently contribute toward other transportation offerings, it had previously contributed approximately \$33,000 annually toward the Lake Area Bus service, (2004 – 2009).

RECOMMENDED COUNCIL ACTION

Staff recommends Council adopt the resolution authorizing a financial contribution to Newtrax.

ATTACHMENTS

Resolution

Newtrax Proposal

RESOLUTION NO.

**RESOLUTION AUTHORIZING A
FINANCIAL CONTRIBUTION TO NEWTRAX**

WHEREAS, Newtrax is a local non-profit transportation organization serving adults with intellectual or developmental disabilities in White Bear Lake and surrounding communities; and

WHEREAS, Newtrax has been providing a southern loop bus route since October 2017 which connects nine local senior facilities; and

WHEREAS, Newtrax is looking to launch a northern loop bus route which will connect another eight senior facilities through a shared stop at the White Bear Lake Senior Center; and

WHEREAS, Newtrax is seeking funding from the communities it serves including Gem Lake, Mahtomedi, Vadnais Heights and White Bear Lake.

WHEREAS, The City Council desires support of efficient transportation services and connections to its senior facilities provided by Newtrax.

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 General Fund an amount not to exceed \$7,500 to Newtrax for operation of its senior bus loop.

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

Ayes:

Nays:

Passed:

Jo Emerson, Mayor

ATTEST:

Kara Coustry, City Clerk



Lake Area Senior Bus Loop Proposal

This proposal is between Newtrax, Inc. and the City of White Bear Lake as of July 1, 2018.

Newtrax, Inc., a local Non-Profit transportation organization in collaboration with the cities of White Bear Lake, Vadnais Heights and Mahtomedi along with the White Bear Lake Area Senior Services, various community organizations and local senior facilities, is providing a transportation program to serve area seniors. This bus circulator (South Loop) has been operating since October 2017 and currently serves 9 local senior facilities. We will launch a 2nd area bus circulator (North Loop) serving an additional 8 senior facilities within the northern part of White Bear Lake, Vadnais Heights and White Bear Township starting in the summer of 2018. Both Loops will have a common connection point at the WBL Senior Center where riders from the south can visit destinations in the north and vice versa. This weekly Loop route runs on Thursdays where a variety of local retail, restaurant, community events, volunteering destinations, have been set up as stops to serve our seniors. This opportunity is currently designed for seniors living in a senior residential facility but we have a goal to also reach seniors living in their own home who otherwise would not have access to local transportation at some point in the near future. Our 12+ passenger buses have lift-gate accessibility for wheelchair riders and for those with walkers. The Thursday “Bus Circular” route operates during the hours of 10:00am-1:00pm which happens to be during the Newtrax midday hours where our buses/drivers have downtime thus allowing more access to our fleet. This program will compliment, not duplicate existing services for seniors. From a financial standpoint, we are suggesting a voluntary rider contribution based on the value it provides our seniors within their budget for transportation. We will reach out to the various senior facilities and area businesses that are involved with this Loop route and ask for their financial assistance. We are also looking to the communities of Gem Lake, Mahtomedi and Vadnais Heights to financially support this endeavor as well. At this time, based on earlier conversations and a presentation to the White Bear Lake City Council, we are coming with a proposal for your financial support of this transportation program.

Service:

Weekly Senior Bus Loop serving the communities of Gem Lake, Mahtomedi, White Bear Lake and Vadnais Heights

- Weekly senior bus loop serving the aforementioned communities
- Operating on Thursday’s from 10:00 am – 1:00 pm
- Two loops (one south and one north) each operating with two buses with a common point of the White Bear Senior center
- Buses will be operated by Newtrax which is a State of Minnesota Special Transportation Service (STS) provider that is licensed and insured to provide this transportation.

Financial Support

Total Program Cost	The City of White Bear Lake funding request
\$27,000	\$7,500/annually

Newtrax is contributing an approximate \$6,300 to the program through the in-kind use of vehicles and administrative duties. We are asking the City of White Bear Lake to contribute \$7,500 to the total program cost of \$27,000 for the fiscal year starting on July 1, 2018 through June 30, 2019. We will be going to the City of Vadnais Heights asking for matching funds with the remainder coming from the other communities and users of the program.

Sincerely,

Mike Greenbaum, Executive Director



City of White Bear Lake
City Manager's Office

MEMORANDUM

To: Ellen Richter, City Manager

From: Kara Coustry, City Clerk

Date: June 5, 2018

Subject: **Massage Therapy Establishment and Massage Therapist Licenses**

BACKGROUND

On January 1, 2016, City Ordinance 1127 went into effect, which requires all persons performing massage therapy and related businesses to be licensed. Under the ownership of Yu Wang, Jade Massage located at 2033 County Road E E has been a licensed massage therapy establishment in the City of White Bear Lake since June 27, 2017.

SUMMARY

Through an ongoing and currently open investigation, Jade Massage closed its doors on May 10, 2018 after being served with a warrant by law enforcement agents including agents with the Bureau of Criminal Apprehension (BCA) and Homeland Security for activities in violation of public health, safety and morals. There is an active investigation into the activities occurring at Jade Massage. The City has captured screen shots of sexually suggestive advertisements from Jade Massage on Backpage.com, an adult website that was also recently seized by the FBI as a sexual marketplace.

Pursuant Municipal Code 1127.11, Subd. 1: It shall be grounds for denial, revocation, nonrenewal, suspension or any other appropriate adverse license sanction if the licensee is not complying with, or has a history of violations of, the laws and ordinances that apply to public health, safety and morals.

Given there was sufficient evidence for a warrant to be served to Jade Massage, evidence of sexually explicit advertisements for this business and to allow time for the ongoing investigative and subsequent court process, staff recommends the suspension of all massage related licenses at Jade Massage.

RECOMMENDED COUNCIL ACTION

Staff recommends Council adopt the resolution suspending Jade Massage's massage therapy establishment license and all massage therapist licenses at the location until further notice.

ATTACHMENTS

Resolution
Memo from the Chief of Police

RESOLUTION NO.

**RESOLUTION SUSPENDING MASSAGE THERAPY ESTABLISHMENT
AND ALL MASSAGE THERAPIST LICENSES AT JADE MASSAGE**

WHEREAS, Jade Massage, located at 2033 County Road E E became a licensed massage therapist establishment in the City of White Bear Lake, MN on June 27, 2017; and

WHEREAS, Jade Massage closed its doors on May 10, 2018 after being served with a warrant by law enforcement agents for alleged activities in violation of public health, safety and morals; and

WHEREAS, there was sufficient evidence for a warrant to be served to Jade Massage, in addition to evidence that the business was placing sexually suggestive advertisements on adult websites including BackPage.com, which was recently seized by the FBI as a sex marketplace; and

WHEREAS, pursuant Municipal Code 1127.11, Subd. 1 it shall be grounds for suspension if the licensee is not complying with, or has a history of violations of laws and ordinance that apply to public health, safety and morals; and

WHEREAS, to allow time for the ongoing investigation and subsequent court processes, the City desires suspension of all massage related licenses at Jade Massage.

BE IT RESOLVED by the City Council of the City of White Bear Lake that the massage establishment license and all massage therapist licenses at Jade Massage, 2033 County Road E E be suspended until further notice.

BE IT FURTHER RESOLVED that the City Council retains the right to review this suspension if it receives additional information related to the alleged activities at Jade Massage.

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

Ayes:
Nays:
Passed:

Jo Emerson, Mayor

ATTEST:

Kara Coustry, City Clerk



White Bear Lake Police Department Memo

Date: June 12, 2018
To: Ellen Richter, City Manager
From: Chief Swanson
RE: Jade Massage

The White Bear Lake Police Department assisted the Bureau of Criminal Apprehension (BCA), Homeland Security and the IRS, on a search warrant of Jade Massage at 2033 County Road E East on May 10th. This warrant was part of a large-scale, coordinated investigation of prostitution and human trafficking throughout the Saint Paul/Minneapolis metro area.

This particular massage parlor has been the subject of suspicious activity for at least the past year. The police department has received statements from two independent confidential informants that while receiving a massage, staff propositioned them for sexual activity. Additionally, the massage parlor was featured on BackPage.com with provocative photos and advertising, prior to BackPage being shut down. This warrant involved 37 search warrants involving one criminal enterprise suspected of human trafficking.

The investigation of Jade Massage is ongoing and the investigation is being coordinated by the MN BCA, Homeland Security and the IRS in an effort to address the illegal trafficking of young Chinese women for prostitution. We have been requested by the investigating agencies to not release any reports while the investigation continues and charges are being considered.



City of White Bear Lake
Fire Department

MEMORANDUM

To: Ellen Richter, City Manager
From: Greg Peterson, Fire Chief
Date: June 18, 2018
Subject: Purchase of Ambulance and Fire Truck

BACKGROUND / SUMMARY

The White Bear Lake Fire Department provides fire suppression and prevention services for the City, as well as the neighboring communities of White Bear Township, Dellwood, Birchwood Village, and Gem Lake through contract agreements. The City's population of approximately 25,000 is 65% of the total service population of 38,500.

There are two fire stations within the geographical service area, each with its own fleet. Station #1 on the north side has eight (8) vehicles. It houses a Tender, Ladder Truck, Engine, Grass Rig, ATV, Boat and two Ambulances. The Tender carries 1,500 gallons of water and was originally built in 1981; it was re-chassied in 2012. The Ladder Truck was purchased in 1998 and is scheduled in the Capital Improvement Plan to be replaced in 2020. The Engine was purchased in 1993 and is scheduled to be taken out of the fleet and not replaced. The Grass Rig was purchased in 2011 and serves continues to serve the department well. The ATV was purchased in 2013 and the Boat, a small inflatable watercraft with a motor, in 1990. One of the ambulances was built in 2004, and the other in 2012.

On the south side of town, Station #2 houses five (5) vehicles. It houses an Engine, Heavy Rescue, Utility and two Ambulances. The Engine was built in 1998 and is due to be replaced. The Heavy Rescue was built in 2003 and is used as the first-out vehicle most of the time, due to the age of the Engine. The Utility is a pickup truck that is used in multiple roles. One of the ambulances was built in 2010, and the other in 2015.

Within five years, as reflected in the Capital Improvement Plan, three of the four ambulances, a fire engine and the ladder truck are scheduled to be replaced. Each year, the schedule will be reevaluated to determine whether a purchase can be postponed for yet another year. Maintenance costs, reliability of major components, general wear, and age of the equipment relative to advancing technologies are all considerations in evaluating whether it is time for replacement.

The department will continue to evaluate the size of its fleet and relative need for its apparatus. For example, it was decided to reduce the fleet by one engine this year, an engine that is rarely used. This decision will result in future capital replacement savings of over \$500,000, as well as annual maintenance cost savings. Additionally, for sale are two Ford pickup trucks, a Jeep and Tahoe. These vehicles had not been used on a regular basis and are being removed from the fleet.

This year, Engine 925 is scheduled to be replaced. It is the 1998 Engine located at the south fire station. Purchased in 1998, it was designed with a different response model in mind. It does not meet current safety standards, and lacks the modern technologies and design features. Ambulance 912 is located at the north station and was built in 2004. This vehicle has been on thousands of ambulance runs. In addition to its wear and related maintenance issues, the interior does not have modern safety features for the crew or the patient. The new vehicle will provide for better safety and overall operational efficiencies for the department as a whole.

The City is a member of the Houston-Galveston Cooperative (HGAC), a nationwide government procurement service used by most metropolitan fire departments for major equipment purchases. Most recently, the City went through HGAC for the purchase of its SCBAs. HGAC selects its vendors through a competitive procurement process in accordance with state statutes. After careful review and input from a committee comprised of department membership, Everest Emergency Vehicles, Inc. was selected to build the new ambulance; Custom Fire was selected to build the new fire engine.

This new ambulance vehicle will replace a 2004 Road Rescue ambulance. The cost of the new ambulance is \$228,000, which is under budget by \$22,000. The ambulance includes a new stretcher to replace the existing 11-year old stretcher. Both the ambulance and stretcher will meet current safety standards for crews and patients.

The proposed fire engine would replace the 1998 Freightliner engine. Custom Fire was selected to build the new engine at a cost of \$533,229, approximately \$33,000 more than anticipated in the budget. The new engine will comply with the latest safety standards and is designed to fit current and anticipated future needs of the Fire Department.

While the cost of the ambulance is slightly less than anticipated, the fire engine exceeds that which was budgeted. The two purchases together exceed the 2018 budgeted estimates by \$11,229. Because the fire engine build-out is not expected to be completed before the spring of 2019, the additional funds would be included in the 2019 budget.

RECOMMENDED COUNCIL ACTION

Staff recommends Council adopt the resolution approving the purchase of the new ambulance and fire truck.

ATTACHMENTS

Resolution

RESOLUTION NO.
RESOLUTION AUTHORIZING PURCHASE OF
AN AMBULANCE AND A FIRE TRUCK

WHEREAS, the City has established a Capital Improvement Program and long-range financial plan to include the eventual replacement of its Fire Department apparatus; and

WHEREAS, a Fire Engine purchased in 1998 and ambulance purchased in 2004 are scheduled for replacement as reflected in the 2018 budget; and

WHEREAS, the City of White Bear Lake is a member of the Houston-Galveston (HGAC) Cooperative, which is a competitive government procurement service; and

WHEREAS, Everest Emergency Vehicles, Inc., is the preferred vendor through the HGAC Cooperative for the purchase of a new ambulance at a cost of \$228,000; and

WHEREAS, Custom Fire is the preferred vendor for the purchase of a new fire engine at a cost of \$533,229; and

WHEREAS, the combined purchases exceed the estimated costs reflected in the 2018 budget by \$11,229; because the fire engine build-out is not expected to be completed before next spring, additional funds will be budgeted in 2019.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake that;

1. The Council hereby approves purchase of a new ambulance from Everest Emergency Vehicles for \$228,000 under the HGAC purchasing contract.
2. The Council hereby approves purchase of a fire engine from Custom Fire for \$533,229 under the HGAC purchasing contract.

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

Ayes:
Nays:
Passed:

Jo Emerson, Mayor

ATTEST:

Kara Coustry, City Clerk



City of White Bear Lake
Finance Department

MEMORANDUM

To: Ellen Richter, City Manager
From: Don Rambow, Finance Director
Date: June 19, 2018
Subject: White Bear Lake Fire Relief Association Actuarial Study

BACKGROUND

The White Bear Lake Fire Relief Association has the fiduciary responsibility to manage and maintain the local fire department pension for its members (retirees, deferred, current, and future). This fiduciary duty requires Relief Association Board members to reconcile the fund's pension obligations with its ability to support its pension obligations. Although the pension obligations are ultimately the City's responsibility, it is the Board's fiduciary responsibility to ensure that the fund's assets are sufficient to support its pension obligations.

In recent years, the Board has explored the possibility of merging into the statewide Firefighter Retirement Plan, managed by PERA, to streamline its accounting, improve record keeping, and strengthen its reporting mechanisms. Concerns have been expressed by some of the department membership regarding loss of local control. A major obstacle to a merger has been that once an association joins the statewide organization, there was no option to withdraw if it was determined that the loss of local control were to outweigh the benefits.

However, the 2018 Omnibus Retirement bill includes a provision that allows a local fire relief associations to withdraw from the statewide plan if dissatisfied. The ability to withdraw ignites renewed interest in revisiting the PERA SVF option.

SUMMARY

Preliminary audit work indicates that the Relief Association net position of 12/31/17 totals \$7,023,488. This represents a \$665,794, or 10.5% increase for fiscal year 2017. It is expected that the fund's 12/31/2017 asset valuation will exceed its actuarial liability by more than 120%.

Based upon the reported growth, the relief association has indicated its fiduciary interest in completing two actuarial studies. The fund would consider the impact of remaining independent, which by state statute utilizes an assumed rate of return at 5.0%. The second actuarial study would account for joining the statewide voluntary plan administered by PERA, which utilizes an assumed rate of return at 6.0%. It is reasonable to expect that the relief association's assets could support a pension increase, while maintaining a sufficient fund balance. It was shown to be 118% funded on 12/31/16 with assets totaling \$6.357 million; with assets increasing \$666 thousand to \$7.023

million as of 12/31/17, it would appear that there are sufficient resources to support a benefit level increase. An actuarial study is required before making a final determination.

The pension fund's last adjustment occurred in 2007; its balance is now at a level that justifies an actuarial review in consideration of pension adjustments.

RECOMMENDED COUNCIL ACTION

Staff recommends that the City Council support a White Bear Lake Fire Relief Association actuarial study to measure the fund's ability to adjust pension benefits in consideration of two options, remain independent or merge into the statewide plan. The cost of the actuarial studies would be paid for through the Relief Association.

ATTACHMENTS

Resolution supporting actuarial pension studies related to potential benefit adjustments
White Bear Lake Board Pension Study Recommendation
Statewide Plan Description
Valuation Results

RESOLUTION NO.

RESOLUTION AUTHORIZING THE WHITE BEAR LAKE FIRE RELIEF ASSOCIATION TO COMPLETE ACTUARIAL STUDIES RELATED TO A POTENTIAL PENSION ADJUSTMENT AND THE POSSIBLE INCLUSION INTO THE STATEWIDE VOLUNTARY PLAN AS ADMINISTERED BY PERA

WHEREAS, the City of White Bear Lake recognizes the importance of the fire relief pension as it relates to retention of firefighters; and

WHEREAS, the Fire Relief Pension Plan assets are invested and maintained for the purpose of supporting firefighters pension; and

WHEREAS, the December 31, 2017 audited pension assets appear to be sufficient to support a pension benefit adjustment; and

WHEREAS, the Fire Relief Board of Trustees' intention is to review the fiduciary financial impact of a pension adjustment with the Board remaining independent as well as the potential impact of inclusion into the PERA statewide plan; and

WHEREAS, the Board is required to complete a comprehensive actuarial study related to both pension considerations; and

WHEREAS, the cost related to the actuarial studies will be the responsibility of the White Bear Lake Fire Relief pension plan.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake that the City Council support the White Bear Lake Fire Relief Association completion of actuarial studies to determine future pension allocations.

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

Ayes:

Nays:

Passed:

Jo Emerson, Mayor

ATTEST:

Kara Coustry, City Clerk

Minutes
White Bear Lake Fire Relief Board
6:00 P.M. Tuesday May 1st, 2018
South Fire Station

A. CALL TO ORDER

Called to order by Margaret Janssen at 6:02 P.M.

B. ROLL CALL

Present: Margaret Janssen, Jermy Andert, Peter Fischer, Neil Olness, Tabitha L'Allier, Dan Brumm, Don Rambow, Jo Emerson, Greg Peterson

Absent: None

C. APPROVAL OF THE MINUTES

1. Approval of the March 22nd, 2018 Fire Relief Board Meeting Minutes

Motioned by Peter Fischer. Seconded by Greg Peterson. Ayes – all. Motion passed.

D. APPROVAL OF THE AGENDA

1. Approval of the May 1st, 2018 Fire Relief Board Agenda

Greg Peterson added item F4. Motioned by Peter Fischer. Seconded by Neil Olness. Ayes – all. The motion passed.

E. UNFINISHED BUSINESS

1. Payroll Servicer Update

Redpath has taken over all payroll and servicing duties from Heartland. There has been a small problem with U.S. Bank and processing checks during the transition. Jermy Andert and Margaret Janssen are working to resolve the problem.

F. NEW BUSINESS

1. Wells Fargo Pension Increase Presentation

A service offered by Parr-Mcknight is helping the Board create a plan for a pension increase. Margaret Janssen commented it has been over 10 years since the last pension increase and the fund is currently 118% funded. Don Rambow expressed concerns regarding market stability and supporting a pension increase. An actuarial analysis is required for any pension increase. It was proposed that two actuarial analysis be performed this year. One at a 5% rate of return (ROR) and one at 6% ROR. The benefit of doing two actuarial analysis is 5% is required under the current law and 6% is required if a transition to PERA is approved. Peter Fischer motioned to authorize having two actuarial analyses completed. Seconded by Margaret Janssen. Ayes – Janssen, Fischer, Andert, L'Allier, Olness, Peterson, Emerson. Nays – Rambow. The motion passed

2. Vice President Opening

Joel Schmidt has been appointed as the full-time Assistant Fire Chief. He has resigned his position of Vice President. The process for replacing the Vice President was discussed. The Board has the ability to appointment a replacement to complete

the remainder of the Vice President's term. There was also discussion on whether full time employees can stay in the Relief Association. Further research and discussion will be needed to make a determination.

3. Relief Bylaw Review

It has been a number of years since the last bylaw review and a number of new changes w/t response requirements have taken place. An electronic bylaw file will be sent to the Board for further review to discuss at future meetings.

4. CPR Fund

The general membership currently oversees the CPR fund. Greg Peterson proposed having the city take over management of the CPR fund. The CPR fund will be brought before the general membership on May 7th, 2018 at the Department meeting to be voted on.

G. ADJOURNMENT

Adjourned at 6:59 P.M.

Plan Description

Statewide Volunteer Firefighter Retirement Plan

(Lump-Sum Plan)



Legislation passed in 2009 created a **Statewide Volunteer Firefighter Retirement Plan (SVFRP)**, referred to as “the Plan” in this document) for volunteer firefighters who provide service to a municipal fire department or an independent nonprofit firefighting corporation. The Plan is voluntary, and open to fire departments as a replacement of their existing volunteer firefighter retirement plan. It is also open to municipalities currently without a volunteer firefighter retirement plan. The Plan is codified as Minnesota Statutes Chapter 353G.

The purpose of this Plan Description is to provide information to volunteer firefighters, relief associations and municipalities about the Plan. It includes information about how the Plan is funded, how benefits are determined, and how an entity elects to join the Plan.

Background

Several relief associations asked the State to create a statewide plan so that they could concentrate on fighting fires rather than administering a retirement plan. They did not like having to pay for an annual audit, and did not like all the paperwork involved in administering the plan. They also believed the State Board of Investment could get better investment returns, which would reduce their required contributions. Depending on the perspective of the relief association, there are several advantages and disadvantages of joining the statewide plan.

Advantages

Although the new Statewide Plan may not be right for all fire departments, there are several advantages of joining the Plan for many entities.

First, the assumed investment earnings rate of 6% in the Statewide Plan is higher than the 5% rate set in statute for local relief associations. When determining the municipality’s required contribution amount, the Statewide Plan is allowed to assume that more of the contribution will be covered by investment earnings, thus reducing the amount required to be provided by the municipality.

Second, once a fire department’s volunteers are covered by the Statewide Plan, the fire relief association board (FRAB) will no longer be obligated to assemble and file many of the various financial reports and statements with the State Auditor’s Office, as is currently required by law. The FRAB will need to file one last set of reports in the year they join the plan, but PERA will handle all of the paperwork in subsequent years.

Volunteer Firefighter Retirement Plan

Third, once a fire department's volunteers are covered by the Statewide Plan, the FRAB will no longer be required to pay for an outside audit or attestation by a CPA. The FRAB (or municipality) will need to conduct one last audit or attestation in the year they join the plan, but then will be relieved of that responsibility.

Fourth, the relief association will no longer need to invest the assets of the special fund. The State Board of Investment will take over that responsibility using professional portfolio managers. Since they are able to pool the assets of several entities together when investing, they are often able to take advantage of efficiencies and asset size to negotiate better returns.

Fifth, the relief association will no longer need to be in the business of paying benefits and filing the paperwork necessary to receive the Department of Revenue reimbursement for the supplemental piece of the benefit.

Sixth, in most cases the volunteer firefighters will join the plan at a benefit level equal to or higher than the benefit level currently in effect with the relief association. Since the assumed investment earnings rate is 6%, municipalities can afford to provide a higher benefit level without seeing an increase in required contributions.

Seventh, the statewide plan provides portability provisions for firefighters who transfer from one fire department to another fire department. If both fire departments belong to the statewide plan, the combined service in both fire departments is added together to determine vesting and benefit amounts.

Disadvantages

While some relief associations look forward to giving up the work involved in investing assets, handling paperwork and administering benefits, others view giving up control as a disadvantage. They are uncomfortable giving up control of their assets and design of their retirement plan—especially to the State. Once they give up control, it may be difficult to gain it back. Should an entity wish to re-establish the relief association's special fund and take back control of the assets and plan design after joining the statewide plan, it would require special legislation to do so.

Second possible disadvantage of joining the statewide plan is future benefit increases are at the discretion of the entity sponsoring the fire department, not the relief association. (Once a benefit level is established, a sponsoring agency cannot unilaterally decrease it.)

A third possible disadvantage is the statewide plan is not set up to pay annuities on a monthly basis, although 2015 legislation allows PERA to assume administration of plans of departments that currently provide monthly benefits to their retirees.

Funding

The lump sum benefits payable from the Plan are funded by existing fire state aid* allocated to a municipality, additional municipal contributions, as applicable, and earnings on the investment of these funds. Each participating entity will have a separate Entity Account in which the assets necessary to fund the benefits will be maintained.

An investment account has been established in the Supplemental Investment Fund (SIF) managed by the State Board of Investment (SBI) expressly for investment of the Plan assets. The SBI is vested with the authority to determine the asset allocation of this new SIF account with the expectation that the account will earn a **6 percent** return over the long-term. **PERA will track separately the assets of each Entity Account within the Plan.**

PERA will perform annual calculations for each Entity Account to assess the level of funding needed to maintain assets sufficient to pay the benefits being earned by the participating entity's volunteer firefighters. The calculations will resemble the procedure already defined in law for use by all existing volunteer fire relief associations. Required contributions for the coming year will be based on service credit data provided to PERA in March of each year by each participating entity's fire chief. Entities that sponsor the fire department (either municipalities or nonprofit firefighting corporation) are able to voluntarily contribute above and beyond the required contribution amount.

Once an entity joins the Plan, future fire state aid payments allocated to that participating entity will be sent to PERA and deposited directly into the entity's account. If the fire state aid is not sufficient to adequately fund the account for the year, PERA will bill the participating entity for the required additional municipal contribution. Additional contributions, if any, are due by December 31 of each year. A sample time line for the calculation and billing of annual costs is found on Page 10 of this document.

Governance

PERA's Board of Trustees

The policy-making, management, and administrative functions related to the Plan are vested in the board of trustees and the executive director of the Public Employees Retirement Association. Their duties, authorities, and responsibilities are described in Minnesota Statutes Chapter 353.03. Fiduciary activities of the Plan must be consistent with Minnesota Statutes governing public pensions.

* Fire State Aid is a program that collects a premium tax from insurance companies based upon gross direct premiums, including policy fees, premium finance and other charges from customers insuring against property losses. The premium tax is collected expressly to pay the pension costs of municipalities and non-profit fire corporations employing firefighters. The program is described in detail in Minnesota Statutes Chapter 69.

Advisory Board

Chapter 353G provides for an Advisory Board made up of eight representatives from townships, cities, fire chiefs and volunteer firefighters. The advisory board provides advice and guidance to PERA's Board of Trustees about the retirement coverage needs of volunteer firefighters.

Benefits

Retirement Benefits

The Plan provides for the payment of lump sum retirement benefits that are based on a specific dollar value paid for each year of credited service accumulated by a volunteer firefighter who terminates service and meets the minimum requirements for receipt of the benefits. The dollar value payable per year of service is determined by the sponsoring municipality or entity at the time an election to participate in the Plan is made, selected from 69 possible benefit levels in \$100 increments between \$500 and \$7,500. An entity may elect to increase the benefit level after joining the Plan.

To be eligible for a benefit, a firefighter must:

- be at least 50 years old;
- be vested, which means having acquired a minimum of 5 years of "good-time" service credit[†] in the Plan; and,
- have severed his or her employment relationship with the fire department for a minimum of 30 days.

A full retirement benefit is payable to a firefighter with 20 years of service. Firefighters retiring with fewer than 20 but at least 5 years of service are eligible for a percentage of a full benefit as described in Table 2 on page 9. Former members of the fire department who were vested at the time they left the department are also entitled to benefits when they attain age 50.

Minimum participation in the Plan

If an existing volunteer firefighter relief association becomes part of the Plan, the former plan benefits are payable to anyone who is vested and who leaves volunteer service within the first five years of participation in the statewide plan. A firefighter must participate in and earn at least 5 years of service credit in the SVFRP to receive a benefit based upon the levels provided by the Plan. Once a firefighter has participated in the statewide plan for at least 5 years, all years of credited service will be paid at the dollar value provided by the SVFRP.

[†] Chapter 353G does not define "good-time service credit." The chief of each participating fire department determines the minimum activity levels and length of time an individual volunteer must serve to receive credit. Credit may be awarded in annual or monthly increments as determined by the chief of the fire company.

Non-vested benefits

No benefits are payable to a firefighter who leaves the volunteer fire department before having earned five years of credited service, except as provided for under the portability provisions of the Plan as noted in the next paragraph.

Portability provisions

One of the goals of the Plan is to provide portability of benefits for volunteer firefighters. The Plan is designed to pay benefits to a firefighter who may not vest in one account, but when all volunteer service earned in accounts participating in the Plan is combined, the individual has earned more than five years of credited service. If that is the case, a prorated share of benefits payable based on credits earned in each account would be payable to the individual who meets all other requirements for payment of a lump sum benefit under the Plan.

Survivor benefits

Benefits are paid to the surviving spouse of an active or deferred member who dies. If there is no surviving spouse, benefits are paid to the firefighters minor children, and if no children, to the deceased firefighter's estate. The survivor benefit is equivalent to the lump sum benefit that would have been payable to the firefighter at age 50 using the service credit earned as of the date of death.

Supplemental benefits

In addition to primary benefits, the Plan provides supplemental benefits equivalent to those outlined in Minnesota Statutes Chapter 424A.10. With supplemental benefits, the retiring firefighter receives a one-time cash payment equal to 10% of the lump sum benefit up to a maximum of \$1,000. For a survivor, a supplemental benefit is 20% of the lump sum, up to a maximum of \$2,000.[†]

Other benefits

The Plan does not provide disability benefits. Most relief associations, fire departments, or municipalities already offer disability benefits provided by the Volunteer Firefighters' Benefit Association, and can continue (or begin) to do so after joining the statewide plan.

Process for Joining the Plan

The decision to participate in the Plan is made jointly by the entity operating the fire department and the volunteer firefighter relief association (if one exists). Individual firefighters cannot join the Plan on their own. The process for electing coverage of volunteer firefighters by the Plan is initiated by a request to PERA for a cost analysis of the prospective retirement coverage, as follows.

[†] Supplemental benefits are paid by PERA, and PERA is reimbursed for their costs by the State of Minnesota. Thus, municipalities and entities participating in the Plan do not fund supplemental benefits.

Volunteer Firefighter Retirement Plan

- 1.** If the volunteer firefighters are covered by an existing relief association, the secretary of the relief association must ask the relief association board to approve a request for a cost analysis from PERA. Whether or not there is an existing relief association, the chief administrative officer of the municipality or non-profit fire corporation that sponsors the fire department must seek approval from the city council or the non-profit's board to request a cost analysis.
- 2.** If the municipality's council or the non-profit's board (and the relief association board, if one exists) approve of a cost analysis, the secretary of the relief association (if one exists) and chief administrative officer jointly submit a request to PERA's executive director for estimates of costs of the potential retirement coverage. If the volunteer fire department is associated with more than one municipality or non-profit, the chief administrative officer of each sponsoring entity of the volunteer fire department must jointly execute the request.
- 3.** PERA prepares estimated costs for the benefit level(s) requested.
- 4.** The State Board of Investment (SBI) reviews the investment portfolio of the existing relief association (if one exists) and determines which assets could be transferred to SBI and which must be sold before December 31st should the entity elect to join the Plan.
- 5.** Upon receipt of the cost analysis, the governing body of the municipality or municipalities, or independent nonprofit corporation associated with the fire department has 90 days to approve coverage in the Plan. If the retirement coverage change is not acted upon within 120 days, it is deemed to be disapproved. If the retirement coverage is approved by the applicable governing body, a copy of the approval is sent to PERA.
- 6.** If coverage is approved, PERA begins administering the Plan for the entity effective the following January 1 and issues all future benefit payments.
- 7.** On the date immediately prior to the effective date of the coverage change (December 31), the special fund of the applicable volunteer firefighters' relief association, if one exists, ceases to exist as a pension fund of the association and legal title to the assets of the special fund transfers to the State Board of Investment. With some modifications, the relief association may continue as an organization and maintain its general fund.
- 8.** If coverage is not approved, the Plan is not extended to firefighters and the firefighters continue as before with or without a relief association benefit plan, as applicable.

Relief Association Changes

In addition to the transfer of assets and disestablishment of the relief association's special fund, other relief association changes will take place on the effective date of the change in volunteer firefighter retirement coverage. These changes are listed in Minnesota Statutes 353G.06, subdivision 2. The relief association has the option to dissolve itself. If the relief association membership elects to retain the relief association, however, the following changes must be implemented. The relief association:

- board of trustees membership is reduced to five, comprised of the fire department's fire chief and four trustees elected by and from the relief association membership;
- may only maintain a general fund, which continues to be governed by Minnesota Statutes 424A.06;
- is not authorized to receive the proceeds of any state aid or to receive any municipal funds. Future fire state aid payments will be sent directly from the Department of Revenue to PERA to be deposited in your account; and
- may not pay any service pension or benefit that was not authorized as a general fund disbursement under the articles of incorporation or bylaws of the relief association in effect prior to the plan coverage election process.

Should the association membership elect to retain the relief association, the association will need to update the bylaws to reflect these changes. Amended bylaws do not need to be filed with any agency, but it would be helpful to send a copy to PERA. They must be kept with records of the relief association. The relief association will also likely need to amend its articles of incorporation and file the changes with the Secretary of State's Office.

Since relief associations are non-profit corporations, they will still have an annual renewal obligation with the Secretary of State's Office, but that can be done online. Relief associations may also have an obligation as a non-profit to file Form 990 with the IRS every year, although that is an issue better discussed with an attorney.

Should you have questions about amending articles of incorporation and the annual renewal process, please contact the Secretary of State's Office at 1-877-551-6767 or 651-296-2803.

From: David Andrews (PERA) <david.andrews@mnpera.org>
Sent: Monday, October 2, 2017 11:40
To: Margaret Janssen
Subject: RE: SVF Plan Question

Yeah, you left the voice mail for me. I tried to return the call but apparently did something wrong. Sorry about that.

As for your questions, the website is aimed at lump sum payment plans, not monthly payment plans so the information is not applicable directly to your plan. Secondly, monthly plans are required to get an actuarial valuation done to join the plan. We have to send this off to our actuary and thus there is a fee involved.

For your benefit, here is the language that covers the process for a monthly plan to join PERA

Subd. 3. Election of coverage; monthly benefit.

- (a) The process for electing coverage of volunteer firefighters by the monthly retirement division is initiated by a request to the executive director for an actuarial cost analysis of the prospective retirement coverage under the monthly benefit retirement division. This request must be made by the secretary of the volunteer firefighter relief association and the chief administrative officer of the entity associated with the relief association, both of which must first obtain approval of the request from their respective municipal governing body or independent nonprofit firefighting corporation. The request must be made in writing and must be made on a form prescribed by the executive director.
- (b) (not copied)
- (c) The cost analysis under paragraph (a) must be prepared by the approved actuary retained by the Public Employees Retirement Association...

Let me know if you have any other questions.

David Andrews
PERA of MN
651.201.2648
david.andrews@mnpera.org

SUMMARY OF ACTUARIAL VALUATION RESULTS

	1/1/2015 Results	1/1/2017 Results
<i>Employee Data</i>		
Number of Active Firefighters	49	50
Number of Service Retirees	39	37
Number of Widow Beneficiaries	4	6
Number of Separated Deferred Firefighters	14	11
TOTAL	106	104
 <i>Plan Liabilities</i>		
Annual Normal Cost	\$ 138,427	\$ 154,753
Actuarial Accrued Liability:		
Active Firefighters	\$ 1,752,307	\$ 2,097,695
Retirees, Beneficiaries & Deferred Retirements	3,504,362	3,288,626
TOTAL	\$ 5,256,669	\$ 5,386,321
 Assets (Market Value)	 \$ 6,413,402	 \$ 6,357,694
Unfunded (Overfunded) Actuarial Accrued Liability	\$ (1,156,733)	\$ (971,373)
 Funded Position of Plan's Actuarial Accrued Liability*	 122.0 %	 118.0 %

* Equals the ratio of assets to the total actuarial accrued liability.

THE WHITE BEAR LAKE FIRE DEPARTMENT RELIEF ASSOCIATION
STATEMENT OF CHANGES IN PLAN NET POSITION
SPECIAL FUND - PENSION TRUST FUND
For The Year Ended December 31, 2017
With Comparative Amounts For The Year Ended December 31, 2016

Statement 4

	2017	2016
Additions:		
Contributions:		
State of Minnesota	\$232,194	\$231,628
State of Minnesota - supplemental benefit	2,000	-
Total contributions	<u>234,194</u>	<u>231,628</u>
Investment income:		
Net appreciation (depreciation) in fair value of investments	859,542	381,098
Dividends and interest	175,832	176,680
Management fees	(68,774)	(62,001)
Total investment income (loss)	<u>966,600</u>	<u>495,777</u>
Total additions	<u>1,200,794</u>	<u>727,405</u>
Deductions:		
Pension benefits:		
Regular	503,020	229,516
Supplemental	2,000	-
Audit and accounting	15,731	15,292
Actuary fees	7,400	2,000
Salaries and wages	4,860	4,310
Insurance	284	322
Payroll service	1,705	2,974
Total deductions	<u>535,000</u>	<u>254,414</u>
Increase (decrease) in net position	<u>665,794</u>	<u>472,991</u>
Net position restricted for pensions - January 1	<u>6,357,694</u>	<u>5,884,703</u>
Net position restricted for pensions - December 31	<u><u>\$7,023,488</u></u>	<u><u>\$6,357,694</u></u>

The accompanying notes are an integral part of these financial statements.

THE WHITE BEAR LAKE FIRE DEPARTMENT RELIEF ASSOCIATION
 STATEMENT OF PLAN NET POSITION
 SPECIAL FUND - PENSION TRUST FUND
 December 31, 2017
 With Comparative Amounts For December 31, 2016

Statement 3

	<u>2017</u>	<u>2016</u>
Assets:		
Cash and investments	\$7,015,169	\$6,358,861
Accounts receivable	702	-
Due from other governments	2,000	-
Pension receivable	18,542	369
Total assets	<u>7,036,413</u>	<u>6,359,230</u>
Liabilities:		
Pension payable	3,002	1,536
Accounts payable	9,923	-
Total liabilities	<u>12,925</u>	<u>1,536</u>
Net position restricted for pensions	<u><u>\$7,023,488</u></u>	<u><u>\$6,357,694</u></u>

The accompanying notes are an integral part of these financial statements.



City of White Bear Lake
Engineering Department

MEMORANDUM

To: Ellen Richter, City Manager

From: Mark Burch, P.E., Public Works Director/City Engineer
Don Rambow, Director of Finance

Date: June 21, 2018

Subject: **Receiving bids and awarding a contract for replacement of the roof on the Water Treatment Plant.**

BACKGROUND / SUMMARY

The roof on the Water Treatment Plant is in need of replacement. The existing roof system has been repaired many times over the last ten years but can no longer be reliably patched. The insulation is saturated as well, and would be replaced as part of the roof project. Staff solicited proposals from two local roofing contractors and are recommending that the Council receive the bids and award a contract to SELA Roofing and Remodeling, Inc., for the low bid of \$129,300 plus \$12,500 for the vapor barrier. Total contract costs amount to \$141,800. The Water Treatment Plant roof replacement was anticipated in the 2018 Water Capital Improvement budget for the amount of \$100,000.

Funding for the roof replacement project would be drawn from Water Improvement Fund reserves. Structural issues including the need for insulation and vapor barrier replacement results in costs exceeding initial estimates by \$41,800. To ensure financial stability of the Water Improvement Fund, it is proposed the City Council consider allowing the roof replacement project to be included as part of a possible bonding issue in 2019.

The two resolutions related to project financing would provide the City with the option to include these project costs in future bonding, but does not obligate the City to utilize bonds for this purpose. The Water Improvement Fund has sufficient reserves to finance this improvement.

RECOMMENDED COUNCIL ACTION

Staff recommends the Council adopt the resolution receiving the bids for the Water Treatment Plant Roof Replacement Project and awarding a contract to SELA Roofing and Remodeling, Inc. for \$141,800. Also included are resolutions which would allow the City to bond in 2019 for a portion of this improvement, if deemed necessary.

ATTACHMENTS

Resolution accepting bids and awarding contract
Resolution authorizing an interfund loan
Resolution of intent to reimburse expenditures from bond proceeds

RESOLUTION NO.

**RESOLUTION ACCEPTING BIDS AND AWARDING CONTRACT
FOR THE WATER TREATMENT PLANT ROOF REPLACEMENT**

WHEREAS, the roof at the Water Treatment Plant is in need of replacement; and

WHEREAS, the Public Works Department has solicited quotes for removal and replacement of the roof on the Water Treatment Plant; and

WHEREAS, the following bids complying with the request for proposals and specifications were received, opened and tabulated according to law:

Contractor	Total Base Bid
Berwald Roofing Company, Inc.	\$139,967.00
SELA Roofing and Remodeling, Inc.	\$129,300.00

WHEREAS, SELA Roofing and Remodeling, Inc., submitted the lowest bid of \$129,300 and with the addition of the vapor barrier in the amount of \$12,500, the total contract amount will be \$141,800.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake, Minnesota that:

1. The bid submitted for the Water Plant Roof Replacement project are hereby received.
2. A contract in the amount of \$141,800 for roof replacement and installation of a vapor barrier on the Water Treatment Plant with SELA Roofing and Remodeling, Inc., is hereby approved.

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

Ayes:
Nays:
Absent:
Passed:

Jo Emerson, Mayor

ATTEST:

Kara Coustry, City Clerk

CITY OF WHITE BEAR LAKE, MINNESOTA

RESOLUTION NO.

**AUTHORIZING INTERFUND LOAN FOR ADVANCE OF FUNDS FOR
PAYMENT OF COSTS RELATED TO IMPROVEMENTS TO THE MUNICIPAL
WATER PLANT**

WHEREAS, the City of White Bear Lake, Minnesota (the “City”) plans on incurring costs related to the construction of improvements to the roof of the municipal water plant (the “Project”); and

WHEREAS, the City intends to advance funds from various sources to pay the cost of the Project and proposes to designate such advance as an interfund loan in accordance with the terms of this resolution; and

WHEREAS, the City may determine to issue general obligation bonds or other obligations in the future to prepay the interfund loan authorized pursuant to this resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHITE BEAR LAKE, MINNESOTA AS FOLLOWS:

1. The City shall borrow money from the City’s Water Improvement Fund, or any other fund designated by the City, to pay costs of the Project in a principal amount of up to \$175,000 (the “Interfund Loan”). The Interfund Loan will be issued without regard to any interest charge.
2. The Interfund Loan is payable from (i) the proceeds of obligations the City may issue in the future to prepay the Interfund Loan; and (ii) from any other revenues available to the City.
3. Principal and interest payments (the “Payments”) on the Interfund Loan shall be made at the times any revenue sources are available to make installment payments. Payments will be credited to the City’s Water Improvement Fund or such other fund from which the Interfund Loan was drawn. All Payments shall be applied first to accrued interest, and then to unpaid principal of the Interfund Loan.
4. The principal sum and all accrued interest payable under the Interfund Loan is prepayable in whole or in part at any time by the City without premium or penalty.
5. The City may at any time make a determination to forgive the outstanding principal amount and accrued interest on the Interfund Loan to the extent permissible under law.

6. The City may from time to time amend the terms of this resolution to the extent permitted by law, including without limitation, amendment to the payment schedule and the interest rate.

7. This resolution shall be in full force and effect upon its approval.

Approved by the City Council of the City of White Bear Lake, Minnesota on the 26th day of June 2018.

Mayor

ATTEST:

City Clerk

CITY OF WHITE BEAR LAKE, MINNESOTA

RESOLUTION NO. _____

**DECLARING THE OFFICIAL INTENT OF THE CITY OF WHITE BEAR LAKE
TO REIMBURSE CERTAIN EXPENDITURES FROM THE PROCEEDS OF
BONDS TO BE ISSUED BY THE CITY**

WHEREAS, the Internal Revenue Service has issued Treas. Reg. § 1.150-2 (the “Reimbursement Regulations”) providing that proceeds of tax-exempt bonds used to reimburse prior expenditures will not be deemed spent unless certain requirements are met; and

WHEREAS, the City of White Bear Lake, Minnesota (the “City”) expects to incur certain expenditures that may be financed temporarily from sources other than bonds, and reimbursed from the proceeds of a tax-exempt bond;

WHEREAS, the City has determined to make this declaration of official intent (the “Declaration”) to reimburse certain costs from proceeds of bonds in accordance with the Reimbursement Regulations.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHITE BEAR LAKE, MINNESOTA AS FOLLOWS:

1. The City proposes to undertake the construction of improvements to the municipal water plant (the “Project”).
2. The City reasonably expects to reimburse the expenditures made for certain costs of the Project from the proceeds of bonds in an estimated maximum principal amount of \$175,000. All reimbursed expenditures will be capital expenditures, costs of issuance of the bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.
3. This Declaration has been made not later than sixty (60) days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of bonds, except for the following expenditures: (a) costs of issuance of bonds; (b) costs in an amount not in excess of \$20,000 or five percent (5%) of the proceeds of an issue; or (c) “preliminary expenditures” up to an amount not in excess of twenty percent (20%) of the aggregate issue price of the issue or issues that finance or are reasonably expected by the City to finance the project for which the preliminary expenditures were incurred. The term “preliminary expenditures” includes architectural, engineering, surveying, bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.
4. This Declaration is an expression of the reasonable expectations of the City based on the facts and circumstances known to the City as of the date hereof. The anticipated original expenditures for the Project and the principal amount of the bonds described in paragraph 2 are consistent with the City’s budgetary and financial circumstances. No sources other than proceeds of bonds to be issued by the City are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the City’s budget or financial policies to pay such expenditures.

5. This Declaration is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

6. This resolution shall be in full force and effect upon its approval.

Approved by the City Council of the City of White Bear Lake, Minnesota on the 26th day of June 2018.

Mayor

ATTEST:

City Clerk



City of White Bear Lake
City Manager's Office

MEMORANDUM

To: Ellen Richter, City Manager
From: Kara Coustry, City Clerk
Date: June 21, 2018
Subject: Request for use of Lions Park

BACKGROUND / SUMMARY

Brian McGoldrick, on behalf of Admiral Ds, has requested use of a portion of Lion's Park to host an event by Budweiser K102 Radio on Sunday afternoon, July 1st. His request does not include use of the park to serve alcohol. Rather, Mr. McGoldrick would like to host a bean bag toss tournament as part of this event. He just received confirmation from the radio station today, and will provide additional information for the Council's consideration at its meeting on Tuesday.

This request is similar to events previously authorized by the City Council, except that a liquor extension is not being requested. The attached resolution approves the request with conditions set forth, similar to those required for previous events. This event would be conditioned upon non-interference with pedestrian and bicycle traffic on South Lake Avenue Trail.

RECOMMENDED COUNCIL ACTION

Staff recommends Council adopt the resolution authorizing use of Lions Park for a community event.

ATTACHMENTS

Resolution

RESOLUTION NO.

A RESOLUTION APPROVING USE OF PUBLIC PARK BY ADMIRAL Ds

WHEREAS, Admiral Ds is hosting a Budweiser K102 Radio event on Sunday, July 1, 2018 on the premises of 4424 Lake Avenue South; and

WHEREAS, Admiral Ds is requesting partial use of Lions Park adjacent to the premises to accommodate patrons for a bean bag toss tournament; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake that the City Council approves a single event extension to an on-sale liquor license to the premises but outside the building of Admiral Ds located at 4424 Lake Avenue South subject to the following conditions:

1. No tent stakes are permitted to be placed into the ground.
2. No vehicles are permitted on park grounds.
3. No alcohol permitted outside of licensed premises.
4. The applicant must coordinate appropriate sanitation and refuse collection with City staff.
5. Park rental at the same rate as Podvin Park full-facility resident fee, \$100.

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

Ayes:
Nays:
Passed:

Jo Emerson, Mayor

ATTEST:

Kara Coustry, City Clerk



City of White Bear Lake
City Manager's Office

MEMORANDUM

To: Mayor and City Council

From: Ellen Richter, City Manager

Date: June 18, 2018

Subject: **Authorize Municipal Delegation Agreement**

BACKGROUND / SUMMAR

The Minnesota Department of Labor and Industry Construction Codes and Licensing Division is tasked with plan review, permit issuance and building permit inspection for all state owned and public facility improvement projects exceeding \$100,000 in valuation. They also fulfill those duties for certain projects within the "I" occupancy rating (long term care facilities, etc.). The State does, however, designate these duties by agreement to certain municipal Building Officials and Building Inspectors with enough experience and demonstrated technical abilities. Ben Eggan, the City's Building Official, has carried this designation for several years and the State has notified him that agreement must be renewed. This renewal process will allow one of the City's Building Inspectors to receive the designation as well.

Receiving this delegation from the State is beneficial to the City as these permits are typically for larger projects which bring in substantial revenue. While this is simply a review and renewal process, Council authorization is required.

RECOMMENDATION

Staff recommends the City Council approve the attached Resolution authorizing the Building Official and City Manager to renew the Municipal Delegation Agreement with the Minnesota Department of Labor and Industry.

ATTACHMENTS

Resolution

RESOLUTION NO.

**RESOLUTION AUTHORIZING THE CITY MANAGER AND BUILDING OFFICIAL
TO ENTER INTO A MUNICIPAL DELEGATION AGREEMENT WITH THE STATE
OF MINNESOTA**

WHEREAS, the Minnesota Department of Labor and Industry Construction Codes and Licensing Division is responsible for all plan review, building permit issuance and building permit inspections for public projects exceeding \$100,000 in valuation; and

WHEREAS, in Municipalities with qualified staff the State can delegate responsibility for all plan review, building permit issuance and building permit inspections to the municipal Building Department; and

WHEREAS, the City of White Bear Lake's Building Department has qualified staff and has previously received this delegation; and

WHEREAS, the State of Minnesota has advised the City that the Municipal Delegation Agreement must be renewed; and

WHEREAS, the City wishes to renew the agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake that the City Council authorizes the City Manager and Building Official to enter into a Municipal Delegation Agreement with the State of Minnesota.

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

Ayes:
Nays:
Passed:

Jo Emerson, Mayor

ATTEST:

Kara Coustry, City Clerk



City of White Bear Lake
Community Development Department

MEMORANDUM

To: Ellen Richter, City Manager

From: Jacquell Nissen,

Date: June 21, 2018 for the June 26th City Council Meeting

Subject: **TWIN CITIES HABITAT FOR HUMANITY/Letter of Support for Funding**

BACKGROUND

Twin Cities Habitat for Humanity (“TCHFH”) has constructed and renovated many vibrant and affordable homes in the White Bear Lake community. TCHFH has recently collaborated with the City of White Bear Lake (“City”) to purchase a tax-forfeited property located at 3695 St Regis Drive leveraging Ramsey County’s CDBG program. TCHFH is currently coordinating volunteer crews at the St. Regis property to construct a new 4-bedroom rambler home for a family of five children.

SUMMARY

In early June, TCHFH expressed interest in creating another affordable housing opportunity in the City after purchasing a home on McKnight Road in need of renovations. TCHFH has applied for Minnesota Housing Finance Agency (“MHFA”) funds to help with the cost of creating more affordable housing opportunities in the White Bear Lake community. MHFA looks for strong community support of projects or organizations that apply for funding. TCHFH is requesting the City sign a letter of support directed to MHFA for continued work in the community. The letter of support will help TCHFH leverage additional funding for projects in the City.

RECOMMENDATION

TCHFH is pursuing additional housing opportunities in the City without the need of City’s direct involvement or funding. Staff recommends approval of the Resolution and letter signature to show support of Habitat’s work in the White Bear Lake Community.

ATTACHMENT

Resolution

RESOLUTION NO. _____

**A RESOLUTION REQUESTING SUPPORT OF
TWIN CITIES HABITAT FOR HUMANITY CONTINUED PROJECTS**

WHEREAS, Twin Cities Habitat for Humanity is an affordable housing developer creating new homeownership opportunities in the community; and,

WHEREAS, the City has previously partnered with Twin Cities Habitat for Humanity on the creation of several affordable housing units throughout the City; and,

WHEREAS, Twin Cities Habitat for Humanity has indicated an interest in a comprehensive rehabilitation of a property located on McKnight Road; and,

WHEREAS, Twin Cities Habitat for Humanity is applying for Minnesota Housing Finance Agency funds for the rehabilitation of their next project; and,

WHEREAS, Minnesota Housing Finance Agency grants funding to organizations and projects that show community support; and,

WHEREAS, Twin Cities Habitat for Humanity is requesting the City sign the letter of support for Twin Cities Habitat for Humanity's continued work in the community directed to Minnesota Housing Finance Agency;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake, Minnesota: authorizes the Mayor to submit a letter to Minnesota Housing Finance Agency to show support for Twin Cities Habitat for Humanity in their continued work in the White Bear Lake Community.

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

Ayes:

Nays:

Passed:

Jo Emerson, Mayor

ATTEST:

Kara Coustry, City Clerk